

# Important Plan Information and Disclosures



# Important Legal Information



## Voya MAP SELECT 2010

The Voya Multiple Asset Portfolio Select 2010 (“MAP Select”) Group Funding Agreement for Allocated Accounts with the Voya Fixed Account\*

**Why Reading this Information Booklet is Important.** Before you participate (the “participant”) in the MAP Select group funding agreement (the “contract”) through the retirement plan sponsored by your employer (the “plan”), you should read this information booklet and its Appendices. This booklet provides facts about the contract and its investment options and other important information. Please keep it for future reference.

### OVERVIEW

The MAP Select contract is issued to the “contract holder” (generally your employer’s retirement plan trustees) and Voya Retirement Insurance and Annuity Company (the “Company”†, “VRIAC”, “we”, “us” or “our”). Under federal tax law, your employer may take tax deductions for contributions to a qualified plan and, if your plan allows, you may contribute to that same plan on a pre- or post-tax basis.

The primary purpose of the contract is to provide for the accumulation of contributions, under the terms of your plan that will result in retirement income for you and other plan participants. Under the contract, contributions can be invested in a variety of different investment options. You will receive periodic statements that provide confirmation of account transactions such as contributions made. As described in your enrollment material, you will also have access to your account information through Voya Access, our easy-to-use interactive voice response, and through our online capabilities on the Internet.

This information booklet contains a summary of the key provisions of the MAP Select contract and is intended for use with the plan sponsored by your employer. Your retirement benefits are governed exclusively by the provisions of your plan and not by the contract that we deliver to the contract holder. The contract permits the contract holder to retain fiduciary responsibility for the decision to transfer or withdraw amounts from the contract. If the contract holder exercises such discretion to withdraw or transfer amounts from the contract, participant consent is not required and there may be charges against your account balance, such as a market value adjustment, contract surrender charge or Transferred Asset Benefit Recovery charge, if applicable.

In the event of a conflict between this information booklet and the contract, the terms of the contract will prevail.

### PARTICIPANT ACCOUNTS

Plan contributions are submitted by the plan sponsor and applied to participant accounts. The contributions are allocated to the investment options selected by the plan sponsor for your plan to provide future retirement income for you. If allowed by your plan, you will be able to select the investment options for your participant account under the MAP Select contract. For each account, we maintain multiple record sources for crediting select types of employer and employee contributions and to accept rollovers from other sponsored plans and Individual Retirement Accounts and Annuities (“IRAs”) as allowed by your plan.

The accumulation phase may end when you have a change in status that results in a benefit payment (because of retirement, for example). At this point, the amounts accumulated for you can be used to provide income payments. During this **income phase**, you, as the “annuitant”, can receive periodic retirement benefit payments based on your life expectancy or a specified period of time, as permitted under your plan and contract.

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\* Sold as a group annuity contract in the State of Washington.

† The Company is an indirect, wholly-owned subsidiary of Voya Financial, Inc. (“Voya®”). Securities are distributed through Voya Financial Partners, LLC or through other broker-dealers with which Voya Financial Partners, LLC has selling agreements. Financial planning is offered by Voya Financial Advisors, Inc. Voya Financial Partners, LLC and Voya Financial Advisors, Inc. are both members of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Both are also members of the Voya® family of companies

## INVESTMENT OPTIONS

The MAP Select contract offers a wide range of variable investment options and two different credited interest options.

### The Variable Investment Options

The variable investment options available through the contract are subaccounts of a Company separate account, each which invests directly in shares of a corresponding mutual fund. Each underlying mutual fund has a different investment objective and more detailed information about a fund's investment risks and fees and expenses can be found in the fund fact sheets you will receive, along with this booklet, at enrollment. At our discretion, we may add, restrict or withdraw the availability of any such investment option.

**How the Variable Investment Options Work.** The variable investment options fluctuate in value and involve investment risks. The value of the fund shares may increase or decrease, which will affect the value of your participant account.

When contributions are allocated to the contract and directed to the variable investment options, they are invested in subaccounts of a pooled separate account, which purchase shares of mutual funds registered under the Investment Company Act of 1940. The separate account actually holds the fund shares. Your account under the contract holds units of participation in the separate account.

At the end of each day that the New York Stock Exchange ("NYSE") is open (normally at 4 p.m. Eastern Time), a net asset value per share of each fund is determined (based on the value of each fund's securities, cash and other assets, less any liabilities, divided by the number of shares outstanding). The separate account unit value of the fund is then derived by multiplying the last unit value by the current net investment factor. The net investment factor takes into account the difference in net assets in the beginning and at the end of the period being valued, taxes (or provisions for taxes, if any) and the Daily Asset Charge ("DAC"), which is assessed against amounts invested in the variable investment options. **See "Daily Asset Charge" and Appendix A for additional information about the DAC.**

Different funds and fund share classes pay varying levels of fees to the Company. Pricing for your employer's plan takes these different fee levels into consideration and the different fee levels can provide flexibility in the plan's overall cost. As a result, it is possible that different share classes within a fund family, or across different fund families, may be utilized in offering the variable investment options to your plan.

The valuation of the variable investment options is dependent upon the securities markets. The applicable valuation date for fund transactions is subject to federal securities laws and regulations. Also, certain funds may deduct redemption fees to discourage market timing and other short-term trading strategy.

Also see the fund fact sheets provided to you at enrollment for important information about investment advisory fees, redemption fees, 12b-1 distribution fees and other expenses and disclosures on revenue we may receive from the various funds. If you would like more information about your variable investment options, you may request a prospectus for each fund from your employer or plan administrator.

**You should consider the investment objectives, risks, and charges and expenses of the variable product and its underlying fund options; or mutual funds offered through a retirement plan, carefully before investing. The information booklets contain this and other information. You may obtain a free copy of the prospectus for the fund (in English) prior to making an investment decision or at any time by calling your local representative or 1-800-262-3862. Please read the information carefully before investing.**

### Credited Interest Options

In addition to the variable investment options, MAP Select also includes two different credited interest options. The Company's claims-paying ability should be taken into consideration in evaluating interest rate guarantees. The guarantee does not apply to the investment return or principal value of the variable investment options.

## **Voya Fixed Account**

The Voya Fixed Account is a credited rate investment option. The Fixed Account is an obligation of VRIAC's general account which supports all of the Company's insurance and annuity commitments. The rate credited to the Plan is determined by VRIAC subject to minimum rate guarantees in the Contract. Under the Voya Fixed Account option, we assume the risk of investment gain or loss by guaranteeing the amounts you allocate to this option and promising a minimum interest rate.

**Interest Rates:** The Fixed Account provides stability of principal and credits interest on all assets allocated to this option. The following interest rates may be applicable:

- **Guaranteed Minimum Interest Rate ("GMIR"):** The Company guarantees for the life of your Contract that interest will be credited at an annual effective yield that is no less than the GMIR set forth in your Contract.
- **Floor interest rate:** For each calendar year, the Company will also communicate to you a one-year guaranteed floor interest rate. This floor interest rate is currently equal to the GMIR and is guaranteed never to be less than the GMIR for the life of the contract.
- **Current credited interest rate:** The Company at its discretion may also credit interest at a "current credited interest rate". The current credited interest rate may be higher than the GMIR/floor interest rate and may be changed at any time, except that we will not apply a decrease to the current credited interest rate following a rate change initiated solely by us prior to the last day of the three-month period measured from the first day of the month in which such change was effective. The current rate for a plan's initial investment in the Voya Fixed Account may be in effect for less than a full three-month period.

The GMIR, the floor interest rate and the current credited interest rate are each expressed as an annual effective yield. Interest is credited to accounts on a daily basis. Once credited, the interest becomes a part of the principal. Taking the effect of compounding into account, the interest credited daily yields the current credited interest rate.

Any changes in interest rates will apply to all amounts invested in the Fixed Account. The floor interest rate and current credited interest rate are based on Plan-specific characteristics, Plan-specific elections, compensation paid to sales professionals and other factors. You should review with your sales representative how these factors affect the Fixed Account interest rates. If Plan-specific elections and characteristics change, the Company may make corresponding adjustments to the current credited interest rate and floor interest rate, subject to the GMIR described above.

Fixed Account interest rates may be reduced if your Plan allows participants access to investment options not provided under the Contract (split-funded plans) or permits in-service withdrawals prior to age 59½.

## **Voya Guaranteed Accumulation Account\***

The Voya Guaranteed Accumulation Account ("GAA") option (not available for all plans) allows you to allocate amounts for specific periods of time and know in advance the rate of interest that will be earned. Amounts may be allocated to GAA during an open "deposit period," generally offered monthly. During each deposit period, the Company may offer a "guaranteed term" in each of two classifications. The guaranteed term is the length of time for which we guarantee interest rates for GAA. The "short-term classification" offers guaranteed terms with maturity dates of 3 years or less and the "long-term classification" offers terms with maturity dates of 10 years or less, but greater than 3 years. You will always know in advance the rate you will receive during a guaranteed term. GAA credits interest daily. Taking the effect of compounding into account, the interest credited to your account daily yields the guaranteed rate.

Your principal and interest are guaranteed if you leave your money in a guaranteed term of GAA until the maturity date of the term. If you surrender or transfer money from a guaranteed term before its maturity date, you will receive the "market value adjusted" amount of the balance, which could be either positive or negative. If GAA is made available as an investment option for your plan's contract, you will be provided with a separate disclosure

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\* The Guaranteed Accumulation Account may not be available in all contracts or states, and if permitted under the contract we may close or restrict the Guaranteed Accumulation Account to current or future investment.

booklet that describes the features of GAA in greater detail. The booklet also gives examples of the market value adjustment calculation and the market value adjustment.

## CHANGING INVESTMENT OPTIONS

During the accumulation phase, if authorized by the plan sponsor, you may change the investment elections to which future contributions will be applied. Unless otherwise restricted, transfers among the fund investment options may also be made at any time by calling Voya's customer contact center or using online capabilities on the Internet. Transfers to or from the Fixed Account investment option may be limited under the terms of the Contract and the elections, if applicable, made under that Contract by the plan sponsor (see "**Transfers From the Fixed Account**" and "**Transfers To The Fixed Account**" below). Transaction requests received in good order by the close of business of the NYSE are processed that same business day. Once a change is made, you will receive confirmation of the requested change(s) by US mail, or online if you participate in our e-delivery program. It is important that you review these confirmation statements carefully. Failure to report any discrepancy within 30 days will indicate agreement with the transactions in the account as reported on the confirmation statement.

## TRANSFERS FROM THE FIXED ACCOUNT

**Percentage Limitation or Equity Wash Option.** The contract holder must elect one of two options when completing the application to the MAP Select contract. The option elected will determine what limitations and restrictions apply on transfers from the Fixed Account. The options are as follows:

- **Percentage Limitation Option** – Transfers are permitted from the Fixed Account to any of the other investment options, but such transfers are limited by a percentage that may vary at our discretion. The percentage we permit you to transfer will never be less than 10% of the amount you have in the Fixed Account on January 1 of a calendar year. We may allow a higher percentage. However, if for each of the four consecutive prior calendar years, you have annually transferred from the Fixed Account the maximum amount allowed and have made no new contributions to the Fixed Account within that period, the entire balance may be transferred regardless of the maximum percentage then allowed. Or, if your account has less than \$2,000 in the Fixed Account, you may transfer the entire balance to another investment option.
- **Equity Wash Option** – If this option is elected for plans with no competing investment options, transfers from the Fixed Account can be made at any time without limitations or restrictions. However, if your plan does have competing investment options, then transfers are allowed at any time from your participant account provided:
  - ▷ The Fixed Account transfer is not directed into a competing investment option;
  - ▷ A transfer into a competing investment option from any non-competing investment option has not occurred within 90 calendar days; and
  - ▷ A partial surrender has not occurred within 90 calendar days.

Transfers into a competing investment option from another investment option are allowed at any time provided that no prior transfers from the Fixed Account have occurred within 90 calendar days.

A "competing investment option" is defined as any investment option under the MAP Select contract or other contract or investment program offered by the Company or its affiliates or other financial providers in connection with your plan which:

- Provides a direct or indirect guarantee of investment performance;
- Is, or may be, invested primarily in assets other than common or preferred stock;
- Is, or may be, invested primarily in financial vehicles, (such as mutual funds, trusts and insurance company contracts) which are invested in assets other than common or preferred stock;
- Is available through a self-directed brokerage arrangement; or
- Is any fund with similar characteristics to the above.

**You will be informed at enrollment of the Fixed Account transfer option selected for your plan's contract.**

If the equity wash option is selected, you will also be informed of your plan's competing investment options, if applicable, which may change from time to time.

## CONTRACT CHARGES AND FEES

**Installation Charge:** here may be a one-time participant installation charge to be deducted from accounts following the transferred asset contribution applied to a new contract. The one-time installation charge, if elected by the contract holder, will be uniformly applied among all participants with initial plan transferred assets.

**Account Maintenance Fees:** Account maintenance fees reimburse the Company for some of its administrative expenses relating to the establishment and maintenance of participant accounts. The account maintenance fee is ordinarily deducted pro-rata from all investment options at the due date from the source record designated by us. The plan sponsor may also elect to pay the account maintenance fee, or at contract installation elect to pay the fee as an increase to the contract's Daily Asset Charge ("DAC") (see below).

The maximum participant account maintenance fee is \$25 per quarter. In certain situations it can be reduced, but the amount of the account maintenance fee reduction may change at any time. The initial account maintenance fee is stated in the group contract. You will be advised of the account maintenance fee amount and deduction frequency at enrollment. If all or a substantial portion of the contract is "surrendered" by the contract holder, an account maintenance fee, equal in amount to the most recent account maintenance fee imposed, may be deducted. The account maintenance fee amount is subject to change from time to time, but no more frequently than annually.

**Transferred Asset Benefit Recovery Charge and Contract Surrender Charge:** Under specific conditions, as agreed upon by the contract holder and the Company, we may credit to participant accounts a Transferred Asset Benefit ("TAB") to reimburse the plan for any cancellation penalty assessed by the prior provider.

If a TAB feature is purchased by the contract holder for the plan's contract, the DAC would be increased and the Fixed Account credited interest rate would be reduced during the duration period. A 1-7 year TAB recovery charge schedule would also apply.

The MAP Select contract may also include a 1-7 year contract surrender charge schedule depending upon plan specific characteristics and elections made by the contract holder. Charges are calculated as a percentage of the amount withdrawn and are assessed so we may recover a portion of our sales and administration expenses. If a charge applies, the percentage would be determined by the number of completed contract years between the date the first contribution is applied to the contract and the date of the surrender.

You will be informed if your plan's contract includes a TAB recovery charge and/or a contract surrender charge and of its duration at enrollment, or you may ask your employer or call us for additional information.

The primary purpose of the MAP Select contract is to provide retirement income benefits for plan participants. Accordingly, no TAB recovery charge and/or contract surrender charge is assessed against withdrawals taken for reasons of participant retirement, severance from employment, hardship, loan, death, disability or as an in-service withdrawal after age 59½. Generally, these are the only conditions where a participant-initiated withdrawal may be permitted under the contract.

**Daily Asset Charge ("DAC"):** The DAC, if applicable, is assessed against amounts invested in the variable investment options. Expressed as an annual rate, the DAC is determined by plan-specific characteristics, plan-specific elections and other factors. An administrative fund fee adjustment, which impacts the DAC, may also apply on certain funds and fund family classes.

The DAC reimburses us for a portion of our marketing and sales expenses and contributes toward the costs of the many services made available to the contract holder and plan participants. If agreed to by us, all or part of the DAC may be paid separately by the plan sponsor. **Additional information on the DAC, which includes potential administrative fund fee adjustments, is illustrated in Appendix A.**

**Other Charges:** Other charges may also be deducted from your account depending upon services selected or as directed by the contract holder.

