

Form ADV Part 2A: Firm Brochure

Morningstar Investment Services, Inc. (MIS)

Morningstar® Managed Plan SolutionsSM

Table of Contents

Advisory Business	3
Fees and Compensation	3
Performance-Based Fees and Side-by-Side Management	3
Types of Clients	3
Methods of Analysis, Investment Strategies and Risk of Loss	3
Disciplinary Information	4
Other Financial Industry Activities and Affiliations	4
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	5
Brokerage Practices	6
Review of Accounts	6
Client Referrals and Other Compensation	6
Custody	6
Investment Discretion	6
Voting Client Securities	6
Financial Information	6

Form ADV Part 2A: Firm Brochure

Morningstar Investment Services, Inc. (MIS)

Morningstar® Managed Plan SolutionsSM

22 West Washington Street
Chicago, IL 60602
1-877-626-3227
mis@morningstar.com

March 26, 2015

Summary of Material Changes

The following is a summary of the changes to Morningstar Investment Services' ADV Part 2A and 2B brochures since our last update dated March 26, 2014.

Updates to the ADV Part 2A

- As of December 31, 2014, MIS' assets under management for discretionary accounts totaled \$6,423,100,000 and for non-discretionary accounts, assets under advisement totaled \$2,058,800,000
- Other Financial Industry Activities and Affiliations was updated to reflect that MIS' parent company, Morningstar, Inc. and affiliates may share resources and that in some cases MIS' senior management may have management responsibilities to affiliated investment advisory entities located in other countries. It was also updated to reflect that in some situations exchange-traded funds, in addition to mutual funds, may own shares in Morningstar, Inc. MIS has no input into selection of the underlying securities and if the underlying holdings have shares in Morningstar, Inc. or not has no impact on the securities that MIS select.
- Code of Ethics was updated to include affiliated employees who are involved with MIS' operations, technology and marketing.
- Participation or Interest in Client Transactions was updated to reflect affiliated employees who are involved with MIS' operations, technology and marketing who have a certain level of access.

Updates to the ADV Part 2B

- In February 2014, Scott Wentsel, was named Morningstar Investment Management's (MIM) Chief Investment Officer of the Americas overseeing MIS' investment team in place of Thomas Idzorek, President of MIM.
- In April 2014, Venus Phillips, Investment Manager left MIS to pursue other opportunities.
- In May 2014, Michelle Ward, Investment Manager, joined the MIS investment team as an Investment Manager focusing on equity, alternative and fixed income investment research, asset allocation and portfolio management.
- In March 2015, Jeff Ptak, Chief Investment Officer and President left MIS to pursue other opportunities within MIS' parent company, Morningstar, Inc.
- In April 2015, Dan McNeela, Senior Portfolio Manager, joined the MIS investment team. His responsibilities include equity, alternative, and fixed income investment research, asset allocation and portfolios management in addition to overseeing investment managers, Marta Norton and Michelle Ward.

We may have made other edits to our Form ADV Part 2A and Part 2B where necessary to correct grammar or punctuation, to provide clarification or further information, for consistency in terminology or content, or to improve the readability of the brochure. We do not deem these edits to be material in nature. You may obtain a current copy of our brochure at any time as described below.

You may request a complete copy of our current ADV Part 2 free of charge at any time by contacting our client service representatives at 877-626-3227 or mis@morningstar.com.

Our brochures provide information about the qualifications and business practices of Morningstar Investment Services, Inc. If you have any questions about the contents of our brochures, please contact our Compliance Department at 312-696-6000.

The information in our brochures has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Morningstar Investment Services, Inc. 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 Investment Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Advisory Business

Morningstar Investment Services, Inc. ("MIS"), a Delaware corporation, was incorporated on December 20, 2000. MIS is a federally registered investment advisor and a wholly owned subsidiary of Morningstar, Inc., a publicly-traded company (Nasdaq Ticker: MORN). Because our parent company is publicly traded, we should inform you that Joseph Mansueto, CEO of Morningstar, Inc., individually holds more than 50% of Morningstar, Inc.'s outstanding shares of stock.

