

Morningstar Investment Services LLC Form ADV Part 3: Relationship Summary

Item 1: Introduction

Morningstar Investment Services 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, which also provides educational materials about broker-dealers, investment advisers, and investing.

Morningstar Investment Services is winding down the Morningstar Wealth Platform (“Wealth Platform”) and has entered into an agreement with AssetMark, Inc. (“AssetMark”) in which certain investment management agreements (including the IMA) were or will be assigned to AssetMark and will be transitioned to AssetMark’s platform, which is anticipated to take place in mid-2025 (“Transition”).

For accounts that remain under Morningstar Investment Services’ management and will not Transition to AssetMark, Morningstar Investment Services has, or will be, communicating with you regarding the termination of the investment management agreement. In the meantime, this is being provided as includes Morningstar Investment Services’ investment advisory program, the Wealth Platform and when we offer Portfolios on a discretionary basis through third-party financial institutions.

For accounts that are under AssetMark’s management, this includes activities you can expect until Transition. Morningstar Investment Services will service your account(s) as a service provider to AssetMark until Transition at which time AssetMark will service your account(s).

Item 2: Relationships and Services

What investment services and advice can you provide me?

This Relationship Summary focuses on investment advisory services we offer to retail investors, which are typically provided in connection with other investment advisers (each an “Advisory Firm”) or retirement plan providers who wish to provide our services to their clients and who are responsible for carrying out some or all of the duties related to the establishment and maintenance of your account.

We offer portfolios consisting of securities such as open-end mutual funds, exchange-traded funds, fixed-income and equity securities (“Portfolio”) which are created by Morningstar Investment Management LLC, our direct parent, are based on indexes created by our ultimate parent, Morningstar, Inc., licensed from a third-party advisory firm (“Model Provider”) or based on the strategies of another investment adviser we retain under a sub-advisory agreement (“Sub-Adviser”).

You can access Portfolios through the Morningstar Wealth Platform (“Wealth Platform”), other financial institutions’ programs (“Third-Party Programs”), and Morningstar® Managed Plan SolutionsSM (“MMPS”). As part of our standard service to these programs, the Portfolios are reviewed on an ongoing basis and changes are made when opportunities arise in line with each Portfolio’s stated methodology or other chosen portfolio features.

The **Wealth Platform** is an investment advisory program we sponsor. **Third-Party Programs** are sponsored by other investment advisers who have hired us as a sub-adviser. You give us or our sub-advisers the responsibility to

manage your account in accordance with Portfolio(s) of your choosing, which includes placing trades to implement or update your account without obtaining your consent. We send Wealth Platform clients quarterly reports reflecting account and investment information.

MMPS offers employers help with their retirement plan. We choose the mutual funds and/or ETFs that will be available to plan participants, and then build Portfolios from these securities for your use. Under MMPS, you remain responsible for the investment decisions for your account, meaning you make the ultimate decision on whether to build your own portfolio or to invest in accordance with one of ours. If you choose our Portfolio, you are the ultimate decision-maker on whether to implement any changes we recommend for the Portfolio over time. We do not monitor or review your account or the investment decisions you make, and we do not direct your plan provider to update your account in accordance with any Portfolio changes without your consent.

Some Portfolios include one or more funds within Morningstar Funds Trust (the “Funds”), which is registered with the SEC as an investment company. Each Funds’ prospectus and other regulatory filings are available at <http://connect.rightprospectus.com/Morningstar>. Certain Portfolios use the Funds as their only underlying holdings while others use the Funds as a portion of the overall Portfolio. In addition, we are limited to choosing securities and fund share classes for the Portfolios from those available to us through each custodian or plan provider, which can result in the choice of securities that charge other fees outside of our control. While we seek to use the cheapest share class available to us, you should not assume we have access to a fund’s cheapest share class through your custodian or plan provider or that we will always choose the cheapest share class.

Under the **Wealth Platform** and **Third-Party Programs**, our Portfolios have minimum investment sizes to ensure we can properly implement your chosen Portfolio. At our discretion, we can waive these minimums. Minimums can be found in your account opening documents.

More information about our services can be found in Items 4, 7, & 8 of our Firm Brochure for Wealth Platform and Third-Party Programs at bit.ly/MstarIS-MMP & Firm Brochure for MMPS at bit.ly/MstarIS-MMPS, and in Items 4 & 5 of our Wrap Fee Program Brochure at bit.ly/MstarIS-MMP-Appendix.