**Market Value Adjustment ("MVA") – Fixed Account:** On full or partial contract surrenders, a MVA will be applied to the Fixed Account portion of your account (or, the contract holder may elect to have the surrendered amount paid out over a period of 60 months, with interest paid). This MVA would not apply to any withdrawal

taken as a benefit payment for reasons of retirement, severance from employment, hardship, loan, death, disability or as an in-service withdrawal after age 59½. **See Appendix B for more information about the MVA and the Fixed Account.**

**Market Value Adjustment (“MVA”) – GAA:** If GAA is made available as an investment option under your plan’s contract, a surrender or transfer of amounts from a guaranteed term within the GAA may be subject to a MVA, which may be positive or negative. **See the GAA disclosure booklet for more information about the MVA and GAA.**

## **ADDITIONAL FEES**

### **Fund Fees and Expenses**

Each mutual fund deducts management fees from the amounts allocated to the fund. In addition, each fund deducts other expenses which may include service fees that may be used to compensate service providers, including the Company and its affiliates, for administrative and plan sponsor or participant services provided on behalf of the fund. Furthermore, certain funds deduct a distribution or 12b-1 fee, which is used to finance any activity that is primarily intended to result in the sale of fund shares. Certain funds may also deduct redemption fees if fund shares are not held for a specified period. **To learn more about fund fees and expenses, the additional factors that can affect the value of a fund’s shares and other important information about the funds, refer to the fund prospectuses, fee disclosure (if applicable) and the fund fact sheets, which can be obtained by contacting us at the telephone number or address shown in the “Questions: Contacting the Company” section at the end of this information booklet.**

### **Revenue from the Funds**

The Company or its affiliates may receive compensation from each of the funds or the funds’ affiliates. This revenue may include:

- A share of the management fee;
- Service fees;
- For certain share classes, 12b-1 fees; and
- Additional payments (sometimes referred to as revenue sharing).

12b-1 fees are used to compensate the Company and its affiliates for distribution related activity. Service fees and additional payments (sometimes collectively referred to as sub-accounting fees) help compensate the Company and its affiliates for administrative, recordkeeping or other services that we provide to the funds or the funds’ affiliates.

The management fee, service fees and 12b-1 fees are deducted from fund assets. Any such fees deducted from fund assets are disclosed in the fund prospectuses. Additional payments, which are not deducted from fund assets and may be paid out of the legitimate profits of fund advisers and/or other fund affiliates, do not increase, directly or indirectly, fund fees and expenses, and we may use these additional payments to finance distribution.

The amount of revenue the Company may receive from each of the funds or from the funds’ affiliates may be substantial, although the amount and types of revenue vary with respect to each of the funds offered through the Program. This revenue is one of several factors we consider when determining Program fees and charges and whether to offer a fund through the Program. The Company expects to earn a profit from this revenue to the extent it exceeds the Company’s expenses, including the payment of sales compensation to our distributors. **Fund revenue is important to the Company’s profitability and it is generally more profitable for us to offer, and we receive more revenue from, affiliated funds than unaffiliated funds.**

The Company may also receive additional compensation in the form of intercompany payments from an affiliated fund’s investment adviser or the investment adviser’s parent in order to allocate revenue and profits across the organization. The intercompany payments and other revenue received from affiliated funds provide the Company with a financial incentive to offer affiliated funds through the contract rather than unaffiliated funds.

## REQUIRED PAYMENTS

Generally, you must begin receiving periodic benefit payments by April 1 of the calendar year following the calendar year in which you attain age 72 (age 70½ if born before July 1, 1949), or such later age as may be allowed by law and under the terms of the plan. You must request required payments in accordance with the minimum distribution requirements within the required timeframes, or you could be subject to IRS penalties.

## PAYMENT PROVISIONS

If you have a severance from employment and if your plan allows, you may elect to delay payment of all or a portion of your account value to a later date. For small account balances, payment may be made in a lump sum or rolled over to an IRA.

Federal law, through the Retirement Equity Act (“REA”), generally requires that your selection of retirement benefits must have the written consent of your spouse if you are married. The contract holder must certify that any payment option (or pre-retirement death benefit) elected complies with REA. Single participants may elect any available option.

## PAYMENT OPTIONS

Not all payment options may be available under your contract, in your state or with your plan. While the Company may make other options available, the contract holder may elect on your behalf the following payment options, if available:

**Lump-Sum Payment** – We will pay a lump sum equal to all or any vested portion of your account value.

**Systematic Distribution Options (“SDO”)** – We may offer one or more systematic distribution options that allow for scheduled withdrawals from a participant account. SDO payments may be available, where allowed by the plan, to participants who meet certain age and account value requirements under the contract.

**Scheduled Period of Time Option\*** – We provide a fixed interest option using the Company’s general account that offers a guaranteed benefit stream of payments. We guarantee that interest will be credited at an annual equivalent yield that is at least equal to 1%. This guarantee is based on the claims paying ability of the Company. The payment option that can be made available to you at retirement is called the “scheduled period of time option.” Under this option, periodic payments can be made for a fixed period of years that must be at least 5 and not more than 30.

The scheduled period of time option election is subject to the terms of the plan and direction of the contract holder. If your account value is insufficient to meet minimum amounts, a lump sum payment must be elected. When payments start, your age plus the number of years for which payments are guaranteed may not exceed that permitted by the Code minimum required distribution regulations. Once elected, scheduled payments cannot be converted to a lump sum.

Additional payment options may be made available to you under a separate Company single premium immediate annuity contract.

## DEATH BENEFIT UNDER THE CONTRACT

If your death should occur before all benefit payments are received under the scheduled period of time option, your designated beneficiary under the plan can choose to either receive the remaining periodic payments or to have the present value of the payments paid in a lump sum.

We do not maintain beneficiary names on participant accounts. If you die before electing a scheduled period of time option, any benefits are payable to the contract holder, generally the plan trustees. The contract holder will

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\* If you are covered by a MAP Select group annuity contract (State of Washington only), we provide the Scheduled Period of Time option in the form of an annuity payment option.

direct us to pay a death benefit to your plan beneficiary in a lump sum or by using one of the contract payment options as allowed under your employer's plan.

Additional choices may be made available outside the contract for your designated beneficiary under a separate Company single premium immediate annuity contract.

## CHANGES TO THE CONTRACT

The Company, through its authorized officers in the Home Office, may change the contract by giving written notice to the contract holder 30 days before the effective date of the change. We may change the contract at any time where such change is required by federal or state law or where the change is deemed necessary for the contract as a result of changes to the plan. Also, we may change some contract provisions, but only for new participants and contributions made to participant accounts after the change is effective. Any change will not affect the amount or terms of any scheduled period of time payment option beginning prior to the effective date of the change.

Any time after the completion of five contract years and in accordance with the terms of the contract, we have the right to terminate the contract by giving the contract holder a 90-day written notice to pay out the full value without fees, charges or market value adjustment.

## SUSPENSION OF FINANCIAL TRANSACTIONS OR PAYMENT DELAY

In accordance with applicable federal securities laws and regulations, we reserve the right to suspend financial transactions or postpone payments from participant accounts during times when the following situations may occur:

- The New York Stock Exchange ("NYSE") is closed or trading on the NYSE is restricted, or
- The U.S. Securities and Exchange Commission ("SEC") determines that a market emergency exists or the SEC restricts trading for the protection of investors.

The Company, under certain emergency conditions, may also defer any payment from the Fixed Account credited interest option for a period of up to 6 months (unless not allowed by state law), or as provided by federal law.

## FEDERAL TAX INFORMATION

Under federal tax law, qualified retirement Plan contributions and investment earnings are not taxable until they are distributed.\*\* Taxation occurs when amounts are paid from the Contract funding the Plan to participants (or their beneficiaries). The Contract is not necessary for this favorable tax treatment.

Federal tax rules limit contributions to and distributions from the Contract:

- **Contributions** - In order to be excludable from gross income for federal income tax purposes, total annual contributions to the Contract are limited by the Internal Revenue Code; and
- **Distributions** - Certain tax rules limit eligibility to distributions from the Contract and dictate when minimum distributions must begin. We report the gross and taxable portions of all distributions to the IRS. Any taxable distributions under the Contract are generally subject to withholding. Federal income tax withholding rates vary in accordance with the type of distribution and the recipient's tax status.

Note that there may be other circumstances that trigger taxability under the Plan, including, but not limited to, loan defaults. **You should consult with a tax and/or legal adviser about the effect of federal income tax laws, state tax laws or any other tax laws affecting the Contract or any transactions involving the Contract. IRS Circular 230 Disclosure: These materials are not intended to be used to avoid tax penalties, and were prepared to support the promotion or marketing of the matter addressed in this booklet.**

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\* After-tax contributions and applicable earnings from Roth sources, if available, will not be taxable provided they meet the qualified Roth distribution criteria.

## Taxation of the Company

We are taxed as a life insurance company under the Tax Code. The separate account is not a separate entity from us. Therefore, it is not taxed separately as a “regulated investment company” but is taxed as part of the Company.

We automatically apply investment income and capital gains attributable to the separate account to increase reserves under the contracts. Because of this, under existing federal tax law we believe that any such income and gains will not be taxed. Because we do not expect that we will incur any federal income tax liability attributable to the separate account we do not intend to make any provision for such taxes. However, changes in the tax laws and/or in their interpretation may result in our being taxed on income or gains attributable to the separate account. In this case we may impose a charge against a separate account (with respect to some or all of the contracts) to set aside provisions to pay such taxes. We may deduct this amount from the separate account, including from your contract value invested in the subaccounts.

In calculating our corporate income tax liability, we may claim certain corporate income tax benefits associated with the investment company assets, including separate account assets, which are treated as Company assets under applicable income tax law. These benefits may reduce our overall corporate income tax liability. Under current law, such benefits include foreign tax credits and corporate dividends received deductions. We do not pass the tax benefits to the holders of the separate account because (i) the contract owners are not the owners of the assets generating these benefits under applicable income tax law and (ii) we do not currently include Company income taxes in the tax charges you pay under the contract. We reserve the right to change these tax practices.

## ANTI-MONEY LAUNDERING

In order to protect against the possible misuse of our products in money laundering or terrorist financing, we have adopted an anti-money laundering program satisfying the requirements of the USA PATRIOT Act and other current anti-money laundering laws. Among other things, this program requires us, our agents and customers to comply with certain procedures and standards that will allow us to verify the identity of the sponsoring organization and that contributions and loan repayments are not derived from improper sources.

Under our anti-money laundering program, we may require customers, and/or beneficiaries to provide sufficient evidence of identification, and we reserve the right to verify any information provided to us by accessing information databases maintained internally or by outside firms.

We may also refuse to accept certain forms of payments or loan repayments (traveler’s cheques, cashier’s checks, bank drafts, bank checks and treasurer’s checks, for example) or restrict the amount of certain forms of payments or loan repayments (money orders totaling more than \$5,000, for example). In addition, we may require information as to why a particular form of payment was used (third party checks, for example) and the source of the funds of such payment in order to determine whether or not we will accept it. Use of an unacceptable form of payment may result in us returning the payment to you.

**Applicable laws designed to prevent terrorist financing and money laundering might, in certain circumstances, require us to block certain transactions until authorization is received from the appropriate regulator. We may also be required to provide additional information about you and your policy to government regulators.**

Our anti-money laundering program is subject to change without notice to take account of changes in applicable laws or regulations and our ongoing assessment of our exposure to illegal activity.

## ORDER PROCESSING

In certain circumstances, we may need to correct the pricing associated with an order that has been processed. In such circumstances, we may incur a loss or receive a gain depending upon the price of the fund when the order was executed and the price of the fund when the order is corrected. Losses may be covered from our assets and gains that may result from such order correction will be retained by us as additional compensation associated with order processing.

## **UNCLAIMED PROPERTY**

Every state has some form of unclaimed property laws that impose varying legal and practical obligations on insurers and, indirectly, on contract owners, participants, insureds, beneficiaries and other payees of proceeds. Unclaimed property laws generally provide for escheatment to the state of unclaimed proceeds under various circumstances.

Contract owners and participants are urged to keep their own, as well as their beneficiaries' and other payees', information up to date, including full names, postal and electronic media addresses, telephone numbers, dates of birth, and Social Security numbers. Such updates should be communicated to us at the toll free phone number found in your enrollment material.

## **CYBER SECURITY**

Like others in our industry, we are subject to operational and information security risks resulting from "cyber-attacks", "hacking" or similar illegal or unauthorized intrusions into computer systems and networks. These risks include, among other things, the theft, misuse, corruption and destruction of data maintained online or digitally, denial of service attacks on websites and other operational disruption and unauthorized release of confidential customer information. Although we seek to limit our vulnerability to such risks through technological and other means and we rely on industry standard commercial technologies to maintain the security of our information systems, it is not possible to anticipate or prevent all potential forms of cyber-attack or to guarantee our ability to fully defend against all such attacks. In addition, due to the sensitive nature of much of the financial and similar personal information we maintain, we may be at particular risk for targeting.

Cyber-attacks affecting us, any third party administrator, the underlying funds, intermediaries and other affiliated or third-party service providers may adversely affect us and your account value. For instance, cyber-attacks may interfere with our processing of contract transactions, including the processing of orders from our website or with the underlying funds, impact our ability to calculate Accumulation Unit Values, cause the release and possible destruction of confidential customer or business information, impede order processing, subject us and/or our service providers and intermediaries to regulatory fines and financial losses and/or cause reputational damage. Cyber security risks may also affect the issuers of securities in which the underlying funds invest, which may cause the funds underlying your contract to lose value. There can be no assurance that we or the underlying funds or our service providers will avoid losses affecting your contract that result from cyber-attacks or information security breaches in the future.

## **QUESTIONS: CONTACTING THE COMPANY**

For answers to questions about the Program, to request additional information, including fund prospectuses, or to contact us for any other reason, please call:

- Plan Sponsors: Please call Plan Sponsor Services toll-free at 888-410-9482.
- Participants: Please call the Retirement Readiness Service Center toll-free at 800-584-6001.

Alternatively, please write us at:

Voya Retirement Insurance and Annuity Company  
One Orange Way  
Windsor, CT 06095-4774

## APPENDIX A

### Daily Asset Charge

The Daily Asset Charge (“DAC”), if applicable, is assessed against all amounts invested in the variable investment options under the contract and is expressed as an annual percentage. It is determined by several factors such as total assets, annual contributions, number of participants, average account balances, investment allocations, compensation paid in connection with the contract and other services and options selected by the plan sponsor. The DAC applies at the contract level and is subject to change from time to time, typically at contract anniversary. An administrative fund fee adjustment may also apply on a certain fund or fund family depending upon the fund menu selected by the plan sponsor.

Following is a general description of the factors that go into determining the DAC. For more information about the current DAC applicable to the contract, please contact your plan administrator or call us at the toll-free phone number found in your enrollment materials.

The DAC may be impacted as a result of one or more of the following factors:

- Fund menu selected by the plan sponsor;
- Compensation for sales professionals;
- TAB (if applicable);
- Contract installation charges (if applicable);
- Contract account fees (if applicable); and/or
- Plan administrative services and compensation (if applicable).

In addition to the base DAC, an administrative fund fee adjustment may be applicable. The administrative fund fee adjustments vary by the variable investment options elected, and generally range from -0.15% to 0.70%. If applicable, the amount of the fund fee adjustments are included on the fund performance reports included in your enrollment materials and/or periodic account statements.

The DAC does not include the investment advisory fee paid by each fund to its investment adviser or any other fund expenses such as administrative or 12b-1 fees applicable to each of the funds. Such fees and other applicable expenses are set forth in the fund fact sheets you will receive at enrollment as well as in the applicable fund prospectuses. These separate fund-related expenses when added to the DAC (as adjusted above) will determine the total cost of each variable investment option. A report illustrating the total fund-related expenses, including the administrative fund fee adjustments, is available upon request.

The DAC is applied on a level basis rather than on an incremental or graded basis and the total DAC will never be less than 0%. The applicable DAC is applied to all variable investment options and is subject to adjustment annually.

