MORNINGSTAR Indexes

November 6, 2026

Significant IPO Cutoff Date Methodology Update

Effective with the December 2026 reconstitution, Morningstar Indexes will move the listing cutoff for significant IPOs (IPOs with a total market capitalization of at least two times the small-mid cap threshold for the relevant economic region) from the end of April and October to the end of May and November, respectively. This applies to the June and December reconstitutions of the Morningstar Global Markets (GMI) and Target Market Exposure (TME) indexes and the related indexes listed under Scope below. The change shortens the lag between a significant IPO's listing and its eligibility for review, improving market representativeness. The Morningstar Market Indexes family is not impacted, as it follows a distinct IPO methodology that will not change.

Standard IPOs are eligible for review for the GMI and TME indexes only at the June and December reconstitutions, based on listing cutoffs at the end of April and October. Significant IPOs are also eligible for review at the March and September rebalances, provided they list by the end of February or August, respectively. For the June and December reconstitutions, significant IPOs have until now followed the same April and October cutoffs as standard IPOs.

Under the updated treatment, a significant IPO listing in November 2026 would be eligible for review at the December 2026 reconstitution rather than the March 2027 rebalance. The new cutoffs also make the lag before each review more consistent across the year. The cutoffs for the March and September rebalances are unchanged, and size determinations will still be made using data as of the end of April and October.

Scope

This change applies only to significant IPOs in the GMI and TME equity indexes, the Morningstar US Market Extended Index (an extension of the GMI family), the Morningstar US Target Count Indexes, and the thematic indexes that conduct quarterly IPO reviews including: Morningstar Exponential Technologies, Morningstar Global AI Select, Morningstar Global Next Generation AI, and Morningstar US AI Beneficiaries Select. Other strategic beta indexes and the Morningstar Market Indexes family are not affected by this change.

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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