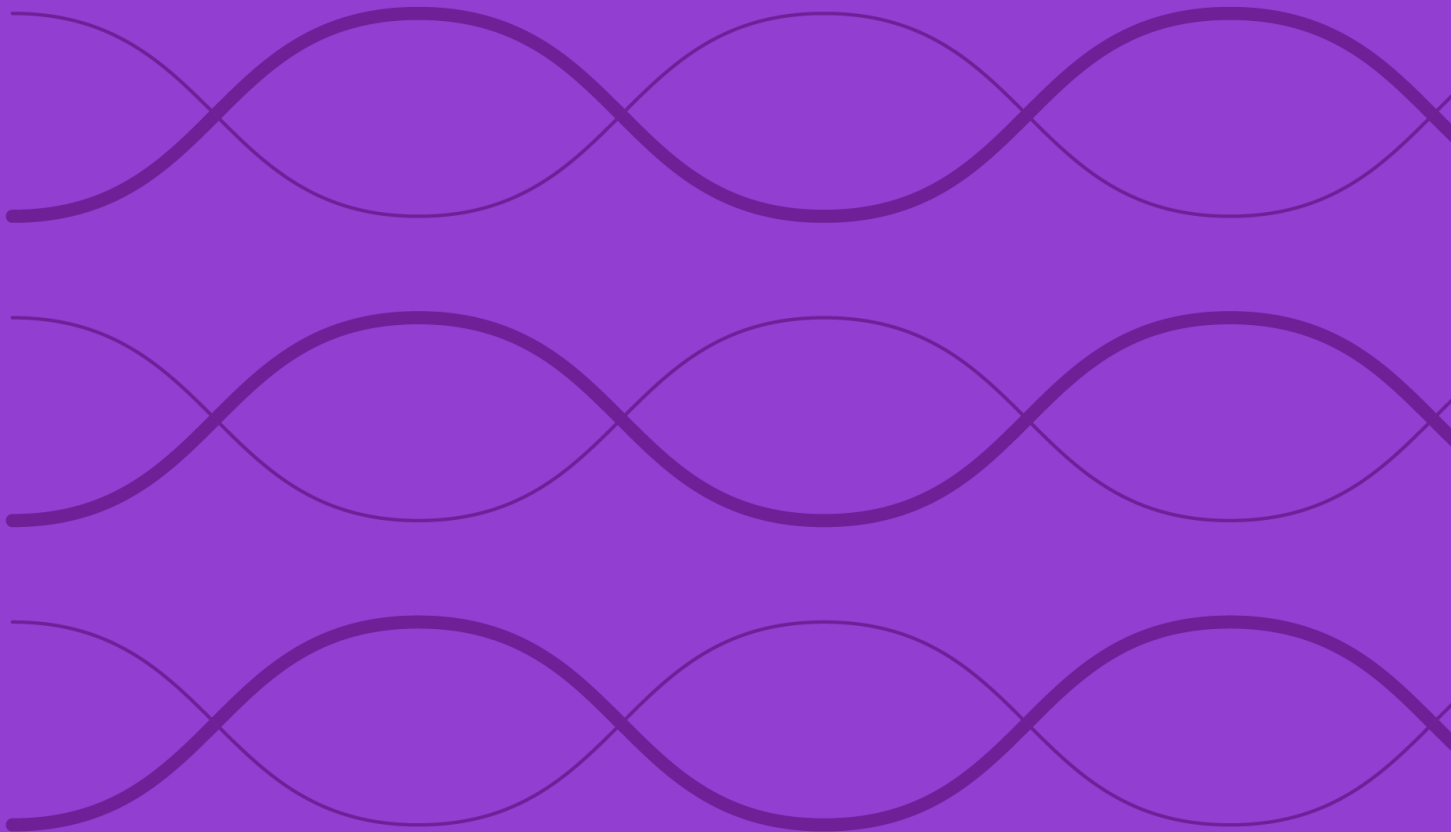


Construction Rules for the Morningstar® Transatlantic Multi-Sector Focus 40 Index



Overview3

Index Construction4

Methodology Summary.....4

Starting Universe.....4

Eligibility4

Portfolio Construction and Index Weighting4

Index Maintenance and Calculation.....5

Quarterly Rebalancing5

Index Calculation and Price Data.....5

Methodology Review and Index Decommissioning Policy6

Data Correction and Precision7

Intraday Index Data Corrections.....7

Index-Related Data and Divisor Corrections7

Exceptions.....7

Appendixes8

Appendix 1: Glossary8

Appendix 2: Morningstar® Transatlantic Multi-Sector Focus 40 Index Decrement Indexes8

Appendix 3: Decrement Levels8

About Morningstar Indexes10

Overview

The Morningstar® Transatlantic Multi-Sector Focus 40 Index is an index of indexes designed to provide exposure to the top 20 stocks in both the US and the developed Eurozone region, ranked by full market capitalization, that are involved in the Semiconductors, Metals & Mining, Steel, Manufacturing Apparel & Accessories, Banks and Capital Markets industry groups and Auto Manufacturers, Luxury Goods, Metal Fabrication industries.

