

Samsung Korea Target Date Indices Methodology

This index series is composed of 3 sub-indices (2050, 2040, 2030) which distributes among the multi-asset class of indices with different weights by target retirement date.

Each sub-index allocates between S&P Global BMI and S&P Korea Sovereign Bond Index by pre-determined life-cycle glide-path.

1) Index Constituents

Asset Class	Benchmark Name
Global Equities	S&P Global BMI Index*
Korea Bonds	S&P South Korea Sovereign Bond Index

**The index calculates with the latest closing "S&P Global BMI (USD) Index" value at Korea close "(T-1) value" and converted into KRW currency using the latest Asia Spot FX rate "(T) value".*

2) Glide Path

Glide Path has 3 Total Phases.

- **Accumulation:** From 40 years before the target date to 30 years before the target date
Weight in equity is high for the period. For the period, 80% for equity and 20% for bond is fixed in the investment weight.
- **Transition:** From 30 years before the target date to the target date
Weight in equity is gradually decreased and that in bond increased for the period.
1.6% of weight each year is transferred from equity to bond.
- **Decumulation:** From the target date
After retirement, equity weight is more quickly decreased.
Every year 2.0% of equity weight is transferred to bond.
* 2.0% of equity proportion is transferred to bond annually until floor weight of 20% is reached and final proportion of 20% equity & 80% bond is achieved, at which point the index no longer rebalances equity & bond weight.

Age	30	35		65		81	90
Equity	80%	80%	-1.6% / year	32%	-2.0% / year	20%	20%
Bond	20%	20%	+1.6% / year	68%	+2.0% / year	80%	80%

3) Rebalancing

Quarterly Rebalance

Effective after the close of the first business day of Mar/Jun/Sep/Dec - by the related Age of Glide Path, the Equity and Bond investment weights are adjusted.

Monthly Capping

Effective after the close of the first business day of every month the following monthly capping shall be applied:

1. In case that weight of equity exceeds 80% at the end of every month, the 80% capping is applied.
2. After the target date (as per the tables below), 40% capping is applied if the weight of equity exceeds 40% at the end of every month.

In the scenarios, where both the Quarterly and Monthly rebalances are called for at the same time, the Quarterly rebalance shall take precedence and is prioritized.

- 4) **Calculation:** End of day calculation. Index value published after Korea Close (Asia time zone).
- 5) **Foreign Exchange Rates:** Asia Spot Rates - "T" value
- 6) **Base Date:** Dec 1, 2014
- 7) **Index Holiday Schedule:** Follows Korea Stock Exchange trading calendar
- 8) **File Delivery:** Index levels file only (SDL Index levels file)

Appendix. Pre-determined Sub Index Weight (2050)

Samsung Korea Target Date 2050 Index

Year	Age	Time-to-Retire	S&P Global BMI Index(USD)	S&P Korea Sovereign Bond Index(KRW)
2015	30	-35	80.0%	20.0%
2016	31	-34	80.0%	20.0%
2017	32	-33	80.0%	20.0%
2018	33	-32	80.0%	20.0%
2019	34	-31	80.0%	20.0%
2020	35	-30	80.0%	20.0%
2021	36	-29	78.4%	21.6%
2022	37	-28	76.8%	23.2%
2023	38	-27	75.2%	24.8%

2024	39	-26	73.6%	26.4%
2025	40	-25	72.0%	28.0%
2026	41	-24	70.4%	29.6%
2027	42	-23	68.8%	31.2%
2028	43	-22	67.2%	32.8%
2029	44	-21	65.6%	34.4%
2030	45	-20	64.0%	36.0%
2031	46	-19	62.4%	37.6%
2032	47	-18	60.8%	39.2%
2033	48	-17	59.2%	40.8%
2034	49	-16	57.6%	42.4%
2035	50	-15	56.0%	44.0%
2036	51	-14	54.4%	45.6%
2037	52	-13	52.8%	47.2%
2038	53	-12	51.2%	48.8%
2039	54	-11	49.6%	50.4%
2040	55	-10	48.0%	52.0%
2041	56	-9	46.4%	53.6%
2042	57	-8	44.8%	55.2%
2043	58	-7	43.2%	56.8%
2044	59	-6	41.6%	58.4%
2045	60	-5	40.0%	60.0%
2046	61	-4	38.4%	61.6%
2047	62	-3	36.8%	63.2%
2048	63	-2	35.2%	64.8%
2049	64	-1	33.6%	66.4%
2050	65	0	32.0%	68.0%
2051	66	1	30.0%	70.0%

