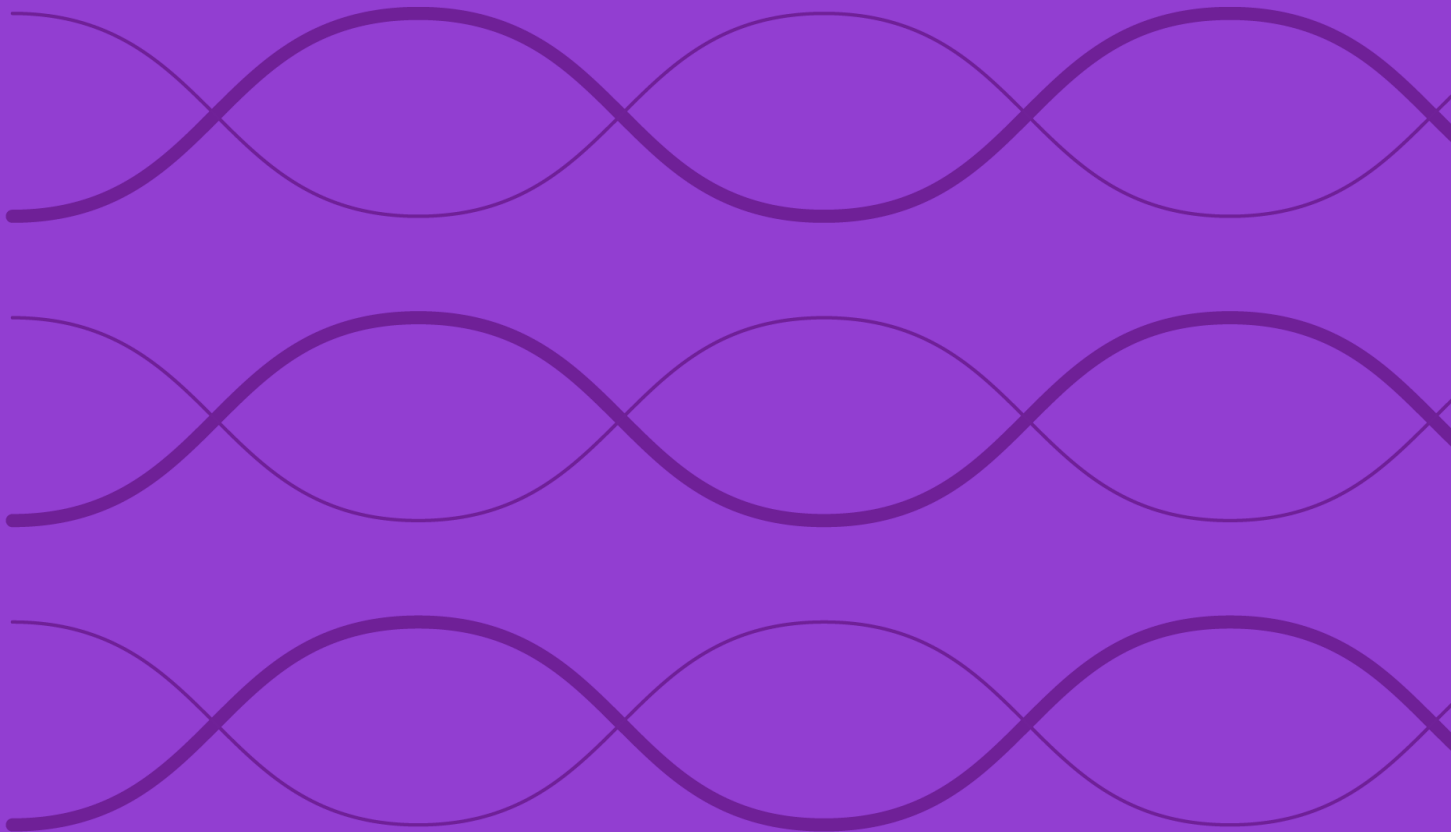


Morningstar Target Allocation Indexes – Benchmark Statement

June 2025



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This benchmark statement is provided by Morningstar Indexes GmbH as the “Administrator” of the Morningstar Target Allocation Indexes. It is intended to meet the requirements of Regulation EU 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (“BMR”). The benchmark statement should be read in conjunction with Morningstar’s Construction Rules for the Morningstar Target Allocation Indexes and other associated policies and methodology documents. References to “DR” in this benchmark statement refer to Commission Delegated Regulation (EU) 2018/1643 of 13 July 2018 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council regarding regulatory technical standards specifying further the contents of, and cases where updates are required to, the benchmark statement to be published by the administrator of a benchmark.

General Information

1.1 Date of Publication – DR 1(1)(a)

This benchmark statement was first published in May 2021, and was last updated in June 2025.

1.2 Review of benchmark statement – BMR 27(1)

This benchmark statement will be reviewed regularly (at least once every two years) or whenever there have been material changes to the information provided.

1.3 Use of ISIN – DR 1(1)(b)

The Administrator does not currently assign ISINs to all the indexes for which it is the administrator.

1.4 Contributors of input data – DR 1(1)(c)

The Morningstar Target Allocation Indexes do not use “contributed” input data.

1.5 Regulated-data benchmark disclosures – DR 1(d), DR 2

The Morningstar Target Allocation Indexes are not regulated-data benchmarks for the purposes of BMR.

1.6 Significant and non-significant benchmarks disclosure – DR 1(d)

The Morningstar Target Allocation Indexes are non-significant benchmarks.

Content

2.1 Market Reality – BMR 27 (1)(a)

The Morningstar Target Allocations Indexes are designed for creating and benchmarking multi-asset investment portfolios according to region-specific asset class preferences and risk tolerances. The Morningstar Target Allocations Indexes leverage Morningstar’s database of multi-asset funds to determine weights across key asset classes, seeking to provide investors with a regionally relevant asset allocation framework which is aligned with the Morningstar Categories for Allocation Funds. The Morningstar Categories are groupings of managed funds according to their actual investment style. The Categories and the groupings are set by Morningstar Research, independently of Morningstar Indexes.

