



## **Part 2A of Form ADV: Firm Brochure**

*For Institutional Asset Allocation Advisory Services*

March 27, 2024

# **MissionSquare Retirement**

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This Brochure provides information about the qualifications and business practices of MissionSquare Retirement. If you have any questions about the contents of this Brochure, please contact us at 800-669-7400. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. MissionSquare Retirement is an investment adviser registered with the SEC. Such registration does not imply a certain level of skill or training.

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

## **Item 2 Material Changes**

Since our last annual amendment to this Brochure on March 30, 2023, we have updated this Brochure for the following material change: we have updated Item 13 to disclose the titles of the investment professionals that conduct client account reviews.

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#### **Item 4 Advisory Business**

MissionSquare Retirement is a Delaware non-stock, non-profit corporation established in 1972 that assists state and local governments and their agencies and instrumentalities and certain non-profit entities ("Plan Sponsors") in the establishment and maintenance of deferred compensation and qualified retirement plans ("Retirement Plans") for their employees. We offer a full range of retirement plan administration services to Plan Sponsors, including administration, recordkeeping, and education services. We have been an SEC registered investment adviser since 1983 and provide a number of different investment advisory services, including our Institutional Asset Allocation Advisory Services described in this Brochure.

We currently provide our Institutional Asset Allocation Advisory Services as a non-discretionary investment advisory service to our existing public employer clients who pre-fund their Other Post-Employment Benefits (OPEB), such as post-employment healthcare. We do not offer our Institutional Asset Allocation Advisory Services to new OPEB clients. However, on a limited basis we will offer our Institutional Asset Allocation Advisory Services to certain other, institutional clientele. Please see Item 7 for additional information. The advice is provided by teammates in our Investment Department and is limited to unaffiliated, third-party, registered mutual funds and may also include exchange-traded funds, as agreed upon with each client. Our services are agreed upon with each client in writing and can include: assistance in drafting investment policy statements; recommendations regarding asset allocation; assistance in selecting investments; identification of investment benchmarks; portfolio performance analysis and reporting; and reviews of the performance of the third-party funds and investment manager(s). The advice is tailored to the individual needs and restrictions of each client as outlined in its investment policy statement. You are ultimately responsible for the selection of investments held in your account and can impose restrictions on investing in these vehicles.

As of December 31, 2023, we provided non-discretionary Institutional Asset Allocation Advisory Services to clients with \$151,016,502 in assets. As of the date of this Brochure, we do not have any clients for which we provide Institutional Asset Allocation Advisory Services on a discretionary basis.

#### **Item 5 Fees and Compensation**

Our fee for Institutional Asset Allocation Advisory Services is based on the following schedule, which may be negotiated:

<b><u>Account Balance</u></b>	<b><u>Annual Fee</u></b>
First \$10 MM	35 bps
Next \$40 MM	20 bps
Next \$25 MM	15 bps
Over \$75 MM	10 bps

The advisory fee (in basis points per annum) is payable in arrears either on a monthly or quarterly basis as of the last business day of the relevant period, as agreed upon with you. In the event that the account's balance goes to zero, the fee will be pro-rated based on the number of days the account had a fund balance during the relevant period. We deduct our advisory fees from the assets of our current clients' accounts pursuant to each client's written authorization to their account custodian and as agreed upon with the client in our investment advisory agreement. Upon your request, we can directly bill you for our fees in lieu of deducting the fees from the assets in your account.

In addition to the advisory fee noted above, you also pay your proportionate share of the fees and expenses that are paid at the fund level and borne by all shareholders. These fees and expenses typically include, among others, investment advisory, transfer agent, custodial and distribution fees and portfolio brokerage costs that are paid by each fund. We do not receive any monetary compensation from your account custodian or any of the funds based on your investments. The fees and charges you owe to your account custodian are disclosed to you by that custodian, and we will pay such fees on your behalf only as mutually agreed upon with you. Brokerage fees and other transaction costs also will apply to certain accounts. Please see our response to Item 12 for a discussion of our brokerage practices and the role of your account custodian.

#### **Item 6 Performance-Based Fees and Side-By-Side Management**

We do not receive fees from clients that are based on a share of capital gains on, or capital appreciation of, the assets in client accounts.

