



Morningstar® Global Markets IndexesSM

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Designed to facilitate performance benchmarking and efficient portfolio construction, the Morningstar Global Markets Indexes represent the top 97% of the investable global equity market and provide extensive building blocks across geographical regions, developed and emerging markets, individual countries, sectors, and currencies. The indexes are built and maintained according to a transparent set of rules, and only liquid stocks that are readily available to institutional investors are included, ensuring accurate and objective representation of the investment opportunity set for active managers and mitigating transaction costs for passive investors.

Index eligibility

Companies are assigned to countries based on their country of incorporation and primary listing. Eligible share classes of companies listed on major global exchanges¹ in countries classified as US, Developed ex-US, or Emerging Markets define the starting universe. The following classes of listed securities are ineligible for index membership:

- Mutual funds
- Exchange-traded funds
- Derivatives
- Convertible notes, warrants, and rights
- Limited partnerships
- Depository receipts, except for Swedish and Philippine depository receipts and American depository receipts

To ensure investability, securities must pass minimum liquidity screens. Each security in the eligible universe is assigned a liquidity score based on its trading volume and turnover² and must rank in the top 75% within its respective region³ to qualify for inclusion in the investable universe. Securities are also excluded if they have 10 or more nontrading days in the three months preceding reconstitution, or if less than 10% of their shares are publicly floated.

Portfolio construction

Eligible stocks are ranked in descending order by float adjusted market cap within their respective region. The breakpoints to determine size segmentation are as follows:

- All cap: 97%
- Large cap: 70%
- Mid cap: 70-90%
- Small cap: 90-97%

The index constituents are weighted by float-adjusted market capitalization, which ensures high capacity and further mitigates turnover.

Reconstitution and rebalancing

The indexes are reconstituted semi-annually in June and December, based on market data as of the last trading day of May and November. Rebalancing occurs quarterly in March, June, September, and December.

¹ Review the Morningstar Global Markets Indexes rulebook for a complete list of eligible exchanges.

² Turnover is not used in the liquidity score for US securities.

³ Regions are defined as U.S., Developed Markets ex-US, and Emerging Markets.

Construction process



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.

Please visit indexes.morningstar.com for more information.