
Morningstar[®] Retirement ManagerSM

Aiming for Better Investment Outcomes



A Presentation for State of Nevada

June 11th – 14th 2018

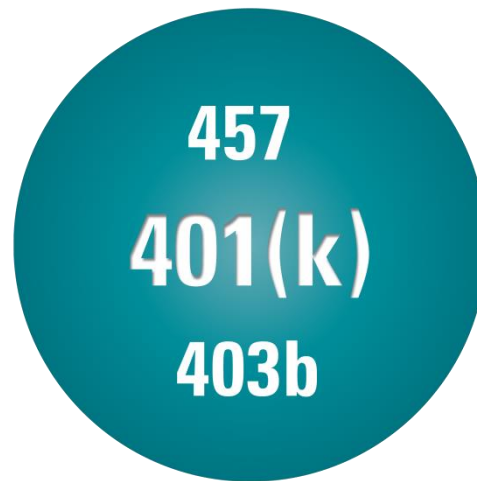
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How many hours do you spend planning your vacation each year?



For illustrative purposes only.

Saving for Retirement



For illustrative purposes only.



30 Years of Helping

Investors

Independent

Objective

Trusted

For illustrative purposes only.

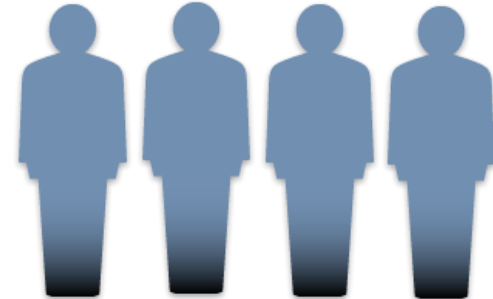
Morningstar Investment Management



\$200 Billion in
Assets under
Advisement or
Management



240,000+ Plan
