Morningstar® Asset Allocation Indexes
Why Choose Morningstar® Indexes?

- Benchmark asset allocation investment vehicles and understand the drivers of performance using our clear, objective, relevant measures
- Develop investor-centric, robust portfolio solutions that appeal to a wide audience
- Leverage more than 30 years of award-winning research and patented asset allocation methodologies from Ibbotson Associates, a Morningstar company
- Benefit from our expertise and consistent approach to building fully investable indexes across all major asset classes without any gaps or overlap
- Capitalize on the trusted Morningstar brand, recognized by investors and financial advisors and institutions around the world

Investable, Rules-Based Indexes

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**Investable, Rules-Based Indexes**

- **Morningstar index components are combined to make up the family of Asset Allocation Indexes.**
- **Asset Allocation Indexes**
- **Lifetime Allocation**
- **Target Risk**
- **Equities**
- **Bonds**
- **Commodities**
- **TIPS**

**Our Lineup**

The Morningstar® Asset Allocation Index family includes two index series designed to help develop and benchmark target date and target risk funds for almost any investor. Each index provides diversified asset-class exposure to global equities, bonds, commodities, and Treasury Inflation-Protected Securities (TIPS) by using existing Morningstar indexes as asset allocation building blocks. Our indexes are rooted in proprietary research and precise methodologies to meet investor needs throughout retirement.
A New Standard for Benchmarking Multi-Asset Class Funds

Today's investors face a choice of hundreds of target date and target risk funds and have no easy way to gauge which one is most appropriate for their needs.

There must be choice among indexes to match the diversity of investment options on the market today. By addressing multiple risk levels, the Morningstar® Asset Allocation Indexes accommodate these investment variations and provide a series of sound benchmarks for comparing funds.

A Profile for All Investors

Not everyone has the same risk tolerance or investment goals, which is why we provide multiple risk profiles for target date and target risk funds.

The methodology behind our indexes embraces the latest academic research regarding modern portfolio theory, an individual’s shifting “human capital,” or ability to earn and save money over time; the application of liability-driven investing techniques; and alternative asset class research. The depth of our research results in diverse glide paths that make it easy to accurately monitor the performance of a fund relative to an investor’s personal objectives.

Meaningful Measures of Performance

Our indexes provide broader representation of investable products than benchmarks from other data providers. With three distinct glide paths representing three different risk profiles, our Lifetime Allocation Indexes include an asset mix that better captures the diversity in glide paths offered by actively managed funds. The five risk choices within our Target Risk Indexes deliver a similarly broad set of options.

Our indexes offer full market coverage—without any gaps or overlap—that makes it easier to isolate the sources of return, assess fees, and evaluate overall performance. Plan providers and fiduciaries can use these indexes to guide them in pairing their investors with appropriate products and understanding the drivers of performance.

Bring Relevant Products to Market

The search is on for high-quality target date and target risk funds. With the majority of defined contribution holdings today in multi-asset class investments, demand has never been stronger for passively managed funds. The Morningstar Lifetime Allocation and Target Risk Indexes help fund companies provide sound investment solutions at minimal cost. Each index offers pure exposure to a broad, evolving range of global stocks, bonds, and commodities for asset class diversity. With our indexes, fund companies can consolidate in-house resources and provide passive options for asset allocation investments that appeal to a broad group of investors.

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Morningstar, Inc. is a leading provider of independent investment research in North America, Europe, Australia, and Asia. Introduced in 2002, the Morningstar® Indexes family offers a broad range of equity, bond, commodity, and asset allocation indexes.

Capitalize on the distinctive approach of Morningstar® Asset Allocation Indexes to create robust target-date and target-risk investment vehicles.

Contact us to discuss licensing opportunities or to learn more about the Morningstar approach.

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