

# Form ADV Part 2A: Firm Brochure

Morningstar Associates, LLC

## Retirement Plan Services for Individuals

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# Form ADV Part 2A: Firm Brochure

## Morningstar Associates, LLC

### Retirement Plan Services for Individuals

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Chicago, IL 60602  
312.696.6000

[www.corporate.morningstar.com](http://www.corporate.morningstar.com)

May 31, 2012

This brochure provides information about the qualifications and business practices of Morningstar Associates, LLC to help you determine whether to hire or retain us as your investment adviser. If you have any questions about the contents of this brochure, please contact us at 312.696.6000.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Morningstar Associates, LLC is a registered investment advisor and wholly owned subsidiary of Morningstar, Inc. Registration does not imply a certain level of skill or training.

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

You may request a complete copy of our current brochure free of charge at any time by contacting our Compliance Department at 312.696.6000, or by email to [compliance@morningstar.com](mailto:compliance@morningstar.com).

### Advisory Business

Morningstar Associates, LLC is a registered investment advisor and wholly owned subsidiary of Morningstar, Inc., a publicly traded company (Nasdaq Ticker: MORN). Because we are required to inform you of any individual who holds more than 25% of our company, please be advised that Joseph Mansueto, CEO of Morningstar, Inc., individually holds more than 25% of Morningstar, Inc.'s outstanding shares of stock, and is therefore an indirect owner of more than 25% of Morningstar Associates.

Morningstar Associates has been registered with the Securities and Exchange Commission since 1999. In addition, we have filed the appropriate notices to conduct business in all 50 states, the District of Columbia, and Puerto Rico. We offer a suite of investment advisory services to individuals, plan sponsors, and institutional clients. This brochure focuses on the products and services we provide to individuals for their retirement plans or retirement accounts. If you would like a copy of our brochure describing our plan sponsor or institutional client services, please contact our Compliance Department at the phone number, address, or email address listed on this page.

**Managed Accounts ("Managed by Morningstar").** Under Managed by Morningstar, we are responsible for managing your retirement account. You may enroll in the Managed by Morningstar service by various methods, such as a Web-based interface, paper enrollment forms, or a third-party call center. We provide you with an investment strategy based on your personal and financial situation. This investment strategy may include a retirement income goal, a recommended savings level and retirement age to help reach that goal, and recommended asset allocation targets. We then select investment options appropriate for your strategy based on the investment options available to you. You may terminate the Managed by Morningstar service at any time without penalty.

**Fund Restrictions.** If you choose, you may ask us to exclude specific investment options from our recommendations. However, if your requested restrictions prevent us from building an adequately diversified portfolio, you will need to remove some restrictions or you may be prevented from using the Managed by Morningstar service.

**In-Retirement.** Some plan providers may also extend the Managed by Morningstar service to plan participants who are approaching retirement or are in retirement. If your plan provider offers this service and if you meet the retirement criteria established by your plan provider, your investment strategy may include a suggested amount that can be withdrawn while striving to maintain income throughout retirement.

**Company Stock Strategy.** 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 the Managed by Morningstar service, we will recommend that you do not make additional investments in the company stock. We will gradually decrease your allocation over time down to zero, unless you are restricted from doing so, using the strategy outlined in your advisory agreement. You have the option to retain all or a portion of the company stock.

**Brokerage Account.** Some plans may allow participants to maintain a brokerage account (or a "brokerage window") 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 retirement plan account assets. If you do not provide detailed information, our methodology will assume that the balance in the brokerage account is 52% stocks and 48% fixed income.

**Account Review.** On a quarterly basis, the holdings in your plan account are reviewed and reallocated if necessary.

**Account Reports.** You will receive progress reports reflecting your progress toward your retirement goals and other information regarding your investments periodically. Typically, these reports are available electronically through our website on a quarterly basis, and are mailed in paper form to your address on record on an annual basis.