Relationships

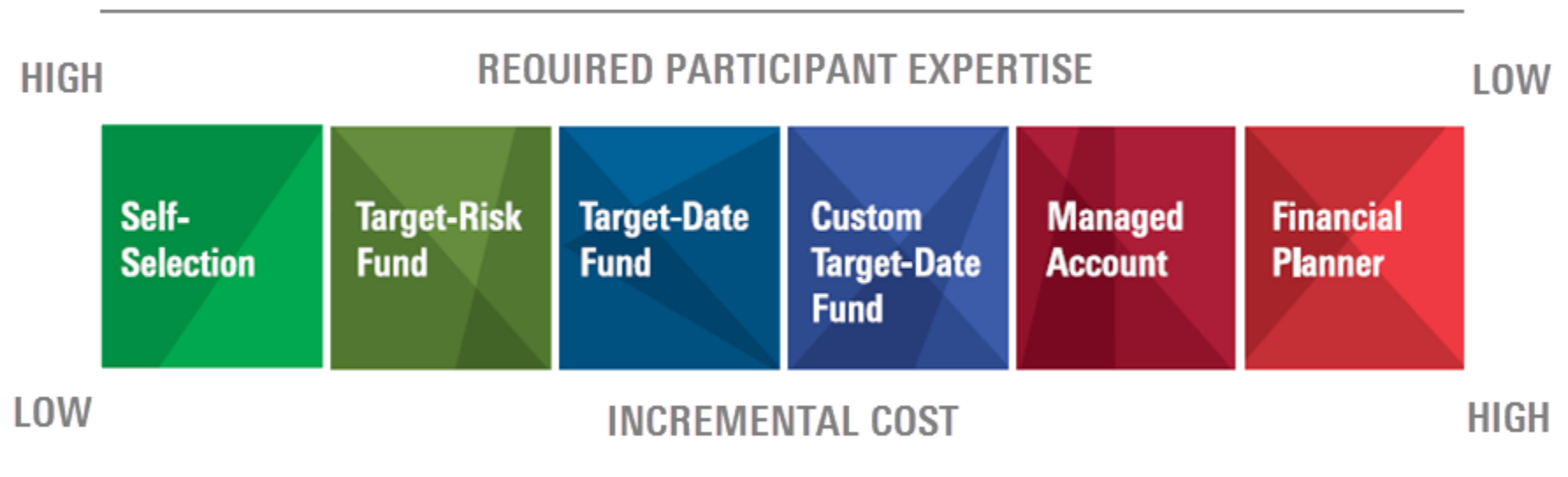


1.3MM+ participants
enrolled in our
Managed Account
service

Data as of March 31, 2018

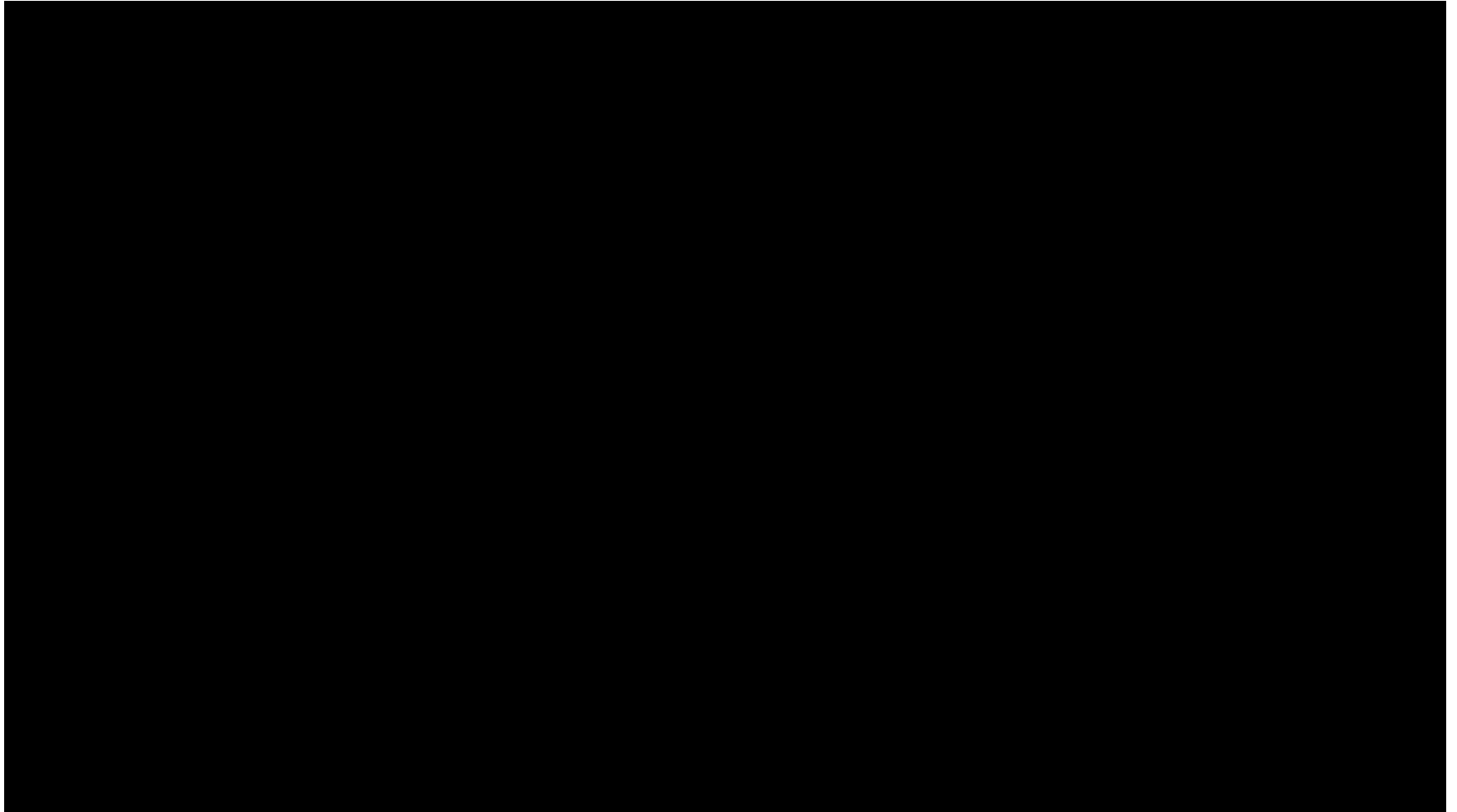
The Advice Continuum

Default investing has evolved over the last 20 years. The trend: more customized solutions applying the best in what we have learned in behavioral finance plus increased individual participant data availability without participant engagement.

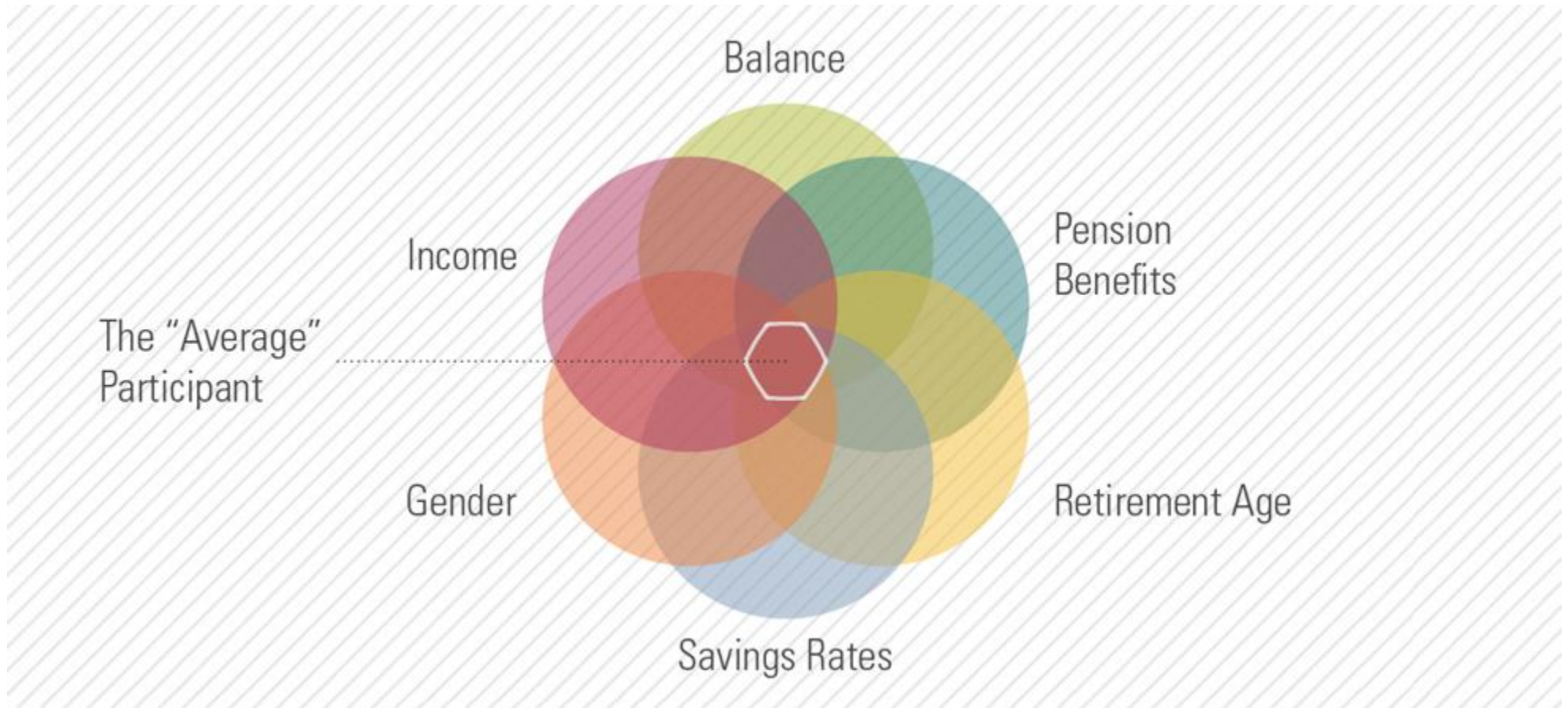


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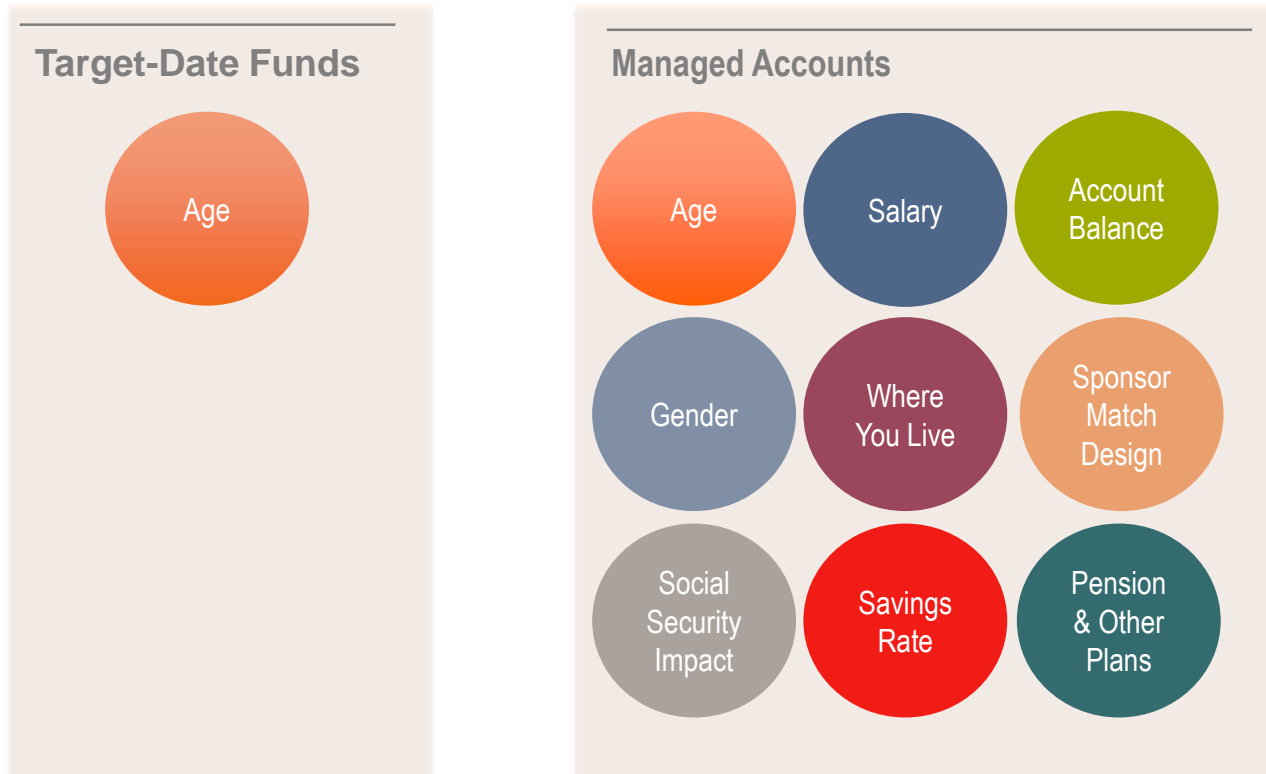
Bob—An Average Participant



Who is the Average Participant?

