



September 5, 2025

Reminder: Consultation on a Change to the Asset Allocation Methodology of the Morningstar Korea Lifetime Allocation Aggressive Index Series

As previously [announced](#), Morningstar Indexes is seeking feedback on a proposal regarding the Morningstar Korea Lifetime Allocation Aggressive Index series.

Background

The Morningstar Korea Lifetime Allocation Aggressive Index series is composed of five underlying Morningstar Indexes that are used as asset allocation building blocks relevant to Korean target-date investors. The indexes apply asset allocation methodologies developed and maintained by Morningstar Investment Management. Please see the asset classes and their underlying Morningstar Index in the chart below:

Asset Class	Morningstar Index
International equity	Morningstar Developed Markets Index
Emerging market equity	Morningstar Emerging Markets Index
International fixed income	Morningstar Global Treasury Bond Index
Emerging markets fixed income	Morningstar Emerging Markets Sovereign Bond Index
Domestic fixed income	Morningstar Korea 1-20 Year Treasury Bond Index

Proposed Change

Morningstar Indexes is seeking feedback on a proposal to revise the asset allocation methodology for the Morningstar Korea Lifetime Allocation Aggressive Index series. Under the proposed changes, the maximum allocation to risky assets (primarily equities) for the

Morningstar Korea Lifetime Allocation Aggressive 2055 Index would be reduced from the current 80% to 77%. Additionally, the proposal includes a gradual increase in risky asset allocations for the following indexes.

- Morningstar Korea Lifetime Allocation Aggressive 2045 Index
- Morningstar Korea Lifetime Allocation Aggressive 2050 Index
- Morningstar Korea Lifetime Allocation Aggressive 2055 Index

The current and proposed allocations are summarized in the tables below:

Current Allocation

	Vintage 2055	Vintage 2050	Vintage 2045	Vintage 2040	Vintage 2035	Vintage 2030	Retirement
Morningstar Developed Markets NR KRW	66%	66%	66%	58%	49%	47%	30%
Morningstar Emerging Markets NR KRW	14%	14%	14%	13%	11%	10%	7%
Morningstar Korea 1-20 Year Treasury Bond GR KRW	8%	8%	8%	12%	17%	18%	27%
Morningstar Global Treasury Bond GR Hedged KRW	9%	9%	9%	14%	19%	21%	32%
Morningstar Emerging Markets Sovereign Bond GR Hedged KRW	3%	3%	3%	3%	4%	4%	4%

Total	100%	100%	100%	100%	100%	100%	100%
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Proposed Allocation

	Vintage 2055	Vintage 2050	Vintage 2045	Vintage 2040	Vintage 2035	Vintage 2030	Retirement
Morningstar Developed Markets NR KRW	63%	62%	60%	58%	49%	47%	30%
Morningstar Emerging Markets NR KRW	14%	13%	13%	13%	11%	10%	7%
Morningstar Korea 1-20 Year Treasury Bond GR KRW	9%	10%	11%	12%	17%	18%	27%
Morningstar Global Treasury Bond GR Hedged KRW	11%	12%	13%	14%	19%	21%	32%
Morningstar Emerging Markets Sovereign Bond GR Hedged KRW	3%	3%	3%	3%	4%	4%	4%
Total	100%	100%	100%	100%	100%	100%	100%

This adjustment aims to better reflect local market conditions, particularly in terms of liquidity and short-term price variability.

Impact:

A detailed analysis was conducted to assess the impact of this adjustment, resulting in maximum equity weight of 77% for 2055 vintage, a 2% decrease in the equity allocation for 2050 and 2045 resulting in weights of 75% and 73% respectively. No changes were observed for 2030, 2035, 2040 and retirement vintages as they already show gradual increase in equity allocations

With these changes, all indexes in the *Morningstar Korea Lifetime Allocation Aggressive Index series* would be renamed as the *Morningstar Korea Lifetime Allocation Aggressive Select Index series*.

There will be no changes to other indexes in the Morningstar Lifetime Allocation Index series.

Submit your responses and questions:

Morningstar Indexes welcomes client feedback regarding this proposed change. Responses to this consultation can be submitted [here](#).

General questions about the consultation may also be sent to indexes@morningstar.com.

Key dates:

- **Consultation:** The consultation will be open for response from August 31, 2025 to September 8, 2025.
- **Decision announcement:** Final decisions will be announced by September 12, 2025.
- **Proposed implementation:** This change will be implemented after the close of business on September 30, 2025, and will be effective October 1, 2025.

Questions:

1. Should Morningstar Indexes proceed with the proposal to revise the asset allocation methodology for the Morningstar Korea Lifetime Allocation Aggressive Index series according to the changes as outlined above?
 - a. Yes
 - b. No

- c. Other, please explain
2. Do you have any objections if Morningstar Indexes implements this change effective October 1, 2025?
 - a. No
 - b. Yes, please explain
3. What other factors should Morningstar Indexes consider in making these decisions?

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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