

November 19, 2025

30 Day Reminder: Consultation Results - Morningstar Equity Index Issuer-Level Capping

Morningstar Indexes is moving most equity indexes that apply constituent-level capping to company-level capping in place of security-level capping, following a [consultation](#) on this topic. For example, with this new logic, if an index includes the A and C share classes of Alphabet Inc and applies 5% capping, the combined weight of these two share classes could not exceed 5% at each rebalance. This only applies to Morningstar equity indexes where multiple share classes per issuer are eligible.

The list of impacted indexes, as well as the active share between the company-level and security-level capped versions of the portfolios as of the December 2024 reconstitution, is available [here](#). This change will take effect after the close of December 19, 2025, corresponding with the December reconstitution.

This adjustment is intended to improve diversification, drive greater consistency in the capping methodology applied across Morningstar indexes, and better align with broader diversification requirements.

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.

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