**Advice/Guidance ("Managed by You").** Under Managed by You, we provide information designed to help you make your own investment choices regarding your retirement account assets. You may obtain the Managed by You service by various methods, such as a Web-based interface or a third-party call center. We provide you with an investment strategy based on your personal and financial situation. This investment strategy may include a retirement income goal, a recommended savings level and retirement age to help reach that goal, and asset allocation suggestions. With the Advice service, we also recommend investments appropriate for you based on the investment options available to you. (We do not provide specific fund recommendations with the Guidance service. Your plan sponsor or plan provider selects which Managed by You service—Advice or Guidance—is available to you.) The Managed by You service is a point-in-time recommendation, and our advisory relationship with you ends once we provide you with our recommendations. You may return to the Managed by You service to receive new recommendations at any time.

**Fund Restrictions.** With the Advice service, if you choose, you may ask us to exclude specific investment options from our recommendations. However, if your requested restrictions prevent us from building an adequately diversified portfolio, you will need to remove some restrictions or you may be prevented from using the Managed by You service.

**In-Retirement.** Some plan providers may also extend the Managed by You service to plan participants who are approaching retirement or are in retirement. If your plan provider offers this service and if 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.

**Company Stock Strategy.** 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, we will recommend that you do not make additional investments in the company stock, and that you gradually decrease your allocation over time down to zero, unless you are restricted from doing so. You have the option to retain all or a portion of the company stock.

**Brokerage Account.** Some plans may allow participants to maintain a brokerage account (or a "brokerage window") within the plan. If your plan allows this option, you will be responsible for managing and monitoring those assets. We do not provide recommendations on 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 retirement plan account assets. If you do not provide detailed information, our methodology will assume that the balance in the brokerage account is 52% stocks and 48% fixed income.

**Account Review.** Under Managed by You, we do not monitor, review or update our recommendations or projections on an ongoing basis. In addition, the Managed by You service does not monitor or review the actual investment decisions that you make.

**Personalized Strategy Report.** On an annual basis, plan participants eligible for Managed Accounts ("Managed by Morningstar") but who are not currently using the service may receive a Personalized Strategy Report. Using data provided by your plan sponsor or plan administrator, we outline a retirement strategy that may be appropriate for you. If your plan sponsor or plan administrator provides your salary and contribution rate information to us, your Personalized Strategy Report may also include an analysis of your retirement income outlook. If you wish to use the Managed by Morningstar service, this report provides you with instructions on how to begin the service.

**Types of Investments.** We provide advice based on the universe of investment options available to you. These investment options may include open-end mutual funds (including money market funds and stable value funds), variable annuities, and/or exchange-traded funds.

**Client Assets Managed.** A major institutional investment consulting client terminated a portion of its contract for our advisory services effective April 2012. This resulted in a material decrease in our assets under management. As of May 31, 2012, our assets under management were as follows:

Retirement Services to Individuals (Managed Accounts): \$2,790,200,000

Discretionary Investment Management Services to Institutions: \$7,841,200,000

### Fees and Compensation

We negotiate our fees with your plan service provider or plan sponsor. In some cases, your fees may be paid by your plan sponsor or plan service provider. Typically, our fees are charged in arrears. Your specific fee schedule and the method of paying those fees are described in your advisory agreement. You should refer to the advisory agreement for specific fee information, and consult with your plan sponsor if you have questions. You may terminate your advisory relationship with us at any time without penalty.

**Managed Accounts ("Managed by Morningstar").** If you elect our Managed Accounts service ("Managed by Morningstar"), your account will be charged a fee based on the assets in your retirement account that we manage. This fee is expressed in "basis points." A basis point is equivalent to 0.01%; 100 basis points is equivalent to 1%. Our fee is generally less than 100 basis points of your account. For example, if your account balance is around \$50,000, your annual fee would be less than \$500. In some cases, this fee may be paid by your plan sponsor. In addition, in some cases your plan provider may charge an annual administrative user fee. Please check with your plan sponsor or plan provider for specific fee information for your plan.