MIS has made notice filings in all states, the District of Columbia, Puerto Rico and the Virgin Islands. The primary purpose of MIS' investment advisor operations is to provide discretionary investment advice on portfolios consisting of securities such as open-end mutual funds, exchange-traded funds or equity securities.

As of December 31, 2014, MIS' assets under management for discretionary accounts totaled \$6,423,100,000 and for non-discretionary accounts, assets under advisement totaled \$2,058,800,000.

Morningstar® Managed Plan SolutionsSM

Morningstar Managed Plan Solutions is a service intended for employers responsible for establishing and maintaining their company's defined contribution plan ("Plan Sponsor") and employees of an employer who participate in the employer's defined contribution plan ("Participant"). Features within the Managed Plan Solutions service are as follows:

Model Asset Allocation Portfolios—MIS or an investment advisory affiliate constructs model asset allocation portfolios covering various risk levels (e.g., conservative, aggressive, etc.) (each a "Portfolio," collectively, "Portfolios"). Each Portfolio strives to achieve long-term risk and return objectives through diversification among multiple asset classes using mutual funds available to a participant-directed defined contribution plan and/or exchanged-traded funds ("ETF"). The Portfolios are intended for Participants who are employees of an employer who maintains a participant-directed defined contribution plan (each a "Plan," collectively "Plans").

Risk Tolerance Questionnaire—MIS makes available to Participants a risk tolerance questionnaire. The questionnaire's sole purpose is to provide Participants with general assistance in terms of identifying their risk tolerance and investment objectives and, based on this, which model asset allocation portfolio is most aligned with that risk tolerance/investment objective.

Investment Policy Statement—MIS may also work with Plan Sponsors in developing an Investment Policy Statement ("IPS"). The purpose of the IPS is to provide guidelines for the investment and management of assets held for the benefit of Participants and beneficiaries of the Plan. The primary intent of the IPS is to:

- Establish a framework for structuring a retirement savings program for Plan Participants by making available diversified investment options that support a range of long-term needs, goals and risk tolerances.
- Provide participants with investment options which, when prudently used, will diversify portfolio risks and better accommodate the range of risk/return preferences they may have.
- Establish careful procedures for monitoring and evaluating the performance of the investment options within the Plan.
- Describe the investment process used to select the Plan's investment options and the asset allocation portfolios available in the Plan.
- Describe the roles and responsibilities of the various parties that may be involved in the oversight of Plan investment activities.

Plan's Investment Lineup—Additionally, MIS may assist Plan Sponsor in determining the mutual funds and/or ETFs available under the Plan (each a "Fund", collectively the "Funds"). MIS determines appropriate Funds primarily through the use of a proprietary fund rating system that is based on key factors. Such key factors are defined in the Methods of Analysis, Investment Strategies and Risk of Loss section of this brochure.

Fees and Compensation

The Plan Sponsor, Plan, or Participant will pay to MIS an annual basis point fee ("Fee"). Depending on what services (as described above) the Plan Sponsor or Plan choose and the complexity involved in providing those services, the Fee typically ranges from 12–35 basis points (0.12% to 0.35%) and is based on the Plan's assets and the complexity involved in providing the services. The Fee is typically remitted quarterly to MIS the Plan's recordkeeper.

In addition to the Fee, a Participant will also incur management and other fund-related expenses imposed by the Funds in which their Plan assets are invested. This may include redemption fees that a Fund may impose as a result of a transaction-related request. Also, fees related to recordkeeping and certain other administrative services for the Plan may be charged to a Participant's Plan account. Lastly, the Plan Sponsor or Participant may also secure the services of a financial advisor who may receive distribution, marketing and/or shareholder servicing fees from fund companies within the Plan. All of the fees and expenses described in this paragraph are separate from the above-mentioned Fee and MIS has no control, influence or involvement in them.

