MORNINGSTAR Indexes

November 23, 2026

1 Week Reminder: Ginnie Mae II Cohort Updates for Morningstar Fixed Income Indexes

As previously announced, due to changes adopted by Morningstar Indexes data vendor, ICE Data Indices, the existing Ginnie Mae II cohorts for the Morningstar US Mortgage-Backed Securities Index and all of its aggregate and sub-indexes will be updated and broken into two categories: multi issuer and custom. The full list of impacted indexes can be found here. These changes will go into effect on **November 30, 2026.**

Background

The Morningstar US Mortgage-Backed Securities Index and all of its aggregate and sub-indexes currently use Ginnie Mae II cohorts. Each cohort is currently represented by type (30-year, 15-year), coupon and vintage (production year), with each cohort of program, type, coupon and vintage with at least $250 million unpaid balance qualifying for inclusion in the index. These cohorts are “generic” synthetic securities formed by grouping the hundreds of thousands of individual pool securities based on issuing agency, loan term, coupon and year of origination (vintage). These groupings, or “cohorts,” reduce the actual pool securities to about 100 or so index-eligible cohort synthetic securities.

The updated cohort definitions are intended to provide a more granular view of Ginnie Mae II cohorts based on specified pool “stories” considering the key categories affecting pool prepayment speed, such as loan balance, geography, and guarantor.

Methodology Changes: Ginnie Mae II Custom Pool Waterfall for Cohort Assignments and $250 million UPB Minimum

To provide a more granular view of the index cohorts, Morningstar Indexes will update and break the current cohorts into two categories: multi issuer and custom. Ginnie Mae II will be based on specified pool “stories” as defined by a waterfall logic, taking into

account the key categories affecting prepayment speed, such as loan balance, geography, and guarantor.

Some pools may meet more than one of the story categories, so a waterfall approach is used that is based on a descending order of general important to prepayment speed (and thus pricing) of the story on individual pools affected by the story. The waterfall will assign a pool the first story cohort type for which it qualifies, based on the descending order represented in the spreadsheet here. Once all Ginnie Mae II Custom pools are assigned a cohort type, it is then combined with the issuer/program, term, coupon and vintage to define the index cohorts.

These changes will have a relatively minor structural impact on the affected indexes. Grouping the Ginnie Mae II Custom pools into story cohorts and excluding any having less than $250 million will remove smaller pools, but the index will still capture the majority of the total Ginnie II UPB.

The Ginnie Mae I pools will continue to use the four attributes of program, product, coupon and production year to define their cohorts, which are unchanged.

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. In February 2026, the acquisition of CRSP brought the CRSP Market Indexes—benchmarks for over $3 trillion in AUM—into the Morningstar Indexes family. Additionally, CRSP's Research Data Products, renowned for their academic rigor, historical depth and accuracy, will further enhance Morningstar's equity research and data capabilities. This integration unites two trusted sources of market insight, reinforcing a shared commitment to transparency, quality, and investor-focused solutions.

Please visit indexes.morningstar.com for more information.

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