

Morningstar® Target Risk Indexes

Key Attributes

- ▶ Based on Ibbotson Associates' asset allocation expertise
- ▶ Five market risk levels to accommodate investors with different risk preferences
- ▶ Comprehensive coverage of global equity and fixed-income markets
- ▶ Pure asset-class exposure through Morningstar Index allocation building blocks

Individual investors are driving strong demand for retirement investment products for two reasons. Increases in life expectancy and the cost of retirement necessities like healthcare are raising the cost of retirement. Meanwhile, historic sources of retirement income such as corporate pensions and government entitlements are fading, shifting the retirement funding responsibility to the individual.

A New Benchmark

The financial services industry recognizes the challenge facing investors and offers a growing line of funds that incorporate professional allocation advice.

Unlike single asset-class index funds, asset allocation funds have unique properties that can make benchmarking complex. Fiduciaries and investors alike are grappling with the issue of how to choose and evaluate a target risk fund.

The Morningstar Target Risk Index family is designed to meet the benchmarking needs of target risk investors by offering an objective yardstick for performance comparison. The family consists of five indexes covering equity risk preferences ranging from aggressive to conservative.

Asset Allocation by Ibbotson Associates

The indexes utilize asset allocation methodologies developed and maintained by Ibbotson Associates, a leader in asset allocation research for over 30 years and a Morningstar company since 2006.

Security Selection by Morningstar Indexes

The securities selected for the asset allocation indexes are driven by the rules-based indexing methodologies that power Morningstar's comprehensive index family. Morningstar indexes are specifically designed to be seamless, investable building blocks that deliver pure asset-class exposure. Morningstar indexes cover a global set of stocks, bonds and commodities.

Reconstitution

Asset-class weights are adjusted annually to incorporate Ibbotson's updated assumptions. The indexes are rebalanced quarterly and priced daily.

For More Information

Call +1 312 384-3735

Visit <http://indexes.morningstar.com>

Global Asset-Class Coverage using Morningstar's Seamless Index Family