#### **Item 7 Types of Clients**

We provide Institutional Asset Allocation Advisory Services to our existing public employer clients who pre-fund their Other Post-Employment Benefits (OPEB), such as post employment healthcare. We do not offer our Institutional Asset Allocation Advisory Services to new OPEB clients. However, on a limited basis we will offer our Institutional Asset Allocation Advisory Services to certain other,

institutional clientele.

Typically, we will provide our Institutional Asset Allocation Advisory Services only to clients that have at least \$10 million enrolled in the advisory service. Our account minimum is negotiable.

### **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

Our Investment Department seeks to employ customized asset allocation strategies for our clients. Strategies involve recommending asset class mixes and funds for implementation of asset allocation decisions. Among other things, factors such as appropriateness for the particular client, how the fund complements other recommended funds, past performance, investment style and strategy, expenses and share class of the fund, and the qualifications, experience, and past performance of the fund managers may be considered in formulating recommendations. The ultimate decisions on selection of asset classes, funds and fund managers, and the allocation among selected funds is your responsibility and/or the responsibility of your governing board or trustees.

Our investment advice includes the recommendation of unaffiliated, third-party mutual funds and/or exchange-traded funds (ETFs). Past performance of investments provides no assurance of future performance. It is possible to lose money by investing in mutual funds or ETFs, which is a risk you should be prepared to bear. The risks of investing in a particular mutual fund or ETF are defined and disclosed to you in the applicable fund's prospectus.

### **Item 9 Disciplinary Information**

Not Applicable.

### **Item 10 Other Financial Industry Activities and Affiliations**

#### **Broker-Dealer**

MissionSquare Investment Services is one of our wholly owned subsidiaries and is a broker-dealer registered with the SEC and a member of FINRA. Some of our management persons are also management persons and registered representatives of MissionSquare Investment Services.

#### **Banking Institution**

VantageTrust Company, LLC ("VTC") is one of our wholly owned subsidiaries and is a New Hampshire non-depository trust company. VTC is the sole trustee of VantageTrust ("VT"), VantageTrust II ("VT II") and VantageTrust III ("VT III") (collectively, the "VT Trusts"), trusts established and maintained by VTC for the purpose of the collective investment and reinvestment of assets of certain tax-

exempt, deferred compensation and qualified retirement plans, retiree welfare plans, related trusts and certain other eligible investors. We (and some of our affiliates) are compensated for certain recordkeeping, management, and administrative services provided to VTC for the benefit of the eligible investors within the VT Trusts. Some of our management persons are also management persons of VTC.

### **Investment Adviser**

MissionSquare Investments is one of our wholly owned subsidiaries and is an SEC registered investment adviser. MissionSquare Investments offers investment advisory services to various clients, including its affiliate, VTC. MissionSquare Investments provides investment advisory and management services to VTC with respect to certain investment options made available within the VT Trusts. Some of our management persons are also management persons of MissionSquare Investments.

### **Collective Trust Funds**

Through our Institutional Asset Allocation Advisory Services we provide investment advice to you only with respect to unaffiliated, third-party, registered mutual funds and exchange-traded funds. We do not advise you with respect to investment options of the VT Trusts (referred to in this Brochure as our “in-house funds”).

If you are also a client of our retirement plan administration services, you can make available through your Retirement Plan some of our in-house funds. Our in-house funds are made available to Retirement Plans and their participants through VantageTrust and VantageTrust II. Our in-house funds are structured as collective trust funds or “CITs.” These funds are easily identified because their names start with “MSQ” or “MissionSquare.” Certain in-house funds invest in other in-house funds. We receive asset based fees for administrative services provided to VTC with respect to the in-house funds. Our wholly owned subsidiary, MissionSquare Investments, receives asset based fees for investment advisory and administrative services provided to VTC with respect to certain in-house funds. MissionSquare Investments has entered into agreements with subadvisors for the performance of its management duties and responsibilities relating to certain in-house funds. MissionSquare Investments retains the responsibility and authority to monitor and review the performance of each subadvisor, and VTC retains oversight of MissionSquare Investments’ advisory responsibilities. MissionSquare Investments’ investment advisory fees are in addition to any fees paid to the subadvisors.