## APPENDIX B

### Payment of Fixed Account Surrender Value

The Company will pay an unadjusted lump sum from the Fixed Account for the purpose of paying a benefit where the withdrawal must be paid proportionately from the Fixed Account, GAA, the variable investment options and any other investment options from the source records in Plan Accounts. On all Surrenders from the Fixed Account, the Fixed Account Surrender Value will be paid in one of the following two ways, as elected by the Contract Holder:

- (a) In equal principal payments, with interest, over a period not to exceed 60 months. During the payment period, interest will be credited to the remaining Fixed Account balance at a single rate that is established at the start of the payment period and that will not be more than 1.50% below the rate being credited to the Fixed Account as of the date of Surrender. In no event will the credited interest rate be less than the minimum guaranteed interest rate.
- (b) As a single payment, which has been adjusted by the Fixed Account Market Value Adjustment ("MVA"). After the first Contract Year, to determine the single payment amount, the total Fixed Account Surrender Value is multiplied by the MVA. For any payment made pursuant to this paragraph during the first Contract Year only, the MVA will be 1.00 (and thus no MVA, positive or negative, will be applied). Notwithstanding the immediately preceding sentence, if this Contract was established in connection with a conversion from a policy or contract issued by the Company or any of its affiliates, the MVA (positive or negative) will be applied to all payments made pursuant to this paragraph, regardless of the Contract Year during which such payment is made.

The MVA is calculated as follows:

$$\text{MVA} = \frac{P_1 + P_2 + \dots + P_{120}}{120}$$

- Where:
- $P_t$  equals  $(1 + m_t)(1 + m_{t+1}) \dots (1 + m_{120})$
  - $m_t$  is the monthly price return for month  $t$  of the weighted average of certain [Barclays Fixed Income Indices] as defined below (if unavailable a similar service will be utilized) with months being defined as adjacent 30 day periods ending with the valuation date (for market value adjustment purposes) of the surrender
  - $t = 1$  represents the 30 day period which is 120 periods prior to the valuation date of Surrender, and
  - $t = 2$  represents the 30 day period which is 119 periods prior to the valuation date of Surrender, and
  - $t = 120$  represents the 30 day period immediately prior to the valuation date of Surrender.

#### Customized Index Composition\*

<u>Index</u>	<u>Customized Index Percentage</u>
Barclays US Corporate Investment Grade Index	50%
Barclays US Mortgage Backed Securities Index	20%
Barclays CMBS: ERISA Eligible Index	25%
Barclays Asset Back Securities Index	5%

\* The components and percentages of the above Index may be subject to change from time to time.

## Morningstar Investment Management LLC Form ADV Part 3: Relationship Summary

### Item 1: Introduction

Morningstar Investment Management LLC is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at the SEC’s investor education website, [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### Item 2: Relationships and Services

#### *What investment services and advice can you provide me?*

This Relationship Summary focuses on the investment advisory services we offer to retail investors. Managed Accounts, Advice, and Guidance are available to participants of employer-sponsored retirement plans (each a “Plan”). If you are a sole proprietor or other self-employed person who makes Plan decisions for your business (“Business Owner”), this Relationship Summary is also intended for you. These services are intended for citizens of or Plans organized under the laws of the United States or its territories, are offered through retirement plan providers or other investment advisers, and do not require a minimum account size to sign up.

With **Managed Accounts, Advice, and Guidance**, we use the information we know about your personal and financial situation to propose a retirement strategy that typically includes a retirement income goal, savings rate and retirement age advice, and a recommendation for how to allocate your retirement plan account (“Account”) assets between stocks, bonds, or cash. If you choose **Managed Accounts or Advice**, we also recommend a portfolio of investments for your Account. The available portfolios are created by us or another investment adviser chosen by your plan sponsor. When we create portfolios, we limit our recommendations to the investment options available through your Plan. We will not recommend you invest in investment options where we act as an investment adviser or sub-adviser to the investment option.

If you enroll in **Managed Accounts**, you give us responsibility for the ongoing management of your Account. This means we’ll send instructions to your plan provider to implement or update our recommended retirement strategy in your Account as we see necessary. As part of our standard service we review your Account each quarter and when we receive updated information about you or the investment options available to you. We send you periodic reports reflecting your progress towards your retirement goals and investment information.

If you choose **Advice or Guidance**, you are ultimately responsible for making investment decisions in your Account, including whether to implement our recommendations. We do not monitor or review your investment decisions; we do not monitor, review, or update your Account; and we do not provide you with updated recommendations or projections about your progress towards your retirement goals

unless you return to our service to receive new recommendations and projections.

More detailed information about **Managed Accounts, Advice, and Guidance** can be found in Items 4, 7, and 8 of our [Firm Brochure for Retirement Services for Individuals](https://bit.ly/MstarIM-RS) at <https://bit.ly/MstarIM-RS>.

Business Owners can choose our **Fiduciary Services** and **Custom Models** for their Plan. Through **Fiduciary Services**, we make the ultimate decisions on how to construct, monitor, and manage the investment options for your Plan. These options are typically collective investment trust, mutual, money market, and/or stable value funds chosen from the investment universe your plan provider defines for us. We provide documentation of the process we use to select, review, monitor and update the funds we choose and give you periodic fund and plan performance reports. Under **Custom Models**, we use the investment options we choose for your Plan, along with other investment options as needed, to create model portfolios for use by your Plan participants. We monitor the model portfolios on an ongoing basis and have the ultimate authority to make changes as needed. More detailed information about **Fiduciary Services** and **Custom Models** can be found in Items 4, 7, & 8 of our [Firm Brochure for Institutional Advisory Services](https://bit.ly/MstarIM-IA) at <https://bit.ly/MstarIM-IA>.

### Conversation Starters

Read our [Responses](https://bit.ly/MstarIM-CSResponses) at <https://bit.ly/MstarIM-CSResponses>

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

### Item 3: Fees, Costs, Conflicts, and Standards of Conduct

#### *What fees will I pay?*

Our fees are generally negotiated by your plan provider or sponsor and depend on a range of variables. To view your specific fee schedule and method of payment, you can obtain it from your plan sponsor or provider or refer to your advisory agreement with us. In some cases, your plan sponsor or provider pays your fees.

If you sign up for **Managed Accounts**, your Account is charged an annual fee (typically 0.10 – 0.50%) on the average amount of assets in your Account that we manage. A portion of the annual fee is charged after each month or quarter end (depending on your plan provider’s billing practices) and is debited from your Account by your plan provider. We do not charge a fee for **Advice or Guidance**.

We typically charge a minimum and an annual fee based on the dollar amount of assets in your Plan for our **Fiduciary Services** and **Custom Models**. The minimum fee generally ranges from \$100,000

- \$450,000, is paid by your plan provider, and may be reduced by the amount of the annual fee you pay. The annual fee is generally paid by your Plan, ranges from 0.02 – 0.08% of the average or the ending assets in your Plan for the period, and a portion is charged after each month or quarter end. Your advisory agreement with us contains your specific fee and billing methods.

Please note, we have an incentive to encourage you to increase the assets in your Account or Plan, since we receive more in fees if you have more assets.

Our fee is separate from fees and expenses charged by your investments or third parties, such as your plan provider or other investment adviser. An investment’s fees and expenses are described in its prospectus or equivalent document, and can include management, distribution, shareholder servicing, sub-transfer agency, or initial/deferred sales fees. Third parties can charge you custodian, brokerage, or other transaction costs for items like platform, custodial, or account maintenance fees. Your plan provider can provide you with information specific to your Plan. We do not receive compensation from securities we recommend in connection with our services described herein.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investment over time. Please make sure you understand what fees and costs you are paying.** More detailed information about our fees can be found in Item 5 of our [Firm Brochure for Retirement Services for Individuals](https://bit.ly/MstarIM-RS) at <https://bit.ly/MstarIM-RS> and our [Firm Brochure for Institutional Advisory Services](https://bit.ly/MstarIM-IA) at <https://bit.ly/MstarIM-IA>.

### Conversation Starters

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

***What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?***

***When we act as your investment adviser,*** we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means: We receive compensation when providing advisory services to funds (i.e., mutual funds, collective investment trust funds, and variable insurance products, which are common investment options available through Plans), which gives us an incentive to recommend those funds to you.

We also make money by offering products and advisory services to financial institutions and other business entities. This includes advising plan providers and sponsors about which investments to make available through retirement plans, creating and maintaining

model portfolios, licensing software or questionnaires, and providing independent advice.

More detailed information about our conflicts of interest and how we seek to avoid or mitigate them can be found in Item 10 of our [Firm Brochure for Retirement Services for Individuals](https://bit.ly/MstarIM-RS) at <https://bit.ly/MstarIM-RS> and [Firm Brochure for Institutional Advisory Services](https://bit.ly/MstarIM-IA) at <https://bit.ly/MstarIM-IA>.

### Conversation Starters

*How might your conflicts of interest affect me, and how will you address them?*

#### ***How do your financial professionals make money?***

Our employees are paid a salary and are eligible for bonuses, which are based on the overall profitability of us and our parent company and/or the employee’s contribution to our business. For some of our portfolio managers and their team members, their bonus is also based on the investment performance of select portfolios. For the portion based on performance, benchmarks are used to measure performance and are chosen by senior personnel and approved by our Global Investment Policy Committee’s Regional Investment Policy Committee. To mitigate the conflict of interest that could arise, all investment decisions made within the selected portfolios must be peer reviewed by the Regional Investment Policy Committee. Bonuses may take the form of cash or shares of Morningstar common stock (ticker: MORN) that vest over several years.

#### **Item 4: Disciplinary History**

***Do you or your financial professionals have legal or disciplinary history?***

No. You can visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

### Conversation Starters

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

#### **Item 5: Additional Information**

You can obtain more information about us by emailing [MorningstarRetirement@morningstar.com](mailto:MorningstarRetirement@morningstar.com) or by going to [morningstar.com/products/retirement-manager](https://morningstar.com/products/retirement-manager), [morningstar.com/products/fiduciary-services](https://morningstar.com/products/fiduciary-services), or [morningstar.com/company/disclosures](https://morningstar.com/company/disclosures). If you have any questions or would like to request a copy of our Firm Brochure, Brochure Supplement, or Relationship Summary free of charge, please contact us at 312.696.6000 or by sending an email to [compliance@morningstar.com](mailto:compliance@morningstar.com).

### Conversation Starters

*Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

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## Investment Advisory Agreement

### PLEASE READ THE FOLLOWING CAREFULLY

### It contains important information about Morningstar® Retirement Manager<sup>SM</sup>

Morningstar Investment Management LLC (“Morningstar,” “we,” “us,” or “our”), is a registered investment adviser registered with the United States Securities and Exchange Commission (the “SEC”) pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

Please carefully review this Investment Advisory Agreement (the “Agreement”). By clicking “Continue” displayed below, by stating your acceptance to a call center representative (“Representative”), or by signing a paper enrollment form, you (i) acknowledge having received, read and understood the Agreement and agree to be bound by it; and (ii) represent to us that you are a citizen and/or legal resident of the United States or any of its territories.

Click here to view our [Form ADV Part 2 \(the “Firm Brochure”\)](#) A paper copy of our Firm Brochure is available by mail. To obtain one, please send your request with your name and address either by email to [complianceemail@morningstar.com](mailto:complianceemail@morningstar.com) or by regular mail to the address listed below.

By clicking "Continue" displayed below, or by stating your acceptance to a Representative, or by signing a paper enrollment form, you acknowledge that you have either agreed to the electronic delivery of our Firm Brochure and have reviewed it, or that you have received a paper copy of our Firm Brochure and have reviewed it. You also agree that all communications from us may be sent to you by email or by other electronic format such as posting on our web site. You understand that your consent to such electronic delivery is effective immediately upon your acceptance of this Agreement and will remain in effect unless and until either you or we withdraw it. You may withdraw your consent to electronic delivery or request a paper copy of this Agreement and/or the Firm Brochure by contacting a Representative at the telephone number listed in the “Contact Us” link on our web site. You may also contact us by writing Morningstar Investment Management LLC, 22 W. Washington Street, Chicago, IL 60602, Attn: Compliance Dept.

You have the right to terminate this Agreement without penalty at any time after entering into this Agreement. Federal law prohibits us from assigning this Agreement (within the meaning of the Investment Advisers Act of 1940) to

another investment adviser without your consent. Where applicable, federal law governs the terms of this Agreement and the provision of our Services.

We agree to provide you with investment advisory services (the “Services”) that your plan sponsor (the “Plan Sponsor”), recordkeeper or service provider has decided to offer and that you have decided to accept. You understand that your Plan Sponsor or service provider is responsible for selecting the universe of investment options that are to be used in your employer-sponsored retirement plan or other retirement account (“Account”), and that your Plan Sponsor or service provider may change these options over time and that these investment options may include those that are affiliated with your service provider. **You also understand that you may not have access to all of the Services as described herein.** The Services are offered through the Morningstar Retirement Manager platform and may include Morningstar Managed Accounts (“Managed Accounts”), or the Morningstar Advice program (“Morningstar Advice”). If you select Managed Accounts, we will actively manage your Account, as described below. If you select Managed Accounts, we will actively manage your Account, as described below. If you select Morningstar Advice, you are solely responsible for your investment decisions, including whether to accept, reject, or modify our investment recommendations or suggestions, and you are also responsible for implementing our recommendations. Managed Accounts and Morningstar Advice are described below in greater detail.

We will provide the Services to you at all times in good faith, and will use reasonable care, consistent with industry practices of similarly situated advisers, in providing the Services. However, we do not guarantee that the Services will be delivered to you without interruption, timely, error-free, or secure. Errors may occur in software-based Services as a result of programming errors, database errors, or other causes. We will provide the Services with that degree of prudence, diligence, care, and skill which a prudent person rendering similar services as an investment adviser would exercise under similar circumstances. The provisions of this Agreement shall not be interpreted to imply any other obligation on our part to observe any other standard of care. In the event an error occurs in our software-based Services, we reserve the right to correct such error in a manner that we deem prudent, subject to any applicable federal and state securities laws.

The Services offered by us are for your personal use only, and are not to be used for any commercial or business purposes. You agree that we may assume that all information provided to us by you, your Plan Sponsor, recordkeeper, or service provider in connection with our Services is true and accurate.

The Services offered by us are to be used by you **only** in making decisions about the allocation of assets in your Account. The Services are not designed to provide investment advice for an account that will be used by you for non-retirement purposes. The Services estimate your federal, state income, and capital gains taxes based on marginal tax rate calculations (the marginal tax rate is the rate you pay on the taxable income that falls into the highest bracket you reach). These calculations are used when the Services conduct the income simulations. Tax data is updated annually based on United States Internal Revenue Code (IRC) and similar state tax data. The Services use income data for you, as well as your spouse/partner (if provided), to estimate federal and state tax exposure. Your tax exposure is appropriately reduced for pre-tax deferrals, tax-deferred capital gains, and yield and distribution of Roth proceeds. Based on the information we know about you, the Services provide an estimate of your tax exposure, but may not include all tax considerations. Please consult a tax adviser for a complete understanding of your tax situation.

We cannot and do not make any guarantee about the future performance or profitability of your Account, nor do we promise that our investment allocation recommendations will be profitable. The investments that we may recommend may be subject to a variety of risks, including market, currency, and political risks. Please note that past performance of a mutual fund, stock, or other investment vehicle does not guarantee its future performance.

You agree to use the Services in accordance with this Agreement. You are responsible for reviewing your Account periodically to monitor changes in your Account, including changes in the value of the investments in your Account. You also consent to the transmission of your personal information between us and your service provider or recordkeeper, and you acknowledge that you have received our privacy policy.

The projections, recommendations and suggestions offered under the Services are based on information you provide about your current financial situation, personal status, as well as general market and financial conditions existing on the date you use the Services. You agree to provide complete and accurate information to the extent that the Services ask for such information. You also agree to update that information when your personal or financial circumstances change. While the Services take into consideration all assets that you choose to input to determine our investment recommendations, the Services are not designed to provide recommendations on how to structure your overall retirement holdings (i.e., your assets both inside and outside of your Account). You should consider your other assets, income, and investments in addition to your Account. The Services only provide

recommendations or suggestions on how to structure the holdings within your Account, and those recommendations or suggestions are limited by the investment choices available within your Account. You should consider consulting a professional financial adviser to discuss how other investment options outside of your Account might be combined with the Services to best meet your overall retirement goals.