Termination of services and refunds of fees, if any, are governed by the contractual agreement between the parties, which is negotiated on a case-by-case basis.

Performance-Based Fees and Side-by-Side Management

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

Types of Clients

Morningstar Managed Plan Solutions is intended for Plan Sponsors and their Participants.

Methods of Analysis, Investment Strategies and Risk of Loss

MIS constructs its Portfolios to achieve diversification across many asset classes to produce the long-term risk and return characteristics that are intended to be appropriate based on the Participant's goals, risk tolerance and time horizon. We do this by combining quantitative analysis and screening methods with fundamental and qualitative evaluations of investment portfolios and individual investments. MIS evaluates various combinations of securities seeking characteristics that interact in an optimal way with the goal of developing diversified portfolios that offer a long-term stable performance solution within a controlled level of risk.

Security Selection Process/ Due Diligence

The primary sources of information used by MIS are from interviews it conducts with fund managers and the extensive databases and products of its parent company, Morningstar, Inc. Other sources include financial newspapers and magazines, annual reports, prospectuses, filings with the Securities and Exchange Commission, and press releases. MIS may also use statistical or other data sources from various vendors in its manager research process.

MIS leverages the proven research from its affiliate, Ibbotson Associates, a leader in asset allocation research, to set appropriate risk and reward expectations for each Portfolio. Investment methodologies, including the tactical and dynamic asset allocation programs, are overseen by the Global Investment Policy Committee ("GIPC") and its working sub-committees. Members of GIPC

may include officers, chief investment officers, managing directors, or managers of MIS or its affiliates. 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.

Mutual Funds

MIS' mutual fund evaluation process is guided by its proprietary fund rating system, which combines quantitative analysis with a qualitative assessment of a fund's management team and investment process. The rating represents MIS' overall level of conviction in a fund based on various factors that MIS believes are important in determining which funds have the best chance of delivering above average risk-adjusted performance in the future. These factors include the following:

Process – MIS strives to identify managers who employ a disciplined and prudent investment process that has proven to be successful in the past and have executed in a consistent fashion. MIS favors attributes such as insightful security analysis, a robust valuation discipline, and sound risk management and portfolio construction.

Parent – The culture and structure of an asset management firm can have a significant impact on its ability to attract and retain talent and its penchant for serving in the best interests of fund shareholders. MIS looks at the ownership structure of the firm, its organizational stability and financial strength. MIS also places considerable emphasis on stewardship by favoring funds where the team has shown the tendency to act in the best interests of fund shareholders and where the portfolio managers eat their own cooking and have their incentives aligned with fund shareholders.

People – MIS judges the depth and capabilities of members of the investment team and stability of the organization. MIS looks beyond the lead portfolio manager such as assessing the quality of the investment team's research analysts.

Performance – MIS strives to identify funds that have shown the ability to deliver solid risk-adjusted performance over time. MIS evaluates performance from several angles and over various time periods. MIS favors managers that have added value over an appropriate benchmark or peer group in a consistent manner.

Price – Research indicates that expenses are one of the most important factors in predicting mutual fund performance. While a lower expense ratio is always better, MIS puts expenses into the proper context and consider factors such as the size of the fund, trend in expenses, and investment strategy.

Once MIS identifies the funds it has a high level of conviction in, it then determines what Portfolio each fund is best suited for and the appropriate allocation. In doing this, MIS considers how various funds interact with each other in a given portfolio by examining their investment strategies, risk profiles, and holdings overlap. The goal is to construct Portfolios that are well-diversified across asset classes, investment styles, and strategies.

Exchange-Traded Funds (ETFs)

MIS' evaluation of ETFs typically involves four steps. First, MIS evaluates the index that a given ETF tracks, its diversification, and its relevance to the Portfolio's objective. Second, MIS evaluates the ETF's expense ratio and trading costs, typically favoring very low-cost ETFs (in attempt to mitigate the 'drag' such expenses can have on its investment returns). Third, MIS considers the track record of the ETF sponsor concerned as well as the reported performance of the ETF, typically opting for ETF sponsors that have an established track record in the business and a reputation for capably managing the strategies in their line-up. To that end, MIS will consider how long a sponsor

has been operating, as well as salient factors like their success in tracking the benchmark. Fourth and finally, MIS considers the fundamental attractiveness of an ETF's underlying holdings.

