



Morningstar® Retirement ManagerSM

A unique system designed to select, implement, and maintain retirement investment portfolios using:

- Institutional level Investing vs. Just Saving**
 - A Patented Risk Determination Process from**
 - Morningstar Investment Management LLC**
 - A customized strategy built and implemented for each user**

Morningstar® Retirement ManagerSM can make it easy

Your employer has teamed up with the investment professionals at Morningstar Investment Management LLC to offer advice and guidance for your retirement account personalized just for you. The service is called Morningstar® Retirement ManagerSM.

The **Managed by Morningstar** fee-based service, provides personalized advice and management from the investment professionals at Morningstar Investment Management and implements, maintains, and adjusts your investment portfolio over time. You can maintain the service as long as you have assets in your retirement plan; however, you can cancel at any time.

The **Managed by You** option provides point in time investment advice, educational tools and additional resources at no additional cost to users.

One of the most significant financial risks potentially facing retirement investors is the risk that they will potentially run out of money in retirement and lose their sense of financial freedom

Potential Financial Situation in Retirement

Financial Capital (Money You Have)	Personal Freedom
You have enough to pay your bills	More Options, More Freedom
You Don't have enough to pay your bills	Few Options, Little Freedom

Morningstar® Retirement ManagerSM

Saving for Retirement is often a good first step. However, investing savings wisely in a diversified portfolio of investments can often lead to greater monthly income in retirement.

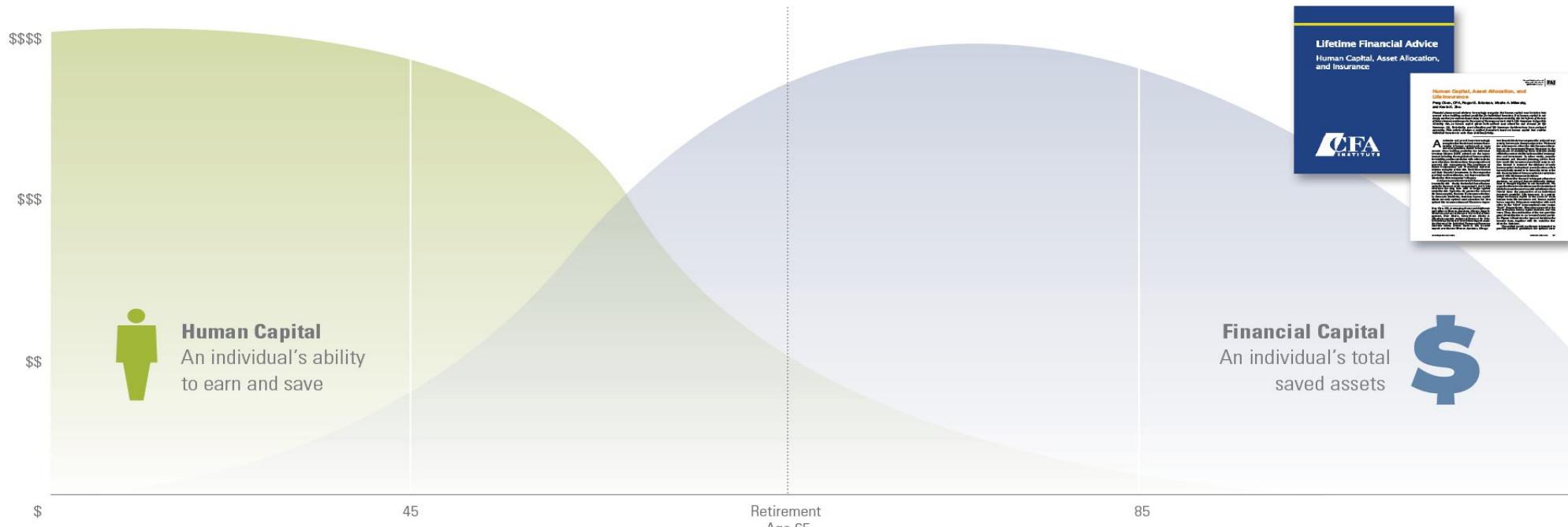
Annual Contribution	Earnings Rate	Balance after 35 years		Monthly Withdrawal Potential for 30 years
		Assume Monthly Contributions		
\$ 3,500.00	2%		\$177,201.44	\$492.23
\$ 3,500.00	4%		\$266,504.86	\$740.29
\$ 3,500.00	6%		\$415,540.50	\$1,154.28
\$ 3,500.00	8%		\$669,049.06	\$1,858.47

This example is for illustrative purposes only and assumes a person contributes \$3,500 per year on a monthly basis and that investment compounds monthly at the annual rates shown. The withdrawal numbers assume no growth or inflation.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Neither asset allocation nor diversification ensures a profit or guarantees against loss.

