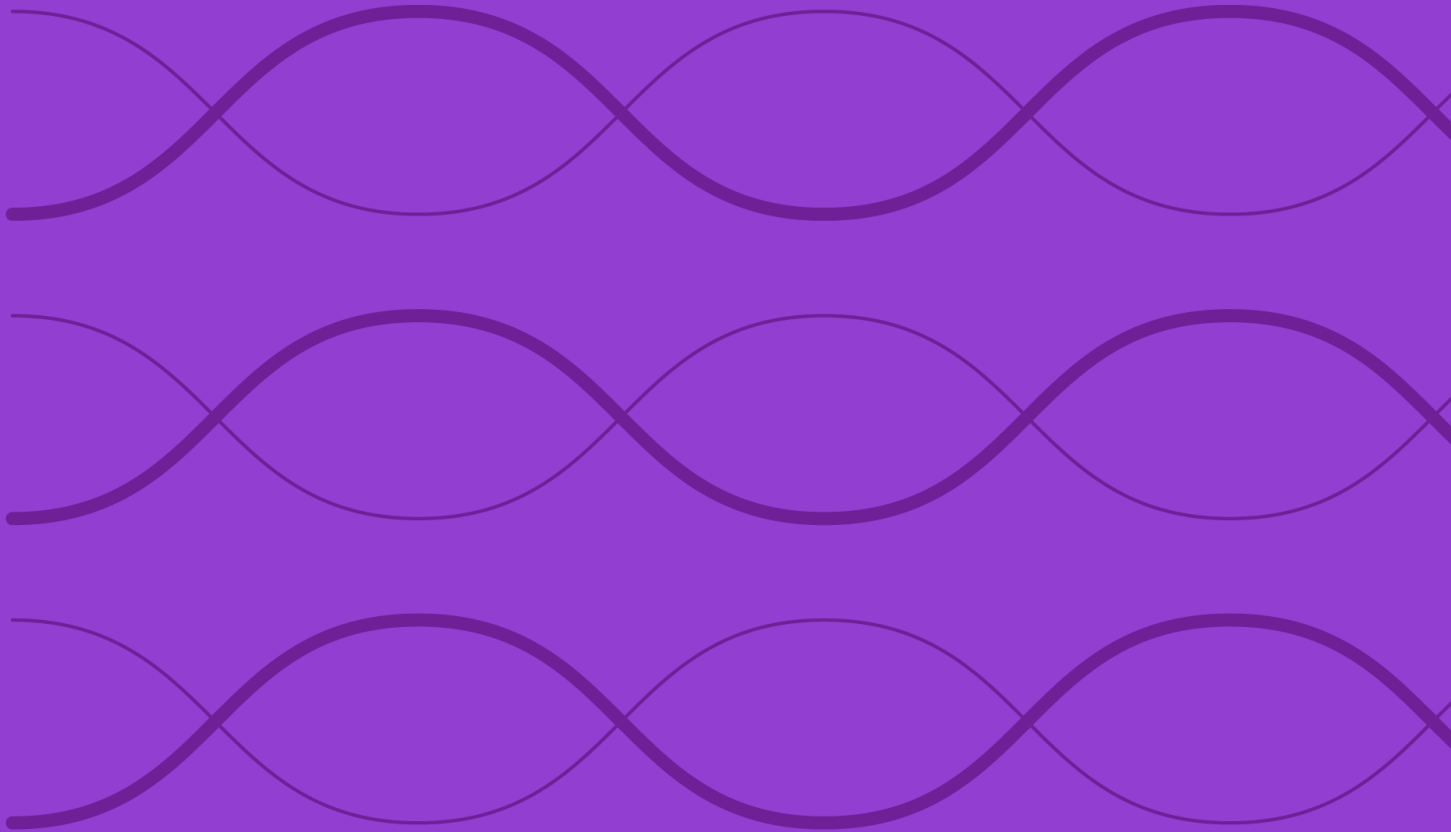


# Construction Rules for the Morningstar® Mexico Quality Value Index



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## Overview

The Morningstar® Mexico Quality Value index is designed to target companies with strong quality and value factor characteristics, as defined by the Morningstar Risk Model. The index is constructed with transparent rules and designed to facilitate investability.

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

## Index Inception and Performance Start Date

The index inception date is December 2, 2025, 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 Mexico All Cap Target Market Exposure Index

#### Eligibility

- Must have a Morningstar Risk Model quality and value exposures
- REITs are not eligible
- Must have 3month ADTV of at least 30 million MXN

#### Portfolio Construction

- Calculate composite z-scores and factor scores
- Select top 25 by rank with no buffers
- Calculate tilted weights
- Apply capping

Morningstar® Mexico  
Quality Value Index

### Starting Universe

At each reconstitution, constituents of the Morningstar® Mexico Quality Value Index are derived from the Morningstar Mexico All Cap Target Market Exposure Index (benchmark), which covers stocks representing the top 99% of the investable market. For more details on benchmark construction, refer to the construction rules for the [Morningstar Global All Cap Target Market Exposure Indexes](#).

### Eligibility

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

- The company must have Quality and Value factor exposures available from the Morningstar Global Industry Standard Risk Model
- Real estate investment trusts (REITS) are excluded.
- The company must have at least 3-months of average daily traded volume of at least 30 million MXN

### Portfolio Construction

- Z-score calculation for ranking
  - The sector neutral individual factor z-scores (quality and value) are calculated
  - The resultant average is taken, which is an equally weighted average of the two factor z-scores
  - The eligible stocks are ranked on the composite z-score and the top 25 are targeted for inclusion
- Factor tilted weights are calculated by converting the composite z-score to a factor tilt score

- Factor Tilt Score (FTS) =  $1 + z$  if  $z > 0$ , otherwise  $1 / (1 - z)$
- Uncapped Tilt Weight =  $\text{FTS} * \text{BenchmarkWeight} / \sum(\text{FTS} * \text{BenchmarkWeight})$
- Capping is applied such that the max is 15% and securities with 12% or more cannot make up more than 60% of the index

### *Number of Stocks*

The index targets a fixed number (25) of stocks based on a transparent ranking system subject to the application of eligibility criteria at reconstitution. However, if fewer than the targeted number of securities from the starting universe meet eligibility criteria, or if securities are added or deleted as a result of corporate actions after reconstitution, the constituent count may deviate from the targeted number. During reconstitution, if the number of eligible securities is less than the targeted constituent count, all eligible securities are selected. The reconstitution schedule is provided in the "Index Maintenance and Calculation" section.

### *Index Weighting*

The index constituents are tilt-weighted in proportion to both their quality and value composite scores and their weighting in the parent index, weighted in proportion to both their quality and value composite score and their weighting in the parent index subject to constraints.

B-A-C capping of 12-15-60 is applied. This means no single constituent can have a weight greater than 15% and the sum of those with weights greater than 12% cannot exceed 60%. For more details, refer to the [Morningstar Indexes Calculation Methodology rulebook](#).

## Index Maintenance and Calculation

### Reconstitution and Rebalancing

The index is reconstituted, where the membership is reset, and rebalanced semi-annually on the third Friday of June, and December. Adjustments are implemented after Friday's market close and reflected the following Monday. The market data used for reconstitution is as of the last trading day of May 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 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—if discovered within two trading days, are generally corrected, and the index is recalculated regardless of the performance impact.

Where such index calculation data inputs 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: Modifications to the Rulebook

## 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](http://www.indexes.morningstar.com)

## Contact Us

[indexes@morningstar.com](mailto:indexes@morningstar.com)

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