In addition to this proprietary valuation approach, MIS will typically compare the aggregate price multiples and growth rates of a stock ETF's holdings with those of other ETFs. MIS scores ETFs based on this research and then ranks them on that basis.

MIS' strategic investments in bond and foreign stock ETFs take a different tack, more closely resembling that described above for our mutual fund strategies. Generally speaking, in these cases, MIS strives to make judicious investments in areas that look mispriced based on our macroeconomic analysis or other fundamental factors.

Investment Risk and Disclosure

It is important to note that investments in securities (e.g., mutual funds and exchange-traded funds) involve risk and will not always be profitable. MIS does not guarantee that the results of its advice, recommendations, or the objectives of your portfolio will be achieved. MIS does not guarantee that negative returns can or will be avoided in this portfolio or any of its portfolios. An investment made in a security may differ substantially from its historical performance and as a result, you may incur a loss. Past performance is no guarantee of future results.

ETF Portfolios will be invested in exchange-traded funds ("ETFs") whose investment objective is to track that sector. ETFs are traded on national exchanges and therefore are subject to similar investment risks as common stocks. Additionally, exchange traded funds are subject to such things as:

- The market price of an ETF may be at, above or below its net asset value ("NAV"). The ETF's NAV will fluctuate as a result of changes in the market value of its underlying holdings whereas the market price will fluctuate in accordance with changes in the NAV plus the ETF's market supply and demand.
- An ETF's performance may not be exactly that of its underlying index. This may be due to imperfect matches between the ETF's underlying investments and those of the underlying index. In addition, differences also arise due to the fact that an ETF incurs fees and expenses while its underlying index does not.

Disciplinary Information

Neither MIS nor its employees have been involved, or are currently involved in any litigation, arbitration, or SRO/regulatory violations.

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.

MIS' primary business is offering the Morningstar Managed Portfolios program ("MMP"). It is an investment advisory program available to individuals and institutions primarily through arrangements MIS has with various unaffiliated registered investment advisors. MMP includes various strategies consisting primarily of mutual funds, exchange-traded funds, and equity securities. Within MMP, MIS or an investment advisory affiliate provides discretionary investment advisory services such as: constructing portfolios by analyzing a universe of available investments (e.g., mutual funds, exchange-traded funds, equity securities) using quantitative and qualitative analyses including any investment restrictions; and continuously monitoring the portfolios within MMP, rebalancing and/or reallocating when deemed necessary. The maximum MMP fee typically

ranges from 140-165 basis points (1.40% to 1.65%) and is based on assets in the MIS strategies.

In addition to the MMP Program, MIS offers advisory services to third-party advisory programs of financial institutions. These services may be provided on a discretionary or non-discretionary basis. The core services offered to these institutions consist of asset allocation and portfolio construction to be used in conjunction with their proprietary advisory program. In most cases, this involves the construction of risk based asset-class and/or investment-specific strategies and on-going monitoring of such strategies. MIS may also provide sales support by educating investment adviser representatives about the MIS strategies available under the third-party advisory program. Fees charged for the sub-advisory services will depend on assets in the selected strategies and the complexity involved in providing additional services (if any); the fee ranges from 15–55 basis points (0.15% to 0.55%).

MIS also assists a financial institution, issuing registered securities, with the portfolio composition and relative weight recommendations of the registered security's underlying holdings. The current fee for this service is approximately 20 basis points (0.20%) based on assets of the registered security.

If you would like a copy of our brochures describing MIS' other services as described above, please follow the instructions on Page 1. In your email, please indicate the service brochure(s) (Morningstar Managed Portfolios Program, Third-Party Advisory Programs, and/or Non-ERISA Retirement Plan Services) you are requesting.