**Advice/Guidance ("Managed by You").** We do not charge a fee for our Advice/Guidance service ("Managed by You"). However, in some cases, your plan provider may charge an annual administrative user fee. Check with your plan sponsor or plan provider for specific fee information for your plan.

**Other Fees.** Our fees are separate from fees and expenses charged by the investment options or fees that may be charged by a third party, such as your plan provider. The investment options' fees and expenses are described in the prospectus or equivalent. These fees will generally include a management fee, other investment expenses, and a possible distribution fee (e.g. 12b-1). In some cases, an investment option may also charge an initial or deferred sales charge. Neither Morningstar Associates nor any of our employees receive transaction-based compensation for the investment recommendations we make.

### Performance-Based Fees and Side-by-Side Management

We do not charge any performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets in your account). Therefore, we do not manage any performance-based fee accounts side-by-side with non-performance based fee accounts.

### Types of Clients

In addition to the retirement plan services for individuals described in this Firm Brochure, we also provide investment advisory services to institutional clients such as banking institutions, investment companies, pension or profit sharing plans, trusts, endowments, foundations, or other business entities.

Managed by Morningstar and Managed by You 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 Managed by Morningstar or Managed by You service.

### Methods of Analysis, Investment Strategies and Risk of Loss

**Development of Investment Advice.** Our Global Investment Policy Committee and its working sub-committees are responsible for oversight of the investment methodologies across all products and services. The sub-committees focus on specific investment areas such as capital market assumptions and methodologies used for asset allocation, manager selection, portfolio construction, and advice. The individuals on the Global Investment Policy Committee are:

- Thomas Idzorek –President and Chief Investment Officer
- John Thompson – Senior Vice President of Investment Implementations
- Jon Hale – Vice President
- Jeff Ptak – President, CIO, Morningstar Investment Services, Inc.
- Richard Romer-Lee – Managing Director, OBSR
- Daniel Needham – Managing Director, CIO, Ibbotson Associates Australia Ltd.

An investment team provides the investment advice used in the products and services referenced in this brochure. Information on the individuals who comprise this investment team is included in Part 2B attached hereto.

**Analysis Methods.** In providing our advisory services, we review available quantitative data to analyze and screen the investment options within a plan. For Managed by Morningstar, we also apply qualitative analysis by our investment professionals, such as evaluations of investment managers, portfolios and individual investments. The primary sources of information we use are the extensive databases and methodologies of our parent, Morningstar, Inc., and interviews with investment managers. Other sources include financial publications, annual reports, prospectuses, press releases, and filings with the Securities and Exchange Commission. 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.

**Investment Strategy.** 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 any preferences you may have. If you have already retired, and if your plan provider offers the In-Retirement services described above, 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 project this as an amount equal to 100% of your post-tax, post-savings salary (take-home pay) at retirement. You have the option to change this default.

**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 In-Retirement services described above, 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.

**Risk Strategy.** 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 are in 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.

**Risk of Loss.** You should remember that all investments involve risk and will not always be profitable. We do not guarantee that 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. An investment's future performance may differ substantially from its historical performance and as a result, may incur a loss. Past performance is no guarantee of future results.

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 spreads assets across various investment types for long-term investing. However, as with all investment strategies, these strategies do not assure a profit and do not guarantee against losses in a declining market.

**Estimated Tax.** We 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 we conduct our income simulations. Tax data is updated annually based on United States Internal Revenue Code (IRC) and similar state tax data. Morningstar Retirement Manager uses income data for you, as well as your spouse/partner, 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, we provide an estimate of your tax exposure, but may not include all tax considerations. Please consult a tax advisor for a complete understanding of your tax situation.

### Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would influence your decision to hire or retain us as your investment advisor. We do not have any material legal or disciplinary events to report.

### Other Financial Industry Activities and Affiliations

This section provides information on other business activities we may conduct in addition to the services described above. In addition, it describes any potential conflicts of interest we may have, and how we mitigate those potential conflicts.