2052	67	2	28.0%	72.0%
2053	68	3	26.0%	74.0%
2054	69	4	24.0%	76.0%
2055	70	5	22.0%	78.0%
2056	71	6	20.0%	80.0%
2057	72	7	20.0%	80.0%
2058	73	8	20.0%	80.0%
2059	74	9	20.0%	80.0%
2060	75	10	20.0%	80.0%
2061	76	11	20.0%	80.0%
2062	77	12	20.0%	80.0%
2063	78	13	20.0%	80.0%
2064	79	14	20.0%	80.0%
2065	80	15	20.0%	80.0%
2066	81	16	20.0%	80.0%
2067	82	17	20.0%	80.0%
2068	83	18	20.0%	80.0%
2069	84	19	20.0%	80.0%
2070	85	20	20.0%	80.0%
2071	86	21	20.0%	80.0%
2072	87	22	20.0%	80.0%
2073	88	23	20.0%	80.0%
2074	89	24	20.0%	80.0%
2075	90	25	20.0%	80.0%

Appendix. Pre-determined Sub Index Weight (2040)**Samsung Korea Target Date 2040 Index**

Year	Age	Time-to-Retire	S&P Global BMI Index(USD)	S&P Korea Sovereign Bond Index(KRW)
2015	40	-25	72.0%	28.0%
2016	41	-24	70.4%	29.6%
2017	42	-23	68.8%	31.2%
2018	43	-22	67.2%	32.8%
2019	44	-21	65.6%	34.4%
2020	45	-20	64.0%	36.0%
2021	46	-19	62.4%	37.6%
2022	47	-18	60.8%	39.2%
2023	48	-17	59.2%	40.8%
2024	49	-16	57.6%	42.4%
2025	50	-15	56.0%	44.0%
2026	51	-14	54.4%	45.6%
2027	52	-13	52.8%	47.2%
2028	53	-12	51.2%	48.8%
2029	54	-11	49.6%	50.4%
2030	55	-10	48.0%	52.0%
2031	56	-9	46.4%	53.6%
2032	57	-8	44.8%	55.2%
2033	58	-7	43.2%	56.8%
2034	59	-6	41.6%	58.4%
2035	60	-5	40.0%	60.0%
2036	61	-4	38.4%	61.6%
2037	62	-3	36.8%	63.2%
2038	63	-2	35.2%	64.8%

2039	64	-1	33.6%	66.4%
2040	65	0	32.0%	68.0%
2041	66	1	30.0%	70.0%
2042	67	2	28.0%	72.0%
2043	68	3	26.0%	74.0%
2044	69	4	24.0%	76.0%
2045	70	5	22.0%	78.0%
2046	71	6	20.0%	80.0%
2047	72	7	20.0%	80.0%
2048	73	8	20.0%	80.0%
2049	74	9	20.0%	80.0%
2050	75	10	20.0%	80.0%
2051	76	11	20.0%	80.0%
2052	77	12	20.0%	80.0%
2053	78	13	20.0%	80.0%
2054	79	14	20.0%	80.0%
2055	80	15	20.0%	80.0%
2056	81	16	20.0%	80.0%
2057	82	17	20.0%	80.0%
2058	83	18	20.0%	80.0%
2059	84	19	20.0%	80.0%
2060	85	20	20.0%	80.0%
2061	86	21	20.0%	80.0%
2062	87	22	20.0%	80.0%
2063	88	23	20.0%	80.0%
2064	89	24	20.0%	80.0%
2065	90	25	20.0%	80.0%

Appendix. Pre-determined Sub Index Weight (2030)**Samsung Korea Target Date 2030 Index**

Year	Age	Time-to-Retire	S&P Global BMI Index(USD)	S&P Korea Sovereign Bond Index(KRW)
2015	50	-15	56.0%	44.0%
2016	51	-14	54.4%	45.6%
2017	52	-13	52.8%	47.2%
2018	53	-12	51.2%	48.8%
2019	54	-11	49.6%	50.4%
2020	55	-10	48.0%	52.0%
2021	56	-9	46.4%	53.6%
2022	57	-8	44.8%	55.2%
2023	58	-7	43.2%	56.8%
2024	59	-6	41.6%	58.4%
2025	60	-5	40.0%	60.0%
2026	61	-4	38.4%	61.6%
2027	62	-3	36.8%	63.2%
2028	63	-2	35.2%	64.8%
2029	64	-1	33.6%	66.4%
2030	65	0	32.0%	68.0%
2031	66	1	30.0%	70.0%
2032	67	2	28.0%	72.0%
2033	68	3	26.0%	74.0%
2034	69	4	24.0%	76.0%
2035	70	5	22.0%	78.0%
2036	71	6	20.0%	80.0%
2037	72	7	20.0%	80.0%
2038	73	8	20.0%	80.0%
2039	74	9	20.0%	80.0%

2040	75	10	20.0%	80.0%
2041	76	11	20.0%	80.0%
2042	77	12	20.0%	80.0%
2043	78	13	20.0%	80.0%
2044	79	14	20.0%	80.0%
2045	80	15	20.0%	80.0%
2046	81	16	20.0%	80.0%
2047	82	17	20.0%	80.0%
2048	83	18	20.0%	80.0%
2049	84	19	20.0%	80.0%
2050	85	20	20.0%	80.0%
2051	86	21	20.0%	80.0%
2052	87	22	20.0%	80.0%
2053	88	23	20.0%	80.0%
2054	89	24	20.0%	80.0%
2055	90	25	20.0%	80.0%