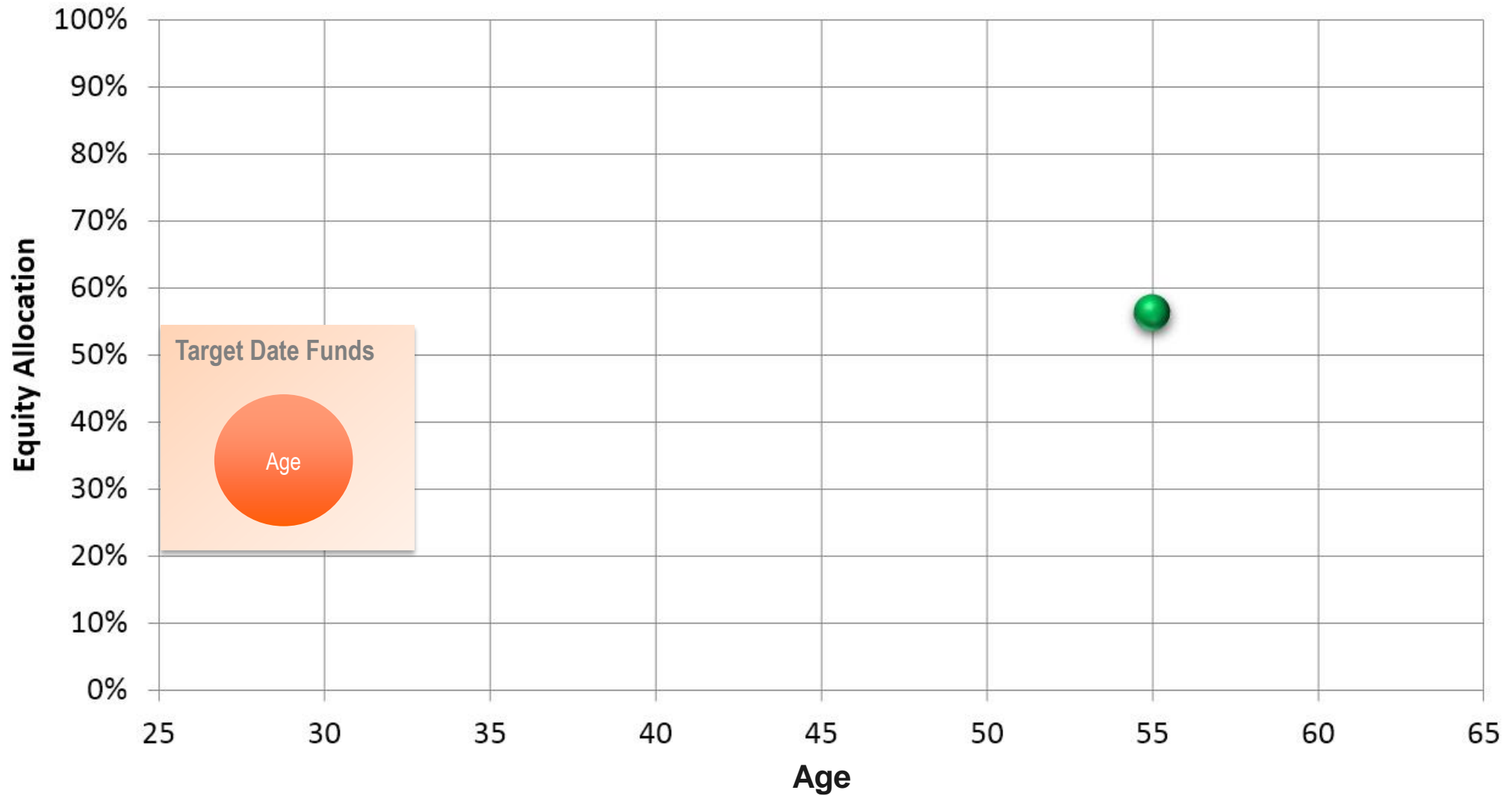


The Evolution of “What We Know”



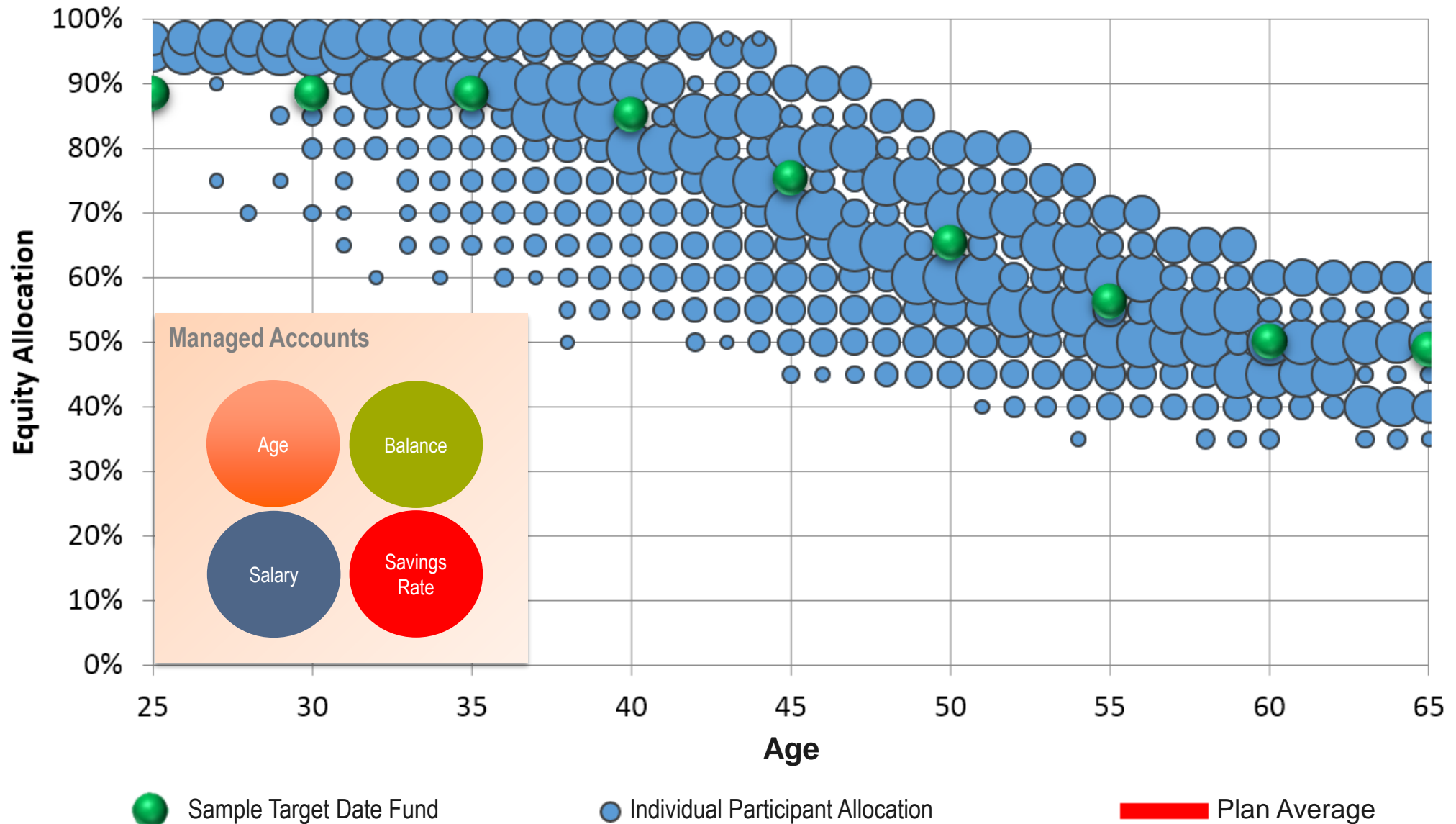
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Target Date Funds