Within the Morningstar Target Allocations Indexes, there are nine regional index series,

- **Morningstar US Target Allocation Indexes**
- **Morningstar Canada Target Allocation Indexes**
- **Morningstar UK Target Allocation Indexes**
- **Morningstar EAA USD Target Allocation Indexes**
- **Morningstar Australia Target Allocation Indexes**
- **Morningstar New Zealand Target Allocation Indexes and Morningstar New Zealand Target Allocation Plus Indexes**
- **Morningstar Europe Target Allocation Indexes**
- **Morningstar Japan Target Allocation Indexes**

- Morningstar Korea Target Allocation Indexes

Each series contains sub-indexes, the full list of which can be found in the *Construction Rules for the Morningstar Target Allocation Indexes*, *Construction Rules for the Morningstar Australia and New Zealand Target Allocation Indexes*, *Construction Rules for the Morningstar New Zealand Target Allocation Plus Indexes*, *Construction Rules for the Morningstar Korea Target Allocation Indexes*, and *Construction Rules for the Morningstar Japan Target Allocation Indexes*. (the “Index Methodologies”).

The Morningstar Target Allocation Indexes are made up of constituent Morningstar indexes which are selected based on the steps outlined in the Index Methodologies. Each constituent index has its own methodology which is available on the Morningstar website.

The Morningstar Target Allocation Indexes are reconstituted annually and implemented after the close of business on the last business day of June and is effective the following business day. At the annual reconstitution, the average asset allocation of each Target Allocation Index is recalculated, and the portfolio construction defining the constituent index membership and weights are reset according to the average asset allocation. The Morningstar Category data used for the annual reconstitution is as of the last calendar day of April (cut-off date).

The Morningstar Target Allocation Indexes are rebalanced monthly and implemented after the close of business on the last business day of every month and is effective the following business day. At each monthly rebalance, the weights are reset to the weights determined at last annual reconstitution.