This index does not incorporate environmental, social, or governance criteria.

Index Inception and Performance Start Date

The index inception date is September 25, 2026, and the performance start date, when the first back-tested index value was calculated, is June 20, 2008.

Index Construction

Methodology Summary

Starting Universe

- Morningstar US Multi-Sector Focus 20 Index
- Morningstar Developed Eurozone Multi-Sector Focus 20 Index

Eligibility

- Both the indexes are eligible for the Index of Indexes

Portfolio Construction

- The two component indexes are combined with the following weights:
 - Morningstar US Multi-Sector Focus 20 Index – 50%
 - Morningstar Developed Eurozone Multi-Sector Focus 20 Index – 50%
- Quarterly rebalancing

Morningstar®
Transatlantic Multi-Sector Focus 40 Index

Starting Universe

The starting universe consists of two regions represented by Morningstar Indexes. The following indexes serve as precise, nonoverlapping building blocks in the construction process.

Region	Morningstar Index
U.S.	Morningstar US Multi-Sector Focus 20 Index
Developed Eurozone	Morningstar Developed Eurozone Multi-Sector Focus 20 Index

The rules governing security inclusion for the indexes listed above are detailed in their respective rulebooks, which are available on the Morningstar Indexes website:

- [Morningstar US Multi-Sector Focus 20 Index](#)
- [Morningstar Developed Eurozone Multi-Sector Focus 20 Index](#)

Eligibility

The index allocates equal weights to the US and Developed Eurozone regions.

Portfolio Construction and Index Weighting

At every rebalance, the region exposure for both US and Eurozone region is reset to the weights mentioned below:

Region	Morningstar Index	Allocation
U.S.	Morningstar US Multi-Sector Focus 20 Index	50%
Developed Eurozone	Morningstar Developed Eurozone Multi-Sector Focus 20 Index	50%

Index Maintenance and Calculation

Quarterly Rebalancing

The index is rebalanced quarterly on the third Friday of March, June, September, and December. Adjustments are implemented after Friday's market close and reflected the following Monday. If Monday is an index holiday, the rebalance is reflected the next business day.

Index files are published according to the global calendar schedule. For more information, please refer to the [Morningstar Indexes Holiday Calendar](#).

Index Calculation and Price Data

The index return is determined by calculating the weighted average return of its underlying component indexes. The weights of these components drift between the rebalance and are reset to the predetermined allocation during each quarterly rebalance.

Methodology Review and Index Decommissioning Policy

The index methodology is continually reviewed to ensure it achieves all stated objectives. These reviews consider corporate action treatment, eligibility requirements, and maintenance procedures. Subscribers to the index will be notified before any methodology changes are made. For more details, refer to the [Morningstar Index Methodology Change Policy](#).

Morningstar Indexes notifies all subscribers and stakeholders of the index that circumstances might arise that require a material change to, or a possible cessation of, the index. These circumstances are generally not within Morningstar's control and may include significant changes to the underlying market structure, inadequate access to necessary data, geo-political events, and regulatory changes. In addition, factors such as low usage or methodology convergence may result in the cessation of an index.

Because the decommissioning of the index or benchmark index could disrupt subscriber products that reference this index, all subscribers are encouraged to have robust fallback procedures in the event an index is decommissioned. For more details, refer to the [Morningstar Index Decommissioning Policy](#).

Data Correction and Precision

Intraday Index Data Corrections

Commercially reasonable efforts are made to ensure the accuracy of data used in real-time index calculations. If incorrect price or corporate action data affects index calculations, corrections are applied prospectively.

Index-Related Data and Divisor Corrections

Index calculation data input defects—such as price, dividends, other mandatory corporate actions, or foreign-exchange rates—that do not affect the index shares and if discovered within two trading days are generally corrected, and the index is recalculated regardless of the performance impact.

Where such index calculation data input defects are discovered after two trading days, an index restatement will typically only occur if the impact on performance is material; otherwise, the correction is applied prospectively.

For more details, refer to the [Recalculation Guidelines](#).

Exceptions

While Morningstar will seek to apply the method described above, the market environment, supervisory, legal, financial, or tax reasons may require an alternative approach to be adopted. A decision to take an alternative approach will be made by the relevant Morningstar Index Methodology Committee, and in all instances, the application of a nonstandard process will be reported to the Morningstar Index Oversight Committee.

Appendixes

Appendix 1: Glossary

Term	Description
Rebalance	During each rebalance, the weights of the component indexes are reset to the predetermined allocation.

