

November 14, 2023

## **Morningstar Dividend Composite and Morningstar Dividend Leaders Methodology Enhancement**

Morningstar Indexes is making a methodology change to the Morningstar Dividend Leaders and Morningstar Dividend Composite indexes, following a client [consultation](#). Going forward, at each quarterly rebalance, Morningstar will check each constituent's membership in the parent benchmark, Morningstar US Market Index. Stocks that are no longer included in the parent benchmark will be removed from these two dividend indexes. Previously, this eligibility criterion was only applied at the annual reconstitution in June. The impact of this change is expected to be minimal.

This enhancement is designed to improve liquidity and drive consistency as Morningstar expands the Dividend Leaders family outside the U.S. It will be effective from the December 2023 reconstitution after market close on Friday, December 15, 2023. The updated index rulebook will be posted to the Morningstar Indexes website ahead of the change.

## **About Morningstar Indexes**

Morningstar Indexes has been designing modern solutions for 20 years, but what makes us truly unique has been more than three decades in development. Our rich history began in 1984, when Morningstar was founded on a promise to empower investors with data and research that is independent and objective. Over time, our collection of data has expanded considerably—and so has its application. Today, Morningstar Indexes draws on unique IP to unlock an extensive range of emerging opportunities for investors of every kind, while providing a robust institutional beta platform for core investing.

## **Contact Us**

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