

# Construction Rules for the Morningstar Morningstar UK Pension Index



**Overview** .....3

**Index Construction** .....3

Starting Universe.....3

Average Asset Class Allocation .....4

Index Weighting .....4

**Index Maintenance and Calculation**.....4

Scheduled Maintenance .....4

Index Calculation and Price Data.....4

**Methodology Review and Index Decommissioning Policy** .....5

**Data Correction and Precision** .....5

Intraday Index Data Corrections.....5

Index-Related Data and Divisor Corrections .....5

**Exceptions**.....5

**Appendixes** .....6

Appendix 1: Modifications to the Rulebook.....6

**About Morningstar Indexes** .....6

Overview

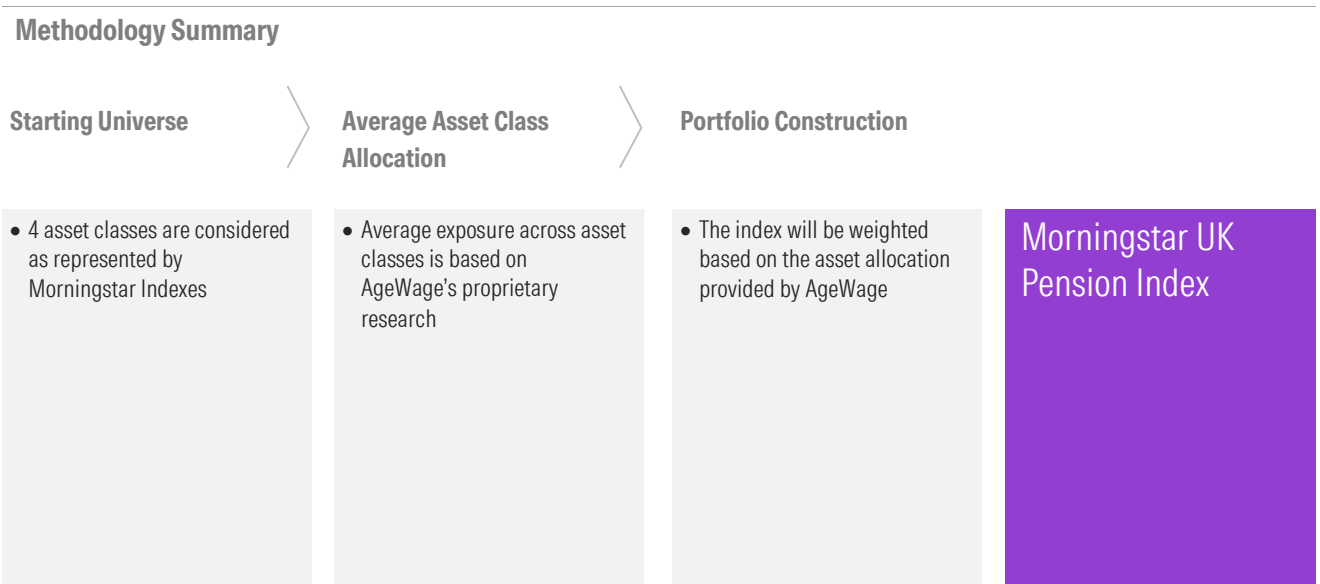
The Morningstar UK Pension Index is a rules-based, blended index designed to capture the returns from the average pension pot of a UK Pension Holder. This index can be used as a benchmark for UK pension holders and is designed to compare performance to their own pensions.

The index does not incorporate environmental, social, or governance criteria.

Index Inception and Performance Start Date

The index inception date is October 21, 2019, and the performance start date, when the first back-tested index value was calculated, is March 17, 2000.

Index Construction



Starting Universe

In order to replicate the average asset allocation for a pension pot, the index uses four asset classes as represented by Morningstar Indexes as shown in the table below:

Asset Class <sup>1</sup>	Morningstar Index
International equity	Morningstar Global Markets Index
Domestic equity	Morningstar UK Index
Domestic fixed income	Morningstar UK Gilt Bond Index

<sup>1</sup> The asset classes are represented by category returns until 1998 for equities and 1999 for fixed income after which point returns from the corresponding Morningstar Indexes are used.