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## Managed Account Service

The Managed Account Service is a discretionary asset management program designed for participants of a defined contribution or deferred compensation retirement plan, or owners of other types of retirement accounts, that are seeking a financial professional to manage the assets within their Account. If you elect to take part in the Managed Account Service by accepting this Agreement, we will act as your investment adviser, and you grant us authority as attorney-in-fact to act on your behalf and give us full decision-making authority over the investments in your Account without having to consult you in advance. We will have no responsibility or authority over (i) those assets that are subject to Plan Sponsor restrictions, (ii) those assets held in a self-directed brokerage window (if available under your plan), (iii) restricted employer company stock held in your Account, (iv) non-restricted employer company stock that you direct us to retain, and (v) any assets held outside of your Account. If you participate in the Managed Account Service, we acknowledge that we are an “investment manager” (as that term is defined in ERISA Section 3(38)) for your Account and a fiduciary of the Plan to the extent we have decision-making authority over the investments in your Account. You also understand that we **will not** vote proxies for the investment options in which you will be invested.

In the Managed Account Service, we will typically review your Account on a quarterly basis and rebalance if necessary. However, please note that your plan recordkeeper or service provider may not be able to process rebalancing transactions if any investment option in your Account has any restriction (e.g., equity wash restriction) at the time the rebalancing transaction instruction is received by the plan recordkeeper or service provider. In addition, rebalancing transaction instructions may be rejected if any data validation error exists on your Account. In these instances, your Account may not be rebalanced until the next quarterly review period when all restrictions have been lifted and/or data validation errors have been corrected.

You agree to pay us a fee for the services provided under the Managed Account Service (the “Managed Account Fee”). You are eligible to have the Managed Account Fee waived for a period of ninety (90) calendar days from the date of your enrollment. If you continue to use the Managed Account service after 90 days, your account will be charged a maximum fee of 0.30% (see fee schedule below). You can terminate your enrollment in the Managed Account Service at any time by accessing the Morningstar Retirement Manager platform through your service provider.

The Managed Account Fee is based on three factors: the overall level of assets in the plan in which you participate, your Account value within the plan and a fee paid to a broker/dealer or investment advisory firm for recommending the Managed Accounts service to your plan, if applicable. Fees are calculated based on your total current plan balance minus any amount in company stock, a brokerage window, or any outstanding loan balance. Fees are assessed according to the following schedule:

- If the plan in which you participate does not automatically enroll its participants into Managed Accounts, the Managed Accounts Fee is:
  - 0.30% , if the overall level of assets in the plan in which you participate is under \$3 million:
  - 0.28% , if the overall level of assets in the plan in which you participate is between \$3 million and \$10 million;
  - 0.25%, if the overall level of assets in the plan in which you participate is above \$10 million.

The Managed Accounts Fee is reviewed annually and is subject to change based on the overall level of assets in the plan in which you participate according to the above schedules.

Your plan’s recordkeeper may also charge you or your plan sponsor an asset-based fee for administrative and other recordkeeping services associated with Managed Accounts. The recordkeeper’s maximum fee scale is the same as above. You may find the specific fees applicable to your plan by establishing and logging into your account at [www.voyaretirementplans.com](http://www.voyaretirementplans.com) or by reviewing your enrollment materials.

The Managed Account Fee is deducted from your account on a calendar quarter basis. Such fee is prorated based on the number of days of enrollment in the service for the quarterly period. If you decide to leave the service, the final fee deduction will also be prorated based on the number of days you were enrolled in the service for the quarterly period. You authorize your service provider or recordkeeper to deduct the Managed Account Fee from

your Account at the end of each calendar quarter in arrears, or at the time you choose to leave the service, and remit the Managed Account Fee to Morningstar.

The Managed Account Fee does not include any redemption fees, charges or expenses imposed by any investment options (e.g., mutual funds) held within your Account. These investment options may be subject to separate investment advisory, administration, transfer agency, distribution, shareholder service and other expenses that are paid by you, indirectly, as a shareholder/unit holder. You may invest in the investment options without participating in the Managed Account Service (and paying us the Managed Account Fee), however, if you do so, you will not receive the discretionary asset management contemplated by this Agreement. The Managed Account Fee paid may not be the same as that charged to other clients of comparable size or with similar investment objectives. The payment arrangements depend on the agreements between your Plan Sponsor, your recordkeeper or service provider, and Morningstar. Your recordkeeper or service provider may also charge you or your Plan Sponsor a fee to cover the administrative and other recordkeeping costs associated with the Managed Account Service.

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## Advice Service

The Advice Service is offered to you for your use in making decisions about the allocation of assets in your Account. You are responsible for making your own investment allocation decisions, and you are free to accept or reject, in whole or in part, the investment allocation recommendations made by the Advice Service. The Advice Service does not make any investment decisions for you. We cannot monitor, review or update our recommendations or projections on an on-going basis, nor do we have the capability to monitor or review investment decisions you make based on our recommendations. Because the Advice Service depends on the completeness, accuracy and timeliness of the information you provide, you are solely responsible for reviewing and updating your individual financial information. You are responsible for tracking your Account and the market to be aware of any changes in the value of your Account. The payment arrangements for the Advice Service depend on the agreements between your Plan Sponsor, your recordkeeper or service provider, and Morningstar.

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# Company Stock

If your Account includes securities issued by your employer that are freely marketable without restrictions imposed by your employer (“Non-Restricted Company Stock”), you may retain some or all of the Non-Restricted Company Stock, or you may direct us to sell the Non-Restricted Company Stock according to our methodology. If you are enrolled in the Managed Account Service, you hereby direct us to send a transaction to sell 25% of your Non-Restricted Company Stock upon you completing a Web session or upon the quarterly review of your Account, or 100% of your Non-Restricted Company Stock when the Non-Restricted Company Stock balance reaches \$3,000 or 3% of your Account balance. We will sell 100% immediately if instructed to do so by you. These sales of Non-Restricted Company Stock will also include any new Non-Restricted Company Stock that is allocated automatically to your Account. In addition, in accordance with our methodology, you direct us to sell any future contributions of Non-restricted Company Stock. You have the ability to instead restrict the sale of your Non-Restricted Company Stock through the Managed Accounts website. Morningstar shall have no responsibility with respect to any securities issued by your employer that are not freely marketable or subject to any restrictions.

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Below are some important questions and answers regarding the investment options available in your plan:

## **Who selected the investment options available in my plan?**

Your Plan Sponsor or service provider is responsible for determining what investment options are made available to you in your plan. The selection was done either by your Plan Sponsor or service provider alone or with the assistance of a consultant.

In most cases, we have no involvement in the selection of the investment options available to you. However, there may be instances in which a Plan Sponsor or service provider uses us to assist it in the selection of the investment options available to you. This assistance is done separately and is not part of the Services.

**What are the past performances and historical rates of return of the investment options available in my plan?**

For information about the past performance and other pertinent information regarding the investment options available in your plan, please click on the Investment Research link within the Morningstar Retirement Manager website.

**Does Morningstar or its affiliates have any material affiliation or contractual relationship with the investment options available in my plan?**

In most cases, we do not have a contractual relationship with any of the investment options available in your plan. However, in some cases we or our affiliates provide advisory services to funds that may be available as an investment option in your plan. To mitigate the conflict of interest from this relationship, we will not include recommendations into these investment options through our Services.

Additionally, we may have a contractual relationship with and may receive compensation from your plan's service provider for making our Services available to your plan and to the individuals that use our Services.

Additionally, one or more of the investment options available in your plan may be affiliated with your plan's service provider. To mitigate a conflict of interest from this relationship, we base our fund recommendations on an objective methodology, and our compensation does not vary based on the funds that we recommend.

In addition, our parent company, Morningstar, Inc., offers numerous products and services to the financial community. Therefore, there may be instances in which an investment options' investment adviser uses Morningstar, Inc. products and services. A conflict of interest resulting from this kind of situation is mitigated by the fact that recommendations provided by us are derived from a quantitative process which in no way is influenced by the products and services provided by Morningstar, Inc.

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## Miscellaneous

We reserve the right, in our complete and sole discretion, to alter, modify, add, update or remove portions of this Agreement at any time. Please review this Agreement periodically for changes to its terms. Using the Services after we post changes constitutes your acceptance of any changed terms. We expressly reserve the right to monitor any and all use of the Services.

All trademarks, service marks, trade names and other intellectual property displayed in connection with the Services are the property of Morningstar. You acknowledge that United States copyright law and other laws governing intellectual property protect the Services and the information contained in the Services. You also agree and acknowledge that the Services contain proprietary data and information of Morningstar, and you agree that you will not use such data or information for any unlawful purpose, or any commercial or business purpose.

If there is a dispute between you and us about the Services that cannot be resolved, we each agree that the dispute will be resolved through binding arbitration to be conducted pursuant to the rules established by the American Arbitration Association. A panel of three arbitrators will be selected. Each party shall select one arbitrator, and the two arbitrators so selected shall then select the third. Each party shall bear their own expenses, including attorney's fees, and the parties shall share the cost of the arbitration equally. By agreeing to arbitration, you are giving up the right to have your claim heard in a court of law, however, either party may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. The arbitrators' decision may not include factual findings or legal analysis. The rules of procedure for arbitration differ from the rules of court. Also, the right to appeal the decision of the arbitration panel is limited. **Arbitration shall be final and binding upon the parties.**

We may terminate this Agreement and your access to the Morningstar Retirement Manager web site and Services immediately if we determine that you have breached this Agreement. We may terminate this Agreement and your access to the Morningstar Retirement Manager web site and the Services immediately if we do not receive timely payment for the Services. We may also terminate this Agreement and your access to the Morningstar Retirement Manager web site and the Services if the agreement between us and your service provider, recordkeeper or Plan Sponsor is terminated. You have the right to terminate this Agreement without penalty at any time.

Termination of this Agreement will not affect the provisions of this Agreement relating to arbitration of disputes, the validity of any action taken prior to termination, or liabilities for actions taken prior to termination.

Except as otherwise provided by law, we will not be responsible for (i) any loss or damages arising from any advice or recommendation made or any other action taken or omitted to be taken in good faith or (ii) any loss resulting from our use of inaccurate, outdated or incomplete information furnished by you or through your Plan Sponsor, service provider or recordkeeper. Federal

and state securities laws and the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), to the extent applicable, impose liabilities in certain circumstances on persons who act in good faith, and nothing in this Agreement waives or limits any rights you may have under those laws. We will not be responsible for any loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading (including suspension of redemption rights in your investment option), war, natural disasters, or other conditions beyond our control, including extreme market volatility.

If any provision of these terms is deemed unlawful, void, or for any reason unenforceable, then that provision will be deemed severable from these terms and will not affect the validity and enforceability of the remaining provisions.

The laws of the State of Illinois will govern this Agreement and its enforcement, except to the extent federal law preempts Illinois law. Nothing herein will be construed in any manner inconsistent with the Advisers Act, ERISA if applicable.

FACTS		WHAT DOES MORNINGSTAR INVESTMENT MANAGEMENT LLC DO WITH YOUR PERSONAL INFORMATION?
<b>Why?</b>	<p>Financial companies can choose how they share your personal information. Federal law gives consumers the right to limit some, but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.</p> <p>As necessary, we seek certain personal information about you to provide you with services. This information is used primarily to provide you with investment advice, but is also used to perform such activities as responding to your requests and inquiries. By using our services, you consent to the collection and use of your personal information and any related information in the manner described in this document.</p>	
<b>What?</b>	<p>The personal information we collect depends on which product or service you use. This information can include:</p> <ul style="list-style-type: none"> <li>▶ Your name, address, phone number, and email address</li> <li>▶ Your social security number or other unique identifier</li> <li>▶ Your account information, such as account balance, contributions, etc.</li> <li>▶ Your demographic information, such as age, gender, salary, etc.</li> <li>▶ Your usage data, such as number of logins or number of transactions generated, etc.</li> </ul> <p>We may share some of this data in order to conduct our everyday business. We do not share any of your information when you are no longer our client.</p>	
<b>How?</b>	<p>All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their clients' personal information; the reasons we choose to share; and whether you can limit this sharing.</p>	

Reasons financial companies can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations	Yes. See "Other important information" below.	No
For our marketing purposes — to offer our products and services	Yes. See "Other important information" below.	No
For joint marketing with other financial companies	No	N/A
For our affiliates' everyday business purposes — information about your transactions and experiences	No	N/A
For our affiliates' everyday business purposes — information about your creditworthiness	No	N/A
For our affiliates to market to you	No	N/A
For nonaffiliates to market to you	No	N/A
For our research purposes	Yes. See "Other important information" below.	No

What we do	
How does Morningstar Investment Management protect my personal information?	<p>We use appropriate security measures to protect against unauthorized access, alteration, disclosure or destruction of personal information. These measures include computer safeguards and physical security measures to guard against unauthorized access to systems where we store personal data. We operate secure data networks protected by industry standard firewall and password protection systems.</p> <p>We use cookies which store session information in numerical value form and time stamp. This information also allows us to collect general usage data such as which features have been utilized.</p>
How does Morningstar Investment Management collect my personal information?	<p>We collect your personal information from a variety of sources, for example:</p> <ul style="list-style-type: none"> <li>▶ from you when you access our service directly</li> <li>▶ from your authorized financial professional (if applicable)</li> <li>▶ from your employer or an agent of your employer</li> <li>▶ from your plan record-keeper or plan service provider</li> </ul>
Why can't I limit all sharing?	<p>Federal law only gives you the right to limit:</p> <ul style="list-style-type: none"> <li>▶ sharing for affiliates' everyday business purposes — information about your creditworthiness</li> <li>▶ affiliates from using your information to market to you</li> <li>▶ sharing for nonaffiliates to market to you. State laws and individual companies' policies may give you additional rights to limit sharing.</li> </ul>

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▶ Our affiliates include companies within the Morningstar, Inc. family of companies, including Morningstar Investment Services LLC.</li> </ul>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▶ Morningstar Investment Management does not share your personal information with nonaffiliates for the purpose of their marketing their services to you.</li> </ul>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>▶ Morningstar Investment Management does not share your personal information for any such joint marketing activities.</li> </ul>

Other important information	
<p>As a general rule, we will not make your personal information available to anyone outside of Morningstar Investment Management or our affiliates, except as instructed by you or where required to comply with law. Please note, however, that there are some exceptions to this policy. We may share your personal information with third parties who provide contractually specified services, such as performing record-keeping, producing reports and assisting us with our marketing activities. Additionally, we may share certain types of anonymized personal information, such as your anonymized usage data, with select third parties for the purposes of their conducting research studies (e.g., on investor behavior) and publishing the results of those research studies in publically-available research reports/papers. Anonymized information means your personally identifiable information will be removed, and data is aggregated for statistical purposes. In either case, we limit access to your personal information to those third parties that have agreed to keep it strictly confidential. We may use your information which includes, but is not limited to, your name and email address, to contact you directly for research opportunities (e.g. product surveys) conducted by Morningstar Investment Management or our affiliates. We will not sell your personal information to anyone. As noted above, we may disclose personal information as permitted by Regulation S-P to nonaffiliates that provide services relating to maintaining or servicing accounts, such as a record-keeper or retirement account service provider.</p> <p>We reserve the right to change this policy at any time by distributing and/or posting a new privacy policy without notice. We encourage you to review our privacy policy on a regular basis so that you are aware of any changes.</p>	

<b>Questions?</b>	If you have further questions, contact us at <a href="mailto:compliance@morningstar.com">compliance@morningstar.com</a> .
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## Morningstar Investment Management LLC Form ADV Part 2A: Firm Brochure Retirement Plan Services for Individuals

22 West Washington Street, Chicago, IL 60602  
Phone: 312.696.6000  
[www.corporate.morningstar.com](http://www.corporate.morningstar.com)

March 24, 2020

**This brochure provides information about the qualifications and business practices of Morningstar Investment Management LLC. If you have any questions about the contents of this brochure, please contact us at 312.696.6000 or send an email to [compliance@morningstar.com](mailto:compliance@morningstar.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.**

**Additional information about Morningstar Investment Management LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Morningstar Investment Management LLC is registered with the SEC as a registered investment adviser. Registration with the SEC does not imply a certain level of skill or training.**

All current versions of our firm brochures are available in the Part 2 Brochures section of this record on the SEC's website. You can also request a copy of our current brochure free of charge by contacting our Compliance Department at 312.696.6000, or by email to [compliance@morningstar.com](mailto:compliance@morningstar.com). In your request, please indicate the name of the company (Morningstar Investment Management) and the service brochure(s) (Retirement Plan Services for Individuals or Institutional Advisory Services) you are requesting.

