



Managed Accounts

Designed to Make Retirement Easier for Your Employees

Saving for retirement is one of the most important savings goal for someone to work towards. Yet, pension benefits are no longer the norm. So, how can you help to ensure that your employees have the resources and support they need to help increase their chances of meeting their retirement goals? Today, competitive benefits packages include tools and information to help employees make educated decisions when it comes to their retirement plans. Leveraging Morningstar Investment Management LLC's managed accounts service, we can help your employees by providing them with a comprehensive, personalized retirement plan designed to help meet their retirement goals and provide them with support from investment professionals who will monitor the investments in their retirement account.

What Employees Get

With managed accounts, your employees receive a personalized retirement plan including:

- ▶ A projection of the retirement income they'll probably need and what they are likely to have based on what they're saving now
- ▶ Recommendations for how much they should save and when they could consider retiring
- ▶ Advice on when to take social security benefits
- ▶ A personalized asset-allocation strategy
- ▶ The ability to personalize the plans based on a variety of details, including when they want to retire, how much money they will need, other retirement accounts, and any spousal information

Additionally, Morningstar Investment Management can implement the recommendations for your employees, adjust the strategy as needed¹, and take care of the ongoing details of managing their retirement portfolios.

Plan-Specific Investment Portfolios

Leveraging the investment philosophies from your registered investment adviser (RIA), up to nearly 600 plan-specific investment portfolios can be created. These portfolios are designed to help ensure investor holdings are both risk and age appropriate.

Research-Driven Methodology

The managed accounts service designed by Morningstar Investment Management is powered by years of experience in asset allocation.² It is based on a total wealth methodology, which considers each investor's financial and non-financial assets. Specifically, the methodology considers a person's financial capital (total saved assets and tradable assets such as stocks and bonds) and their human capital (earnings and savings potential). We feel this helps us determine a true risk capacity for each investor and avoids solely relying on risk tolerance questionnaires.

Experienced Professional Oversight

With our managed accounts service, employees get access to recommendations, and ongoing professional investment management to help them stay on track to meet their retirement goals. Participants who use managed accounts are reviewed and rebalanced on a quarterly basis to ensure they are in an appropriate portfolio. Employees can withdraw from the service at any time with no penalty and take direct control of their assets.

Fiduciary Support

This service can help employers manage their fiduciary responsibilities:

- ▶ The RIA firm working with each plan accepts fiduciary responsibility for the fund selection decisions and portfolio creation
- ▶ Morningstar Investment Management accepts fiduciary responsibility for the participant portfolio assignment process

If a named fiduciary of the plan properly appoints Morningstar Investment Management and their RIA to provide these services, Morningstar Investment Management and the RIA will each assume fiduciary responsibility for their respective investment decisions.

Competitive Benefits Package

Employees are often intimidated by retirement planning and expect online tools and education materials to help them with their decision-making. Providing information and tools like managed accounts can help you stand out from other employers who simply offer a retirement plan with little support.

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About Morningstar Investment Management LLC's Retirement Solutions Group

Morningstar, Inc. was founded with the simple goal of making investment research available for everyone. Today, that mission has expanded to include countless technology- and research-driven products and services designed to help people reach their financial goals, including retirement. Morningstar Investment Management LLC, a subsidiary of Morningstar, Inc. and a registered investment adviser, has a team that specializes in supporting workplace retirement plans. Our goal is to not only help people save for the retirement they want, but to help them make their money last once they get there.

¹ Morningstar Investment Management reviews participant portfolios on a quarterly basis, when updated information is provided about the participant's personal or financial situation, or when changes to the retirement plan lineup occur. Participant portfolios are rebalanced or reallocated as needed, based on Morningstar Investment Management's methodology.

² Ibbotson Associates, Inc. was founded in 1977, acquired by Morningstar, Inc. in 2006, and merged into Morningstar Investment Management LLC on 12/31/2015.

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Advisor Managed Accounts is offered by Morningstar Investment Management LLC and is intended for citizens or legal residents of the United States or its territories. The portfolios available through Advisor Managed Accounts are created by an investment adviser (the "IA") chosen by a plan sponsor. Morningstar Investment Management LLC, a registered investment adviser and subsidiary of Morningstar, Inc., is responsible for participant portfolio assignment from those portfolios created by the IA. The IA is not affiliated with Morningstar Investment Management and Morningstar Investment Management is not responsible for the portfolios the IA creates. The IA is not responsible for the portfolio selection made by Morningstar Investment Management, nor for other recommendations made by Morningstar Investment Management through Advisor Managed Accounts. Investment advice delivered by Morningstar Investment Management is based on information provided and limited to the investment options available in each retirement plan. Projections and other information regarding the likelihood of various retirement income and/or investment outcomes are hypothetical in nature, do not reflect actual results, and are not guarantees of future results. Results may vary with each use and over time.

All investments involve risk, including the loss of principal. There can be no assurance that any financial strategy will be successful. Morningstar Investment Management does not guarantee that the results of their advice, recommendations or objectives of a strategy will be achieved.