
Construction Rules for the Morningstar® Global Multi-Asset Infrastructure IndexSM

Morningstar Indexes

April 2020

Contents

- 1 Overview
- 2 Index Construction
 - 2.1 Assigning Stocks to the Index
 - 2.2 Index Weighting
- 3 Index Maintenance and Calculation
 - 3.1 Index Maintenance and Corporate Action Treatment
 - 3.2 Index Calculation and Price Data
- 4 Methodology Review and Index Cessation Policy
- 5 Data Correction and Precision
 - 5.1 Intraday Index Data Corrections
 - 5.2 Index-Related Data and Divisor Corrections
 - 5.3 Computational and Reporting Precision
- 6 Appendixes
 - 6.1 Glossary
- 7 About Morningstar

Overview

The Morningstar Global Multi-Asset Infrastructure Index is a broadly diversified multi-asset-class index that seeks to represent the combined performance of global equity and global fixed-income securities that meet Morningstar's infrastructure asset class definition.

To achieve this, Morningstar creates a composite portfolio that consists the Morningstar Global Equity Infrastructure Index and the Morningstar Global Bond Infrastructure Index in equal proportions at each rebalance.

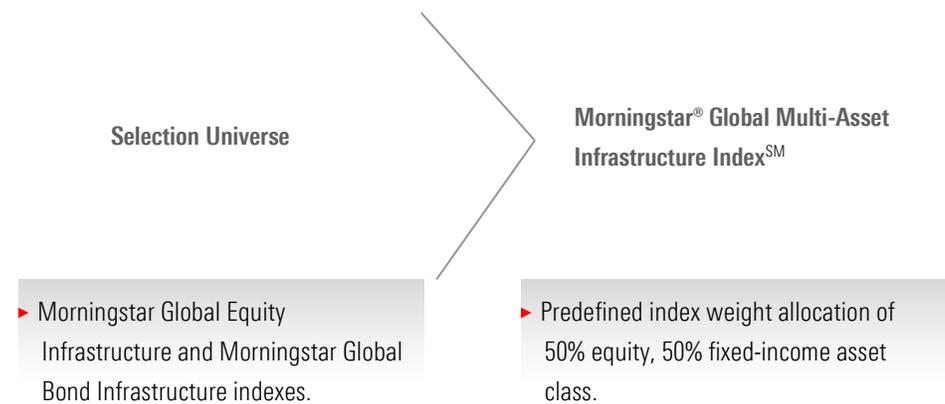
This index does not incorporate Environmental, Social, or Governance (ESG) criteria.

Index Inception Date and Performance Inception Date

The inception date of the index is September 1, 2014, and the performance inception date of the Index is December 31, 2003, when the first back-tested index value was calculated.

Index Construction

Exhibit 1 Morningstar Global Multi-Asset Infrastructure Index Construction Process



For additional details, refer to the "Assigning Stocks to the Index" section.

Assigning Stocks to the Index

Selection Universe

The Morningstar Global Multi-Asset Infrastructure Index consists of the following Indexes

Constituent Indexes

- ▶ Morningstar Global Equity Infrastructure Index
- ▶ Morningstar Global Bond Infrastructure Index

For the purposes of the methodology document, the underlying indexes comprising the Morningstar Global Multi-Asset Infrastructure Index are referred to as subindexes. Governance of the subindexes is based on the rules set forth in the [Construction Rules for the Morningstar Global Equity Infrastructure Index](#) and the [Construction Rules for the Morningstar Global Bond Infrastructure Index](#).

Number of Stocks

The index contains two predefined indexes that meet the stated objectives of the index.

Index Weighting

To maintain broad exposure and diversification, the index will maintain a weight allocation at each rebalance of:

- ▶ 50% equity
- ▶ 50% fixed income

Index Maintenance and Calculation

Scheduled Maintenance

The index is reconstituted and rebalanced quarterly and implemented after the close of business on the last business day of March, June, September, and December and is effective the immediate following business day.

Corporate Action

The treatment of corporate actions can be found in the [Morningstar Indexes Corporate Actions Methodology](#) rulebook.

Index Calculation and Price Data

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

Methodology Review and Index Cessation Policy

The index methodology is continually reviewed to ensure it achieves all stated objectives. These reviews take into account corporate action treatment, selection, 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 Process](#).

Morningstar also notifies all subscribers and stakeholders of the index that circumstances might arise that require a material change to the index, or a possible cessation of the index. Circumstances that could lead to an index cessation include, but are not limited to, market structure change, product definition change, inadequate supply of data, insufficient revenue associated with the index, insufficient number of clients using the index, and/or other external factors beyond the control of the Morningstar Index Committee.

Because the cessation of the index or benchmark index could disrupt subscriber products that reference this index, all subscribers are encouraged to have robust fallback procedures if an index is terminated. For more details, refer to the [Morningstar Index Cessation Process](#).

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 affect index daily highs or lows, they are corrected retroactively as soon as is feasible.

Index-Related Data and Divisor Corrections

Incorrect pricing and corporate action data for individual issues in the database will be corrected upon detection. In addition, an incorrect divisor of an index, if discovered within five days of its occurrence, will always be fixed retroactively on the day it is discovered to prevent an error from being carried forward. Commercially reasonable efforts are made to correct an older error subject to its significance and feasibility.

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

Computational and Reporting Precision

For reporting purposes, index values are rounded to two decimal places and divisors are rounded to appropriate decimal places.

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 reset.

About Morningstar, Inc.

Morningstar, Inc. is a leading provider of independent investment research in North America, Europe, Australia, and Asia. Morningstar offers an extensive line of products and services for individual investors, financial advisors, asset managers, and retirement plan providers and sponsors. Morningstar provides data on approximately 510,000 investment offerings, including stocks, mutual funds, and similar vehicles, along with real-time global market data on more than 17 million equities, indexes, futures, options, commodities, and precious metals, in addition to foreign exchange and Treasury markets. Morningstar also offers investment management services through its investment advisory subsidiaries.

About Morningstar Indexes

Morningstar® Indexes combine the science and art of indexing to give investors a clearer view into the world's financial markets. Our indexes are based on transparent, rules-based methodologies that are thoroughly back-tested and supported by original research. Covering all major asset classes, our indexes originate from the Morningstar Investment Research Ecosystem—our network of accomplished analysts and researchers working to interpret and improve the investment landscape. Clients such as exchange-traded fund providers and other asset management firms work with our team of experts to create distinct, investor-focused products based on our indexes. Morningstar Indexes also serve as a precise benchmarking resource.

Morningstar Index Product Committee

The Morningstar Index Product Committee is comprised of members who possess a wide array of knowledge in relation to Indexes. The Product Committee is responsible for the governance over the creation and maintenance of all Morningstar branded Indexes, ensuring the highest standards are continuously met. Any matters arising from exceptional or undocumented events will be resolved at the discretion of the Morningstar Index Product Committee.

Morningstar Index Oversight Committee

The Morningstar Index Oversight Committee is comprised of informed and qualified professionals who are responsible for the process governance of Morningstar branded Indexes. The Oversight Committee assesses and where appropriate challenges the decisions of Morningstar Indexes with regards to benchmark decisions.

For More Information

For any queries, reach out to us via our [communication page](#).



22 West Washington Street
Chicago, IL 60602 USA

©2020 Morningstar. All Rights Reserved.

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.