### Item 2. Material Changes

The *Retirement Services for Individuals* Firm Brochure dated March 24, 2020 contains changes since our annual update dated March 30, 2019:

The Firm Brochure was updated to include information about Advisor Managed Accounts, a version of the Managed Accounts and Advice services that incorporates investment-specific portfolios created by an investment adviser unaffiliated with Morningstar Investment Management. *Item 4. Advisory Business, Item 5. Fees and Compensation, and Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss* were updated to include information about Advisor Managed Accounts. Other sections had non-material changes to differentiate between Managed Accounts and Advice services offered solely by Morningstar Investment Management and Advisor Managed Accounts.

*Item 4. Advisory Business* was also updated to reflect our assets under management as of December 31, 2019.

*Item 10. Other Financial Industry Activities and Affiliations* was updated to include information about a service team established by our Workplace Solutions group in Mumbai, India. This section was also updated with information to address Morningstar, Inc.'s acquisition of DBRS, Inc., a credit rating agency, and its integration with Morningstar Credit Ratings LLC under the brand name "DBRS Morningstar".

The Brochure Supplement accompanying this Firm Brochure was also updated since the last annual update to replace John Shelbourne with Alexander Brownlee.

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### Item 4. Advisory Business

#### Firm Information

Morningstar Investment Management LLC ("we", "our" or "us") is a Delaware limited liability company that was incorporated in 1999. Morningstar Investment Management is a wholly owned subsidiary of Morningstar, Inc. ("Morningstar"). Morningstar is a publicly traded company (Nasdaq Ticker: MORN) with Mr. Joseph Mansueto, Executive Chairman of Morningstar, holding more than 49% of Morningstar's outstanding shares. Because of that ownership, Mr. Mansueto is an indirect owner of Morningstar Investment Management.

Morningstar Investment Management is registered with the SEC under Section 203(c) of the Investment Advisers Act of 1940, as amended ("Advisers Act"). Morningstar Investment Management has filed the appropriate notices to conduct business in all 50 states, the District of Columbia, and the Commonwealth of Puerto Rico. Morningstar Investment Management is registered with the U.S. Commodity Futures Trading Commission as a Commodity Pool Operator ("CPO"), and is a member of the U.S. National Futures Association.

Morningstar Investment Management is part of Morningstar's Investment Management group, a global investment team composed of investment analysts, portfolio managers, and other investment professionals. The Investment Management group consists of Morningstar's subsidiaries that are authorized in the appropriate jurisdiction to provide investment management and advisory services. The Investment Management group's investment and operations teams span the globe, with 10 country offices and primary offices in Chicago, London, and Sydney.

Morningstar's Investment Management group builds its advisory services on several fundamental principles:

*Personalized.* Our primary objective is to help you achieve a sustainable retirement income by furnishing you with a personalized strategy on asset allocation and investments. We tailor our strategy to your specific circumstances, including financial situation, future retirement goals, and risk capacity (the amount of risk you want to take to help reach your goals).

*Goals-Based.* We recognize that a prudent strategy must be built in relation to specific goals, and we help you define those goals and develop a strategy aimed at reaching them.

*Diversified.* While no investment strategy can ensure a profit or protect against a loss, diversifying your investments is a bedrock principle to help ensure the long-term safety of capital. Our proprietary approach diversifies you across asset classes, as well as investment sectors and styles.

*Conservative.* Our risk-based approach is designed to reduce the likelihood of significant losses in volatile markets. The assumptions we make about portfolio returns in our projections emphasize disciplined saving and investing rather than outsized capital market returns.

*Forward-Looking.* Rather than relying only on historical data (which may not have any relevance to future conditions), we incorporate forward-looking estimates for assumptions about investment returns and performance behavior.

*Institutional-Quality.* The components of our retirement advice are based on factors generally used by professional money managers and adapted to the needs of the individual investor.

### Advisory Services We Offer

This brochure focuses on the services we provide to individual participants invested in employer-sponsored retirement plans. These services are intended for citizens or legal residents of the United States or its territories and are offered through retirement plan sponsors. You can obtain a copy of our brochure describing our products and services in our core capabilities of asset allocation, investment selection, and portfolio construction that we offer to institutions such as asset management firms, insurance companies, investment companies, investment fiduciaries, plan sponsors of retirement plans, plan providers of retirement plan services, and other business entities by following the instructions above.

### Managed Accounts

Under Managed Accounts, Morningstar Investment Management proposes an investment strategy based on your personal and financial situation using the information you, your plan provider, and/or your plan sponsor provide to us. This strategy typically includes a retirement income goal and recommended savings level, retirement age, and asset allocation target designed to help you meet your retirement goals. After creating your personal investment strategy, Morningstar Investment Management will select an investment-specific portfolio appropriate for your retirement plan account. We send transaction instructions to your plan provider or plan administrator to implement the recommended retirement strategy in your plan account.

If you choose the Managed Accounts service, the investment advice you receive is provided by either (1) Morningstar Investment Management, (2) Morningstar Investment Management and an investment adviser unaffiliated with us ("Other IA") who are each responsible for the provision of certain advice, or (3) an Other IA who has been engaged to perform portfolio construction services on Morningstar Investment Management's behalf as a sub-adviser ("Sub-Adviser"). Your Investment Advisory Agreement details which entity or entities are responsible for the advice you receive.

If Morningstar Investment Management is solely responsible for the advice provided to you, you give us responsibility for managing your employer-sponsored retirement account. We build the asset allocation portfolios for your retirement plan and then choose from the available investment options in your plan to create the investment-specific portfolios to which the plan participants are assigned. The investments options available in your plan are defined by your plan provider, plan sponsor, or other party chosen by your plan sponsor.

Morningstar Investment Management acts as the independent "financial expert" (as defined in the Department of Labor's Advisory Opinion 2001-09A dated December 14, 2001, commonly known as the "SunAmerica Opinion") to other financial institutions who offer their own managed account programs to individual participants in retirement plans. Under this service, we use the investment options available in

the retirement plan to construct and monitor model portfolios designed for participants across a broad range of risk exposure levels.

Under our Advisor Managed Accounts service, you give the responsibility for managing your employer-sponsored retirement account to either (1) Morningstar Investment Management and the Other IA or (2) in those situations where a Sub-Adviser has been engaged, Morningstar Investment Management. The Other IA or Sub-Adviser is responsible for building the asset allocations for your retirement plan and choosing investments for the investment-specific portfolios. Morningstar Investment Management then uses our portfolio-assignment methodology to select an appropriate portfolio for you from those portfolios. If another financial institution or Other IA is solely or in part responsible for providing investment advice to you through Managed Accounts, you will need to obtain the financial institution's or Other IA's Firm Brochure for information about their services, fees, methodology, any conflicts of interest, and other important information. Please make sure you read this information carefully.

Please note, in instances where a Sub-Adviser is engaged, Morningstar Investment Management is responsible for the investment-specific portfolios built by the Sub-Adviser. No advisory relationship exists between you and the Sub-Adviser.

Managed Accounts includes ongoing investment management of your retirement account. Your recommended account holdings are typically reviewed on at least a quarterly basis, or whenever you provide us with additional or updated information about your personal or financial situation. As necessary, we will send transaction instructions to your plan provider or plan administrator to rebalance or reallocate your account.

**Please Note:** Your plan provider or plan administrator may not be able to process rebalancing transactions if any investment option in your plan account has any restriction (e.g., equity wash restriction) at the time the rebalancing transaction instruction is received by the plan provider or plan administrator. In addition, rebalancing transaction instructions may be rejected if any data validation error exists on your account. In these instances, we will work with your plan provider or plan administrator to resolve any issues and to rebalance your account as quickly as possible. In some cases, your account will not be rebalanced until the next quarterly review period when all restrictions have been lifted and/or data validation errors have been corrected.

You will periodically receive progress reports reflecting your progress towards your retirement goals and other information in regard to your investments. Typically, these reports are available electronically through our website on a quarterly basis. You have the option to terminate Managed Accounts at any time without penalty.

Some plan providers extend Managed Accounts to plan participants who are approaching or are in retirement. If your plan provider offers this service and you meet the retirement criteria established by your plan provider, your investment strategy may include a suggested amount that you can withdraw while striving to maintain income throughout retirement. It may also include information about allocating a portion of your account balance for the purchase of an annuity or other guaranteed income product.

*Personalized Strategy Report.* On an annual basis, plan participants eligible for, but not currently enrolled in Managed Accounts may receive a Personalized Strategy Report. Using data provided by your plan sponsor or plan provider, we outline a retirement strategy that we feel is appropriate for you.

### Advice

Under Advice, you are provided with information designed to help you make your own investment choices regarding your retirement account assets. Like Managed Accounts, you'll receive a personal investment strategy, which includes asset allocation targets appropriate for your plan account. You also receive investment-specific recommendations for your strategy using the investment options available within your plan.

If Morningstar Investment Management is solely responsible for the advice provided to you under the Advice service, Morningstar Investment Management builds the asset allocation and investment-specific portfolios and recommends a specific portfolio for you. We build the asset allocation portfolios for your retirement plan and then choose from the available investment options in your plan to create the investment-specific portfolios to which plan participants are assigned. The investments options available in your plan are defined by your plan provider, plan sponsor, or other party chosen by your plan sponsor.

Morningstar Investment Management act as the independent “financial expert” to other financial institutions who offer their own advice services to individual participants in retirement plans. Under this service, we use the investment options available in the retirement plan to construct and monitor model portfolios designed for participants across a broad range of risk exposure levels.

Under our Advisor Managed Accounts service, the advice you receive is provided by (1) Morningstar Investment Management and an Other IA or (2) in those situations where a Sub-Adviser has been engaged, Morningstar Investment Management. The Other IA or Sub-Adviser is responsible for building the asset allocation and investment-specific portfolios. Morningstar Investment Management then uses our portfolio-assignment methodology to select an appropriate portfolio for you from those portfolios. Your Investment Advisory Agreement details which entity or entities are responsible for the advice you receive through Advice.

If another financial institution or Other IA is solely or in part responsible for providing investment advice to you through Advice, you will need to obtain the financial institution’s or Other IA’s Firm Brochure for information about their services, fees, methodology, any conflicts of interest, and other important information. Please make sure you read this information carefully.

Advice provides a point-in-time recommendation; once you receive a recommendation, the advisory relationship between you and Morningstar Investment Management or, if applicable, the Other IA ends. (Please note, no advisory relationship exists between you and the Sub-Adviser, if applicable.) Under Advice, the actual investment decisions you make are not monitored or reviewed, your plan account is not monitored, reviewed or updated on an ongoing basis, and you do not receive updated recommendations or projections. However, you can return at any time to receive new recommendations and projections.

Some plan providers extend Advice to plan participants who are approaching or are in retirement. If your plan provider offers this service and you meet the retirement criteria established by your plan provider, your investment strategy may include a suggested amount that you can withdraw while striving to maintain income throughout retirement. It may also include information about allocating a portion of your account balance for the purchase of an annuity or other guaranteed income product.

### Guidance

Under Guidance, Morningstar Investment Management provides information designed to help you make your own investment choices regarding your retirement account assets. Like Managed Accounts and Advice, we will propose an investment strategy based on your personal and financial situation, using the information you, your plan provider, and/or your plan sponsor provided to us. After creating your personal investment strategy, we provide asset allocation targets appropriate for your retirement plan account.

Guidance is an educational, point-in-time service. Under Guidance the actual investment decisions you make are not monitored or reviewed, your plan account is not monitored, reviewed or updated on an ongoing basis, and you do not receive updated asset allocation targets or projections. However, you can return to the service at any time to receive updated asset allocation targets and projections.

Guidance is not available under the Advisor Managed Accounts service.

### Outside Account Guidance

Through Managed Accounts and Advice, you can enter information about non-employer sponsored retirement accounts you have earmarked for use in retirement (“Outside Accounts”). If you enter Outside Accounts, you will receive an asset allocation recommendation for those accounts as a whole. This information should not be considered advice to buy or sell a particular security, mutual fund or other investment. You are responsible for determining whether any particular security, mutual fund or other investment is suitable for you.

We cannot monitor, review or update our suggestions or projections for Outside Accounts on an on-going basis, nor do we have the capability to monitor or review investment decisions you make in Outside Accounts. Because our services and recommendations depend on the completeness, accuracy and timeliness of the information you provide, you are solely responsible for reviewing and updating your individual financial information. You are responsible for tracking your Outside Accounts and the market to be aware of any changes in the value of your Outside Accounts, and providing that information to us as needed. Until you do, we will continue to make recommendations for your retirement plan account in accordance with the information we have on file.

There is no additional fee to receive an Outside Accounts recommendation, however, you could incur redemption fees, transaction costs, other security or account level charges and expenses, and/or tax consequences for the securities in your Outside Accounts. You should consult with a professional financial adviser or tax adviser if you have any questions prior to making any investment decisions.

### Customized Services

Under Managed Accounts and Advice, advice is provided based on the investment options (e.g. mutual funds, including money market funds and stable value funds, variable annuities, and/or exchange-traded funds) available in your plan, as defined by your plan provider or plan sponsor. If Morningstar Investment Management is responsible for investment selection, our selections are based on qualitative factors and quantitative analysis in addition to the judgment of our analysts. If an Other IA is responsible for investment selection under Advisor Managed Accounts, their selection methodology will be described in their Firm Brochure. If a Sub-Adviser is responsible for investment selection under Advisor Managed Accounts, their selection methodology will be described herein.

If you choose, you may ask us to exclude specific investment options from your Managed Accounts or Advice recommendations. However, if your requested restriction(s) prevent the building of an adequately diversified portfolio, you will need to remove some restrictions in order to use Managed Accounts or Advice.

We believe that holding the stock of your employer greatly increases your portfolio risk, particularly in large concentrations. Prudent financial planning principles hold that any significant investment in a single stock creates a non-diversified situation in your portfolio with greater risk of investment losses. If your defined contribution plan includes your company’s stock as an investment option, and if you have a portion of your retirement account allocated to your company’s stock upon enrolling in Managed Accounts or Advice, we will recommend that you do not make additional investments in the company stock. Unless your company stock holdings are restricted due to a plan provision or a restriction imposed by your plan sponsor, at your direction we will decrease your allocation in your company’s stock down to zero, using the strategy outlined in your advisory agreement. You have the option to retain all or a portion of the company stock. If you choose to retain your investment in the company stock, we will not be responsible for that portion of your retirement plan account, although we take it into consideration when creating your investment strategy.

### Morningstar<sup>®</sup> Retirement Manager<sup>SM</sup>

Morningstar<sup>®</sup> Retirement Manager<sup>SM</sup> is an online platform designed to help retirement plan participants make better decisions about investing in their employer-sponsored retirement accounts. Managed Accounts, Advice, and Guidance are

available through Morningstar Retirement Manager. Retirement plan sponsors can choose to offer one or more of these services to their plan participants.

**The Morningstar Retirement Manager platform and/or the services offered through it can be branded under different names chosen by our clients. These names include, but are not limited to, “Managed by Morningstar” (Managed Accounts), “Managed by You” (Advice), or “Personalized Portfolios” (Managed Accounts or Advice). If you access a version of our platform with customized names, please note that we use Managed Accounts, Advice, and Guidance throughout this document, but the information included still applies to your service. Please contact your plan sponsor, plan provider, or Morningstar Investment Management if you are unsure what service option(s) apply to you.**

#### Advisor Managed Accounts

Morningstar Investment Management uses the product name “Advisor Managed Accounts” when Managed Accounts and/or Advice includes advice from (1) both Morningstar Investment Management and an Other IA or (2) Morningstar Investment Management with portfolio construction services performed on our behalf by a Sub-Adviser. The retirement plan sponsor chooses the Other IA or Sub-Adviser and whether to offer one or both services to plan participants. **As noted above, customized names (like “Personalized Portfolios”) can be used throughout the online platform instead of Managed Accounts or Advice.**

#### Wrap Fee Programs

We do not sponsor a wrap fee program, but we do provide portfolio management services to a wrap fee program offered by our subsidiary, Morningstar Investment Services LLC.