MIS is also registered as a broker-dealer with the SEC and is a member of the Financial Industry Regulatory Authority ("FINRA"). MIS' broker registration gives MIS the ability to receive fees directly or indirectly from those mutual funds underlying a MMP portfolio whose 12b-1 plans are for distribution only. Therefore, some MIS employees maintain the FINRA security licenses required with MIS broker dealer registration and associated with their current job responsibilities.

MIS' parent company, Morningstar, Inc., and its affiliates may use MIS' employees and resources to provide certain support services in conjunction with the services offered by Morningstar, Inc. or its affiliates. In addition, MIS may use the employees or resources of Morningstar, Inc. or its affiliates to provide certain support services in conjunction with MIS' advisory services. These affiliates may include Ibbotson Associates, Inc. a registered investment adviser, Morningstar Associates, LLC, a registered investment adviser, HelloWallet, LLC, an employee financial wellness program, and ByAllAccounts, an account and data aggregation service. All these entities are wholly owned subsidiaries of Morningstar, Inc.

MIS may present the various products and services offered by Morningstar, Inc. or its affiliates. In certain situations, MIS may receive compensation from bringing these potential opportunities to them.

In addition, MIS may work with one or more of its affiliates in providing products/services intended for the affiliate or the affiliate's clients. In these arrangements, MIS is typically compensated for its work either by MIS' affiliate or the affiliate's client.

In addition to the U.S.-based affiliates previously described, Morningstar, Inc. is a direct or indirect owner of a number of other investment advisory entities located in other countries. In some cases, members of MIS' senior management may have some management responsibilities to these other affiliated entities. We do not believe that these management responsibilities create any material conflicts of interests for MIS' clients. A current list of all of MIS' investment advisory affiliates can be found in our Form ADV Part 1, which can be obtained at www.adviserinfo.sec.gov, as described on Page 2 of this Brochure.

For those portfolios consisting of open-end mutual funds or exchange-traded funds, there may be situations where one or more of these securities own shares in Morningstar, Inc. Such an investment in Morningstar, Inc. is solely the decision of the securities' portfolio manager. MIS has no input into a securities' investment decision nor does it require that the underlying its portfolios own shares of Morningstar, Inc. Whether or not the security has a position in Morningstar, Inc. has no direct impact on MIS' security selection process.

In addition, Morningstar, Inc. provides its subscribers various services including information about Funds. While MIS does utilize Morningstar, Inc.'s databases for statistical information and may meet periodically to discuss changes to the methodology and development of such statistical information, it does not participate in or have any input in the written analyses Morningstar, Inc. provides to its subscribers. MIS and its employees are separate and distinct from Morningstar, Inc. and as such conducts their own research and analysis of the securities recommended in the Portfolios.

In certain situations, MIS may recommend an exchange-traded fund(s) whose investment objective is to track indexes created and maintained by Morningstar, Inc. In those cases, the sponsor of the exchange-traded fund ("ETF Sponsor") enters into a licensing agreement with Morningstar, Inc. To mitigate any conflicts of interest arising from MIS' usage of such ETFs, Morningstar, Inc.'s compensation from the ETF Sponsor will not be based on nor will it include assets that are a result of investments in those ETFs. In addition, Morningstar, Inc. does not and will not have any input into what ETFs will be recommended for its Portfolios.

MIS' affiliates are sub-advisors to registered fund-of-funds. To mitigate any conflicts of interest, MIS will not recommend in any of its Portfolios those registered fund-of-funds which are sub-advised by MIS' affiliates.

Periodically, MIS will host regional meetings for Financial Advisors with the main purpose of providing education. There may be situations in which MIS will ask a person representing a fund company that one or more of their funds are included in our portfolios to speak on various topics unrelated to specific securities.

