

Morningstar Indexes

July 11, 2025

Morningstar Indexes General Equity Index Consultation: Q3 2025

Morningstar Indexes is considering a few methodology changes pertaining to corporate actions handling and late reconstitution/rebalance changes.

Long-Term Suspension

Stocks are removed from Morningstar equity indexes if they do not trade for more than 60 consecutive trading days at each quarterly review. This treatment also applies to spin-off securities that have not started trading within that period. Morningstar Indexes is considering shortening that window to 20 or 40 days (with a possible exception for Indian spin-offs, which often take longer to list) and implementing that check daily to reduce potential drift from the targeted exposure and more closely align with industry standards.

Accelerated Implementation of Share and Float Changes

Morningstar Indexes is considering applying accelerated (weekly) implementation for material share and float changes for an acquiring company in a stock merger when the target is not part of the Morningstar index universe. Currently, such changes are only applied quarterly. The proposal would align the treatment of these corporate actions with the current treatment for material non-mandatory corporate actions.

Cut-Off for Late Reconstitution/Rebalance Changes

Revisions to a previously announced reconstitution/rebalance share or membership change can currently be made up to the effective date to reflect the latest available information. To provide more advance notice, Morningstar Indexes is considering implementing a cut-off date for late changes to be effective on the reconstitution/rebalance date.

These changes would take effect on December 22, 2025.

We are soliciting client feedback on these proposals.

Submit your response 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 response from July 11, 2025, to August 15, 2025.
- Decision announcement: Final decisions will be announced by September 30, 2025.
- Proposed implementation: December 22, 2025.

Questions

1. Should Morningstar Indexes shorten the suspension duration before removing securities (including spin-off securities that have not started trading) and increase the frequency of that check to daily from quarterly?
 - a. Yes, please remove after 20 days.
 - b. Yes, please remove after 40 days.
 - c. No, stick to the current 60+ day drop rule applied quarterly.
 - d. Other, please explain.
2. Should Morningstar Indexes implement accelerated (weekly) material share and float changes for acquiring companies in stock mergers when the target is not part of the Morningstar index universe?
 - a. Yes.
 - b. No, keep the current treatment.
 - c. Other, please explain.
3. Should Morningstar Indexes implement a cut-off date for revising any previously announced reconstitution/rebalance changes?
 - a. Yes, a cut-off should be set one business day prior to the rebalance or reconstitution effective date. Any requisite changes should be implemented prospectively after the rebalance effective date.
 - b. Yes, a cut-off should be set two business days prior to the rebalance or reconstitution effective date. Any requisite changes should be implemented prospectively after the rebalance effective date.
 - c. No, continue to announce changes up to reconstitution/rebalance effective date.
 - d. Other, please explain.
4. What other factors should Morningstar Indexes consider in making this decision?

About Morningstar Indexes

Morningstar Indexes has been designing modern solutions for 20 years, but what makes us truly unique has been more than three decades in development. Our rich history began in 1984, when Morningstar was founded on a promise to empower investors with data and research that is independent and objective. Over time, our collection of data has expanded considerably—and so has its application. Today, Morningstar Indexes draws on unique IP to unlock an extensive range of emerging opportunities for investors of every kind, while providing a robust institutional beta platform for core investing.

Contact Us

MorningstarIndexesAlerts@morningstar.com is a no-reply email address. For questions concerning this notification, please contact us at Indexes@morningstar.com.