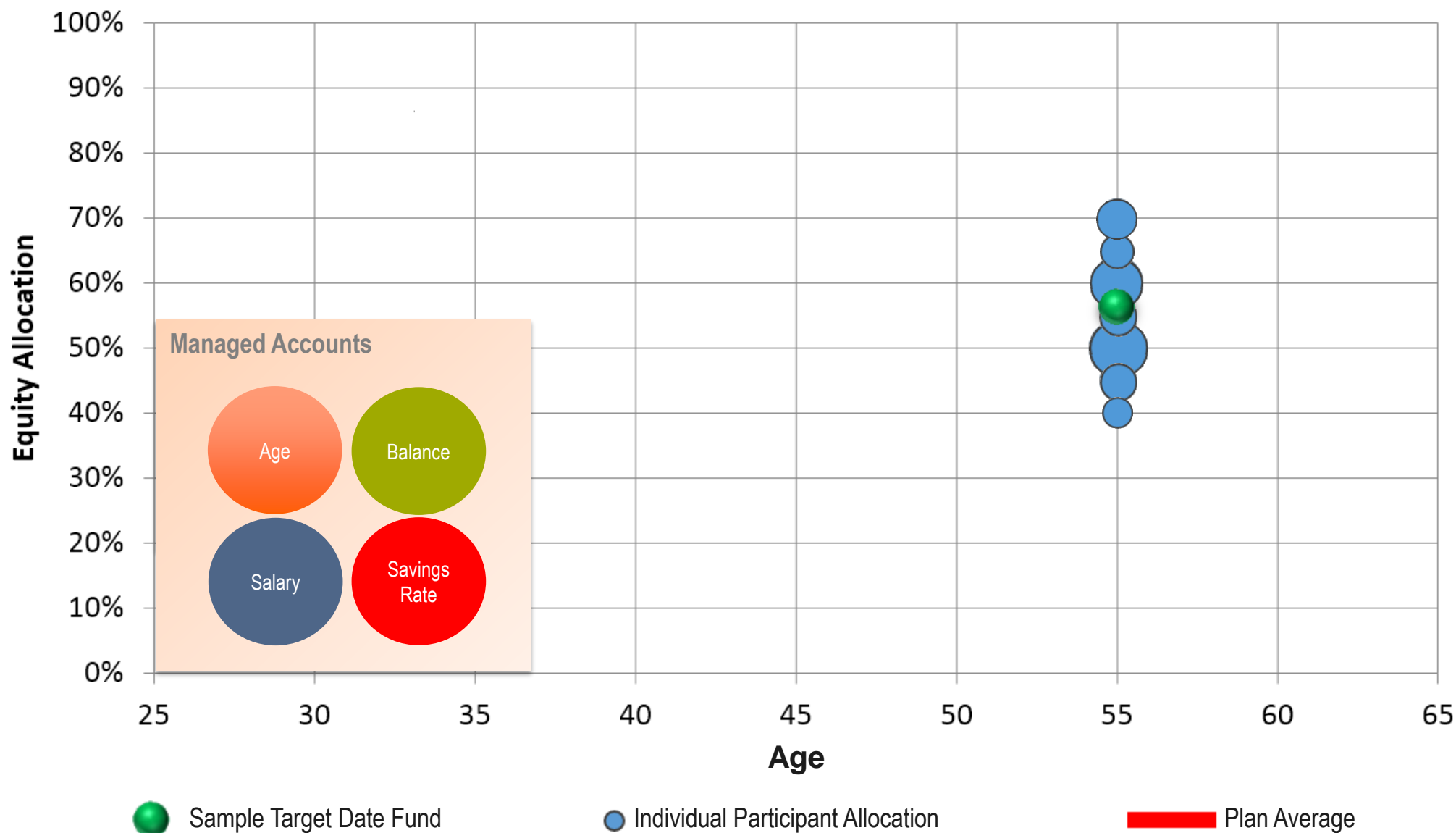


 Sample Target Date Fund

Data Direct from Record Keepers – Allows for More Purposeful Allocations



Managed Accounts – Basic Data from Record Keeper



Sample Target Date Fund

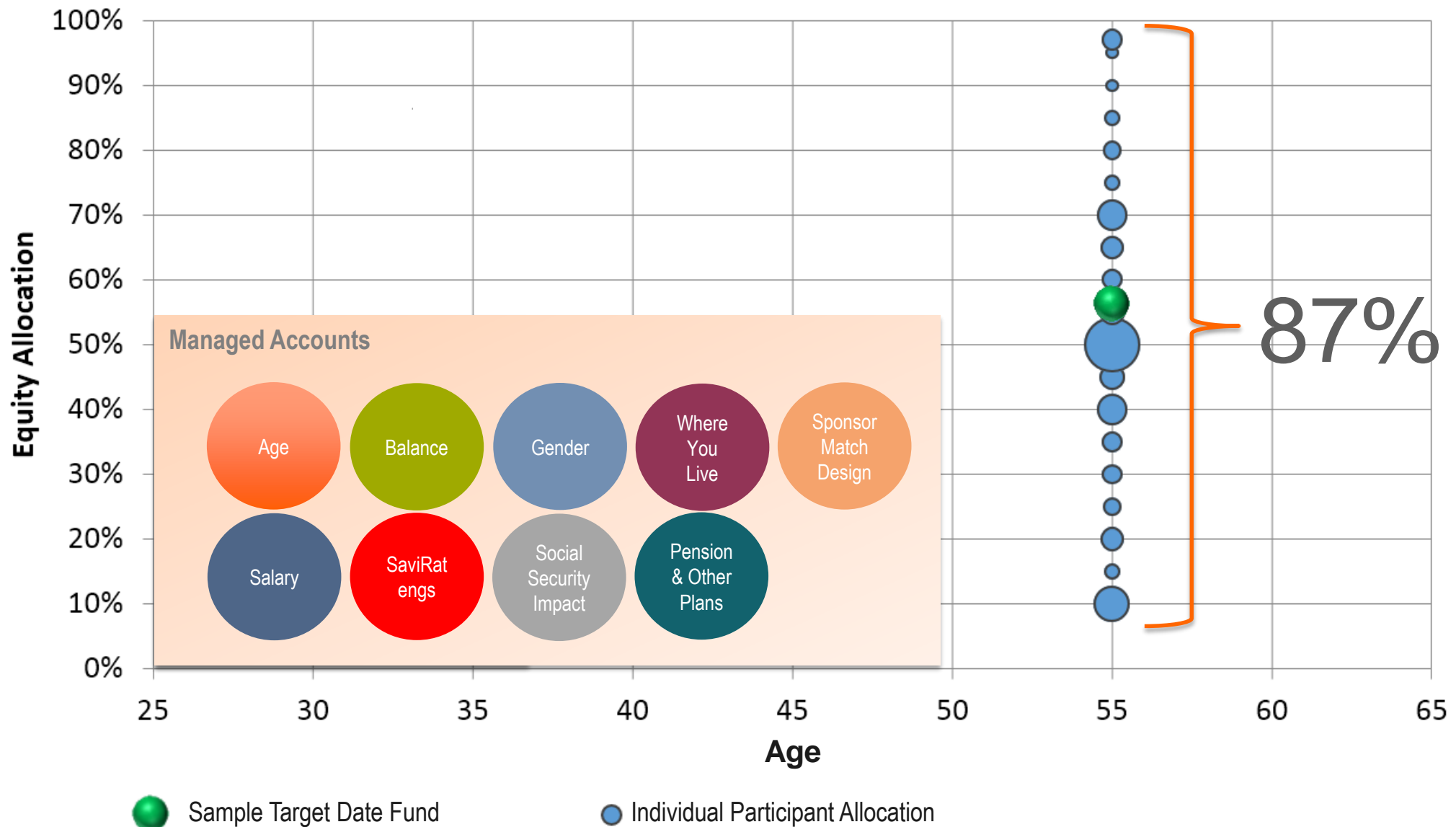


Individual Participant Allocation

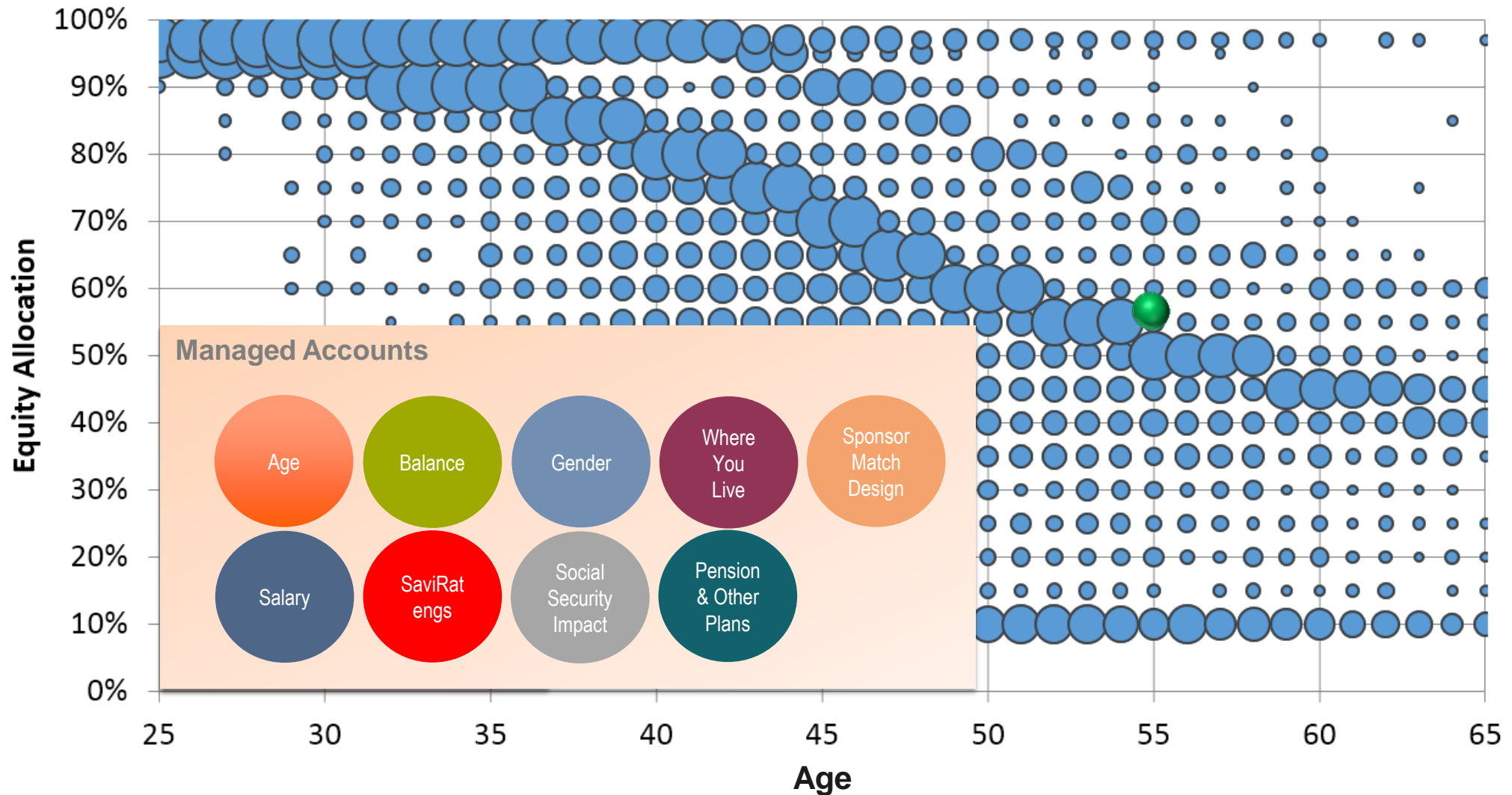


Plan Average

Managed Accounts – Greater Breadth of Data



Managed Accounts – Full Plan with Greater Breadth of Data



Sample Target Date Fund



Individual Participant Allocation



Plan Average

How to Access Morningstar Retirement Manager Online

The screenshot displays the VOYA Financial website for an Employer's Savings Plan. The top navigation bar includes links for Home, Financial Wellness, Account, Investments, Statements & Documents, Plan Information, Personal Information, Education and Tools, and Contact Us. The 'Account' link is circled in red. Below the navigation bar, a 'Quick Access' section lists various options, with 'Get Advice' circled in red. The main content area shows the 'Account Summary' section, which includes the current balance of \$35,000.00, a personal rate of return of 7.16%, total contributions of 3%, and total catch-up contributions of \$300. A 'DID YOU KNOW...?' section provides a tip about regular rebalancing. The bottom of the page features a 'WATCH' section with a video player and a 'JUST FOR YOU' section with personalized recommendations.

VOYA
FINANCIAL

SEARCH

The Employer's Savings Plan Your Plan total is..... **\$ 35,000.00**

Home | Financial Wellness | **Account** | Investments | Statements & Documents | Plan Information | Personal Information | Education and Tools | Contact Us

Quick Access

- Account Summary
- Contributions
- Get Advice**
- Account Activity
- Transaction History
- Go to Self-Managed Account
- Leaving ? Know Your Options

+ myOrange

See if you're on track to live the retirement you've imagined >

With just a few clicks, you can check your progress toward your retirement income goals.