We enter into contracts with plan providers to make our services available to their plan sponsor clients, who ultimately make these services available to plan participants. The universe of investments available in your plan is determined by the plan provider. In some cases, a plan provider may offer its proprietary funds as investment options in your plan. To mitigate the conflict of interest presented by this situation, we subject all investment options to the same quantitative fund scoring methodology, based on several factors, including performance, risk, and expenses. We select investments based on their fund score, and for their role within your portfolio. The proprietary nature of the funds does not influence our selection.

For institutional clients, we may provide educational and/or research modules. These modules are educational in nature and are not considered investment advice. Upon request, we may present various products and services offered by our parent company, Morningstar, Inc. or our affiliates, Morningstar Investment Services and Ibbotson Associates.

In some instances, we may collaborate with our affiliates and/or leverage the employees or resources of our affiliates to provide certain support services in conjunction with our advisory services. If an additional fee for such services by affiliates is required, it will be set forth in the client advisory agreement. In these situations, clients may pay a fee directly to our affiliate for its services, or as part of a joint fee schedule which encompasses all services.

Our officers may have responsibilities to our parent company, Morningstar, Inc. or other affiliated entities. Although their responsibilities to these other entities may occupy a portion of their time, our officers devote a substantial amount of time to developing and maintaining our advisory services.

In some situations, we may recommend an investment option that holds a position in publicly-traded shares of our parent company, Morningstar, Inc. Such an investment in Morningstar, Inc. is solely the decision of the investment option's portfolio manager. We have no input into a portfolio manager's investment decision nor do we require that the investment options we recommend own shares of Morningstar, Inc. An investment option's position in Morningstar, Inc. has no impact on our fund selection process.

Our parent company, Morningstar, Inc., is a global investment research firm that offers an extensive line of print, software, and Internet-based products and services to individuals, financial advisors, institutions and the media. Some of Morningstar, Inc.'s institutional clients are service providers (e.g., portfolio managers, advisors, or distributors) affiliated with a mutual fund or other investment option. These service providers may be the same institutions for which we have an investment consulting arrangement or who are affiliated with the investment options that are available under an employer-sponsored retirement plan. As a result, the relationship between us and our parent could represent a potential conflict of interest. To mitigate any actual or potential conflict of interest, we are structured to operate with total independence from our parent and we do not take Morningstar, Inc.'s client relationships into account when making investment option recommendations. Payments for our services are not structured so that we are paid to recommend one fund over another, including those with which Morningstar, Inc. has a relationship. In

addition, we do not know about, participate in, or influence any discussion or negotiations between Morningstar, Inc. and its clients.

Morningstar, Inc. provides information to the public about open-end mutual funds and exchange-traded funds. In some cases, this information includes written analysis of a mutual fund. While we utilize certain other products and services of Morningstar, Inc., we do not participate in or have any input in the written analysis Morningstar, Inc. provides its subscribers. Our operations and our employees are separate and distinct from Morningstar, Inc., and we conduct our own research and analysis of the investment options.

We provide advisory services to some registered funds-of-funds. In this role, we have the authority to determine the fund-of-funds' asset allocation, underlying holdings, and when to rebalance/reallocate. Recommending investments in these funds-of-funds would present a potential conflict of interest. To mitigate this potential conflict of interest, we do not include these funds-of-funds in the universe of investment options from which we make our recommendations.

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

*Code of Ethics.* We have adopted a Code of Ethics for all our employees to uphold the highest standards of moral and ethical conduct, including placing our clients' interest ahead of our own. Our Code of Ethics addresses such topics as our fiduciary duty to our clients, our professional responsibilities, protecting our clients' non-public personal information, our gifts and entertainment policies, and the trading practices of our employees. A copy of our Code of Ethics is available to existing and prospective clients upon written request addressed to our Compliance Department at the address or email address shown on Page 2.

*Participation or Interest in Client Transactions.* Our employees may maintain personal investment accounts, and may purchase or sell investments in those accounts that are the same as or different from the investments we recommend to clients. Because we primarily recommend mutual funds, our employees' 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 employees' personal trading activities will not interfere with our clients' interests, while allowing our employees 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). In addition, we do not 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).