#### Assets Under Management

As of December 31, 2019, our discretionary assets under management (rounded to the nearest \$100,000) were:

Retirement Services to Individuals:	\$14,713,700,000
Investment Management Services to Institutional Clients:	\$26,960,500,000

Total Asset Under Management: \$41,674,200,000

Non-discretionary assets under advisement (rounded to the nearest \$100,000) were: \$158,247,300,000

## Item 5. Fees and Compensation

### Fees and Compensation

Morningstar Investment Management’s fees are generally negotiated by your plan provider or plan sponsor. The actual fees depend on a range of variables including the service used and plan asset amount. In some cases, your fees may be paid by your plan sponsor or plan provider. To view your specific fee schedule and method of paying those fees, you can access your account through our website or consult with your plan sponsor or recordkeeper for more information or if you have questions. You have the option to terminate your advisory relationship with us at any time without penalty.

*Managed Accounts.* For Managed Accounts, your account will be charged a fee based on the assets managed under the service in your retirement plan account. This fee is expressed in “basis points.” A basis point is equivalent to 0.01%; 100 basis points is equivalent to 1%.

Morningstar Investment Management’s fee is generally less than 50 basis points of your account, and typically ranges from 10 to 50 basis points annually. For example, if your account balance is around \$50,000, your annual fee would be less than \$250. This fee is charged quarterly in arrears by applying the basis point rate to the average assets in your retirement plan account during the quarter. In some cases, new managed accounts users are offered a “free look” period. During the free look period,

Morningstar Investment Management’s fee will be waived for a specific timeframe, as detailed in your agreement with us.

Under Advisor Managed Accounts, the Other IA charges a separate fee for their services. Morningstar Investment Management is not involved in the setting or negotiation of this fee between your plan provider or plan sponsor and the Other IA. This fee is a basis point fee applied to your account balance (typically 0 to 30 basis points annually) or a basis point or flat annual fee charged to your plan. Please check with your plan sponsor or plan provider for further information about these fees.

In instances where a Sub-Adviser has been engaged, we compensate the Sub-Adviser for services rendered, which is governed by an agreement between Morningstar Investment Management and the Sub-Adviser. This fee typically ranges from 10 – 50 basis points annually.

Our services can be terminated without penalty at any time as outlined in your Managed Accounts contractual agreement. Upon termination, any earned, unpaid fees by you are due and payable.

In some cases, your plan provider may charge an administrative user fee. Please check with your plan sponsor or plan provider for specific fee information for your plan.

*Advice and Guidance.* Morningstar Investment Management does not charge you a fee to use Advice or Guidance. However, in some cases, your plan provider may charge an administrative user fee. Please check with your plan sponsor or plan provider for your specific fee information.

If a Sub-Adviser has been engaged for Advice, we compensate the Sub-Adviser for services rendered. This fee typically ranges from 10 – 50 basis points annually.

### Payment

For Managed Accounts, your plan provider will debit our fee from your plan account and remit that fee to us. Under Advisor Managed Accounts, your plan provider will typically also debit the Other IA’s fee from your plan account and remit it to them. If you have questions about how the Other IA’s fee is assessed and remitted, please contact your plan sponsor or plan provider.

### Other Costs in Connection with Our Advisory Services

Morningstar Investment Management’s fees are separate from fees and expenses charged by the investment options or fees that are charged by a third party, such as your plan provider or other investment adviser. The investment options’ fees and expenses are described in the investment’s prospectus or equivalent. These fees will generally include a management fee, other investment expenses, and possibly a distribution fee (e.g. 12b-1). In some cases, an investment option may also charge an initial or deferred sales charge. Neither Morningstar Investment Management nor any of our employees receive transaction-based compensation for the investment recommendations we make. You may incur custodian, brokerage, and other transaction costs from third parties. Your plan provider or recordkeeper can provide you with specific fee information for your plan.

You may have the option to purchase investment products we recommend or similar services through other investment advisers or financial professionals not affiliated with us.

### Fees Charged in Advance

Morningstar Investment Management does not charge Managed Accounts fees in advance.

### Compensation from Sales of Securities

Morningstar Investment Management does not expect, accept or receive compensation for the sales of securities, including asset-based sales charges or service fees from the sale of open-end mutual funds used the Managed Accounts, Advice, or Guidance services.

## Revenue Sharing Arrangements

Morningstar Investment Management does not have any revenue sharing arrangements with any registered investment advisers or mutual funds.

## Item 6. Performance Based Fees and Side-by-Side Management

Morningstar Investment Management does not have performance-based fee arrangements (fees based on a share of capital gains or on capital appreciation of the assets in your account) with any qualified client pursuant to Rule 205-3 under the Advisers Act. Therefore, we do not manage any performance-based fee accounts side-by-side with non-performance-based fee accounts.

## Item 7. Types of Clients

In addition to the retirement plan services for individuals described in this brochure, we also provide investment advisory services to institutional clients such as banking institutions, financial institutions, investment companies, pension or profit-sharing plans, third-party advisory programs or other business entities ("Institutional Clients"). If you would like a copy of our brochure describing these services, please follow the instructions on page 1 of this brochure to access the SEC website or contact us.

The Managed Account, Advice and Guidance services are only available to individuals with retirement accounts, such as an account within a defined contribution plan or an IRA. We do not require a minimum account balance to use our services, and we generally do not impose any other conditions on your use of our services.

## Item 8. Methods of Analysis, Investment Strategies, & Risk of Loss Investment Philosophy

Morningstar Investment Management group's investment philosophy is driven by the investment principles that are promoted throughout our organization. The principles are intended to guide our thinking, behavior and decision making. These principles have been inspired by a number of the most experienced and successful investors in the last century. These principles also reflect and align with the history and foundation of Morningstar and are described above in the Firm Information section.

### Global Investment Policy Committee

The Investment Management group's Global Investment Policy Committee and its regional governance bodies are responsible for oversight of the investment methodologies across all our products and services. Members of the Investment Policy Committee may include officers, chief investment officers, managing directors, or managers of Morningstar Investment Management or its affiliates. The regional governance bodies include regional investment policy committees, asset allocation committees, investment selection committees and portfolio construction (peer review) committees. Global best practice working groups also exist with the goal of sharing methodologies and research across regions. These groups focus on specific investment areas such as valuation models driven by our capital markets research and methodologies used for asset allocation, investment selection, portfolio construction for different investment strategies and advice.

The investment advice used in the products and services referenced in this brochure from Morningstar Investment Managed is provided by an investment team. Information on key members of this investment team is included in the attached Brochure Supplement. For Advisor Managed Accounts, the Other IA has their own Brochure Supplement that you should obtain and review.

### Data

While Managed Accounts, Advice, and Guidance use a powerful program for evaluating your goals, the appropriateness of the advice you receive is dependent on the personal information we receive from you, your plan sponsor, and/or your plan provider. While we strive to provide the most accurate and timely economic forecast and financial information, we depend on you to provide the most accurate assessment of your financial status and goals. We will collect relevant personal and financial data about you (and, if applicable, your spouse or partner) that can include your age, retirement income goal, state of residence, retirement account balance, projected or actual social security amount, any outstanding loans from your

retirement plan, balances of any other investment accounts intended for retirement, expected pensions, and balances in company stock. This information is collected in order to personalize the advice you receive.

In creating your strategy, the more information you provide to us, the more personalized the investment solution we are able to deliver. We collect information your plan provider is able to provide to us and ask you to provide any additional data that wasn't available from your plan provider. Through our website or over the phone, you will be presented with an initial strategy as a starting point. You can model many scenarios by changing your retirement age, desired retirement income, social security start age, and savings rate. We will update your retirement strategy in real time to reflect any change you make. We also encourage you to provide additional retirement account information such as assets you hold outside your retirement plan account or benefits for you or your spouse/partner in order to further personalize the recommendations. We do not provide advice on outside assets but will take those into consideration when determining the investment strategy for your retirement plan account assets.

### Analysis Methods

*Morningstar Investment Management's Analysis Methods.* Where we are responsible for creating the asset allocation and investment specific portfolios used in our services, we review available quantitative data to analyze and screen the investment options within a plan. We also apply qualitative analysis by our investment professionals, such as evaluations of investment managers, portfolios and individual investments. We combine this information with other factors—including actuarial data, stock market exposure, probability analysis, and mean-variance optimization—into a proprietary software program to analyze a complex set of market data and variables. The result is an advanced model that can provide investment recommendations and a projection of different outcomes. Using this model, we develop an investment strategy tailored to your investment goals, as described below.

We start with all of the available information we receive from your plan provider and/or you and then make assumptions about certain pieces of information. You have the ability to review and refine some of these assumed data points through our website or over the phone. These assumptions can have a significant impact on the strategies created for you and are related to social security income, salary growth, inflation rates, retirement income goal, and risk capacity. We combine this information with other factors into a proprietary software program that can provide investment recommendations and a projection of different outcomes. Using this model, we develop an investment strategy tailored to your investment goals.

We use a concept called total wealth to determine your risk capacity. This helps us determine an appropriate target risk level for your retirement portfolio by considering your risk exposure in the retirement accounts you've told us about. Our total wealth methodology accounts for your financial capital (total saved assets and tradeable assets such as stocks and bonds) as well as your human capital (future earnings and savings potential). Using this methodology, we assign a target risk level based on your total economic worth.

Your strategy considers the following items when building a target equity allocation for your employer-sponsored retirement account, but they are restricted from our investment selection process: outside investment accounts you own, assets designated as "restricted" or "frozen" by your employer, assets you have chosen to retain in company stock, funds affiliated with Morningstar or its subsidiaries, or custom funds created specifically for your plan.

If you are accumulating for retirement savings, our investment strategy is generally based on information such as your retirement account balance, expected retirement age, contribution rate and other preferences you may have. If you have already retired, and if your plan provider offers Managed Accounts or Advice while you are in retirement, our strategy is based on information such as your current account balance, additional cash flows and life expectancy. This retirement strategy may include some or all of the following:

*Retirement Income Goal (accumulation phase)*

We define your retirement income goal as the projected amount of money that you will need during retirement to live comfortably throughout retirement. We calculate this amount based on your current income, adjusted to reflect the estimated dollar value at your retirement age. Typically, we use an amount equal to 100% of your take-home pay (although some plan providers request we use a different rate, e.g., 80% of your gross pay), and then project the value of that amount at your retirement age to determine your retirement income goal. You have the option to change this projected retirement income amount.

*Income Outlook (accumulation phase)*

We define the income outlook as a projection of the annual income that you may receive during retirement. We base this on an annualized view of the investment wealth you accumulate, combined with social security benefits and any pension or other income you might receive.

*Total Retirement Income (in-retirement phase)*

If your plan provider offers the services described above while you are in retirement, we define your total retirement income as the projected amount of money, typically at some level of probability that you can expect to receive on an annual basis in order to maintain income throughout retirement.

**IMPORTANT:** When we determine the income projections described above, these projections are based on hypothetical performance data and do not represent actual or guaranteed results. Your projections may vary over time with each additional use of our service.

We believe in creating a customized long-term asset allocation based on your risk capacity. Changes in your financial situation, such as the addition of outside retirement accounts, pension benefits, or contribution rates, are likely to result in a change to your asset allocation. In addition, changes to your personal situation, such as the addition of a spouse or partner or a different retirement age, could also impact your asset allocation. We encourage you to update the information you have on file with us in such events, so that we can update your asset allocation accordingly. If you use Managed Accounts, we will typically review portfolios on a quarterly basis to determine if market shifts require us to rebalance your account. On an annual basis, we will re-run our analysis of your future wealth forecast. If you use Advice, we encourage you to re-enter our website on a periodic or as-needed basis, in order to review your information and receive an updated strategy. At a minimum, we recommend that you receive an updated strategy on an annual basis.

*Other IA's Analysis Methods.* For Advisor Managed Accounts where an Other IA is responsible for reviewing and selecting from the investment options within your plan, the Other IA's methodologies and methods of analysis can be found in their Other IA's Firm Brochure.

*Sub-Adviser's Analysis Methods.* For Advisor Managed Accounts where a Sub-Adviser is responsible for reviewing and selecting from the investment options within your plan, we will provide a summary of their methodologies and analysis methods. Currently, Morningstar Investment Management has not engaged any Sub-Advisers.

**Key Assumptions**

Morningstar Investment Management makes assumptions about certain pieces of information that have a significant impact on the strategy we will create for you. In particular, these assumptions relate to inflation rates, retirement income goals, federal/state/capital gains/other taxes and your risk capacity, social security amounts (if you are not yet retired), and salary growth.

*Social Security*

We can incorporate Social Security for you and, if applicable, your spouse/partner, using an estimate based on your current salary or a number you input from your Social Security statement. Social Security payments are inflated using a simulated cost-of-living allowance designed to replicate the actual Social Security Administration ("SSA") formulas and are applied at the maximum benefit age as defined by the SSA.

We account for reduction in payments while working in retirement, increases in benefits for the spouse 50% rule and increased benefits for the surviving spouse 100% rule. The program assumes you complete all applications required to collect the maximum benefit. We also take Social Security into consideration while analyzing income replacement. We default to the age at which you will receive full benefits from the SSA, but you can adjust the benefit amount and start age if desired, however, the start age must be between 62 and 70.

*Salary Growth*

To estimate future salary, we use a salary growth curve based on academic research rather than assuming a single, fixed growth rate. This curve takes into account the fact that salaries tend to grow most rapidly for young employees, peak around age 51, and then slightly decline later in life.

*Retirement Age*

We assume a default retirement age of 67, or your current age plus one year if you are older than 67. You have the option to change this to a different retirement age.

*Estimated Tax*

We estimate federal and state income, and capital gains taxes based on marginal tax rate calculations. Tax data is updated annually based on U.S. Internal Revenue Code (IRC) and similar state tax data. We use income data for you, as well as for your spouse/partner, if applicable, to estimate federal and state tax exposure. Tax exposure is appropriately reduced for pretax deferrals, tax-deferred capital gains, and yield and distribution of Roth proceeds. Based on the information we know about you, we estimate your tax exposure, but do not include all tax considerations. Our recommendations are made without taking into consideration potential tax consequences and we do not provide tax advice. Potential tax consequences can exist. We encourage you to consult with a tax professional about these and other tax consequences.

*Inflation Assumptions*

When projecting the growth of various income sources and expenses, we use a variety of different inflation rates. These rates are reviewed and updated annually by our research team. Different inflation rates are used for different projections and major expenses. We believe that our multifaceted approach to calculating inflation results in more realistic and more accurate projections compared with using one set rate.

*IRS Limitations and Application of Penalties*

We incorporate all IRS contribution limits, eligibility requirements, and withdrawal penalties into the retirement strategies.

*Brokerage Account*

Some plans allow participants to maintain a brokerage account within the plan. If your plan allows this option, you will be responsible for managing and monitoring those assets. We do not manage brokerage account assets; however, if you provide us with detailed information on the holdings within the brokerage account, our methodology will consider these holdings in developing an appropriate investment strategy for your other retirement plan account assets. If you do not provide detailed information, our methodology will assume that the balance in the brokerage account is 45% stocks and 55% fixed income.

**Risk of Loss and Strategy Risk**

We determine a risk strategy for you based on several factors, such as your current age and time until retirement, gender, salary, total current wealth, deferral rate, and retirement goals. If you have retired or are approaching retirement, and if you have the opportunity to purchase an annuity, the risk strategy also considers your longevity and liquidity needs. Your risk level corresponds to an asset mix, or the combination of stocks, bonds and cash, that will serve as the basis for our recommendations of specific funds appropriate for you.

You should remember that investments in securities involve market risk, risk of loss, and other risks, and will not always be profitable. We do not guarantee that the intended objectives of our recommendations will result in achieving your retirement

income goal. We cannot guarantee that negative returns can or will be avoided in any of our recommendations. We do not represent or guarantee that our investment recommendations can or will predict future results, will successfully identify market highs or lows, or will result in a profit or protect clients from loss. An investment's future performance may differ substantially from its historical performance, which is no indication of future performance. A security's investment return and an investor's principal value will fluctuate so that, when redeemed, an investor's shares may be worth more or less than their original cost. We are unable to predict or forecast market fluctuations or other uncertainties that may affect the value of any investment.

