MORNINGSTAR Indexes

October 15, 2025

Announcement: Morningstar Developed Markets ex-Japan Gender Diversity Index and Morningstar Japan ex-REIT Gender Diversity Tilt Index methodology enhancement consultation results

Based on feedback from the previously announced consultation, Morningstar Indexes will implement the methodology change proposal for the **Morningstar Developed Markets ex-Japan Gender Diversity Index (GenDi)** and the **Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)** to target closer tracking of the parent universe, as well as mitigating potential reverse turnover in the index at index rebalances. The changes include:

1. **Reconstitution frequency**
   Update the reconstitution frequency to **semi-annual reconstitutions** in June and December, with rebalances in March and September, from the current **annual reconstitution** in December and quarterly rebalances in March, June and September.

2. **Sector and region weight neutralization frequency**
   Enforce **sector-neutrality** for the **GenDi J Index** (relative to the Morningstar Japan ex-REIT Domestic Index) and **region-neutrality** for the **GenDi Index** (relative to the Morningstar Developed Markets ex-Japan Large-Mid Index) to quarterly in March, June, September, and December. This step is currently implemented only annually in December.

3. **Capping methodology and thresholds**
   The individual security weight cap will be modified to a **2.5 % active weight cap** relative to weight of the security in the parent index. Currently, individual security weights are capped at an absolute weight threshold of 5%.

These changes would be applied prospectively from December 2025 reconstitution. The index rulebook will be updated to reflect the updated methodology, at the effective date i.e. December 22, 2025.

Contact Us

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