February 13, 2015

Methodology Change for Currency-Hedged Equity Indexes

S&P Dow Jones Indices (‘SPDJ’), the calculation agent for a selection of Morningstar Indexes, has implemented a methodology refinement to the calculation of currency hedged index variants. See Index Announcement here.

The existing hedged index computation used by SPDJ is based on data as of month-end. Effective March 1, 2015, the refined hedged index computation will be based on data as of one business day prior to month-end. Please see the SPDJ methodology document (pages 51-55) for more details.

Impacted Morningstar Indexes are listed below. Morningstar does not foresee material impact on the index levels due to this refinement.

This methodology change is expected to facilitate index replication and to provide index replicators sufficient time to implement the hedges.

Please note that historical back-tests for currency hedged index variants computed by Morningstar are unaffected, and will continue to be based on month end data. Morningstar may review the approach for historical computation in the future, subject to data availability.

For more questions or for more information about Morningstar Indexes, please visit our website or contact us at 1 312 384-3735 or indexmanagement@morningstar.com.

- Morningstar Dividend Yield Focus Index - CAD Hedged
- Morningstar Dividend Yield Focus Total Return Index - CAD Hedged
- Morningstar Developed Markets ex-North America Target Momentum Index Hedged NR CAD Hedged
- Morningstar Developed Markets ex-North America Target Momentum Index Hedged PR CAD Hedged
- Morningstar Developed Markets ex-North America Target Momentum Index Hedged TR CAD Hedged
- Morningstar Developed Markets ex-North America Target Value Index Hedged NR CAD Hedged
- Morningstar Developed Markets ex-North America Target Value Index Hedged PR CAD Hedged
- Morningstar Developed Markets ex-North America Target Value Index Hedged TR CAD Hedged