*Personal Trading.* Our Code of Ethics also includes policies designed to prevent employees from trading on the basis of material non-public information.

Employees in possession of material non-public information may not trade in securities which are the subject of such information, and may not tip such information to others. In certain instances, we employ information blocking devices such as restricted lists to prevent illegal insider trading. All employees who could potentially access non-public information are required quarterly to report their personal securities transactions to the Compliance Department.

### **Brokerage Practices**

Where we exercise investment discretion, we will generate trade instructions for each individual account that requires 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.

### **Review of Accounts**

*Managed Accounts ("Managed by Morningstar").* Managed Accounts are rebalanced to target ranges on a quarterly basis if necessary, and receive quantitative and/or qualitative reviews performed by our investment team on an annual or as-needed basis. You should notify 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. At least once a year, you will receive information via U.S. mail to your address of record about your account. This may include such things as a report on your progress toward your retirement goal, investment performance information, and an analysis of your portfolio.

*Advice/Guidance ("Managed by You").* We do not provide ongoing account reviews as part of the Managed by You service. You should review your

retirement plan and asset allocation recommendations on a regular basis. You may use the Managed by You service at any time to update your personal information and review your retirement plan strategy, which may have changed as the result of the updated information. In addition, we do not prepare periodic reports as part of the Managed by You service. You may use the Managed by You service to review your retirement accounts as frequently as you wish.

### **Client Referrals and Other Compensation**

In certain situations, we may make cash payments to unaffiliated third parties for recommending the use of our advisory services to their clients. Such cash payments are paid pursuant to a written agreement between us and the third-party solicitor. The third-party solicitor will provide each prospective client with a copy of this Firm Brochure and a disclosure document that sets forth the terms of the arrangement (including the nature of the relationship and the fees to be paid). Clients referred by third-party solicitors may in some cases pay a higher fee than clients who contract with us directly. Solicited clients should refer to the disclosure document for information on the effect of the fees paid to third-party solicitors.

### **Custody**

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 progress reports we provide to you. Our progress reports may vary from custodial statements because of differences in accounting procedures or reporting dates. If you note any discrepancies on your account statements, please promptly contact your plan administrator.

### **Investment Discretion**

When you accept the advisory agreement for our Managed Accounts service ("Managed by Morningstar"), you assign to us 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, we provide you with an individualized asset allocation strategy and select investment options appropriate for that strategy based on the options available in your account. As described above, you have the right to impose reasonable restrictions on your retirement account. We will exercise our discretion in managing your account consistent with your individualized strategy and within the account restrictions, if any.

If you elect our Advice/Guidance services ("Managed by You"), you retain the investment discretion and control of your 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.

### **Voting Client Securities**

You are responsible for receiving and voting proxies for all investments held in your account. We do not have the authority to and will not vote proxies.

### **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, and we have not been the subject of any bankruptcy proceeding.



# Form ADV Part 2B: Brochure Supplement

## Morningstar Associates, LLC

### Investment Team for Retirement Plan Services

22 West Washington Street  
Chicago, IL 60602  
312.696.6000

[www.corporate.morningstar.com](http://www.corporate.morningstar.com)

May 31, 2012

This brochure supplement provides information about the Morningstar Associates, LLC's investment team for Retirement Plan Services as a supplement to our Firm Brochure. This supplement provides information on the members of the investment team with the most significant responsibility for day-to-day investment advice for Retirement Plan Services and is not a complete list of all the members of the investment advisory team. You should have received a copy of our Firm Brochure. Please contact the Compliance Department at 312.696.6000 or [complianceemail@morningstar.com](mailto:complianceemail@morningstar.com) if you did not receive our brochure, if you have questions about the content of this supplement, or if you would like information about other members of our investment team.

#### Cindy Galiano

Email: [cindy.galiano@morningstar.com](mailto:cindy.galiano@morningstar.com)  
Phone: 312.696.6794

*Educational Background and Business Experience:* Cindy co-leads the Retirement Plan Services investment consultant team. She joined Ibbotson Associates, Inc. in 2006 and has served as senior consultant, portfolio manager, and director. Born in 1975, Cindy has an A.B. from the University of Chicago and an MBA from the Kellogg School of Management – Northwestern University.

