

StanCorp Investment Advisers, Inc. Form ADV 2A Brochure

May 19, 2017

Item 1 – Cover Page

This brochure provides information about the qualifications and business practices of StanCorp Investment Advisers, Inc. If you have any questions about the contents of this brochure, please contact us at 971.321.8844. This brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

StanCorp Investment Advisers, Inc., is a registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training.

Additional information about StanCorp Investment Advisers, Inc., is also available on the SEC's website at www.adviserinfo.sec.gov.





Item 2 – Material Changes

There were no material changes to StanCorp Investment Advisers, Inc., during the period between this brochure and our previous version, dated March 8, 2016.

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Item 4 – Advisory Business

We provide investment management services to retirement plan clients, including:

1. investment consulting services to the retirement plan clients of Standard Insurance Company and Standard Retirement Services, Inc., consisting of:
 - fund selection and monitoring for group annuity separate accounts and the Standard Retirement Services, Inc.'s Net Asset Value platform
 - development and maintenance of model asset allocations for defined contribution plans
 - fund portfolio construction for defined benefit plans
 - assistance with selecting funds for specific retirement plan menus and portfolios
 - quarterly monitoring reports reflecting the performance of funds offered to retirement plan clients of Standard Insurance Company and Standard Retirement Services, Inc.

- participant-level advice through the Mainspring Managed service
2. investment advice to the Reliance Advisory Portfolio Collective Trusts, a series of 14 collective trusts owned by Reliance Trust that:
- invest in unaffiliated mutual funds representing a broad range of asset categories
 - have 10 fully diversified portfolios and four style-based portfolios, each representing the large, small and mid-cap, fixed income and international equity categories
 - are only available to clients of Standard Retirement Services, Inc.

Our total Regulatory Assets Under Management as of Jan. 12, 2017, were \$17.3 billion. Of that, \$10.8 billion was managed on a discretionary basis, and \$6.4 billion was managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Standard Insurance Company and Standard Retirement Services, Inc., pay a fixed retainer to us for services provided to their retirement plan clients. In addition, retirement plan clients pay Standard Retirement Services, Inc., an asset-based fee for administrative and recordkeeping services. In some cases, clients pay additional fees to the custodian. Participants enrolled in the Mainspring Managed service may pay Standard Retirement Services, Inc., a per-participant fee. Retirement plan clients may terminate with a 60-day notice. Since no advisory fees are charged, there is no closing bill from our firm.

Portfolios that include mutual funds and/or ETFs may have a layered fee structure. In addition to the management fees paid to StanCorp Investment Advisers, Inc., the funds' expenses are deducted from the value of the mutual funds. We may recommend mutual funds that are no-load or those having a 12b-1 fee. No load funds have no sales charges included in their expenses, and 12b-1 fees are sales charges that are incorporated into the expense ratio and, therefore, the price of the fund. In no case does StanCorp Investment Advisers, Inc., receive compensation from mutual fund companies. If a 12b-1 fee is paid, it is returned to the plan sponsor as a reduction of its Standard Retirement Services, Inc., asset-based fee. StanCorp Equities, Inc., an affiliated limited broker dealer, does not process transactions. Clients purchase the investments we recommend through unaffiliated custodians or through the Standard Insurance Company group annuity contract.

Item 6 – Performance-based Fees

We do not offer performance-based fee schedules.

Item 7 – Types of Clients

We provide investment consulting services to the retirement plan clients of Standard Retirement Services, Inc., and Standard Insurance Company as well as some retirement plan clients not administered by our affiliated companies. We are the investment advisor to participants in the Mainspring Managed service offered by Standard Retirement Services, Inc., and the Reliance

Trust collective trust portfolios used in that service. We also offer services to endowments and other organizations.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Retirement plan clients primarily invest in mutual funds, collective trusts and group annuity contracts. Investments are selected and retained based on their long-term adherence to specific performance and portfolio criteria. Portfolios are constructed based on mean return and variance analysis.

For endowments and other organizations, we primarily invest in mutual funds but may include stocks, bonds and/or ETFs. These investments are used to populate allocations that are expected to produce returns and risk consistent with the client's long-term objectives and risk tolerance. Mutual funds are selected and retained based on their long-term adherence to specific performance and portfolio criteria. Our fixed income and equity selections are based on fundamental and quantitative analysis.

All investments present some risk of loss that clients should be prepared to bear. Stocks have greater return potential but are more volatile than other investment types. Mutual funds and ETFs may focus on certain sectors that may involve a greater degree of risk than other funds that provide broader diversification. In addition to the normal risks associated with equity investing, investments in smaller and mid-cap companies and narrowly focused investments typically exhibit higher volatility and are less readily marketable than investments in larger companies or more diversified strategies. Similarly, international investing involves certain risks, such as currency fluctuations, economic instability and political developments. These risks may be accentuated in emerging markets. Real estate investment trusts are subject to special risks, such as tax law changes and general economic conditions that may affect the value of the underlying real estate assets. Bonds are subject to certain risks including interest-rate, credit and inflation risks. As interest rates rise, the prices of bonds fall. Derivatives are subject to a number of risks, such as liquidity, interest rate, market, credit and management risk.

