

Morningstar Indexes

September 15, 2023

Cirrus Update: Minor Methodology Updates and 1 week to go!

Morningstar Indexes will migrate all equity indexes currently calculated by S&P Dow Jones Indices ("SPDJI") to the Morningstar calculation platform (program name: "Cirrus") **after the close of September 22, 2023**. This is your **ONE WEEK reminder** that all SPDJI calculations and file deliveries will cease from the effective date September 25, 2023 onwards.

As previously communicated, here are a few reminders for this week and the go-live plan –

- 1. Cirrus Go-Live rollout plan:** At the close of business on September 22, 2023, all constituent and index-level data will be synched up to the last official index value, index shares, and open composition (ADJ.SDC file) from Friday, September 22, 2023; and carried forward in the live Cirrus production environment to preserve continuity in the indexes.
On Monday, September 25, the first business day after the Cirrus go-live date, Morningstar Indexes will use the last official values and maintain the index calculation going forward. There should be no incremental turnover on this date as a result of this transition.
- 2. Cessation of test files and location of live production files:** Morningstar Indexes has been delivering Cirrus test files in the /Test folder in the SFTP account since April 17, 2023. Production of test files will discontinue after September 19, 2023, as Morningstar Indexes prepares to go live with Cirrus after the close of September 22, 2023.
From September 25, 2023, onwards, the live production Cirrus files will be delivered to the /data folder and no SPDJI files will be delivered. The data values and files delivered by Cirrus after September 22, 2023, will represent the official index levels.
For clients receiving only the Morningstar Indexes IDX and CON data files (v2 format), there will be no changes expected to your file deliveries. The Cirrus calculated values will flow through to your files, as per your current test experience.
- 3. Portfolio management:** Clients will act on the final open index basket from the "20230922_*_ADJ.SDC" file delivered on September 22, 2023, which will be effective the next business day. After Cirrus goes live, clients should use the OCON files as the indicative open index basket for the next business day.
- 4. Total outstanding and float Shares:** Morningstar Indexes will use the last official index value and shares from Friday September 22, 2023, to maintain the index calculation from this date forward. There should be no change to TOS or float data as a result of the cutover. The next TOS and float updates will be applied at the December reconstitution and rebalance.

Morningstar Indexes will also be making the following [minor updates](#) to our Free Float and Corporate Actions methodology. This will be applied and reflected in the new methodology documents when we go live.

- Any strategic stakes less than or equal to 3% would not be considered in the float calculation, with the following exceptions: director & officer stakes, Treasury stakes, and locked-up/restricted shares.
- During reconstitution, if a suspended security fails to meet the eligibility criteria for the parent index, it will be dropped from the Morningstar equity index universe with advance notice. The removal will follow the 60-day suspension rule (where the security would be removed at a price of zero) or occur when it resumes trading.

For more information, please refer to the updated [Cirrus FAQ](#).

We thank you for working with us in the last few months through this testing and migration. We are committed to making this transition go as smoothly as possible for our clients. Please do not hesitate to reach out to the Morningstar Indexes Cirrus Migration team at CirrusMigration@morningstar.com if you have any questions.

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.