SHOW ME

WATCH **JUST FOR YOU**

See if you're on track to live the retirement you've imagined >

DID YOU KNOW...?

Regular rebalancing of your investments is one of the keys to successfully managing your account.
Get extra help with Morningstar Associates.

- Account Summary Current as of MM/DD/YYYY

Current Balance	Personal Rate of Return	Total Contributions	Total Catch-Up Contributions
\$35,000.00	7.16%	3%	\$300
View Balance History	Year To Date View More Time Periods Get Advice	of your pay Update Contributions View Details	from your pay Update Contributions View Details

For illustrative purposes only.

Managed by Morningstar or Managed by You

Get Advice

What's your star rating?

See how your retirement strategy ranks



Let Morningstar Investment Management LLC determine your rating

Please answer a few questions about yourself...

Do you enjoy managing your portfolio?	Yes <input type="radio"/> No <input type="radio"/>
Do you read material on investing?	Yes <input type="radio"/> No <input type="radio"/>
Do you know your asset allocation?	Yes <input type="radio"/> No <input type="radio"/>
Have you rebalanced your portfolio in the last year?	Yes <input type="radio"/> No <input type="radio"/>

If you answered No to any of these questions, Morningstar Investment Management LLC advice services could be right for you

[Get started with Morningstar](#)

Morningstar Investment Management LLC has two services that are available, you determine which fits your needs:

1 What will you get from **Managed My Plan Manually?**

You receive recommendations so that you can manage your account yourself.

1. A personalized asset allocation strategy.
2. Investment selections based on plan availability.

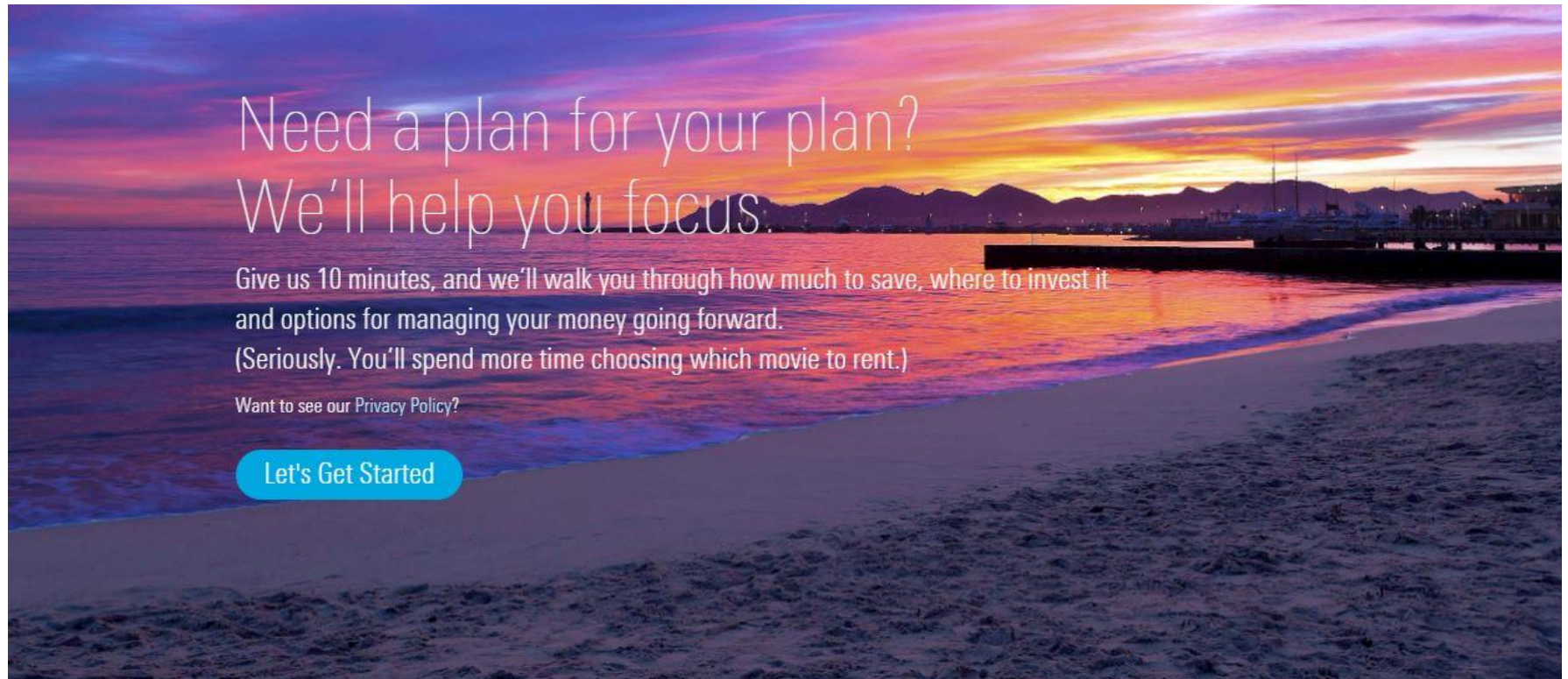
2 What will you get from **Morningstar Manage My Plan?**

The investment professionals at Morningstar Investment Management LLC will manage your account for you.

1. A personalized asset allocation strategy.
2. Investment selections based on plan availability.
3. Regular account rebalancing
4. Ongoing portfolio monitoring
5. Automatic portfolio changes
6. Quarterly progress reports

For illustrative purposes only.

Let's Get Started!




For illustrative purposes only.

Select the Lifestyle Goal for Retirement

Profile Accounts/Expenses Our Advice Finalize


You'd like your retirement to be:

Thrifty



You'll live off **20% Less** than your take-home pay at retirement.


Comfortable



You'll live off **The Same** amount of money as your take-home pay at retirement.


We Recommend

Lavish



You'll live off **20% More** than your take-home pay at retirement.

Custom



Enter your custom lifestyle

0 %

More ▾

than your take-home pay at retirement

Instead, I'd like to enter an exact dollar amount

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Verify Your Information

Profile Accounts/Expenses Our Advice Finalize

Review Your Profile Information

We use the information below to feed your retirement strategy. If any fields are wrong or missing, go ahead and correct them here and also with your plan provider.

Name	John Doe Edit
Date of Birth	April 27, 1975
Gender ?	Male
Salary	\$65,000 a year
Retirement Age ?	65
Life Expectancy ?	90
Desired Retirement Lifestyle	Comfortable
<hr/>	
State You'll Pay Taxes In When Retired	California
Email	JDoe@gmail.com
Job Level	--
Education Level	--
Industry	--

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Add Additional Information

Profile Accounts/Expenses Our Advice Finalize

Would you like to add or update accounts?
(Our Advice will be based in part on these details, so take a second to review them.)

Add Other Retirement Income

Telling us about other retirement accounts or expected income can help us fine-tune our advice.

The Employer's Savings Plan

\$10,344

Account Type
401(k)
Employer match may vary ?

We advise on this money.