### **Conflicts**

Please see the response to Item 11, under Participation or Interest in Client Transactions, for a description of any potential conflict of interest from the above financial industry affiliations.

**Item 11 Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

**Code of Ethics**

We adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1 to help meet our fiduciary obligations to our advisory clients to act in their best interests and to subordinate our interests and our teammates' interests to the interests of our advisory clients. The Code of Ethics helps to ensure that our teammates avoid or appropriately manage conflicts with the interests of our advisory clients. Under the Code of Ethics, all of our teammates are required to comply with ethical restraints relating to our advisory services, including restrictions on giving or receiving gifts or entertainment from or to clients or other third parties in violation of our gifts and business entertainment policy.

Our Code of Ethics also addresses the SEC's "pay-to-play" rule, which is designed to prevent investment advisers from making political contributions or hidden payments in an effort to influence their selection by government officials to provide advisory services to government entities. Our Code of Ethics prohibits political contributions to certain state and local government officials, restricts using third party solicitors for potential clients unless those solicitors are subject to the pay to play rule, and implements a ban on engaging in fundraising activities for certain officials, political action committees, as well as state and local political parties. Our Political Contributions Policy contained in the Code of Ethics applies to all officers and employees with us or one of our affiliated entities regardless of position, responsibility or title. Exceptions to the political contribution prohibition are possible only upon approval of our Chief Compliance Officer ("CCO") and only if, among other things, the amount of the contribution is the lesser of \$150 per year or per election.

Also, as part of the Code of Ethics, we have adopted procedures to control the use of material, non-public information. These procedures take into account that we may, and our related persons may, from time to time, come into possession of material non-public and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, we are prohibited from improperly disclosing or using such information for our personal benefit or for the benefit of any other person, regardless of whether such other person is one of our advisory clients. Accordingly, if we come into possession of material non-public or other confidential information with respect to any company, we may be prohibited from communicating such information to, or using such information for the



benefit of, our clients, and we have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, our clients when following policies and procedures designed to comply with law.

A copy of the Code of Ethics is available to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

Our investment advice to you is limited to unaffiliated, third-party, registered mutual funds and exchange-traded funds. The ultimate decisions on selection of asset classes, funds and fund managers, and the allocation among selected funds is your responsibility and/or the responsibility of your governing board or trustees. We do not receive any monetary compensation from your account custodian or any of the third-party funds based on the investments in your Institutional Asset Allocation Advisory Services account. Please see Item 12 for more information.

If you are also a client of our retirement plan administration services, you can make available through your Retirement Plan some of our in-house funds. Certain in-house funds invest in other in-house funds. This structure creates a potential conflict of interest because we and our wholly owned subsidiary, MissionSquare Investments, receive asset based compensation for administrative or advisory services provided to certain in-house funds. Please see Item 10 for additional information. We do not provide any investment advice to you with respect to our in-house funds.

### **Personal Securities Trading**

We (including our teammates) are not obligated to refrain from recommending, buying or selling any security that we recommend to our clients, and may buy or sell for our own accounts, or for the accounts of any other client, any such security. Because certain of our teammates (defined as "Access Persons") may invest in the same securities as our clients, there exists a potential conflict of interest from placing their own personal interests ahead of those of our clients. There is also a potential conflict from our Access Persons having access to material, non-public information about the investments of our clients and using such information for personal gain in breach of our fiduciary duty to our advisory clients.

In order to address these conflicts, we have implemented a Personal Securities Trading Policy that governs the personal investing activities of our Access Persons. The Personal Securities Trading Policy is designed to prevent unlawful practices in connection with personal securities trading of teammates.

Access Persons are required to pre-clear certain securities trades and provide quarterly reports of their personal transactions. In addition, Access Persons must direct their brokers to provide copies to the CCO or the designee of all brokerage confirmations relating to all personal securities transactions in which they have a beneficial ownership interest.

A copy of the Personal Securities Trading Policy is available to any client or prospective client upon request.

We have also taken steps to ensure that teammates who manage investments for our own corporate portfolio do not misuse confidential information about client investments. We require that trades for the corporate portfolio be placed in accordance with pre-clearance guidelines that mirror those in the Personal Securities Trading Policy. Additionally, our teammates that participate in the investment decision and transaction must attest that the trade was not based on material non-public information and that the trade does not conflict with the interests of other accounts managed by us or our affiliates.

