



December 30, 2025

### 1 Day Reminder: Consultation on Morningstar Style Index Methodology

Morningstar Indexes is considering updating the methodology for the Morningstar Broad Style, US Style, Factor Tilt, and US Sustainability Style indexes to more closely align with the latest Morningstar Style Box methodology. The proposed methodology changes pertain to the normalization of the style metrics, as summarized in the table below. The underlying style metrics would not change.

Step	Current Approach	Proposal
Outlier Trimming	Eligible stocks are ranked on each of the 10-style metrics. The values of those that rank in the bottom 5% and top 5% by float market capitalization are trimmed before the average is calculated.	For each metric, outliers would be trimmed at 3 standard deviations of the float market cap weighted mean.
Style Metric Standardization	For each of the 10-style metrics, the ratio of each stock's level to the average is calculated. Stocks are then grouped into one of 4 buckets based on their distance from the mean ratio. Within each bucket, stocks are ranked by this ratio and assigned a standardized value based on the cumulative float market capitalization of all lower ranked stocks (inclusive of their own).	The raw style metrics would be converted into z-scores and transformed onto a 0-100 scale.
Weighted Average Growth Rate	For the 5-growth metrics, the bucketing methodology uses a simple average rather than a float market cap weighted average.	The updated approach would use a float market cap-weighted average in the z-score calculations.

The enhancements are intended to drive greater consistency with the [Morningstar Style Box](#). A summary of the impact analysis and impacted indexes is available [here](#).

These changes would be applied prospectively from the June 2026 reconstitution on. There would be no changes to the performance history.

We are soliciting feedback on this proposal.

### **Submit your responses and questions**

Responses to this consultation can be submitted [here](#).

General questions about the consultation may also be sent to [indexes@morningstar.com](mailto:indexes@morningstar.com).

### **Key dates**

- **Consultation:** The consultation will be open for response October 1, 2025 to December 31, 2025.
- **Decision Announcement:** Final decisions will be announced by January 30, 2026.
- **Proposed Implementation:** June 22, 2026, corresponding to the June reconstitution.

### **Questions**

1. Should Morningstar Indexes proceed with the proposed methodology changes to drive greater alignment with the Morningstar Style Box?
  - a. Yes
  - b. No
  - c. Other, please explain.
2. If proceeds with this change, when should it be implemented?
  - a. At the June 2026 Reconstitution
  - b. At the March 2026 Reconstitution
  - c. Other, please explain.
3. What other factors should Morningstar Indexes consider in making this decision?

### **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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