2.2 Use of discretion – BMR 27(1)(b)

The Index Methodologies, including all documents incorporated therein, are written with the intent of removing, in so far as is feasible, the need for judgment or discretion to be exercised. While the Administrator will seek to apply the Index Methodologies, market conditions, supervisory, legal, financial, or tax reasons may require an alternative approach to be adopted. A decision to take an alternative approach will be made by the relevant Morningstar Index Methodology Committee, and in all instances, the application of a nonstandard process will be reported to the Morningstar Index Oversight Committee.

2.3 External factors – BMR 27(1)(c)

The Administrator hereby notifies all subscribers and stakeholders of the Morningstar Target Allocation Indexes that circumstances might arise that require a material change to, or a possible cessation of, an index. These circumstances are generally not within Morningstar’s control and may include significant changes to the underlying market structure, inadequate access to necessary data, geo-political events, and regulatory changes. In addition, factors such as low usage or methodology convergence may result in the cessation of an index.

Subscribers to an index will be notified before any methodology changes are made and will be consulted on material changes. For more details, refer to the [Morningstar Index Methodology Change Policy](#).

Because the cessation of an index could disrupt subscriber products that reference the index in question, all subscribers are encouraged to have robust fallback procedures in the event an index is terminated. For more details, refer to the [Morningstar Index Decommissioning Policy](#).

2.4 Changes to/cessation of benchmarks – BMR 27(1)(d)

Subscribers to an index will be notified before any methodology changes are made to that index. For more details, refer to the [Morningstar Index Methodology Change Policy](#).

Because the cessation of an index could disrupt subscriber products that reference the index in question, all subscribers are encouraged to have robust fallback procedures in the event an index is terminated. For more details, refer to the [Morningstar Index Decommissioning Policy](#).

2.5 Definition of key terms – BMR 27(2)(a) and DR 1(2)

The definitions of keys relating to the Morningstar Target Allocation Indexes can be found in the Index Methodologies.

- *Description of the market/economic reality*
Please refer to section 2.1 above.
- *Geographical boundaries*
The geographical boundaries of the markets measured by the Morningstar Target Allocation Indexes are determined by the eligibility criteria set out in the Index Methodologies.
- *Any other relevant information*
The Morningstar Target Allocation Indexes may be used for a variety of purposes, including benchmarking performance or use as the basis for index-linked investment products. The Morningstar Target Allocation Indexes may be used by a variety of market participants including but not limited to asset owners, portfolio managers, product issuers, broker-dealers and researchers. Not all uses are appropriate for all users. Market participants should use their judgment when selecting any index for a particular purpose.

2.6 Benchmark methodology, and changes to and cessation of benchmarks – BMR 27(2)(b), DR 1(5)

The Index Methodologies reflect the economic reality that the Morningstar Target Allocation Indexes intend to measure, as set out in section 2.1 above. The approval of new indexes follows a governance process. The Index Methodologies are subject to review at least annually.

Proposals for material amendments to the Index Methodologies will be subject to consultation, as set out in the [Morningstar Index Methodology Change Policy](#). Subscribers to an impacted index will be notified before any methodology changes are made.

Because the cessation of an index could disrupt subscriber products that reference the index in question, all subscribers are encouraged to have robust fallback procedures in the event an index is terminated. For more details, refer to the [Morningstar Index Decommissioning Policy](#).

2.7 Input data – BMR 27(2)(c)

The Morningstar Target Allocation Indexes are calculated using end-of-day index levels of constituent indexes calculated by Morningstar. The Morningstar Target Allocation Indexes do not use contributed input data.

2.8 Controls over exercise of judgment/discretion – BMR 27(2)(d), RTS 1(4)

As described in response 2.2 above, the Index Methodologies, including all documents incorporated therein, are written with the intent of removing, in so far as is feasible, the need for judgment or discretion to be exercised. While the Administrator will seek to apply the Index Methodologies, market conditions, supervisory, legal, financial, or tax reasons may require an

alternative approach to be adopted. A decision to take an alternative approach will be made by the relevant Morningstar Index Methodology Committee, and in all instances, the application of a nonstandard process will be reported to the Morningstar Index Oversight Committee. Records of those Committees are kept and, consequently, records of use of judgment/discretion are kept.