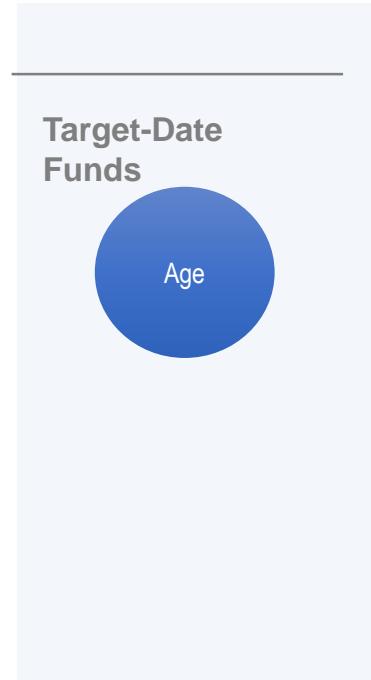
Determine Risk Capacity based on Human Capital calculations, not emotional feelings

Customized allocation calculations by Morningstar Investment Management based on the concepts of **Human Capital** and **Financial Capital** represent the next level in portfolio construction evolution and eliminate the need for difficult risk tolerance questions. Risk Tolerance Test results can suffer from emotionally based answers.



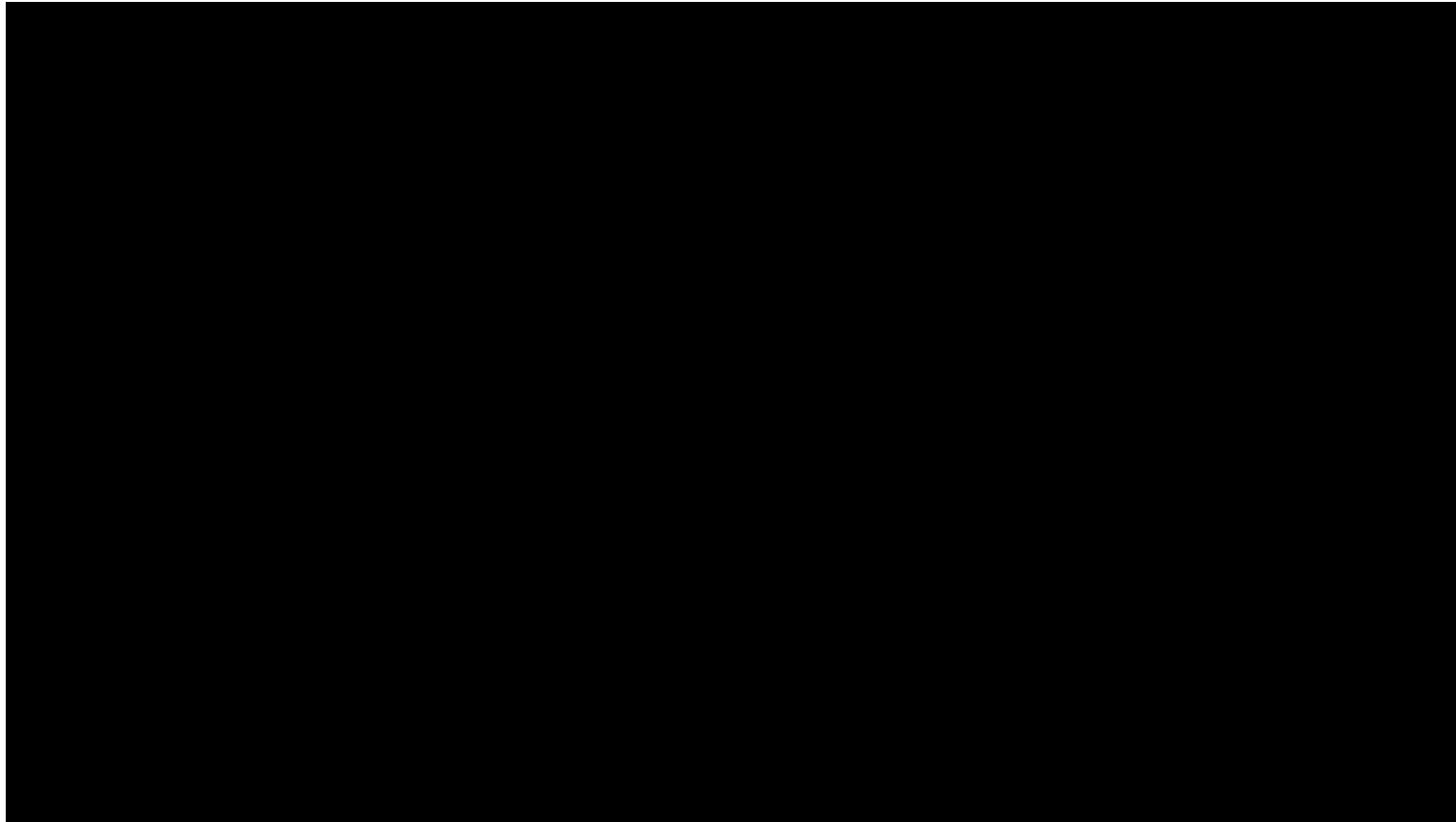
The human capital methodology was developed by its patent holder, Ibbotson Associates, Inc., a registered investment advisor and wholly owned subsidiary of Morningstar, Inc. For illustrative purposes only.

