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Consultation Results: Morningstar IPO Float Freeze Policy

Free float can change materially in the months following an IPO, particularly when shares are released under staggered lock-up schedules. Morningstar Indexes issued a [consultation](#) on a proposal to review the free float of larger companies at each quarterly ranking or index rebalance during the first 180 calendar days after listing, allowing these changes to be reflected more promptly. After reviewing the feedback, we have decided to move forward with the proposal.

Under the updated approach, shares subject to an applicable lock-up will continue to be excluded from free float until the lock-up expires. However, for mid- and mega-cap (large) companies, free float will be reviewed at each quarterly ranking or index rebalance during the first 180 calendar days following an IPO or other qualifying event, using the latest available ownership information and subject to applicable lock-up restrictions. For all other companies, free float will generally remain unchanged for at least the first 180 calendar days after the event. Shares may be updated following a non-cap-neutral corporate action where holders' free float status is known.

The updated treatment will apply to the Morningstar Market Indexes, Morningstar Target Market Exposure (TME) Indexes, and Morningstar Global Market Indexes. The respective methodologies will specify the applicable review schedules and retain existing provisions for updates following non-cap-neutral corporate actions. Size classifications will be based on the Morningstar Market Indexes for U.S. securities and the TME Indexes for non-U.S. securities.

The changes will take effect at the December 2026 ranking and reconstitution. The rulebooks will be updated to reflect the new treatment.

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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