Code of Ethics

MIS is dedicated to providing effective and proper professional investment management services to its clients including protecting their sensitive information. MIS' reputation is a reflection of the quality of its employees and their dedication in supporting the ethical culture of the firm. Because this culture is of critical importance, MIS has adopted a Code of Ethics ("Code") that all MIS employees and any affiliate employee involved with MIS' operations, technology, and marketing ("Employees") must adhere to. Every Employee is expected to demonstrate the highest standards of moral and ethical conduct including placing clients' interests ahead of their own and those of MIS. MIS' Code covers such topics as:

- fiduciary responsibility to our clients,
- prevention of clients' non-public personal information being disclosed,
- giving and receiving of gifts,
- mitigating and disclosing conflicts of interests,
- reporting and monitoring employees' personal security transactions, and
- insider trading prohibitions.

At a minimum, on an annual basis, MIS' Code is distributed to all Employees. In conjunction with this, the Compliance Department reminds Employees of the key points of the Code as well as points out and discusses any new or modified provisions that have been put in place since the last time the Code was distributed to them. Upon their review of the Code and the aforementioned communication by the Compliance Department, Employees will be required to

provide a written acknowledgement indicating that they have read, understood, and will adhere to the Code. At any time you may request MIS' Code by:

- Calling 877-626-3227
- Sending an e-mail to mis@morningstar.com, Subject Line: Code of Ethics
- Writing: Morningstar Investment Services, Inc. at 22 West Washington Street, Chicago, IL 60602 ATTN: Chief Compliance Officer

Participation or Interest in Client Transactions

Employees may purchase or sell for their own accounts the same or different investments from those recommended in its Portfolios. However, Employees with a certain level of access ("Access Persons") cannot transact in securities listed on its parent company's restricted list. Also, all Access Persons are required to submit to the Compliance Department an initial and annual holdings report as well as quarterly transaction reports. These requirements are intended to mitigate any appearance of conflicts of interest for MIS. MIS seeks to ensure that potential or actual conflicts of interests are appropriately addressed, putting your interests ahead of its own.

MIS has adopted policies to prevent Employees from trading on the basis of material nonpublic information. Employees in possession of material, nonpublic information may not trade in securities to which the information relates or tip such information to others. In certain instances, the firm will employ information blocking devices, such as, watch lists and restricted lists as a means of preventing illegal insider trading.

Brokerage Practices

MIS trade recommendations are communicated to the appropriate institution as designated by the Plan Sponsor.

Review of Accounts

MIS services for Plans does not include the periodic review or ongoing monitoring of Participant accounts. We may, however, provide ongoing monitoring of specific investments in a plan's lineup and make periodic reports to the Plan Sponsor, and/or provide recommendations to the Plan Sponsor for changes in the Plan's investment lineup.

Client Referrals and Other Compensation

Situations may arise in which others may introduce accounts to MIS or solicit clients for MIS. In those cases, MIS will enter into a written agreement with the solicitor that complies with the "Cash Solicitation Rule" (Rule 206(4)-3) under the Investment Advisers Act of 1940, as amended. The agreement will identify the specific percentage of the annual fee to be shared with the solicitor commensurate with the degree of effort and assistance provided. MIS' fee charged to clients will not be affected if they were introduced or referred by a solicitor.

Custody

We do not serve as a custodian of Participant assets. The Plan Sponsor is responsible for selecting the custodian for Plan assets. The selection of custodians may be limited by the plan provider.

Participants should receive statements from the qualified custodian that holds the Plan assets at least quarterly. Participants should carefully review such statements. If you note any discrepancies on your account statements, you should promptly contact your plan administrator.

Investment Discretion

When we provide plan sponsor advice, typically the Plan Sponsor retains the investment discretion and control of Plan assets. We provide Plan Sponsors with information designed to help them make investment choices regarding their retirement plans, but the Plan Sponsors are responsible for managing the

investments in their plans. However, in some cases, Plan Sponsors may delegate investment management discretion to us.

Voting Client Securities

Participants are responsible for receiving and voting proxies for all investments held in their 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.