Human Capital Calculations require more data points than just an investors age



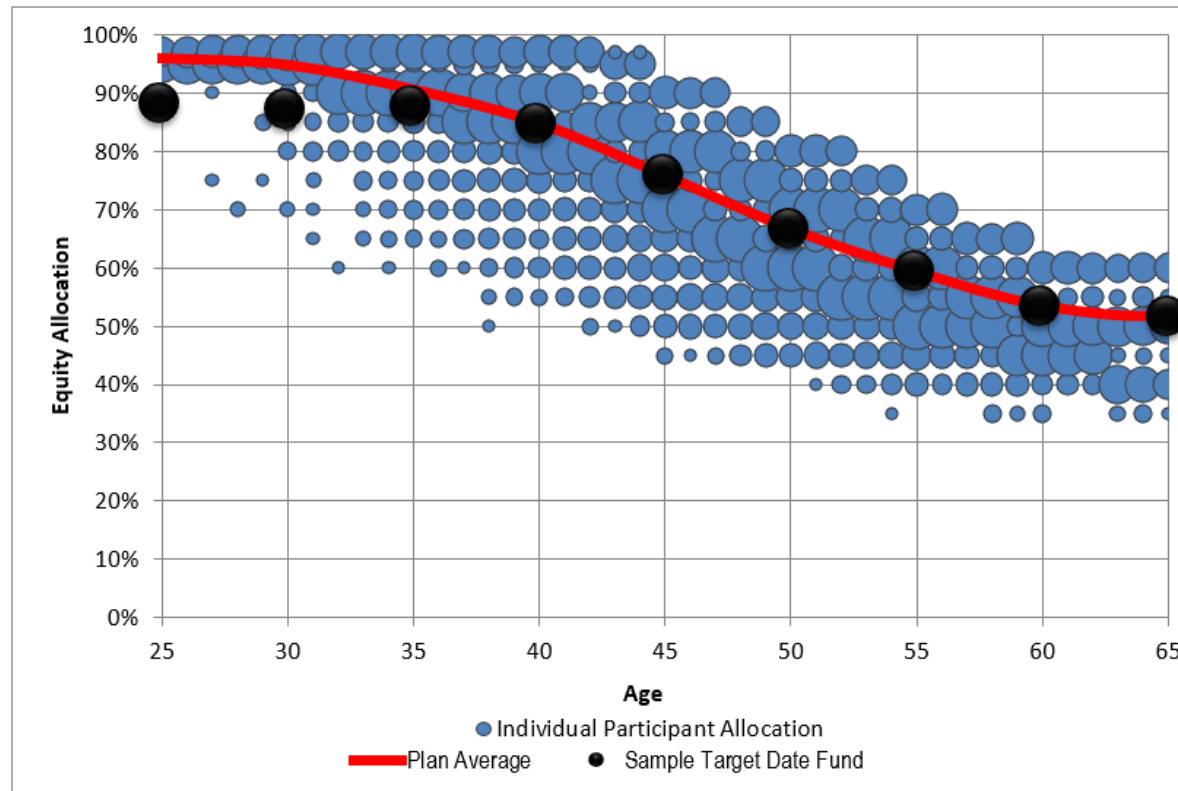
For illustrative purposes only.

