

# Morningstar PitchBook Europe Modern Market 50 Index

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The rise of private markets has fundamentally altered the structure of global capital markets. The traditional model, where companies largely relied on public markets as their primary source of growth capital, no longer fully reflects how companies grow and scale today. Increasingly, companies can access substantial funding at scale without ever going public, reshaping the composition of equity markets. To navigate this new landscape, investors need an expanded toolkit—one that captures the widening scope of the investable equity universe across both public and private companies.

The Morningstar PitchBook Europe Modern Market 50 Index tracks 50 of the largest and most influential Europe-domiciled companies—45 public and 5 private venture-backed. It uses a transparent, rules-based methodology, with companies weighted by market value. The index seamlessly integrates public and private markets to represent today's expanding investment opportunity set.

### Private company market-driven pricing

The pricing model combines actual transaction data from two secondary market key price aggregators to support replication. To refine this data further, the Kalman filter, a statistical technique that seeks to reduce “noise” and improve reliability and robustness, is applied. This process results in a consolidated, refined price that reliably reflects collective market sentiment.<sup>1</sup>

### Index eligibility

The Morningstar PitchBook Europe Modern Market 50 Index is composed of two sleeves: private and public. The private sleeve includes the largest 5 venture-backed companies based on the latest secondary market capitalization, and the public sleeve includes the largest 45 publicly traded companies based on the latest float-adjusted market capitalization.

The index derives the constituents of its private sleeve from the Morningstar PitchBook Europe Unicorn Index, which tracks privately held, late-stage venture capital-backed European companies, with post-money valuations of at least \$1 billion. Publicly-traded constituents are derived from the Morningstar Developed Markets Europe Index, which measures the performance of large-, mid- and small-cap stocks in developed markets in Europe. The index is built for investability, so to be eligible for inclusion, privately held constituents must trade in the secondary markets and have available transaction data. New index constituents with a liquidity score greater than 0.25 are eligible for inclusion, while existing constituents are eligible to remain in the index if their liquidity score is greater than 0.

### Security selection and weighting

Companies in the private sleeve are allocated 10% of the index weight, while companies in the public sleeve are assigned 90%. Each sleeve of the index is market cap-weighted based on the most recently available data: secondary market capitalization for private companies, and float-adjusted market capitalization for public companies. A 10% cap is applied to individual public company-level weights, while individual private company-level weights are capped at 3% of the overall index weight.

### Index maintenance and calculation

Index values are calculated daily at end of the business day. Private company corporate actions, such as IPOs, bankruptcies, mergers, acquisitions, and buyouts, are also reflected daily. A company exiting the index due to an IPO is held in the index portfolio for 180 days.<sup>3</sup>

<sup>1</sup> For more information, refer to the [Construction Rules](#) for the Morningstar Consolidated Market.

<sup>2</sup> For more information, refer to the [Construction Rules](#) for the Morningstar Liquidity Score for Venture Capital-Backed Companies.

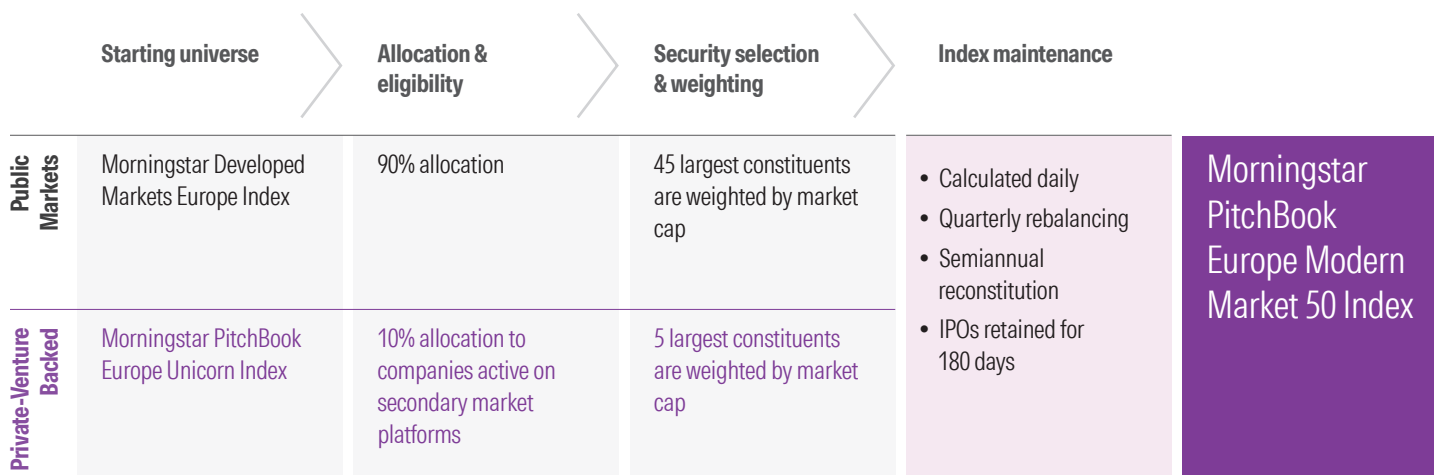
<sup>3</sup> Securities are held for 180 days post-listing to reflect the typical period when early investors begin to unwind positions, though timing can vary by investor.

The index is reconstituted semi-annually on the third Friday of June and December. A 50% security selection buffer is applied to each sleeve at reconstitution to help manage turnover. The index is rebalanced quarterly on the third Friday of March, June, September, and December.

**Robust governance**

Benchmark integrity is upheld through internal controls, conflict management policies, and alignment with regulations like EU Benchmark Regulation.

**Construction process**



**About Morningstar Indexes**

Morningstar Indexes was built to keep up with the evolving needs of investors—and to be a leading-edge advocate for them. Our rich heritage as a transparent, investor-focused leader in data and research uniquely equips us to support individuals, institutions, wealth managers and advisors in navigating investment opportunities across major asset classes, styles and strategies. From traditional benchmarks and unique IP-driven indexes, to index design, calculation and distribution services, our solutions span an investment landscape as diverse as investors themselves. Please visit [indexes.morningstar.com](https://indexes.morningstar.com) for more information.

**About PitchBook**

PitchBook is a research firm and financial data provider that empowers global capital market professionals to win what's next. We collect and analyze information on the entire investment and business lifecycle. Our data, research and insights are available through our in-depth reports, industry news, and robust platform. To learn more about PitchBook, visit [pitchbook.com](https://pitchbook.com) or contact [info@pitchbook.com](mailto:info@pitchbook.com).