Our investment strategy is intended to provide you with an investment portfolio that is diversified across various asset classes and appropriate based on your facts and circumstances. Asset allocation and diversification are investment strategies which spread assets across various investment types for long-term investing. However, as with all investment strategies, these strategies do not ensure a profit and do not guarantee against losses.

Capital market assumptions are forecasts which involve known and unknown risks, uncertainties, and other factors which may cause the actual results to differ materially and/or substantially from any future results, performance, or achievements expressed or implied by those projections for any reason. Past performance does not guarantee future results.

Income projections used in our services are based on hypothetical performance data and do not represent actual or guaranteed results. Projections may vary over time and with each use of our service.

If applicable under Advisor Managed Accounts, your plan sponsor is responsible for choosing and monitoring the Other IA. In making our portfolio recommendations, we are limited to those portfolios created by the Other IA. We do not have any input over the choice of the Other IA, nor do we review the Other IA's asset allocation or portfolio creation methodologies or investment selection process.

If applicable under Advisor Managed Accounts, your plan sponsor is responsible for choosing the Sub-Advisor but Morningstar Investment Management must agree to engage and is responsible for ongoing monitoring of the Sub-Advisor. In making portfolio recommendations, we are limited to those portfolios created by the Sub-Advisor but have discretion to reject or edit those portfolios if we feel necessary.

### Information Sources

Where we are responsible for investment selection, our global resources used in the formulation of our advisory services go down to our roots—the data and analysis from Morningstar, Inc. that form the base of our investment process. This expansive, in-house network of global data and investment analysis spans asset classes and regions to help drive timely new ideas. More than 300-plus analysts of Morningstar or its affiliates cover more than 600,000 investment options. The extensive data, analysis, and methodologies from these resources, along with external research reports, data, and interviews with investment managers are combined with financial publications, annual reports, prospectuses, press releases, and SEC filings to serve as the basis of our primary sources of information.

For some of our services, we combine this information with other factors—including actuarial data, stock market exposure, probability analysis, and mean-variance optimization—into a proprietary software program to analyze a complex set of market data and variables that results in an advanced model that can provide investment recommendations and a projection of different outcomes.

### Security Type Risks

#### *Mutual Funds*

Investments in mutual funds involve risk, including loss of principal as a result of changing market and economic conditions and will not always be profitable.

#### *Money Market Funds*

A money market fund may impose a fee upon the sale of shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below a required minimum because of market conditions or other factors. An investment in a money-market vehicle is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency. For most money market funds, their sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. Although some money market funds seek to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. It is possible to lose money by investing in money market funds.

#### *Stable Value Funds and Guaranteed Investment Contracts ("GICs")*

The interest rate on a stable value fund or GIC is typically only guaranteed for a certain amount of time and may vary with changing market conditions. Withdrawal fees or penalties, sometimes substantial, may be charged if you decided to move money out of a stable value fund or GIC. Stable value funds and GICs are less likely to provide long-term protection against inflation, as compared to other options.

#### *Exchange-traded Funds*

ETFs, like all investments, carry certain risks that may adversely affect their net asset value, market price, and/or performance. An ETF's net asset value (NAV) will fluctuate in response to market activity. Because ETFs are traded throughout the day and the price is determined by market forces, the market price you pay for an ETF may be more or less than the NAV. Because ETFs are not actively managed, their value may be affected by a general decline in the U.S. market segments relating to their underlying indexes. Similarly, an imperfect match between an ETF's holdings and those of its underlying index may cause its performance to not match the performance of its underlying index. Like other concentrated investments, an ETF with concentrated holdings may be more vulnerable to specific economic, political, or regulatory events than an ETF that mirrors the general U.S. market.

#### *Annuities*

An annuity is a tax-deferred investment structured to convert a sum of money into a series of payments over time. Annuity contracts have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a death or living benefit, a schedule of payments, a fixed investment amount guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount. Annuities often have surrender charges, which can be substantial, in the event you need to withdraw your investment early. Annuities can be complicated, and an investor should carefully read the insurance company's offering material to understand how a specific annuity's return will be determined. Variable Annuities have a rate of return that varies with underlying investment options in the market, and do not include a guarantee from the insurance company that you will earn a return. Variable annuities typically have high fees and expenses, sales charges, surrender charges, and early withdrawal penalties.

### Methodology Updates

Our capital market assumptions, asset allocation, and advice methodology committees all meet monthly. These committees have oversight for their respective areas of expertise. If any of these committees makes an adjustment, the changes are thoroughly reviewed and tested before being implemented. These changes are manifested in participant portfolios through expected future returns, and asset allocations. Capital market assumptions are updated on an annual basis. We also update our methodologies with updated tax limits on an annual basis. Asset allocation and advice methodologies are updated when there is a regulatory change that requires an update or when research we have completed warrants enhancing our asset allocation process or advice methodology.

## Item 9. Disciplinary Information

We are required to disclose all material facts in regard to any legal or disciplinary events that would influence a potential client to engage us. We do not have any material legal or disciplinary events to disclose.

## Item 10. Other Financial Industry Activities and Affiliations

Morningstar Investment Management is a wholly owned subsidiary of Morningstar. Our offerings center around advisory services in our core capabilities of asset allocation, investment selection, and portfolio construction that we offer to individual investors (Advice and Managed Account to retirement plan participants) and institutions (including the services described in this brochure.)

Our portfolio managers and their team members who are responsible for the day-to-day management of our portfolios are paid a base salary plus a discretionary bonus. The discretionary bonus is based in part on the investment performance of select portfolios over three-, five-, and, in some cases, seven-year time periods, and in part on Morningstar's overall annual revenue and profitability and the individual's contribution to the business unit. Benchmarks are used as a measure of investment performance and are chosen by senior personnel and approved by the Global Investment Policy Committee's Regional Investment Policy Committee. To mitigate the conflict of interest that could arise from partially basing an employee's bonus on performance of a select portfolio or portfolios, all investment decisions made within a portfolio must be peer reviewed by a regional governance body within the Regional Investment Policy Committee, which includes asset allocation committees, manager selection committees, and portfolio construction (peer review) committees.

For many of our advisory services, the universe of investment options from which we make our investment selections is defined by our Institutional Client. In some cases, this universe of investment options includes proprietary investment options of the Institutional Client. To mitigate any actual or potential conflict of interests presented by this situation, we subject all investment options to the same quantitative and qualitative investment selection methodology, based on several factors, including performance, risk, and expense so that the proprietary nature of an investment option does not influence our selection.

We provide consulting or advisory services to Institutional Clients that offer registered or pooled investment products, such as mutual funds, variable annuities, collective investment trusts, or model portfolios. To mitigate the conflict of interest presented by our role in these investment products, we exclude such investment products from the universe of investment options from which we make our recommendations to other clients.

Morningstar Funds Trust is registered with the SEC as an open-end management investment company under the Investment Company Act of 1940, as amended, and has retained us as its investment adviser. The funds within the Morningstar Funds Trust will be used as the underlying holdings for certain Portfolios, most notably the mutual fund model portfolios series. The funds within the Morningstar Funds Trust can only be utilized in connection with our Morningstar® Managed Portfolios<sup>SM</sup> service and certain third-party advisory programs or platforms. To mitigate the conflict of interest presented by our role in these investment products, we exclude such investment products from the universe of investment options from which we make our recommendations to other clients, including participants in Managed Accounts and Advice. For more information about the Morningstar Funds Trust, please request a copy of our Institutional Advisory Services brochure and visit <http://connect.rightprospectus.com/Morningstar> to view the prospectus.

Morningstar Investment Management is registered as a Commodity Pool Operator with the Commodity Futures Trading Commission. Some of Morningstar Investment Management's employees are registered with the National Futures Association as principals or associated persons.

We receive compensation for our research and analysis activities (e.g., research papers) from a variety of financial institutions including large banks, brokerage firms, insurance companies, and mutual fund companies. In order to mitigate any actual or

potential conflicts of interest that arise from this service, we ensure that our research and analytical activities are non-biased and objective given our business relationships. Employees who provide research and analysis for clients are separate from our sales and relationship manager staff in order to mitigate the conflict of interest that an employee may feel pressure to present results in such a way as to maintain existing or gain new business. In addition, as noted above, all investment decisions must be peer reviewed by a regional governance body within the Regional Investment Policy Committee, which mitigates the conflict of interest by providing checks and balances so that no employee can act unilaterally in making recommendation decisions.

Our investment professionals provide portfolio construction and ongoing monitoring and maintenance for the portfolios within Morningstar Investment Services' Morningstar® Managed Portfolios<sup>SM</sup> program on Morningstar Investment Services' behalf. While the same or similar portfolios are offered by us to our Institutional Clients under the Morningstar Managed Portfolios program, we do not believe these responsibilities create any material conflicts of interest for our clients. In order to mitigate any perceived conflict of interest, when we offer discretionary services under the Morningstar Managed Portfolios program, transactions for our clients are placed at the same time as transactions for Morningstar Investment Services' discretionary clients as part of block trades. We have procedures in place to ensure that trades are allocated in such a manner as to not favor one client over another. When we offer non-discretionary services under the Morningstar Managed Portfolios program, our Institutional Clients receive trade recommendations just after trades are placed for discretionary clients, due to our heightened fiduciary responsibilities to our discretionary clients. In addition, all non-discretionary clients are notified of transaction recommendations after the close of the trading day, so that no one such client has an advantage over another.

When we, along with Morningstar and/or our other affiliates offer services to the same client, we have the option to enter into a bundled agreement with the client that encompasses all or part of those services. Additional fee(s) for such product(s) or service(s), if required, will be set forth in our agreement with the client. In these situations, clients pay a fee directly to us and each such affiliate for its products or services, or as part of a joint fee schedule which encompasses all services.

### *Affiliations – Investment Management Group Registered Entities*

Morningstar has an Investment Management group that consists of various subsidiaries across the globe that are each registered with and governed by the applicable regulatory body or bodies in that country. We are part of this group and share resources, as described earlier in this brochure. One member of this group, Morningstar Investment Services LLC, is our subsidiary and is also an investment adviser registered under the Advisers Act. Morningstar Investment Services is additionally registered with the Securities and Exchange Commissions as a broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA). Morningstar Investment Services' offerings include discretionary managed portfolios and model manager services under the Morningstar Managed Portfolios brand name, plan sponsor services, and retirement plan services for institutional and retail clients.

In some cases, our senior management members have management responsibilities to these other affiliated entities. We do not believe that these management responsibilities create any material conflicts of interests for our clients.

The Investment Management and Workplace Solutions groups have set up service teams composed of employees of our affiliate and located at our affiliate's office in Mumbai, India. We compensate our affiliate for services rendered via an intercompany charge. The services and compensation will be governed by an intercompany agreement. This compensation will likely be lower than compensation negotiated with non-affiliated firms for the same or similar services. To mitigate any conflict of interest between us and our affiliate we have established dual reporting lines for employees on the shared services team so that such employees report up to employees of Morningstar Investment Management. We've also established information security boundaries and technology separation to protect our non-public information and Morningstar's compliance department monitors the personal trading activity of these employees.

*Affiliations – Other Registered Entities*

Morningstar Research Services LLC is not part of the Investment Management group but is also a wholly owned subsidiary of Morningstar and an investment adviser registered under the Advisers Act. Morningstar Research Services' offerings center around the production of investment research reports and investment consulting services to financial institutions/institutional investors who themselves are registered with and governed by a regulatory body. Conflicts of interests between us and Morningstar Research Services are mitigated by such things as the maintenance of separate legal entities and reporting/organization lines, and the utilization of physical (i.e. separate floors) and technological separation. Morningstar Research Services also maintains a committee structure so as to limit any unilateral decisions. Morningstar's compliance department monitors the personal trading activities of Morningstar Research Services' employees.

We have the option to engage Morningstar Research Services to perform investment manager due diligence and/or fund selection services on our behalf as a sub-adviser. The notification to and authorization by the Institutional Client to our engaging Morningstar Research Services is addressed in our agreement with the Institutional Client. On such occasions, we compensate Morningstar Research Services for services rendered via an intercompany charge. The services and compensation will be governed by an intercompany agreement. This compensation will likely be lower than compensation negotiated with non-affiliated financial institutions/institutional investors for the same or similar services. Morningstar Research Services' employees who are engaged to provide manager due diligence and/or fund selection services are prohibited from using non-public/confidential information obtained because of their engagement in its investment research reports and/or investment consulting services to clients, including us.

Morningstar Research Services provides information to the public about various securities, including open-end mutual funds and ETFs, which include written analyses of these investment products in some situations. Although we use certain products, services, or databases that contain this information, we do not participate in or have any input in the written analyses that Morningstar Research Services produces. While we consider the analyses of Morningstar Research Services, our investment recommendations are typically based on our separate and independent research and analysis of the available investment product.

Morningstar Research Services issues investment research reports on securities we hold in our portfolios or recommend to our clients, but they do not share any yet-to-be published views and analysis and/or changes in estimates (i.e., their confidential information) with us on these securities. Other than the use of their publicly available analysis as part of our review process, we do not solicit the input of Morningstar Research Services prior to making investment decisions or recommendations (unless we engage them as a sub-adviser as noted under the 2<sup>nd</sup> paragraph of the *Affiliations – Other Registered Entities* section), nor do we have access to their analysis prior to its public dissemination. We mitigate any actual or potential conflicts of interest that could arise from the access of their analysis prior to publication through measures such as informational barriers (both physical and technological), maintaining separate organizational reporting lines, and monitoring by the compliance department.

Some of Morningstar Research Services' clients are sponsors of funds or associated with other securities that we recommend to our clients. We mitigate any actual or potential conflicts of interests resulting from this fact through such measures as informational barriers (both physical and technological), maintaining separate organizational reporting lines, and monitoring by the compliance department. In addition, we do not factor in the relationship between Morningstar Research Services when analyzing investments or making recommendations.

Morningstar Investment Management serves as an investment adviser to investment companies registered under the Investment Company Act of 1940, as amended, and to other pooled investment products. To mitigate conflicts of interest, Morningstar Research Services does not prepare qualitative analysis on nor recommend as part of their investment consulting services any investment company we are an investment adviser to.

*Affiliations – Morningstar, Inc.*

Our parent company, Morningstar, Inc., is publicly traded (Ticker Symbol: MORN). We may recommend an investment product that holds a position in publicly traded shares of Morningstar's stock. Such an investment in Morningstar's stock is solely the decision of the investment product's portfolio manager. We have no input into a portfolio manager's investment decision nor do we require that the investment products we recommend own shares of Morningstar. An investment product's position in Morningstar has no direct bearing on our investment selection process. We mitigate any actual or potential conflicts of interest by not factoring Morningstar's publicly traded stock into our qualitative or quantitative analysis nor in our recommendations.

Morningstar offers various products and services to the public. Some of Morningstar's clients are service providers (e.g., portfolio managers, advisers, or distributors affiliated with a mutual fund or other investment option). We may have a contractual relationship to provide consulting or advisory services to these same service providers or we may recommend the products of these service providers to our advisory clients. To mitigate any actual or potential conflicts of interest, we do not consider the relationship between Morningstar and these service providers when making recommendations. We are not paid to recommend one investment option over another, including products of service providers with which Morningstar has a relationship.

Morningstar provides information to the public about various investment products, including open-end mutual funds and ETFs. In some cases, this information includes written analyses of these investment products. Although we use certain products, services, or databases of Morningstar, we do not participate in or have any input in the written analyses that Morningstar provides its licensees. While we consider the analyses of Morningstar, our investment recommendations are typically based on our separate and independent research and analysis of the available investment product.

Morningstar hosts educational events and conferences and on occasion provides us with the opportunity to suggest invitees or offer (proactively or upon request) discounted or waived registration fees. We mitigate any actual or potential conflicts of interest this may introduce by using pre-defined criteria to select Clients for these opportunities.