Appendix 2: Morningstar® Transatlantic Multi-Sector Focus 40 Index Decrement Indexes

Index Name	Underlying Index	Base value	Base Date	Performance Inception Date	Inception Date
Morningstar® Transatlantic Multi-Sector Focus 40 Index Decrement 50 Point GR	Morningstar® Transatlantic Multi-Sector Focus 40 Index GR	1000	Sep 24, 2026	Jun 20, 2008	Sep 25, 2026
Morningstar® Transatlantic Multi-Sector Focus 40 Index Decrement 50 Point Sept 2026 GR	Morningstar® Transatlantic Multi-Sector Focus 40 Index GR	900	Sep 8, 2026	Jun 20, 2008	Sep 29, 2026
Morningstar® Transatlantic Multi-Sector Focus 40 Index Decrement 5% NR	Morningstar® Transatlantic Multi-Sector Focus 40 Index NR	1000	Jun 20, 2008	Jun 20, 2008	Sep 25, 2026

Appendix 3: Decrement Levels

The index levels are adjusted by deducting a predetermined value of index points from the gross return, or GR, or fixed percentage point from the net return, or NR, levels of the base index. These constant markdowns are applied to the base index daily.

Return Variant of the Base Index	Base Currency	Decrement Type	Decrement Frequency	Decrement Application	Decrement Value	Day Count Convention
Net Total Return Gross Total Return	EUR	Fixed Percentage Decrement or Fixed Point Decrement based on the index version	Daily	Geometric application for both decrement types	5% decrement based on the Net Total Return 50-point decrement based on Gross Total Return	*ACT/360

*ACT is the number of calendar days between two calculation days.

Formula for Fixed Point Decrement Geometric Decrement Calculation

$$IV_t = (IV_{t-1} \times (U_t \div U_{t-1})) - (D \times (Act(t-1, t) \div DayCount))$$

Where:

IV_t = The value of the Fixed Point Decrement Index for calculation day t

IV_{t-1} = The value of the Fixed Point Decrement Index for day $t-1$

U_t = The value of the base Index for calculation day t

U_{t-1} = The value of the base Index for calculation day $t-1$

$Act(t-1, t)$ = Number of calendar days between calculation day $t-1$ and calculation day t

D = The Decrement value expressed in Index points

$DayCount$ = Set to 360

Formula for Fixed Percentage Decrement Geometric Decrement Calculation

$$IV_t = IV_{t-1} \times ((U_t \div U_{t-1}) - (c \times (Act(t-1, t) \div DayCount)))$$

Where:

IV_t = The value of the Fixed Percentage Decrement Index for calculation day t

IV_{t-1} = The value of the Fixed Percentage Decrement Index for day $t-1$

U_t = The value of the base Index for calculation day t

U_{t-1} = The value of the base Index for calculation day $t-1$

$Act(t-1, t)$ = Number of calendar days between calculation day $t-1$ and calculation day t

c = The Decrement value expressed in Fixed Percentage

$DayCount$ = Set to 360

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.

Morningstar Index Methodology Committee

The Morningstar Index Methodology Committee oversees all new index development, index methodology changes, and cessation of indexes for any indexes where Morningstar owns the intellectual property. This committee is also charged with ensuring that indexes align with Morningstar Research principles and values. The group comprises members of the index team with index research, product development, product management, client service, index implementation, and operation expertise who provide the first layer of governance over index design and methodology.

Morningstar Index Operations Committee

The Morningstar Index Operations Committee governs the processes, systems, and exception handling of the day-to-day management of all live indexes, including index rebalancing and reconstitution, restatements, market classification, and contingency management. The committee oversees the annual review of index methodology as required by the European Benchmarks Regulation (“BMR”), ensuring that methodologies remain fit for purpose and continue to achieve their stated investment objectives. The group comprises members of the index team with data, operations, corporate actions, product development, index launch, client service, and index management experience who provide the first layer of governance over index operations.

Morningstar Index Oversight Committee

The Morningstar Index Oversight Committee is responsible for the index oversight function as per the requirements of the European Benchmarks Regulation (“BMR”), providing independent oversight of all aspects of the governance of benchmark administration as required by the BMR. Its remit extends to all calculation and administration-related business activities of Morningstar Indexes, including administration of Morningstar-owned benchmarks as well as client-owned benchmarks and index calculation. The oversight function is part of the organizational structure of Morningstar but is separate and independent from the index business, index management, and the other index committees.

www.indexes.morningstar.com

Contact Us

indexes@morningstar.com

The information in this document is the property of Morningstar, Inc. Reproduction or transcription by any means, in whole or part, without the prior written consent of Morningstar, Inc., is prohibited. While data contained in this report are gathered from reliable sources, accuracy and completeness cannot be guaranteed. All data, information, and opinions are subject to change without notice. This document may contain back-tested or simulated performances, and the subsequent results achieved by the investment strategy may be materially different.