

# Morningstar Developed Markets: China and Emerging Markets Revenue Exposure Index

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## Contact us

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The countries where stocks are listed, incorporated, or headquartered are not always indicative of the geographic exposure the issuing companies provide. The Morningstar Geographic Revenue Exposure Indexes aim to more directly target stocks based on the regions or countries from which they generate their revenue.

The Morningstar Developed Markets: China and Emerging Markets Revenue Exposure Index targets stocks in developed markets (excluding Hong Kong) that have a significant proportion of revenue derived from China and other emerging markets. For more details on how Morningstar tracks and/or estimates geographical revenue at the company level, please see the [Morningstar Global Geographic Segment methodology](#).

## Index eligibility

The Morningstar Developed Markets: China and Emerging Markets Revenue Exposure Index derives its constituents from the Morningstar Developed Markets Index. To qualify for inclusion, companies from the parent index must have at least 30% revenue exposure to China and at least 50% aggregate revenue exposure to emerging markets. Companies whose country of classification is Hong Kong are excluded from the index.

## Portfolio construction

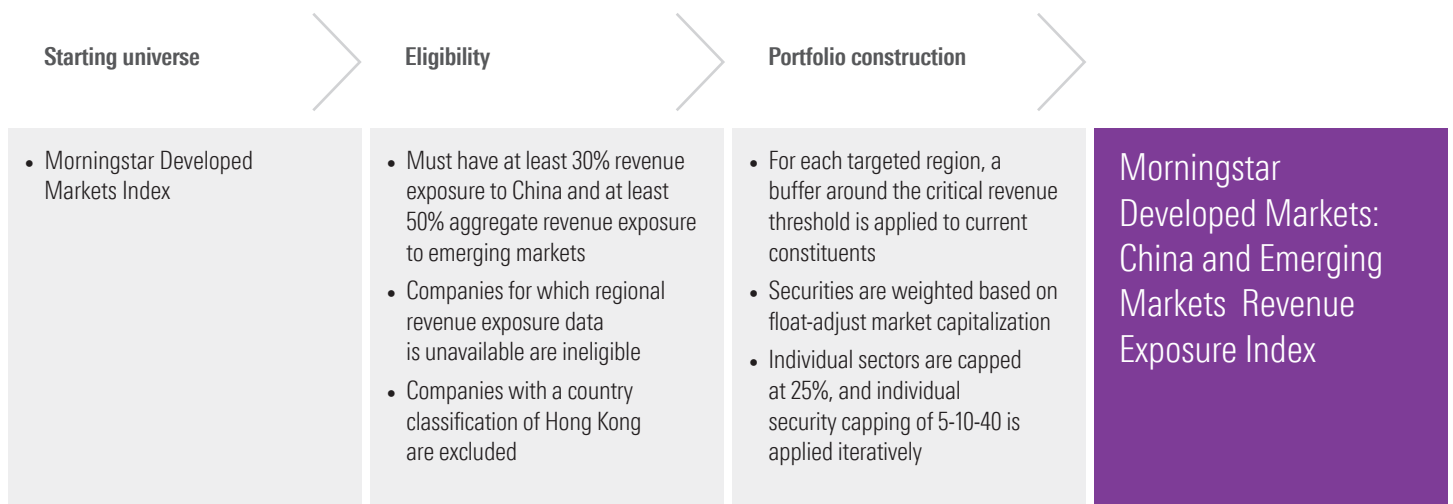
To mitigate turnover, the revenue exposure requirements for current index constituents are less stringent than the eligibility requirements applied to new constituents. Current constituents are only removed from the index if their revenue exposure to China falls below 20% or the aggregate revenue exposure to emerging markets falls below 40%. These thresholds are applied during reconstitution.

The index is weighted by float-adjusted market capitalization. Individual sectors are capped at 25%, and individual security capping of 5-10-40 is applied iteratively. This means no single constituent can have a weight greater than 10% and the sum of those with weights greater than 5% cannot exceed 40%.

## Rebalancing and reconstitution

The index is reconstituted semi-annually in June and December and rebalanced quarterly.

## Construction process



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### 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](https://indexes.morningstar.com) for more information.