Bob—An Average Participant



Customized Asset Allocations

Morningstar Retirement Manager builds over 589 portfolios for each retirement plan that offers Morningstar Retirement Manager. People, with different Human Capital calculation results may receive different allocations, even if they are the same age. This is very different from systems that put each person in the same portfolio if they are within a certain age range.



For illustrative purposes only.

Source: Morningstar Investment Management

Morningstar Retirement Manager

Our parent company, Morningstar, Inc., currently tracks and analyzes nearly 500,000 investment choices. The team behind Morningstar Retirement Manager analyzes the funds offered in a client's retirement plan. The funds are analyzed via data screening, in-person visits, holdings-based analysis, and returns-based analysis. The results are used to create customized allocations of the funds available in a participant's plan to match the optimal asset allocation as determined by the Human Capital calculations.

Common Data Points Analyzed by Morningstar When Reviewing Funds



People

Team Quality/Experience

Team Depth

Team Continuity

Alignment of Interests



Process

Security Selection/Idea Generation

Valuation Discipline

Portfolio Construction/Risk Management

Capacity

Style Consistency/Nuances



Parent

Structure/Ownership

Organization Stability/Financial Strength

Culture/Stewardship

Regulatory/Compliance

Manager Ownership



Performance

Rolling Risk-Adjusted Returns vs. Style Benchmark

Downside Statistics

Attribution



Price

Expense Ratio Relative to Peer Group

Morningstar® Retirement ManagerSM can make it easy

Take Action!

**Access Morningstar Retirement
Manager through your retirement plan
website...**

Morningstar Managed Accounts

Web Demo

Choose Your Solution

Morningstar® Retirement Manager™

ABC Co. | **MORNINGSTAR®**

Choose Your Solution

Managed by Morningstar

Experience the peace of mind from having our professional recommendations implemented for you, as well as having your account professionally managed on an ongoing basis. [Fee Estimate](#)

[Start >>](#)

With Managed by Morningstar, you'll receive:

- ▶ A personalized strategy designed to meet your retirement goals
- ▶ A diversified portfolio custom designed with carefully selected investments
- ▶ Ongoing adjustments and rebalancing of your account
- ▶ Detailed progress reports

Who should use this service?
Anyone who lacks the time to manage their account or wants professional oversight.

Managed by You

Use our research and recommendations to make more informed decisions about your retirement account. You are responsible, though, for deciding to implement our recommendations.

[Start >>](#)

With Managed by You, you'll receive:

- ▶ A personalized strategy designed to meet your retirement goals
- ▶ Tailored asset mix based on your risk level and goals
- ▶ Access to our research and educational tools

Who should use this service?
Anyone who enjoys actively managing their investments and account.

For illustrative purposes only.

Confirm Your Information

Morningstar® Retirement Manager™

ABC. | MORNINGSTAR®

1 Confirm Your Information 2 Review Your Strategy 3 Finalize Your Strategy

Verify Required Information

This is the minimum amount of information that we need to construct your retirement strategy. Your account administrator may have provided some of this information already. If any data is missing or incorrect, please change it here in order to receive your strategy. You also must contact your account administrator to report these changes. Any data you change here will be used for this session only.

General		Edit
First Name	MARTIN	
Last Name	DOE	
Gender	Male	
Date of birth (MM/DD/YYYY)	1/27/1972	
Age to begin withdrawals/retirement age (?)	66	
Annual Salary	\$65,000	
State of Residence	IL	
Email	martin.doe@yahoo.com	
401(K) SAVINGS PLAN		
Account balance	\$45,000	
Annual pre-tax employee savings rate	2%	
Annual Roth employee savings rate	1%	
Annual post-tax employee savings rate		

[Click here](#) to add optional information that will help us fine-tune your strategy.

Exit << Back Next >>

Optional Data to Add

- Change retirement account details
- Include spouse/partner information
- Add additional accounts/income sources
- Include expenses

(Optional) Add Outside Financial Information to Help Morningstar Customize Your Portfolio Even More

▼ Add Additional Accounts/Income Sources (?)

Additional Income Sources

Social Security (?)	Edit
Social Security start age (?)	67
Social Security estimate/yr	\$25,025

Add Income Sources (?) Select Type [Add](#)

Additional Accounts

If you are using this service to manage another balance held by the same entity that's administering your primary account, please do not enter that balance here. Doing so will lead us to consider it twice (both as an additional account and as the primary account) when designing a strategy for that balance. The primary account is the one under which you log into our service.