Social Security

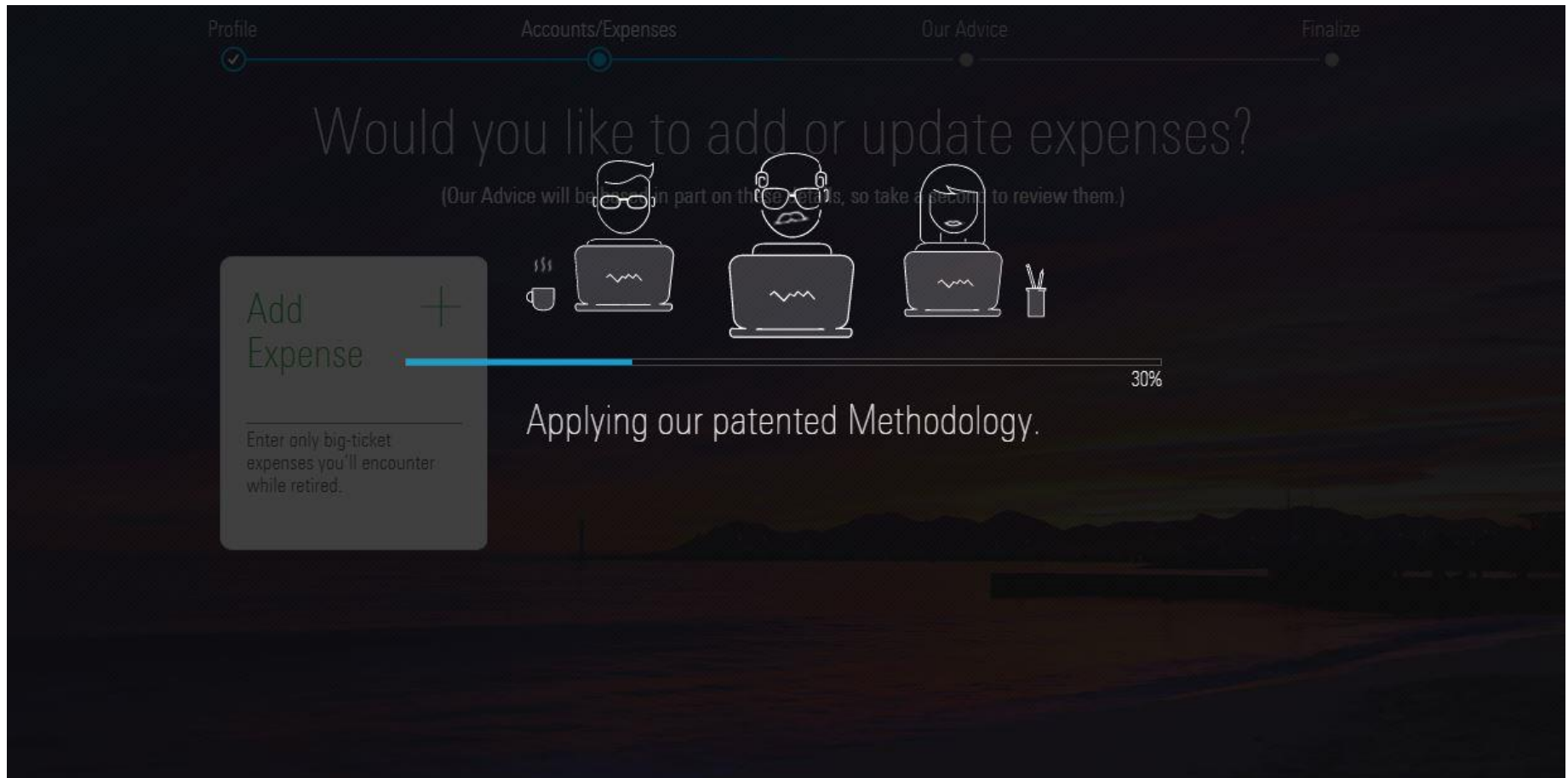
\$27,033/year

Projection Based On
Our Estimate

We advise on this money.

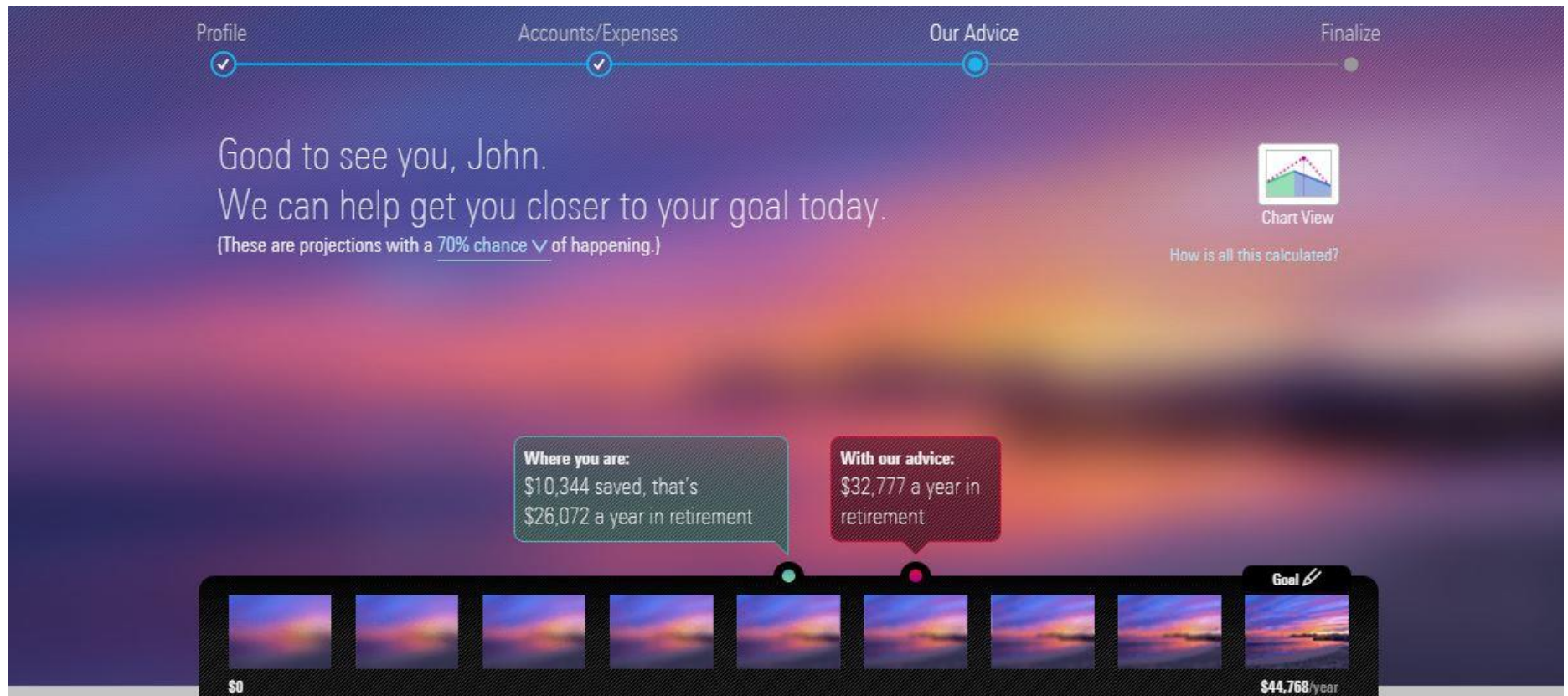
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Morningstar “Crunches the Numbers”



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Morningstar's Advice



For illustrative purposes only.

