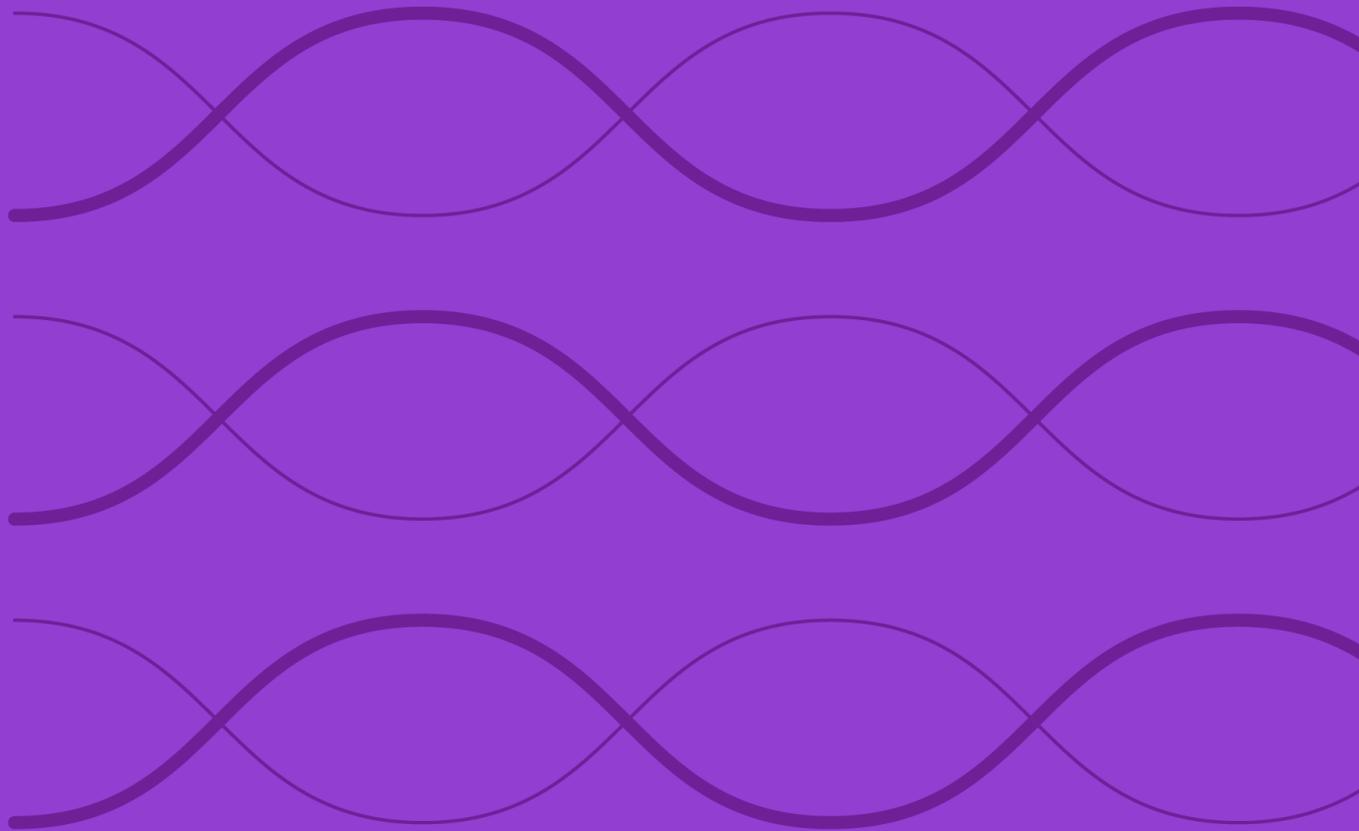


Leveraged Loan Indexes Enhanced Analytics Frequently Asked Questions



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Overview

To improve the client experience and analytical capabilities, Morningstar Indexes is adding additional data points to our Leveraged Loan Indexes daily files. When the project is complete, we expect to add 36 data points to our files. This document summarizes what you need to know about the additional analytics.

Why did Morningstar Indexes embark on Enhanced Analytics?

As our collection of data and unique Intellectual Property (IP) has expanded considerably, so has its application. True to Morningstar's heritage as a trusted provider of data and research, Morningstar Indexes is committed to keeping up with the evolving needs of our clients. Implementing enhanced analytics enables us to improve transparency and provide added value for our clients.

How does this impact me?

A limited set of analytics will begin populating in all current file deliveries, known as "v1" files, effective May 6.

An expanded set of analytics will be available in our upgraded file format, known as "v2" files. Clients must opt in to receive the new files, which will be available beginning May 6.

When is this happening?

Morningstar Indexes will deliver the additional analytics in several phases. Project timelines are outlined below.

Timeframe	Activity
May 6, 2025	Phase 1: analytics which use a flat base rate assumption
July 2025	Phase 2: analytics which use a forward curve assumption
2 nd half 2025	Phase 3: Historical analytics

Changes to File Names, Formats, and Contents

What are the differences between the existing (v1) and new (v2) Files?

Index level (IDX) and constituent (CON) files will now include additional data points, including multiple variations of spread and yield for all Morningstar Leveraged Loan Indexes.

The list of additional data points that will be released in Phase 1 on May 6 are included in the table below. All spread and yield data points released in Phase 1 use a flat curve assumption for the base rate.