*Disciplinary Information:* None.

*Other Business Activities:* None.

*Additional Compensation:* None.

#### Jeremy Stempien

Email: [jeremy.stempien@morningstar.com](mailto:jeremy.stempien@morningstar.com)  
Phone: 312.696.6817

*Educational Background and Business Experience:* Jeremy co-leads the Retirement Plan Services investment consultant team. He joined Ibbotson Associates, Inc. in 2005 and has served as senior analyst, portfolio construction team manager, senior consultant, and director. Born in 1976, Jeremy has a BS from St. Louis University and an MBA from the University of Notre Dame.

*Disciplinary Information:* None.

*Other Business Activities:* None.

*Additional Compensation:* None.

#### Terence Geenty

Email: [terence.geenty@morningstar.com](mailto:terence.geenty@morningstar.com)  
Phone: 312.696.6066

*Educational Background and Business Experience:* Terence is a senior investment consultant with Ibbotson Associates, Inc. He joined Morningstar, Inc. in 2004 as a mutual fund analyst and in 2006 joined the International Business division of Morningstar as a financial analyst. In 2008, he joined Ibbotson Associates. Born in 1973, Terence has a BA from the University of Oregon, a Masters in Information Systems from Hawaii Pacific University, and an MBA in Finance and Accounting from the University of Chicago.

*Disciplinary Information:* None.

*Other Business Activities:* None.

*Additional Compensation:* None.

#### Heather Young

Email: [hyoung@ibbotson.com](mailto:hyoung@ibbotson.com)  
Phone: 312.384.4896

*Educational Background and Business Experience:* Heather joined Ibbotson Associates, Inc. in 1998, and has served as a senior analyst and a manager of the portfolio construction team. Heather is responsible for constructing and rebalancing the managed accounts portfolios. Born in 1975, Heather has a bachelor's degree from Indiana University.

*Disciplinary Information:* None.

*Other Business Activities:* None.

*Additional Compensation:* None.

#### Patrick Ryan, CFA

Email: [patrick.ryan@morningstar.com](mailto:patrick.ryan@morningstar.com)  
Phone: 312.384.4973

*Educational Background and Business Experience:* Patrick joined Morningstar Associates as an investment analyst in 2007. He focuses on glide path construction, asset allocation, and manager selection. Born in 1984, Patrick has a BS from Loyola University Chicago. Patrick is also a CFA\* charterholder.

*Disciplinary Information:* None.

*Other Business Activities:* None.

*Additional Compensation:* None.

#### Philip Straehl

Email: [pstraehl@ibbotson.com](mailto:pstraehl@ibbotson.com)  
Phone: 312.384.3989

*Educational Background and Business Experience:* Philip joined Morningstar Switzerland GmbH as an investment analyst in 2007, and joined Ibbotson Associates, Inc. as a senior investment analyst in 2008. He performs asset allocation modeling, portfolio construction, fund classification, and manager due diligence. Born in 1984, Philip has a BA from University of St. Gallen in Switzerland, and is currently pursuing an MBA at University of Chicago Booth School of Business.

*Disciplinary Information:* None.

*Other Business Activities:* None.

*Additional Compensation:* None.

#### Investment Team Supervision

The investment team is under the supervision of the Global Investment Policy Committee. The Global Investment Policy Committee and its working sub-committees are responsible for oversight of the investment methodologies including the tactical and dynamic asset allocation programs. The sub-committees focus on specific investment areas such as capital market assumptions, asset allocation, manager selection, portfolio construction, advice methodologies, fundamental dynamic asset allocation and quantitative tactical asset allocation. Please refer to the "Methods of Analysis, Investment Strategies and Risk of Loss" section of our Firm Brochure for a list of the individuals on the Global Investment Policy Committee.

*\*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 areas of finance.*