Item 9 – Disciplinary Information

We have no disciplinary actions to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

We are a subsidiary of StanCorp Financial Group, Inc., which is also the holding company for Standard Insurance Company; The Standard Life Insurance Company of New York; Standard Retirement Services, Inc.; StanCorp Mortgage Investors, LLC, a commercial loan underwriter; StanCorp Real Estate, LLC, a real estate investment and property management company; and StanCorp Equities, Inc., a limited broker-dealer. StanCorp Financial Group, Inc., is owned by Meiji Yasuda Life Insurance Company.

Members of our senior management team are also officers of one or more of the sister subsidiaries and may be engaged in the business of those subsidiaries in addition to the responsibilities they have to our firm. Our clients may also be clients of Standard Insurance Company, Standard Retirement Services, Inc., or StanCorp Mortgage Investors, Inc.

Item 11 – Code of Ethics

We have adopted and maintained a code of ethics that governs the actions of personnel in their dealings with clients. The code covers personal trading, gifts and gratuities and the protection of client information. Any client or prospective client may request a copy of our code of ethics at any time. From time to time, our personnel may purchase the same securities that are recommended to clients. This could present a potential conflict of interest by encouraging personnel to act on their own behalf before the clients. To overcome this possible conflict, personnel transactions are monitored to detect inappropriate trading activity.

Item 12 – Brokerage Practices

When applicable, we have the discretion to determine the broker and/or institution with which trades are executed, the specific securities that are purchased and the size of transactions without prior client consent, within client established guidelines. Transactions for endowments and other clients are executed through a custodian platform. The basis for recommendation of the custodian includes availability of low-cost, high-quality mutual funds offered, transaction costs, and the accuracy and quality of trade execution and overall client service. We do not execute trades for soft dollar benefits nor do we have directed brokerage arrangements.

Item 13 – Review of Accounts

Investment portfolios are reviewed regularly. Fixed income holdings are monitored for changes in credit quality, business focus and merger activity using alert mechanisms from various information sources. Mutual funds and ETFs are monitored for changes in ownership, management or investment strategy.

Mutual fund performance, selections and terminations are reviewed at least quarterly, and occasionally more often, by our investment committee. Clients receive a quarterly performance review comparing investment returns to appropriate benchmarks.

Item 14 – Client Referrals and Other Compensation

We have third-party solicitor agreements with a limited number of firms to define the roles and responsibilities associated with shared retirement plan client relationships but stopped accepting new solicitor agreements in 2014. Solicitor compensation is calculated as a percentage on assets subject to each retirement plan services agreement; the percentage rate is based on individual plan details. Plan Sponsors may pay more in fees under the agreements than other Plan Sponsors receiving similar services who were not introduced by the Solicitor.

In the past, we participated in the Schwab Advisor Network, a service designed to help investors find an independent investment advisor. Schwab is a broker dealer independent of and unaffiliated with our firm; does not supervise our activities; and has no responsibility for our management of client portfolios or our other advice or services. We no longer pay Schwab fees to receive client referrals through the service nor ongoing fees for past referrals.

In the course of providing investment services, we may refer clients to third-party professionals such as attorneys, CPAs, bookkeepers and others. Neither our personnel providing the referral nor the firm receives any compensation from any party for these referrals. These recommendations are based on industry information or work related to other clients; however, we have not researched or otherwise conducted a due diligence review of the referred professional and do not make any representation or warranty of the professional being referred. We highly recommend you conduct a thorough due diligence review to ensure the referred professional can adequately meet your needs.

Item 15 – Custody

We are considered to have custody of client assets because in some cases we may deduct our management fee directly from client accounts. However, we do not physically hold client assets. Our clients' custodians and brokers provide at least quarterly statements either electronically or in print. We may also provide quarterly reports. Clients are encouraged to compare balances between the custodian statements and our quarterly reports, taking into account possible timing differences.

Item 16 – Investment Discretion

We have investment discretion for participants in the Mainspring Managed service through a participant agreement. We also have discretion for retirement plan clients using the group annuity contract and NAV plans who select discretionary management. The Mainspring Managed service moves participant portfolios to more or less aggressive strategies based on the changes in the participants' situations, such as declining time to retirement, changes in assets relative to the retirement requirements, or other changes reported or requested by the participant. We select, monitor and remove mutual funds from our retirement plan client accounts based on our fund selection and monitoring criteria.

Item 17 – Voting Client Securities

We vote the proxies for securities on the Standard Insurance Company group annuity contract but do not vote proxies for securities on the Standard Retirement Services, Inc., NAV platform. In general, we vote with the boards of directors unless the item would significantly change the nature of the investment the clients hold. Clients may obtain a record of our votes as well as our proxy voting policies upon request.

Item 18 – Financial Information

We have no financial impairment that would preclude the firm from meeting contractual commitments to clients. We do not require prepayment of fees of more than \$1,200 per client, six months or more in advance; therefore, a balance sheet is not attached.