2.9 Determination of the benchmark in stress periods – BMR 27(2)(e)

While the Administrator will seek to apply the method described in the Index Methodologies, the market environment, supervisory, legal, financial, or tax reasons may require an alternative approach to be adopted. A decision to take an alternative approach will be made by the relevant Morningstar Index Methodology Committee, and in all instances, the application of a nonstandard process will be reported to the Morningstar Index Oversight Committee.

2.10 Errors in input data – BMR 27(2)(f)

In general, index calculation data input defects—such as price, dividends, or foreign exchange rates, that do not affect the index weighting factor – if discovered within two trading days, are corrected, and the index is recalculated regardless of the performance impact. Such errors discovered after two trading days typically only result in an index restatement if the impact on performance is material; otherwise, they are corrected prospectively. Errors involving mandatory corporation actions will generally be corrected with a restatement, regardless of the performance impact. For information on the recalculation policy please refer to the [Recalculation Guidelines](#).

2.11 Potential limitations – BMR 27(2)(g), DR 1(3)

While the Administrator will seek to apply the method described in the Index Methodologies, the market environment, supervisory, legal, financial, or tax reasons may require an alternative approach to be adopted. A decision to take an alternative approach will be made by the relevant Morningstar Index Methodology Committee, and in all instances, the application of a nonstandard process will be reported to the Morningstar Index Oversight Committee

Review and update of Benchmark Statements

3.1 Review and update of benchmark statement – DR 6

This benchmark statement will be reviewed regularly (at least once every two years) or whenever there are material changes to the information provided.

Disclosures

4.1 Interest rate benchmarks disclosure – DR 1(1)(d), DR 3

Not applicable to this index.

4.2 Commodity benchmarks disclosure – DR 1(1)(d), DR 4

Not applicable to this index.

4.3 Critical benchmarks disclosure – DR 1(1)(d), DR 5

Not applicable to this index.

4.4 EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – A19a, A19b

Not applicable to this index.

4.5 ESG factors disclosure – A13(1)(d), A27 (2a)

This index does not take account of ESG factors in the index design and does not pursue any ESG objectives.

4.6 Carbon Emission Reductions – DR 1(1)(d), DR 5

This index does not use any temperature scenario, does not align with the target of carbon emission reductions and does not attain the objectives of the Paris Agreement.

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.

Morningstar Index Methodology Committee

The Morningstar Index Methodology Committee oversees all new index development, index methodology changes, and cessation of indexes for any indexes where Morningstar owns the intellectual property. This committee is also charged with ensuring that indexes align with Morningstar Research principles and values. The group comprises members of the index team with index research, product development, product management, client service, index implementation, and operation expertise who provide the first layer of governance over index design and methodology.

Morningstar Index Operations Committee

The Morningstar Index Operations Committee governs the processes, systems, and exception handling of the day-to-day management of all live indexes, including index rebalancing and reconstitution, restatements, market classification, and contingency management. The committee oversees the annual review of index methodology (as required by BMR), ensuring that methodologies remain fit for purpose and continue to achieve their stated investment objectives. The group comprises members of the index team with data, operations, corporate actions, product development, index launch, client service, and index management experience who provide the first layer of governance over index operations.

Morningstar Index Oversight Committee

The Morningstar Index Oversight Committee is responsible for the index oversight function as per the requirements of BMR, providing independent oversight of all aspects of the governance of benchmark administration as required by BMR. Its remit extends to all calculation and administration-related business activities of Morningstar Indexes, including administration of Morningstar-owned benchmarks as well as client-owned benchmarks and index calculation. The oversight function is part of the organizational structure of Morningstar but is separate and independent from the index business, index management, and the other index committees.

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