MORNINGSTAR Indexes

November 4, 2026

Update on Morningstar MLP Composite Index Methodology Consultation

Morningstar Indexes recently launched a consultation to consider a methodology change to the Morningstar MLP Composite Index (PortfolioID: P000000058) to increase constituent count and reduce concentration within the index. The number of eligible securities in the Morningstar MLP Composite Index has declined over the last several years as many MLPs have converted to C-Corporations. The resulting reduction in the eligible universe has increased index concentration and created challenges in maintaining the existing capping framework at recent reconstitutions.

Based on initial feedback to the consultation, Morningstar Indexes has updated this consultation to include additional potential capping approaches and is no longer considering the inclusion of C-Corporations as a fallback. The consultation period has also been extended through **November 13, 2026.**

Currently, the Morningstar MLP Composite Index targets the top 97% of publicly traded energy master limited partnerships by float market capitalization. The index is dividend-dollar-weighted and applies 5/10/50 capping, where the top constituent weight is capped at 10% and the constituents with weights that exceed 5% may not sum to more than 50% of the index.

To address concentration challenges, Morningstar Indexes is considering a few potential approaches. Based on initial feedback to the consultation, one new potential approaches have been added:

1) **Expand eligibility to the top 99% universe, retain existing capping**

   Under this approach, the Morningstar MLP Composite Index would target the top 99% of publicly traded MLPs, instead of the top 97%. The portfolio would maintain dividend-dollar-weighting with 5/10/50 capping.

This is the smallest change under consideration, but it may not fully address the concentration concerns.

2) **Expand eligibility to the top 99% universe and apply 20/35 capping**

Under this approach, the Morningstar MLP Composite Index would target the top 99% of publicly traded MLPs, instead of the top 97%. Additionally, the existing 5/10/50 capping framework would be replaced with 20/35 capping, where the largest issuer is capped at 35%, and all other issuers are capped at 20%.

These revised caps would allow for feasible solutions with fewer constituents but permit greater concentration.

3) **New: Expand eligibility to the top 99% universe and apply a 15% individual security cap**

Under this approach, the Morningstar MLP Composite Index would target the top 99% of publicly traded MLPs, instead of the top 97%. Additionally, the existing 5/10/50 capping framework would be replaced with a 15% individual security cap.

This revised cap would allow for feasible solutions with fewer constituents but permit greater concentration.

A summary of how each proposed approach would have impacted the index at the September 2026 reconstitution is available here.

If adopted, these changes would be implemented at the upcoming reconstitution, effective after the close of December 18, 2026. There would be no change to the performance history or historical composition of the portfolios.

Submit your responses and questions

Responses to this consultation can be submitted here.

General questions about the consultation may also be sent to indexes@morningstar.com

Key dates

- **Consultation:** The consultation will be open for responses from October 27, 2026, to November 13, 2026.
- **Decision announcement:** Final decisions will be announced by November 20, 2026.
- **Proposed implementation:** After the close of December 18, 2026.

Questions

1. Which of the three approaches do you prefer for the Morningstar MLP Composite Index?
    a. Expand eligibility to the top 99% universe, retain existing capping
    b. Expand eligibility to the top 99% universe and apply 20/35 capping
    c. Expand eligibility to the top 99% universe and apply for a 15% individual security cap
    d. Retain the current methodology
    e. Other, please explain
2. What is the primary factor influencing your preference?
    a. Minimizing turnover
    b. Minimizing concentration risk
    c. Maintaining the existing capping framework
    d. Other, please explain
3. What other factors should Morningstar Indexes consider in making this decision?

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.

Contact Us

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