Morningstar's Advice

Here's Our Advice

Build your plan around these key numbers.

[Edit](#)



Overall Annual Savings [?](#)

2%



8%

Started At

Going Forward

OVERALL SAVINGS INCLUDES

Current Employer Plan	8%
Your Other Account	0%



Retire At [?](#)

65



65

Started At

Going Forward



Take Social Security At

67



67

Started At

Going Forward

ESTIMATED ANNUAL BENEFIT

Our Estimate: \$27,033/year

Take on a moderately aggressive amount of risk overall.

[View](#)

Contribute to these investments within Your Employer Plan.

[View](#)

For illustrative purposes only.

Morningstar's Advice

Risk level of the money you have today (\$10,344)

(This includes Your Employer Plan, Your Other Accounts, Your Spouse or Partner's Accounts, and any Additional Savings Needed.)

Currently:

Risk Level: Conservative



Asset Allocation	%
• Bonds	50.0
• Cash Equivalents	50.0
Total	100%

We Recommend:

Risk Level: Moderately Aggressive



Asset Allocation	%
• Large Cap Stock	29.0
• Mid-/Small-Cap Stock	23.0
• International Stock	24.0
• Bonds	19.0
• Cash Equivalents	5.0
Total	100%

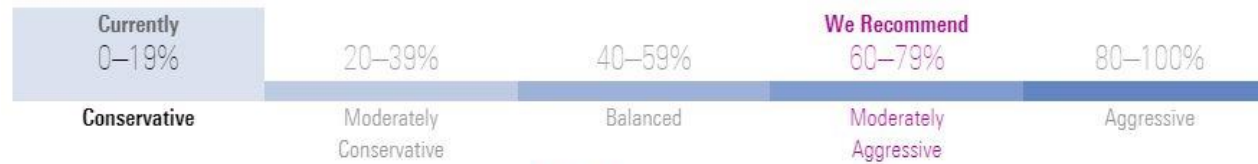
To get you to our recommended overall risk level, Your Employer Plan needs to be Moderately Aggressive.

Because we choose specific investments for Your Employer Plan, and you have no Other Accounts, we will invest Your Employer's Plan in accordance with your recommended overall asset mix.

[Show more details and the specific asset mix of Your Employer Plan](#)

For illustrative purposes only.

Morningstar's Advice



To learn more about how we determine your risk level, visit our [Methodology](#).

This is how we're going to modify your investments:

Investments	Current % of your account	Change your balance and future savings to this
American Funds Europacific Growth R5 (4)	0%	26%
Delaware Value® Inst (4)	0%	2%
JPMorgan Small Cap Value R6 (4)	0%	1%
Principal MidCap S&P 400 Index R4 (4)	0%	6%
T. Rowe Price Mid-Cap Growth Adv (4)	0%	5%
VY® Clarion Real Estate I (4)	0%	4%
Vanguard Institutional Index I (4)	0%	24%
Vanguard Small Cap Index Adm (4)	0%	8%
Voya Corporate Leaders 100 I (4)	0%	2%
Voya Fixed Account A (4)	0%	5%
Voya Fixed Account Enhanced (4)	100%	0%
Voya GNMA Income A (4)	0%	17%
Total	100%	100%

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Choose Your Solution

Profile Accounts/Expenses Our Advice Finalize

After today, how would you like to manage your plan?

Have Morningstar Manage My Plan

About \$4 a month
(That's \$52 a year, deducted from your account. Cancel anytime.)

[See how your balance affects your fees](#)

Morningstar will monitor Your Employer Plan for you and adjust your investments several times a year if needed.

Have Morningstar Manage My Plan

Manage My Plan Manually

No monthly fee
(But you'll have to do more work.)

You will monitor Your Employer Plan and potentially need to change your investments several times a year.

Manage My Plan Manually

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Finalize Your Strategy

Profile

Accounts/Expenses

Our Advice

Finalize

Confirm changes to your strategy?

Here's how your changes will affect your retirement strategy.

What You'll Need to Do After This Session

- 1 Increase your Pre-Tax savings rate to 0% through your plan provider.

Your Key Values	Started At	Going Forward
Overall Annual Savings	2% (\$1,300)	8% (\$5,200)
Current Employer Plan	2% (\$1,300)	8% (\$5,200)
Retire at	Age 65	Age 65
Social Security Start Age	Age 67	Age 67
In retirement, live off an estimated	\$26,072/year	\$32,777/year
Overall Risk level of investments	Conservative	Moderately Aggressive
Risk level of The Employer's Savings Plan investments	Conservative	Moderately Aggressive
Your The Employer's Savings Plan investments		Will Change

[Show The Employer's Savings Plan Investments](#)

Back

By clicking "Submit Your Strategy", we will instruct your provider, if needed, to make changes to your savings rate or your investments. If there are any changes you need to make, they are called out at the top of this page.

Submit Your Strategy

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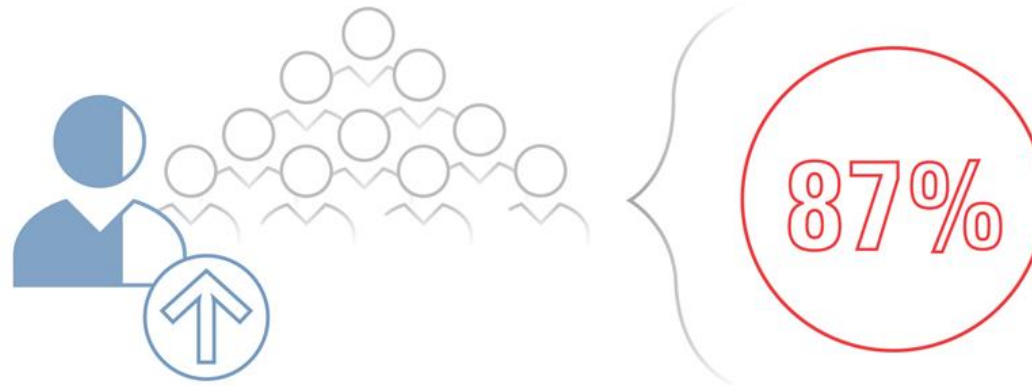
The Impact of Retirement Manager: Increased Savings Rates



People increased their savings rates by nearly 28% after using the program, an average of 2% of their salary.¹

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The Impact of Retirement Manager: Savings Increases are Widespread



87% of the people studied increased their savings rates after receiving recommendations to save more.²

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The Impact of Retirement Manager: Portfolio Diversification



Before using the program, almost half (48%) of participants in this study held three or fewer funds—suggesting participants who choose to manage their accounts themselves may not have a diversified portfolio.³ After using the program, the majority held 6 or more funds.

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The Impact of Retirement Manager: More Wealth in Retirement



A 25-year-old participant could have almost 40% more retirement income from an advice and managed accounts service with an annual fee of 0.40%. Also, there is an 89% chance that a 25-year-old using the program will have greater retirement wealth. ⁵

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To access the research cited and discussed in this presentation, please proceed to:

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Date: 01/16/2018/2017

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