

April 29th, 2026

Consultation Results: Proposed Enhancements to the Morningstar Liquidity Score for Venture Capital-Backed Companies

After reviewing feedback from the [consultation](#) on the proposed enhancements to the [Morningstar Liquidity Score for Venture Capital-Backed Companies](#), Morningstar Indexes is proceeding with the proposed changes to the liquidity scoring framework.

These adjustments include:

1. Adding a Liquidity Exponential Decay Factor

The liquidity score would apply an exponential decay factor that reduces the weight of older liquidity data over time while placing greater emphasis on more recent secondary market activity. The decay would be based on the number of days since liquidity information was last reported.

2. Adding a Liquidity Momentum Adjustment

A liquidity momentum measure would be introduced to account for changes in a company's liquidity profile over time. The momentum adjustment would be applied to the liquidity score based on the rate of change in the company's liquidity score.

- If the rate of change exceeds +0.20, the liquidity score is multiplied by 1.25.
- If the rate of change falls below -0.20, the liquidity score is multiplied by 0.75.

3. Replacing the Number of Unique Contributors with the Number of Closed Transactions

The liquidity score would incorporate the number of closed transactions as an additional input, replacing the current number of unique contributors metric. The number of closed transactions represents the total number of secondary market transactions completed over the previous 180 days and captures the frequency and depth of trading activity.

These enhancements are intended to improve the responsiveness and accuracy of the liquidity score by better reflecting recent market activity and incorporating meaningful changes in liquidity over time.

These changes would be applied prospectively from the June 2026 reconstitution.

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 US equities—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.

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