

Morningstar Indexes

August 12, 2024

Change in Float Implementation for Non-Mandatory Material Events

Morningstar Indexes is enhancing the Corporate Action and Free Float methodology to better align the changes in total outstanding shares (TOS) and free float arising from non-mandatory corporate events.

Currently, any non-mandatory TOS changes that meet the materiality threshold as defined in the Corporate Action methodology are implemented intra-rebalance on an accelerated (weekly) basis. However, the corresponding float changes are only implemented at the quarterly index rebalance. Under the new rule, changes in float from such events will be implemented along with TOS changes on an accelerated basis, based on the terms of the events.

The new treatment will take effect at the December reconstitution, after the close of December 20, 2024. This will be documented in the Corporate Action and Free Float Calculation Methodology documents posted to the Morningstar Indexes website ahead of the change.

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

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