



February 19, 2026

Morningstar Dividend Yield Focus Index Methodology Update

Morningstar Indexes is making an adjustment to the Distance-to-Default (DtD) percentage calculation treatment for the following indexes:

- Morningstar Dividend Yield Focus
- Morningstar US Dividend Yield Focus 50 Equal Weighted
- Morningstar US Dividend Yield Focus UCITS

The DtD metric is assigned at the company level. However, for the purpose of determining the DtD percent rankings, the indexes above calculated ranks at the share class level, even though only one share class per company is eligible for inclusion. Thus, the presence of multiple share classes could impact the ranking and eligibility, even though the data point itself is assigned at the company level.

To resolve this issue and drive closer alignment with the broader global Dividend Yield Focus family, Morningstar Indexes is moving the DtD percent rank to the company level for the indexes above. This change will be effective from the March reconstitution on (effective after the close of March 20, 2026).

This change would have resulted in a two constituent difference if it were in effect at the December 2025 reconstitution:

Present in Live Index but Absent with Change

PerformanceID	Security Name	Weight in Morningstar Dividend Yield Focus
OP000000T2	Black Hills Corp	0.10%
OP0001K16M	Warner Music Group Corp	0.06%

Present with Change but Absent from Live Index

PerformanceId	Security Name	Weight in Morningstar Dividend Yield Focus
OP000005QY	Verizon Communications Inc	5.84%
OP000002JX	H&R Block Inc	0.11%

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. In February 2026, the acquisition of CRSP brought the CRSP Market Indexes—benchmarks for over \$3 trillion in US equities—into the Morningstar Indexes family. Additionally, CRSP's Research Data Products, renowned for their academic rigor, historical depth and accuracy, will further enhance Morningstar's equity research and data capabilities. This integration unites two trusted sources of market insight, reinforcing a shared commitment to transparency, quality, and investor-focused solutions.

Please visit indexes.morningstar.com for more information.

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