Conversation Starters

(Read our [Responses](http://bit.ly/MstarIS-CSResponses) at bit.ly/MstarIS-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?

We charge an annual fee to cover the non-investment management services provided to you through our **Wealth Platform** and/or the investment management services associated with the Portfolios. Our annual fee is negotiable and generally ranges from 0.05 – 0.70% per Portfolio. (If your Portfolio is provided by a Sub-Adviser or Model Provider, we pay them a

portion of the annual fee.) Your Advisory Firm also receives an annual fee, typically no more than 1.10%, for the services they provide to you. A portion of the annual fee is debited from your account quarterly in advance based on the end balance of your account for the prior quarter or in arrears based on the average daily balance for the applicable period. Your account opening documents contain your specific fee schedule. Additional fee information can be found in Item 5 of our Wealth Platform Firm Brochure (link below.)

For **Third-Party Programs**, we charge the program's sponsor an annual fee based on the amount of assets program clients have invested in our Portfolios. Our fee is negotiable, but typically ranges from 0.055 – 0.50%. Our fee will likely be passed on to you – see your advisory agreement with your program's sponsor for more details.

For **MMPS**, your employer or plan pays us a 0.20 – 0.30% annual fee based on the plan's assets, a pro-rata share of which may be charged to your account. Your employer can provide you with additional information about fees and expenses associated with your plan.

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

Our fees are separate from those charged by others, such as your Advisory Firm, retirement plan provider, or custodian for advisory, brokerage, custodial, or account maintenance fees. If your custodian offers you two choices for trade related costs – a per trade fee or a percentage (typically 3 – 5%) of your account assets to cover most trades - and you choose the latter, the **Wealth Platform** is considered a "wrap fee program" as the custodian includes most transaction costs and fees in their fee. Trades executed away from your Custodian will incur additional fees. [More information about our wrap fee program can be found in Item 12 of our Wealth Platform Firm Brochure at \[bit.ly/MstarIS-MMP\]\(http://bit.ly/MstarIS-MMP\) and within our Wrap Fee Program Brochure at \[bit.ly/MstarIS-MMP-Appendix\]\(http://bit.ly/MstarIS-MMP-Appendix\).](#)

When investing in funds, you incur a proportionate share of a fund's internal expenses such as management, distribution, sub-transfer agency, shareholder servicing, and 12b-1 fees. Funds can also charge transaction-based fees like redemption and sales charges. You can learn more about these expenses in the fund's prospectus or an equivalent document. Other security types often pass other fees or expenses to you, such as foreign currency conversion fees.

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 fee information can be found in Item 5 of our Firm Brochure for the Wealth Platform and Third-Party Programs at \[bit.ly/MstarIS-MMP\]\(http://bit.ly/MstarIS-MMP\) & Firm Brochure for MMPS at \[bit.ly/MstarIS-MMPS\]\(http://bit.ly/MstarIS-MMPS\).](#)

Conversation Starter

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. As an example, to help you understand what this means, our parent company, Morningstar Investment Management, receives compensation as adviser to the Funds or sub-adviser to third-party funds based on the assets invested in each.

- Therefore, we have an incentive to select for or recommend these funds to you. [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 the Wealth Platform and Third-Party Programs at \[bit.ly/MstarIS-MMP\]\(http://bit.ly/MstarIS-MMP\) or our Firm Brochure for MMPS at \[bit.ly/MstarIS-MMPS\]\(http://bit.ly/MstarIS-MMPS\).](#)

Conversation Starter

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 plus a discretionary bonus, and in some cases, annual stock grants. Bonuses are based on the profitability of our company/business lines and/or the employee's contribution to our business. This bonus is also based on the performance of select Portfolios for some portfolio managers and their teams. Benchmarks are used to measure performance, are chosen by senior personnel, and approved by the Regional Investment Committee, which is chaired by the regional CIO. Bonuses may take the form of cash or shares of Morningstar 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 for a free and simple search tool to research us and our financial professionals.

Conversation Starter

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 calling our customer support team at 877-626-3227 or by going to morningstar.com/en-us/products/morningstar-managed-portfolios or morningstar.com/company/disclosures. If you have any questions or would like to request a copy of our Relationship Summary or other disclosure documents free of charge, please contact us at 312.696.6000 or by sending an email to compliance@morningstar.com.

Conversation Starter

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?