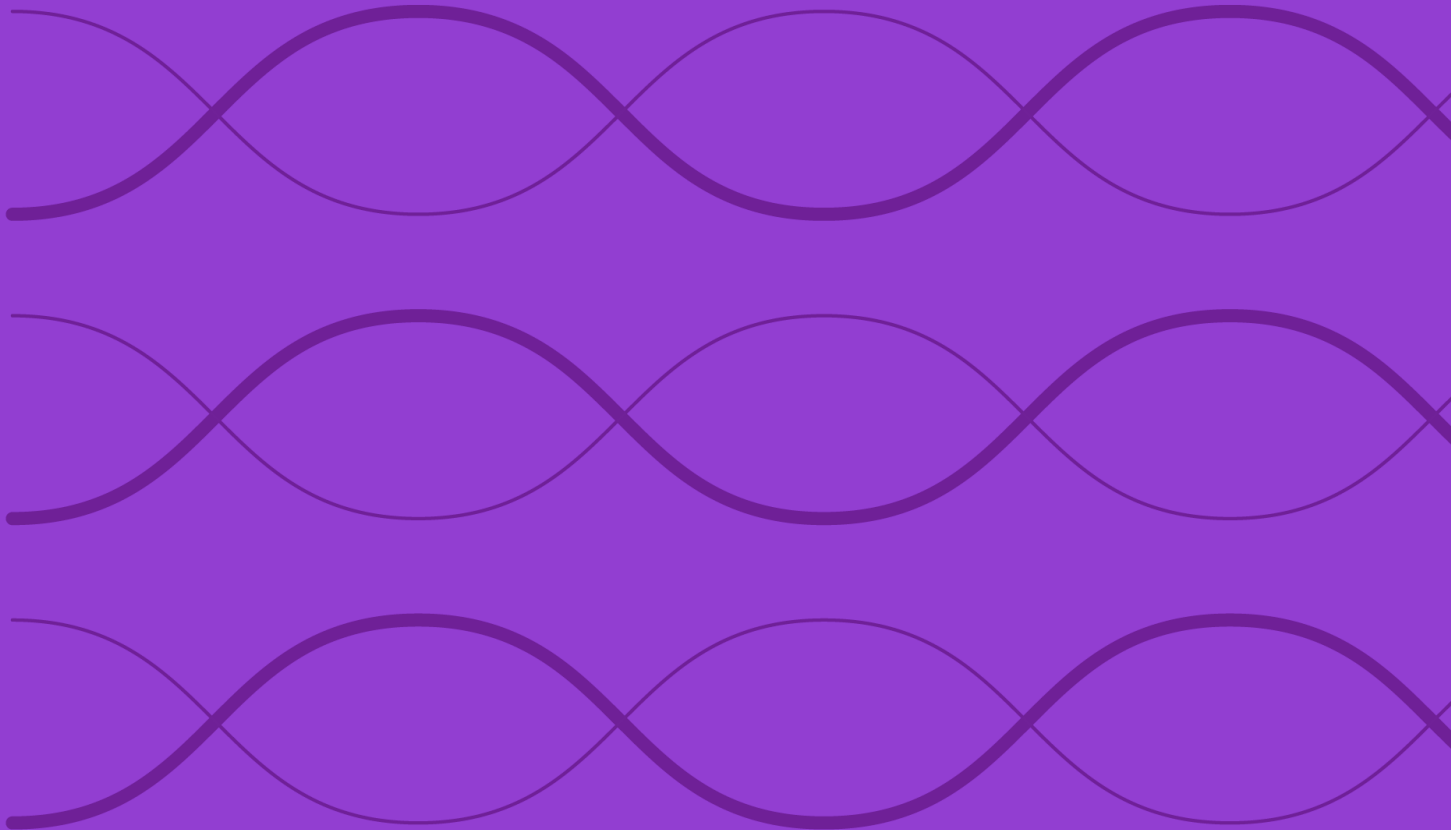


Construction Rules for the Morningstar® Emerging Markets Large Cap Target Market Exposure Select Index



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Overview

The Morningstar® Emerging Markets Large Cap Target Market Exposure Select Index measures the performance of the largest securities in emerging markets around the world, while adhering to UNGC guidelines. Companies are subject to a 9% weighting cap.

This index incorporates environmental, social, or governance criteria with the UNGC data provided by Sustainalytics.

Index Inception and Performance Start Date

The index inception date is September 29, 2026, and the performance start date, when the first back-tested index value was calculated, is December 19, 2014.

Index Construction

Methodology Summary

Starting Universe

- The parent benchmark is Morningstar Emerging Markets Large Cap Target Market Exposure Index.

Eligibility

- Securities which are UNGC non-compliant are excluded.

Portfolio Construction

- The company weights are subject to a company level capping of maximum 9%
- The capped company weights are redistributed within multiple share classes proportionately based on their parent benchmark weights.
- The index is reconstituted quarterly

Morningstar®
Emerging Markets
Large Cap Target
Market Exposure
Select Index

Starting Universe

At each reconstitution, constituents of the Morningstar® Emerging Markets Large Cap Target Market Exposure Select Index are derived from the Morningstar Emerging Markets Large Cap Target Market Exposure Index (benchmark). For more details on benchmark construction, refer to the construction rules for the [Morningstar Target Market Exposure Indexes](#).

At each reconstitution, constituents of Morningstar® Emerging Markets Large Cap Target Market Exposure Select Index are derived from Eligible Universe as below:

Eligibility

To be eligible for index inclusion, all constituents must meet the following criteria:

- Securities must not be UNGC non-compliant.

Number of Stocks

The number of stocks in the index is variable, subject to the size of the starting universe and the application of eligibility criteria at the time of reconstitution.

Index Weighting

The index is float-adjusted market capitalization-weighted. For more details, refer to the [Morningstar Indexes Calculation Methodology rulebook](#).

A 9% cap is applied to individual company weights. In the event of a breach of this cap, companies above the cap are downweighted to comply with the cap. The excess weight from these capped stocks is redistributed across the portfolio in a manner designed to preserve the relative exposure of the pre-capped weights for as many securities as possible. This may result in some securities that initially breached the cap receiving a lower weight than the cap.

The capped company weights are redistributed within multiple share classes proportionately based on their parent benchmark weights.

Index Maintenance and Calculation

Reconstitution and Rebalancing

The index is reconstituted, where the membership is reset, and 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. The market and UNGC data used for reconstitution is as of the last trading day of February, May, August, and November.

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

Corporate Actions

The treatment of corporate actions will be as per the float-adjusted market capitalization-weighted indexes corporate action methodology. For more details, please refer to the [Morningstar Indexes Corporate Actions Methodology](#).

Index Calculation and Price Data

Details about index calculations and price data can be found in their respective rulebooks: [Morningstar Indexes Calculation Methodology](#) and [Morningstar Equity Indexes Price Methodology](#).

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 Corrections

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

Terms	Description
Reconstitution	During each reconstitution, the steps mentioned in the index construction process are performed, resulting in membership reset.
Rebalance	During each rebalancing, the weights are adjusted for updated free-float and shares outstanding data.
Inception Date	The date when the live index calculations start.
Performance History Start Date	The beginning of the index history, inclusive of back-tested performance.

Appendix 2: ESG Screens

Category	Name	Backfill Date*	Missing data Treatment #	Reason for Exclusion
UNGC	UNGC Compliance Status	-	Include before December 2019, exclude from December 2019	Non-compliant

* The missing data prior to the backfill date have been backfilled based on the earliest data available.

Missing data treatment is applied after the data backfill process is completed.

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 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.

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