Data Point	IDX Field Name	CON Field Name	File Format
Index Credit Rating	IndexCompositeRating	-	v1 & v2
Coupon	AverageCoupon	Coupon	v1 & v2

Index Nominal Spread	NominalSpread	-	v1 & v2
Spread to Maturity	SpreadtoMaturity	SpreadtoMaturity	v1 & v2
2 Year Spread	Spread2Year	Spread2Year	v2 only
3 Year Spread	Spread3Year	Spread3Year	v2 only
4 Year Spread	Spread4Year	Spread4Year	v2 only
5 Year Spread	Spread5Year	Spread5Year	v2 only
Spread Duration	SpreadDuration	SpreadDuration	v2 only
Duration Times Spread	DurationTimesSpread	DurationTimesSpread	v2 only
Years to Maturity	YearsToMaturity	YearsToMaturity	v1 & v2
Yield to Maturity	YieldtoMaturity	YieldtoMaturity	v1 & v2
2 Year Yield	YTM2Year	YTM2Year	v2 only
3 Year Yield	YTM3Year	YTM3Year	v2 only
4 Year Yield	YTM4Year	YTM4Year	v2 only
5 Year Yield	YTM5Year	YTM5Year	v2 only
Modified Duration	Duration	Duration	v1 & v2
Macaulay Duration	MacaulayDuration	MacaulayDuration	v2 only

The list of additional data points that will be released in Phase 2 are included in the table below. Data points with a field name ending in "FWD" indicate that a forward curve assumption is used in the calculation.

Data Point	IDX Field Name	CON Field Name	File Format
Coupon Cash	-	CouponCash	v2 only
Coupon Payment	-	CouponPayment	v2 only
Redemption Price	-	RedemptionPrice	v2 only
Spread to Maturity	SpreadtoMaturityFWD	SpreadtoMaturityFWD	v2 only
2 Year Spread	Spread2YearFWD	Spread2YearFWD	v2 only
3 Year Spread	Spread3YearFWD	Spread3YearFWD	v2 only
4 Year Spread	Spread4YearFWD	Spread4YearFWD	v2 only
5 Year Spread	Spread5YearFWD	Spread5YearFWD	v2 only
Spread Duration	SpreadDurationFWD	SpreadDurationFWD	v2 only
Duration Times Spread	DurationTimesSpreadFWD	DurationTimesSpreadFWD	v2 only
Yield to Maturity	YieldtoMaturityFWD	YieldtoMaturityFWD	v2 only
2 Year Yield	YTM2YearFWD	YTM2YearFWD	v2 only
3 Year Yield	YTM3YearFWD	YTM3YearFWD	v2 only
4 Year Yield	YTM4YearFWD	YTM4YearFWD	v2 only
5 Year Yield	YTM5YearFWD	YTM5YearFWD	v2 only
Modified Duration	DurationFWD	DurationFWD	v2 only

What indexes is this available for?

The additional analytics will be calculated for all Morningstar Leveraged Loan Indexes with a non-zero constituent count.

Do the new analytics require additional licensing?

No, the new data points do not require additional licensing.

Will there be changes to the file names as a result?

No, there will be no changes to the file names.

Is the pro forma (PCON) file impacted by this?

No, the PCON file will not be impacted by this at this time. The additional analytics will only appear in the index levels (IDX) and constituent (CON) files.

When can I start receiving the new file formats?

The first phase of the updated index levels (IDX) and constituent (CON) files will be available on May 6, 2025.

To receive the new files, clients will need to opt into the new v2 file formats, which can be done by reaching out to morningstarindeximplementation@morningstar.com.

The goal is to release the updated IDX and CON files with both the flat and forward curve data points by early Q3 2025.

Are the new file formats final? Can I propose any changes?

We welcome client feedback and will consider any proposed changes for future iterations or enhancements. There is no guarantee that proposed changes will be implemented.

Will I be able to receive historical data in the new file formats?

The additional data points will be available only on an ongoing basis, from May 6, 2025 onwards. Eventually, historical values will be populated in the v2 files, but there is no definitive date on that enhancement.

Data and Methodology Differences

This section answers any common questions clients may have for observed data and methodology differences.

What is your methodology for the additional data points?

The Morningstar Leveraged Loan Index Analytics Methodology document describes the formulas used in the analytics. It can be requested by reaching out to indexes@morningstar.com.

What are the differences between your calculations and PitchBook's loan analytics?

Pitchbook calculates and distributes similar analytics on the Morningstar Leveraged Loan Indexes. PitchBook uses a top down approach and their analytics can be found in files made available to users of the PitchBook platform. Morningstar calculates bottom up analytics and distributes in these analytics in our standard index files.

What are the different types of yield data points available and how do they differ?

Morningstar calculates 3 types of yield for the leveraged loans indexes:

1. Yield: This is the yield to maturity of a loan calculated using a simple margin formula
2. Yield to Maturity: This is the yield of a loan calculated by discounting future cashflows and equating it to the price of the loan. In this case the loan is held to maturity.
3. YTM2/3/4/5Year: This is the yield a loan earns if held for a specific time frame – 2,3,4,5, years respectively.

What should I do if I have any questions about my files or data?

All questions should be routed to indexes@morningstar.com to reach our 24 by 5 service team. If applicable, please clearly indicate the index, file name, data fields and values in question.

Updated file specifications for the v1 format can be found [here](#).

File specifications for the v2 format can be found [here](#).

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.

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Contact Us

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