Morningstar offers various products and services to retail and institutional investors. In certain situations, we recommend an investment product that tracks an index created and maintained by Morningstar. In such cases, the investment product sponsor has entered into a licensing agreement with Morningstar to use such index. To mitigate any conflicts of interest arising from our selection of such investment products, we use solely quantitative criteria established by our advisory client to make such selection, or, in the alternative, Morningstar's compensation from the investment product sponsor will not be based on nor will it include assets that are a result of our recommendation to our advisory client to invest in those investment products. In other cases, some of Morningstar's clients are sponsors of funds that we recommend to our clients. Morningstar does not and will not have any input into our investment decisions, including what investment products will be recommended for our recommended portfolios. We mitigate any actual or potential conflicts of interest by imposing informational barriers (both physical and technological), maintaining separate organizational reporting lines, and monitoring by the compliance department. In addition, we do not factor in the relationship between Morningstar when analyzing investments or making recommendations. We mitigate any actual or potential conflicts of interests resulting from that by not producing qualitative analysis on any such exchange-traded fund as well as imposing informational barriers (both physical and technological), maintaining separate organizational reporting lines between, and monitoring by the compliance department.

Morningstar has and maintains accounts which they invest in accordance with investment strategies created and maintained by us. Those investment strategies are deployed using equity securities. As we have discretion over these accounts, Morningstar's accounts are traded at the same time as our and Morningstar Investment Services' other discretionary client accounts in order to ensure that

Morningstar's accounts are not treated more favorably than our client accounts. Some of Morningstar's accounts are used as the subject of newsletters offered by Morningstar. In order to ensure that Morningstar's newsletter subscribers are not treated more favorably than our clients, which would result in a breach of our fiduciary duty, we do not report trades in Morningstar's accounts invested in our strategies to newsletter subscribers until after our client accounts have been traded or our non-discretionary clients have been notified.

As a wholly owned subsidiary, we use the resources, infrastructure, and employees of Morningstar and its affiliates to provide certain support services in such areas as technology, procurement, human resources, accounting, legal, compliance, information security, and marketing. We do not believe this arrangement presents a conflict of interests to us in terms of our advisory services. Employees of Morningstar that provide support services to us have the option to maintain their Financial Industry Regulatory Authority ("FINRA") security licenses under Morningstar Investment Services' limited broker/dealer registration, if appropriate for their current job responsibilities. Morningstar Investment Services utilizes its broker/dealer registration solely for the receipt of 12b-1 fees, therefore, we believe no conflict of interest exists due to the maintenance of these security licenses.

In certain situations, we make our clients aware of various products and services offered by Morningstar or its affiliates. We do not receive compensation for that introduction. Morningstar and its affiliates also have the option to make their clients aware of various products and services offered by us. Morningstar and its affiliates do not receive any compensation from us for that introduction.

#### *Affiliations – Morningstar, Inc.'s Subsidiaries*

Equity and manager research analysts based outside the United States are employed by various wholly-owned subsidiaries of Morningstar. These analysts follow the same investment methodologies and process as Morningstar Research Services, as well as being held to the same conduct standards. As a result, we do not believe this structure causes actual or a potential for a conflict of interest.

#### *Affiliations – Credit Rating Agency*

Morningstar's subsidiaries, Morningstar Credit Ratings LLC and DBRS, Inc. (collectively, "DBRS Morningstar"), are credit rating agencies registered with the Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (NRSRO). DBRS is also registered with and governed by applicable regulatory body or bodies in other countries around the globe. In our analysis of certain securities, we use the publicly available credit rating and analysis issued by DBRS Morningstar. Because our use of DBRS Morningstar's ratings and analysis is limited to that which is publicly available, we do not believe there is an actual or potential conflict of interest that arises from such use.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

We have in place a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act ("Code of Ethics"). Our Code of Ethics strives to uphold the highest standards of moral and ethical conduct, including placing our clients' interest ahead of our own. Our Code of Ethics covers all our officers and employees as well as other persons who have access to our non-public information (collectively "Access Persons"). Our Code of Ethics addresses such topics as professional and ethical responsibilities, compliance with securities laws, our fiduciary duty, and personal trading practices. Our Code of Ethics also addresses receipt and/or permissible use of material non-public information and other confidential information our Access Persons may be exposed and/or have access to given their position. The Code of Ethics is provided upon hire and at least annually thereafter and at each time, the Access Person must certify in writing that she or he has received, read, and understands the Code of Ethics and that they agree to or have complied with its contents. A copy of our Code of Ethics is available to existing and prospective clients by sending written request to [compliance@morningstar.com](mailto:compliance@morningstar.com).

### **Interest in Client Transactions**

Our Access Persons have the option to maintain personal investment accounts and purchase or sell investments in those accounts that are the same as or different from the investments we recommend to clients. Because we generally recommend mutual funds and ETFs, our Access Persons' personal investing activities should not conflict with our advisory activities or the timing of our recommendations. In addition, our Code of Ethics is designed to ensure that Access Persons' personal trading activities will not interfere with our clients' interests, while allowing our Access Persons to invest in their own accounts.

We do not engage in principal transactions (transactions where we, acting in our own account or in an affiliated account, buy a security from or sell a security to a client's account) nor do we engage in agency cross transactions (transactions where we or our affiliate executes a transaction while acting as a broker for both our client and the other party in the transaction).

### **Interest in Securities That We May Recommend**

Morningstar Investment Management has and maintains a number of seed accounts (accounts used to establish a strategy we offer or are tracking), many of which follow strategies we offer to clients. We place block trades for our accounts, therefore trade requests for our seed accounts are placed at the same time as trades are placed for those client accounts invested in the same strategy and for which we have discretion. Block trades are allocated in such a manner as to ensure that our seed accounts do not receive more favorable trades than our clients' accounts. Client accounts that we manage on a discretionary basis and thus, our seed accounts, are traded just before we provide model portfolio trade recommendations to other clients using our U.S. managed portfolios. However, our model portfolio clients receive trade recommendation after the close of the trading day, so that no one model portfolio client is favored over another.

### **Personal Trading By Access Persons**

Our Code of Ethics is designed to ensure that Access Persons' personal trading activities do not interfere with our clients' interests. While our Access Persons have the option to maintain personal investment accounts, they are subject to certain restrictions. Our Code of Ethics includes policies designed to prevent Access Persons from trading based on material non-public information. Access Persons in possession of material non-public information are prohibited from trading in securities which are the subject of such information and from tipping such information to others. In certain instances, we employ information blocking devices such as restricted lists to prevent illegal insider trading. Morningstar's compliance department monitors the activities in the personal accounts of our Access Persons (and any accounts in which they have beneficial ownership) upon hire and thereafter. Access Persons are required to pre-clear IPO and private placement transactions with Morningstar's compliance department.

## **Item 12. Brokerage Practices**

Where we exercise investment discretion, we will generate trade instructions for each portfolio that requires investment, reallocation, or rebalancing and forward those instructions to the appropriate institution as designated by the plan provider. As a result, we do not have the ability to make decisions regarding which broker is used to execute the transactions. We do not participate in any soft dollar practices.

## **Item 13. Review of Accounts**

Retirement accounts enrolled in Managed Accounts are typically rebalanced to your account's asset allocation target or reallocated on a quarterly basis as necessary and receive quantitative and/or qualitative reviews performed by our investment team on an annual or as-needed basis to account for changes in your age and any other significant personal or financial changes to your situation that you have informed us about. You are responsible for notifying us of changes in your personal and financial information, investment objectives, and investment restrictions so that we can make the necessary adjustments to your investment strategy. Periodically, you will receive a written progress report with information about your account, either in an electronic format (e.g., by email or through Internet account access) or by U.S. mail to your address of record. This progress report may include such things as your progress

toward your retirement goal, investment performance information, and an analysis of your retirement account.

We do not provide ongoing account reviews as part of Advice and Guidance. You should review your retirement plan and retirement account asset allocation recommendations on a regular basis. You can use the Morningstar Retirement Manager platform at any time to update your personal information and review your retirement plan strategy, which will likely change as the result of the updated information. We do not prepare periodic reports as part of Advice or Guidance.

#### **Item 14. Client Referrals and Other Compensation**

We make direct or indirect cash payments to our affiliates or to unaffiliated third parties for recommending our services as described in Item 4 above. If such payments occur, they will be done pursuant to Rule 206(4)-3(a)(2)(ii) of the Advisers Act. Clients referred by third party solicitors may in some cases pay a higher fee than clients who contract with us directly. Solicited Clients referred by a third-party solicitor should refer to the disclosure document for information on the effect of the fees paid to third-party solicitors.

#### **Item 15. Custody**

We do not serve as a custodian of client assets. However, in cases where we have the ability to debit fees directly from client accounts, we are deemed to have custody of client assets under Rule 206(4)-2 of the Advisers Act, even if we do not act as a custodian. Your plan provider or its designee is responsible for selecting the custodian for your plan assets and you should receive statements from the qualified custodian that holds your assets at least quarterly. You should carefully review such statements and compare them to the written progress reports we provide to you. Our progress reports may vary from custodial statements because of differences in accounting procedures (e.g., trade-date versus settlement-date accounting) or reporting dates. If you note any discrepancies on your account statements, please promptly contact your plan administrator.

#### **Item 16. Investment Discretion**

When you accept the advisory agreement for Managed Accounts, you assign to Morningstar Investment Management or Morningstar Investment Management and the Other IA (applicable to Advisor Managed Accounts) full discretion to manage the investments of your retirement account on your behalf and to monitor it on an ongoing basis. Based on information provided by you, you receive an individualized asset allocation strategy and investment options appropriate for that strategy which are selected from the options available in your account. As described above, you have the right to impose reasonable restrictions on your retirement account. We, and if applicable the Other IA, will exercise our discretion in managing your account consistent with your individualized strategy and within the account restrictions, if any.

If you elect Advice or Guidance, you retain the investment discretion and control of your retirement account. We provide you with information designed to help you make investment choices regarding your retirement account assets, but you are responsible for managing the investments in your account. We do not monitor, review or update our recommendations or projections on an ongoing basis.

#### **Item 17. Voting Client Securities**

You are responsible for receiving and voting proxies for all investments held in your account. You may receive proxies or other solicitations directly from your plan account's custodian. We do not have the authority to and will not vote proxies. We cannot provide information or advice in regard to questions you have about a particular solicitation.

We do not advise or act for you in legal proceedings, including class actions or bankruptcies, involving recommended securities.

#### **Item 18. Financial Information**

We are required to provide you with certain financial information or disclosures about our financial condition. We do not have any financial commitment that impairs our ability to meet our contractual and fiduciary commitments to clients, nor have we been the subject of any bankruptcy proceeding.



## Morningstar Investment Management LLC Form ADV Part 2B: Brochure Supplement *Retirement Plan Services for Individuals*

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March 24, 2020

This Brochure Supplement provides information about key members of the investment team for Morningstar Investment Management LLC's retirement plan services for individuals. This Brochure Supplement provides information on the members of the investment team with the most significant responsibility for day-to-day investment advice for retirement plan participant services and is not a complete list of all the members of the investment advisory team.

Please contact the Compliance Department at 312.696.6000 or [complianceemail@morningstar.com](mailto:complianceemail@morningstar.com) if you did not receive a copy of our Firm Brochure, if you have questions about the content of this Brochure Supplement, or if you would like information about other members of our investment team. In your request, please indicate the name of the company (Morningstar Investment Management) and the type of service (Retirement Plan Services for Individuals.)

### **Thomas Idzorek, CFA**

*Educational Background and Business Experience:* Tom is the chief investment officer for Morningstar Investment Management's retirement line of business. He currently serves as a member of Morningstar, Inc.'s 401(k) committee and Research Council, Morningstar Investment Management's Global Investment Policy Committee, and on the editorial boards of *Morningstar* magazine and the CFA Institute *Financial Analysts Journal (FAJ)*. From 2012 to 2015, Tom served as president of Morningstar's Investment Management group. Additionally, he has served as president of Ibbotson Associates, president of Morningstar Associates, board member/responsible officer for a number of the Investment Management group's subsidiaries, global chief investment officer for the Investment Management group, chief investment officer & director of research and product development for Ibbotson, and head of investment methodology and economic research for Morningstar, Inc. Before joining Ibbotson Associates (which Morningstar, Inc. acquired in 2006), Tom was a senior quantitative researcher for Zephyr Associates. Born in 1970, Tom holds a bachelor's degree from Arizona State University and a master's degree in business administration from Thunderbird School of Global Management. He also is a CFA\* charterholder. Tom does not have any disciplinary information, other business activities or additional compensation to disclose.

### **Lucian Marinescu, CFA**

*Educational Background and Business Experience:* Lucian is a portfolio manager and head of target date strategies for Morningstar Investment Management. He served as a project manager for Morningstar, Inc. beginning in 2002 before joining Morningstar Investment Management in 2007. Born in 1979, Lucian has a bachelor's degree in economics and business administration from Monmouth College, a MBA from University of Chicago Booth School of Business, and is a CFA\* charterholder. Lucian does not have any disciplinary information, other business activities or additional compensation to disclose.

### **Alexander Brownlee**

*Educational Background and Business Experience:* Alex is an investment analyst. He joined Morningstar, Inc. in 2017 and served as a customer support representative and team leader through the Morningstar Development Program before joining Morningstar Investment Management in 2018. Prior to joining Morningstar, Inc., Alex served as an Asset Protection Manager for Macy's and held a finance internship with the Central Intelligence Agency. Born in 1993, Alex has a bachelor's degree in Business Administration from the University of Pittsburgh. Alex does not have any disciplinary information, other business activities or additional compensation to disclose.

### **Jason Wagner, CFA**

*Educational Background and Business Experience:* Jason is a Senior Investment Analyst for Morningstar Investment Management. He is responsible for portfolio construction and review for plan providers and plan sponsors as part of Morningstar® Retirement Manager<sup>SM</sup>. Prior to joining Morningstar Investment Management in 2016, he was an associate at Citadel Securities. Previously, he was Director of Trading and Operations at Timpani Capital Management, LLC. Born in 1979, Jason has a bachelor's degree in Finance from DePaul University and is a CFA\* charterholder. Jason does not have any disciplinary information, other business activities or additional compensation to disclose.

### **Michael Sawula, CFA**

*Educational Background and Business Experience:* Michael is Director of Automated Portfolio Solutions for Morningstar Investment Management. He leads a team that is responsible for constructing, refining, and rebalancing managed accounts portfolios for retirement plan participants. He joined Morningstar, Inc. in 2012 and served as a product consultant, data analyst and operations analyst prior to joining Morningstar Investment Management in 2015 as an investment analyst. Born in 1990, Michael has a bachelor's degree from Grinnell College, a master's degree in business administration, and a master of science in computer science from the University of Chicago. He is also a CFA\* charterholder. Michael does not have any disciplinary information, other business activities or additional compensation to disclose.

### **Investment Team Supervision - Thomas Idzorek, CFA**

As chief investment officer for Morningstar Investment Management's retirement line of business, Tom supervises the investment professionals involved with Morningstar Investment Management's Workplace and Retirement Services group's retirement plan services for individuals.

In addition, the activities of the investment team are guided by the Americas Investment Policy Committee of the Global Investment Policy Committee. The Global Investment Policy Committee and its working sub-committees and investment teams are responsible for oversight of the investment methodologies. The sub-committees and investment teams focus on specific investment capabilities such as valuation models and asset allocation, manager selection, portfolio construction and portfolio risk analytics.

*\*The Chartered Financial Analyst (CFA) designation is an international professional certification offered by the CFA Institute. To become a CFA charterholder, candidates must pass three six-hour exams, possess a bachelor's degree, and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct. The CFA is a qualification for finance and investment professionals, particularly in the fields of investment management and financial analysis of stocks, bonds and their derivative assets. The program focuses on portfolio management and financial analysis, and provides a general knowledge of other finance areas.*





**Not FDIC/NCUA/NCUSIF Insured**  
**Not a Deposit of a Bank/Credit Union | May Lose Value**  
**Not Bank/Credit Union Guaranteed**  
**Not Insured by Any Federal Government Agency**

Any insurance products, annuities and funding agreements that you may have purchased are sold as securities and are issued by Voya Retirement Insurance and Annuity Company ("VRIAC"). Fixed annuities are issued by VRIAC. VRIAC is solely responsible for meeting its obligations. Plan administrative services provided by VRIAC or Voya Institutional Plan Services, LLC ("VIPS"). Neither VRIAC nor VIPS engage in the sale or solicitation of securities. If custodial or trust agreements are part of this arrangement, they may be provided by Voya Institutional Trust Company. All companies are members of the Voya family of companies. **Securities distributed by Voya Financial Partners, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.** All products or services may not be available in all states.