Add Accounts (?) Select Account Type [Add](#)

For illustrative purposes only.

Review Your Strategy

Morningstar® Retirement Manager™

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1 Confirm Your Information 2 Review Your Strategy 3 Finalize Your Strategy

Retirement Strategy Overview (?)

Warning: If you continue with your current strategy you may fall short of your retirement income goal.

Our strategy is designed to help improve your income outlook and get you closer or to your goal. You can accept this strategy by clicking "Next", revise it, or view one of our alternative strategies in the link below the graph.

[Learn more about the different strategies](#)

Retirement Income (?) **Current Strategy** **Enhanced Strategy***

Goal: \$41,385 \$35,798/yr \$39,979/yr

Overall Rating	★	★★★
Retirement Age	66	66
Savings Rate	3%	5%
Company Stock	11%	0% (?)
Asset Mix/Risk Level	Balanced	Aggressive

[Click here](#) to review and edit the components of your strategy (including company stock, if applicable).
[Click here](#) to view an alternative strategy.

Exit << Back Next >>

Your **Human Capital** is Compared to Your **Financial Capital** and over 1,000 scenarios are simulated to provide projections into the future. The results are combined to develop an **Enhanced Strategy** customized for each user of Morningstar Retirement Manager.

Click **Next** to see how to implement your Strategy.

Click “Finish” and Confirm

The screenshot shows the final step of the Morningstar Retirement Manager process, titled "Finalize Your Strategy". It displays a table of current investment holdings and instructions for saving rates and PDF download.

Investment Name	Proposed (%) Reallocation %	Future (%) Allocation %
Gabelli Asset AAA	34	37
Morgan Stanley Inst US Real Estate I	4	5
PIMCO Total Return Instl (S)	3	3
T. Rowe Price Small-Cap Stock	4	4
Vanguard 500 Index Admiral	24	26
Vanguard International Growth Inv	23	25
ABC Co. Company Stock (3)	8	0
Total	100	100

The investments shown here reflect Morningstar Associates' initial selection. Our investment professionals may review your account and, as a result, it is possible that some additional changes may be made to ensure that your investments are appropriate for your situation.
[View an asset mix X-ray of your account](#)
[See important disclosure information](#)

2. Implement Your Company Stock Strategy
We will reduce your ABC Co. Company Stock to 8%.
[Click here](#) to review or modify your current company stock strategy.
Ongoing, we will continue to reduce your company stock holdings in accordance with the proposed company stock strategy.

3. Ongoing Monitoring We will review your account regularly, making adjustments as needed.

You will need to do the following:

1. Set Your Savings Rate [Edit](#) Contact your account administrator to make the following changes.
Annual pre-tax employee savings rate 4%
Annual Roth employee savings rate 1%
2. Download a PDF of your retirement strategy for your records. [Download PDF](#)
3. Verify Email Preferences [View Preferences](#)

Buttons at the bottom include: Exit, << Back, and Finish >>.

Ongoing Monitoring

- Morningstar Investment Management's
- Rebalancing
- Reallocation

For illustrative purposes only.

Click **Finish** at the bottom of this screen to have Morningstar contact your retirement plan provider and implement your customized investment plan.

Click **Fee Estimate** to see an estimate of how much it will cost to have the professionals at Morningstar Investment Management monitor and maintain your strategy for one year. Although you can cancel the service at any time by clicking “Opt Out” and confirming your decision.

Fees

Managed by Morningstar

- Fee for professional management and rebalancing percentage of participant account balance.
- Automatically deducted from participants' accounts –
 - If you cancel the service, all fees stop immediately

Managed by You

- Available at no cost to you.

Disclosures

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This commentary contains certain forward-looking statements. We use words such as "expects", "anticipates", "believes", "estimates", "forecasts", and similar expressions to identify forward-looking statements. Such forward-looking statements 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 projected in the forward-looking statements for any reason. Past performance does not guarantee future results.

To access the research cited and discussed in this presentation, please proceed to: <https://corporate1.morningstar.com/ResearchLibrary/>

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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.

Some of the methodologies and enhancements mentioned in this document—including the human capital methodology—were developed by the former Ibbotson Associates, Inc. As of 12/31/2015, the former Ibbotson Associates was merged into Morningstar Investment Management LLC.