



Construction Rules for the Morningstar[®] North America 100 Equal Weight Index[™]

Morningstar Methodology Paper

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Morningstar[®] North America 100 Equal Weight Index[™]

Overview

The Morningstar[®] North America 100 Equal Weight Index[™] consists of the largest 100 North American stocks by market value of free floating shares.

Inception Dates and Base Market Values

The index's inception date is when the first back-tested index value was calculated. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. The inception date of the Morningstar North America 100 Equal Weight Index is June 21, 2004. Daily price, net, and total return series are available from this date forward. The base market value of the indexes at inception is set to 1,000.

Calculation and Dissemination of Index Values

Price return, net return, and total return index values are calculated daily at market close and disseminated via various data distribution channels.

Total-return index values are calculated in real time from the opening of the first local market through the close of the last market in the index.

Index Value Currencies

The closing values of the Morningstar North America 100 Equal Weight Index are calculated in Australian dollars, British pounds sterling, Canadian dollars, euro, Japanese yen, Swiss francs, and U.S. dollars.

Index Constituents

Overview

At each reconstitution date, the investable universe and index eligibility are defined by the following criteria:

Index Eligibility

The Morningstar North America 100 Equal Weight Index is derived from the Morningstar Developed Americas Index. For more details on benchmark construction, refer to the [Construction Rules for Morningstar US Market Index](#) and the [Construction Rules for Morningstar Global Markets ex-US Index Family](#).

Companies that are substantially involved in the production and distribution of cluster ammunition systems are ineligible for the Morningstar North America 100 Equal Weight Index.¹

Index Selection

The securities are sorted in descending order of free-float market capitalization, and the top 100 are selected. If a security has more than one share class, the most liquid share class as determined by Morningstar is selected.

¹ The eligibility rule was not applied for the back-test period owing to lack of historical data.

Index Weighting and Maintenance

Constituent Weighting

The constituents are equally weighted at the reconstitution effective date.

Index Maintenance

The index is reconstituted (i.e., the membership is reset) and rebalanced (i.e., the number of free-float shares of each constituent is adjusted) annually. Adjustments are performed after the close of business on the third Friday of June and are effective on the following Monday. If the Monday is a market holiday, reconstitution and rebalancing occurs on the Tuesday immediately following. The market data used for reconstitution is as of the last trading day of May. In addition, securities that are deleted from the Morningstar Developed Americas Index after its December reconstitution are simultaneously deleted from the Morningstar North America 100 Equal Weight Index. If a constituent is deleted from the Morningstar North America 100 Equal Weight Index, the deleted constituent's weight will be proportionately spread across remaining constituents.

For more details on index maintenance procedures, calculations, and corporate action adjustments, refer to the [Construction Rules for Morningstar US Market Index](#) and the [Construction Rules for Morningstar Global Markets ex-US Index Family](#). In addition, since this Index is an equal weight index, Rights offering, Spin-Off, M&A and Share Adjustment events are treated as market capitalization neutral events.

Undocumented Events

Any matter arising from undocumented events will be resolved at the discretion of the Morningstar Index Committee.