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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 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. From traditional benchmarks and unique IP-driven indexes, to index design, calculation and distribution services, our solutions span an investment landscape as diverse as investors themselves.

Contact Us

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