

Morningstar Institutional Category Changes Announcement

UPDATE: Following up on our previous announcement about retiring Institutional Categories, we have decided to delay this change until Oct. 31, 2025. This extension is aimed at providing clients with ample time to prepare for the transition and for Morningstar to help identify replacement data points for clients. Please see the FAQs related to the update below.

What is changing for Institutional Categories?

Morningstar is retiring its Institutional Categories on Oct. 31, 2025. All calculations and affected data points will no longer be available in Morningstar products starting November 2025.

Why is Morningstar retiring its Institutional Categories?

Morningstar's Institutional Categories were created approximately 15 years ago for a specific purpose, which they no longer actively serve. Moreover, many of the distinctions that the Institutional Categories elucidate can be reflected with the use of other data points. Retiring the Institutional Categories will allow Morningstar to continue to focus on ensuring that our core category methodologies remain best in class.

Why were the Institutional Categories initially created?

Morningstar's Institutional Categories were introduced in May 2009, largely to meet the needs of clients who wanted more granular peer groups for specific business processes like portfolio manager compensation and expense peer grouping for fund company boards of directors.

Why are the Institutional Categories no longer needed?

The Institutional Categories face several issues:

- In practice, many Institutional Categories have a one-to-one mapping to our Morningstar Category schema, in many cases not delivering the desired additional granularity.
- Morningstar largely created the Institutional Categories to serve our fund company board-consulting business, a use case that these categories are no longer actively serving.
- Currently, the Institutional Categories are often used as search criteria, which could be replaced with other data points.

Will historical Institutional Category data be removed from products as well?

Yes, products will not display historical information about Institutional Category classifications.

Which exact data points will be retired?

The following data points will no longer be available on Morningstar Direct:

- Morningstar Institutional Category
- Total Return % Rank Institutional Category
- Annual Return % Rank Institutional Category
- Gross Return % Rank Institutional Category

If a client is utilizing Institutional Categories, what should they use as a replacement?

For clients currently utilizing Institutional Categories, we advise clients to use a corresponding Morningstar Category as its replacement within their saved items, as they provide robust groupings for meaningful and detailed peer-group comparisons. Morningstar has also developed many data points that allow for precise search capabilities and analysis. Our teams can help to identify these existing fields and evaluate the need for new data points. Please contact your Customer Success Manager or Morningstar Support if you require this identification

What if I have further questions or concerns about this change?

Morningstar is committed to assisting our clients with this transition. Clients are welcome to contact their customer support representatives to share any concerns or discuss alternatives to the Institutional Categories. As always, we value client feedback about how we can make this transition as smooth as possible.

Do fund companies need to take any action because of this transition?

No action is required on the part of fund companies as part of this change.