

# Moorgate Benchmarks (Ltd & GmbH)

## UK & EU BMR – Benchmark Statement

As per the UK and EU Benchmarks Regulations

### Change History

Version Number	Editor	Date	Comments
0.1	Gareth Parker	02/07/2019	First draft
0.2	Tobias Sproehnle	03/07/2019	Edits
1.0	Tobias Sproehnle	03/07/2019	Board approval
1.1	Gareth Parker	18/02/2020	Addition of ESG statement
1.2	Gareth Parker	15/07/2020	Updated to reflect Moorgate GmbH.  Directors' annual approval.
1.3	Gareth Parker	04/01/2021	Updated regulatory status (UK BMR)
1.4	Gareth Parker	01/09/2022	Review; no substantive changes.

### Distribution

Name	Firm/Department	Location
Public	Moorgate Benchmarks	Website

### General Information

This document is Moorgate Benchmarks' benchmark statement as dated above, and refers to the activities of both Moorgate Benchmarks Ltd and Moorgate Benchmarks GmbH (together, "Moorgate"). The document was first created on 3<sup>rd</sup> July 2019 and

updates made as per the version control above.

Moorgate provides index calculation, benchmark research & design, benchmark governance and oversight services to other benchmark administrators.

The companies are fully compliant with the UK and EU Benchmarks Regulations and have all policies, procedures and processes in place for the provision of benchmarks.

Moorgate was wholly acquired by Morningstar, Inc. on September 4<sup>th</sup> 2021 and is now a wholly-owned subsidiary of Morningstar, Inc., but Moorgate retains its separate regulatory authorisations under both the UK and EU BMRs.

## Benchmark ISINs

N/A

## Nature of Benchmarks & Source of Input Data<sup>1</sup>

Moorgate primarily uses prices sourced from exchanges either regulated by the UK or EU (as applicable for benchmarks administered under the relevant regulation) or meeting the requirements of Article 3(24)(a). Contributed input data will rarely if ever used, and most benchmarks will therefore be regulated-data benchmarks or will use readily-available data.

## Definition of Market / Economic Reality

A full description of the market reality and geographical boundaries covered by Moorgate's indexes is set out in each benchmark or benchmark family methodology document. Each such document is available at [www.moorgatebenchmarks.com](http://www.moorgatebenchmarks.com).

## Environmental, Social and Governance (“ESG”) Factors

Moorgate may use ESG factors in future indexes but as of the current document date ESG factors are not utilised. The company may use ESG factors in indexes calculated on behalf of clients; where Moorgate is the administrator of such indexes a separate Benchmark Statement will apply, which will include an explanation of how the methodology incorporates those ESG factors.

## Lack of Input Data

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<sup>1</sup> Please note Moorgate also administers commodity benchmarks on behalf of OPIS. A separate benchmarks statement is maintained for those benchmarks, and can be found via the Moorgate Benchmarks website.

The calculation of Moorgate indexes is in general reliant on prices received from the various exchanges on which the index constituents trade.

The indexes' constituents and methodology are reviewed on at least an annual basis, to ensure:

- That changes in index constituents' circumstances are acted on (where necessary) to ensure the indexes only comprise constituents that suitably represent the underlying economic interest.
- That only constituents for which the required level of information is available are selected.
- That the methodology itself continues to deliver indexes that represent the underlying economic interest.

### Methodology Accuracy

The methodologies used in the calculation of Moorgate indexes ensure:

- That only constituents with sufficient liquidity can become, or remain constituents of the indexes.
- That users are aware that the indexes calculated on days when large markets are not open for trading may be impacted.
- That the Index Management Committee has sufficient control over the management of the indexes such that unforeseen circumstances can be acted upon, if appropriate, subject to later assessment of its actions by the Oversight Function.

### Use of Expert Judgement / Discretion

The members of the Index Management Committee are cognizant of their responsibility to ensure index methodologies are in each case developed from its members' very significant market experience, and are updated whenever appropriate to reflect changing circumstances.

As a result, the exercise of discretion / expert judgement in the calculation of indexes is extremely rare, limited to the identification of an appropriate approach for handling unusual corporate events, where market events require, or in very particular and rare circumstances, to the assessment of valuations where on-exchange traded prices are not available. After ad-hoc discretion or expert judgement is applied, the Committee considers whether the approach taken was suitable, and whether the relevant methodology should be updated to ensure the handling of a repetition of the event is clear.

Other than in the handling of corporate events, Moorgate believes discretion / expert

judgement might be used in the general area of stock trading suspensions. Index methodologies provide a standard approach for handling suspensions, based upon the length of a suspension. However, companies' trading can be halted for various reasons, including in some circumstances at the request of their management. As a result there may be scenarios where it would be appropriate, in order to minimise disruption to the indexes and to minimise cost to index product investors, to retain an index constituent within the indexes rather than to remove it as per the methodology.

### Consultations on Material Changes to Methodologies

Moorgate maintains a published Benchmark Change and Cessation Policy that details the process for consulting stakeholders when a material change to the methodology is proposed. In summary, the Policy establishes:

- A definition of materiality;
- That any benchmark stakeholder can propose a change to the methodology;
- That proposed changes will initially be considered by the Index Management Committee;
- That where material, the Committee will consult with stakeholders;
- That the final decision regarding a proposed change rests with the Index Management Committee;
- That suitable forewarning will be given to stakeholders of a material change wherever possible, with a clear timetable for the implementation of the change;
- That there may be changes resulting from external factors (those beyond the control of Moorgate Benchmarks) that require changes to be made more rapidly.

### Updates to Benchmark Statements

An update of this and of any future benchmark statement will be made whenever the information it provides is no longer correct or sufficiently precise, whenever there is a material change in the methodology for determining the indexes, and will be in any case, reviewed at least annually.

### APPROVAL

This Benchmark Statement was approved by the directors of Moorgate Benchmarks Ltd and Moorgate Benchmarks GmbH, and is reviewed at least annually.