

# Morningstar High Dividend Yield Indexes

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**Contact us**

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Most high dividend-yielding stocks tend to sit on the value side of the Morningstar Style Box, yet they typically exhibit very different performance characteristics than other value stocks. As such, a dividend yield-focused index may be a more appropriate performance benchmark for an active equity income portfolio than a broad value or broad market index.

The Morningstar High Dividend Yield Indexes are designed to facilitate performance benchmarking for equity income managers. The indexes target stocks representing the higher-yielding half of the dividend-paying universe and are weighted by float-adjusted market capitalization. This simple and transparent approach produces a benchmark that more accurately represents the opportunity set available to equity income managers.

**Starting universe**

The Morningstar High Dividend Yield Indexes derive their constituents from the Morningstar Global Markets Indexes, which represent 97% of the investable market capitalization of developed and emerging markets globally.

**Eligibility requirements**

Eligibility requirements for the Morningstar High Dividend Yield Indexes are as follows:

- Must have a trailing 12-month (TTM) dividend yield greater than zero
- REITs are excluded

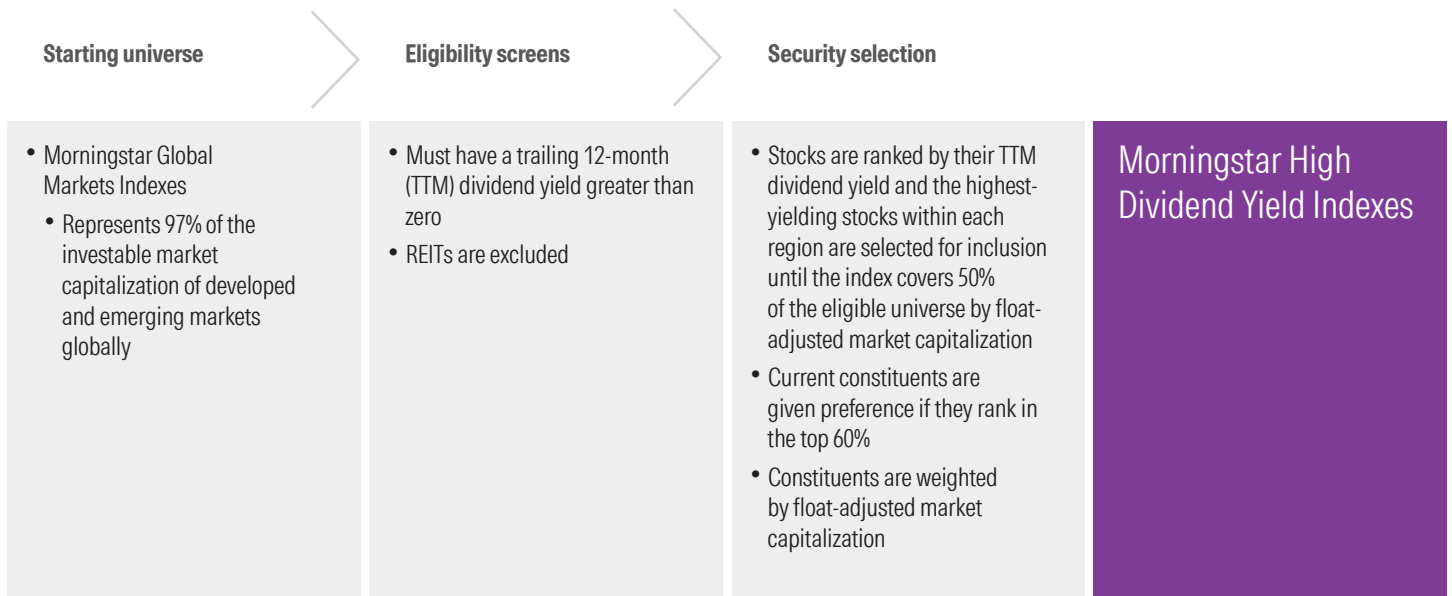
**Portfolio construction**

Stocks are ranked by their TTM dividend yield and the highest-yielding stocks within each region are selected for inclusion until the index covers 50% of the eligible universe by float-adjusted market capitalization. To mitigate turnover, current constituents are given preference over new entrants if their yield ranks in the top 60% of the eligible universe by float market capitalization. The indexes are weighted by float-adjusted market capitalization.

**Reconstitution and rebalancing**

The indexes are fully reconstituted semiannually in June and December, and updates to free float and shares outstanding are implemented during quarterly rebalances.

**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.