Domestic inflation protected fixed income	Morningstar UK Treasury Inflation-Linked Securities Index
---	---

Rules governing security inclusion into the above listed indexes, are detailed in the rulebooks that govern each index. These rules are available on the Morningstar Indexes [website](#).

### Average Asset Class Allocation

The average exposure across asset classes is based on AgeWage's proprietary research.

### Index Weighting

The index will be weighted based on the asset allocation provided by AgeWage based on their proprietary research. The current allocation is as follows

- 52% to UK Equities
- 28% to Global Equities
- 15% to UK Gilts
- 5% UK TIPS

This allocation may change in the future as per the reconstitution schedule for the index.

## Index Maintenance and Calculation

### Scheduled Maintenance

#### *Annual Reconstitution*

The index is reconstituted annually and implemented after the close of business on third Friday of June and is effective the following business day. At the annual reconstitution, the average asset allocation of the index is recalculated, and the portfolio construction defining the constituent index membership and weights are reset according to the average asset allocation determined by AgeWage's proprietary research.

#### *Monthly Rebalance*

The index is rebalanced quarterly and implemented after the close of business on the third Friday of March, June, September, and December and is effective the following business day. At each monthly rebalance, the weights are reset to the weights determined at last annual reconstitution.

### Index Calculation and Price Data

Price data is the end-of-day index level of constituents calculated by Morningstar for index-level calculation.

Multi-Asset indexes follow the general global equity index calculation approach described in [the Morningstar Indexes Calculation Methodology](#).

## Methodology Review and Index Decommissioning Policy

The index methodology is continually reviewed to ensure it achieves all stated objectives. These reviews consider corporate action treatment, selection, and maintenance procedures. Subscribers to the index will be notified before any methodology changes are made. For more details, refer to the [Morningstar Index Methodology Change Policy](#).

Morningstar Indexes notifies all subscribers and stakeholders of the index that circumstances might arise that require a material change to, or a possible cessation of, the 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.

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

## Data Correction and Precision

### Intraday Index Data Corrections

Commercially reasonable efforts are made to ensure the accuracy of data used in real-time index calculations. If incorrect price or corporate action data affects index calculations, corrections are applied prospectively.

### Index-Related Data and Divisor Corrections

Incorrect pricing and corporate action data for individual issues in the database will be corrected upon detection. In addition, an incorrect divisor of an index, if discovered within two days of its occurrence, will be fixed retroactively on the day it is discovered to prevent an error from being carried forward. Commercially reasonable efforts are made to correct an older error subject to its significance and feasibility.

For more details, refer to the [Recalculation Guidelines](#).

## Exceptions

While Morningstar will seek to apply the methodology described above, 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 Morningstar Index Methodology Committee, and in all instances, the application of a nonstandard process will be reported to the Morningstar Index Oversight Committee.

## Appendixes

### Appendix 1: Modifications to the Rulebook

Section	Description of Change	Update Date
Rulebook version	<p>Transitioned rulebook to updated brand template and made minor formatting changes</p> <p>Removed Computation and Reporting Precision section</p> <p>Added Exceptions section</p>	June 2025

### 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 U.K. and EU benchmark regulations, or 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 the U.K. and European BMR, providing independent oversight of all aspects of the governance of benchmark administration as required by the relevant 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.

[www.indexes.morningstar.com](http://www.indexes.morningstar.com)

## Contact Us

[indexes@morningstar.com](mailto:indexes@morningstar.com)

The information in this document is the property of Morningstar, Inc. Reproduction or transcription by any means, in whole or part, without the prior written consent of Morningstar, Inc., is prohibited. While data contained in this report are gathered from reliable sources, accuracy and completeness cannot be guaranteed. All data, information, and opinions are subject to change without notice. This document may contain back-tested or simulated performances, and the subsequent results achieved by the investment strategy may be materially different.