### **Item 12 Brokerage Practices**

Our current OPEB clients use Charles Schwab Trust Bank ("Schwab") as their account provider and custodian for our Institutional Asset Allocation Advisory Services. We may recommend that new clients also use Schwab as their account provider and custodian because we have a pre-existing business arrangement with Schwab. Schwab is a Nevada chartered savings bank that is not affiliated with us. Schwab holds your assets in an account in your name. You are the owner of the Schwab account and may take any authorized action with respect to the account. You may submit orders to Schwab, or we may submit orders on your behalf at your direction.

If we receive our advisory fee from the assets of your account, we do so only pursuant to your written authorization to Schwab and as agreed upon in the investment advisory agreement we enter into with you. Schwab does not determine the suitability of the type or frequency of the investments in your account; make discretionary or non-discretionary investments for your account; determine the suitability or reasonableness of any investment advisory fee we charge; or provide you with any investment recommendations or investment, tax, or legal advice.

We receive no monetary compensation from Schwab for this arrangement, but Schwab does make available to us products and services that include research, software, and reporting services, which we can use to service any of our client accounts. The availability of these products and services from Schwab benefits us because we do not have to produce or purchase them. The availability of these products and services also creates an incentive for us to recommend Schwab to our clients based on the benefits we receive. Schwab discloses to you

the fees they charge with respect to your account. These fees may be higher than those obtainable from other providers for like services. After termination of your agreement with Schwab, or termination of our authorization on your account, you will be solely responsible for your own account.

Our investment advice to you is non-discretionary, and you retain authority to effect all securities transactions in your account. Thus, transactions for each of our client accounts are generally effected independently. We do not permit our clients to direct brokerage by instructing us to execute securities transactions through a particular broker-dealer.

### **Item 13 Review of Accounts**

Our reviews of your account are focused on your account's investment performance and whether the investments meet your stated investment objectives, policies, procedures, guidelines, restrictions and liquidity requirements set forth in your investment policy statement. Client accounts are reviewed annually and monitored quarterly. On an annual basis, overall investment strategies as well as asset class and fund recommendations are reviewed and revised as necessary. On a quarterly basis, fund and portfolio performance are monitored with recommendations on rebalancing or fund substitutions provided to you as necessary. Further, we will periodically assess the applicability of the chosen benchmarks and make recommendations with respect to the appropriateness of the benchmarks as necessary. The reviews are conducted by our investment professionals, specifically Directors or Managing Vice Presidents, who typically hold the Chartered Financial Analyst designation.

On a quarterly basis, you will receive written reports showing the market value of your account as of the close of such quarter, as well as a written report on the performance of the account over certain time periods, including the trailing quarter, one-year, three-years, five-years, ten-years or since inception. Further, we are available to consult with you upon request.

Our account reviews and periodic reports described above can be modified based on client-specific requests.

### **Item 14 Client Referrals and Other Compensation**

We do not compensate third parties for advisory client referrals. Our clients' account custodian makes available to us certain products and services that result in an economic benefit to us. Please see Item 12 for additional information.

### **Item 15 Custody**

Our current Institutional Asset Allocation Advisory Services clients use Schwab as their account custodian. If you authorize us to instruct Schwab to deduct our advisory fees directly from your account, under government regulations we are deemed to have custody of your assets. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. You should carefully review those statements when you receive them. We also urge you to compare Schwab's account statements with the periodic account reports you receive from us.

### **Item 16 Investment Discretion**

We do not have discretionary authority to manage the accounts of our current OPEB clients. You retain the authority to effect all securities transactions in your account.

While we do not currently exercise discretionary authority in connection with our Institutional Asset Allocation Advisory Services, we are willing to accept such discretion as agreed upon in writing with you. We will accept discretionary authority to manage the assets of your account pursuant to an investment advisory agreement with you, and we will manage your account based on your investment policy statement and any other investment guidelines or restrictions that you apply to your account.

### **Item 17 Voting Client Securities**

We do not have the authority to vote securities in your account. You will receive your proxies or other solicitations directly from your custodian or a transfer agent. You should contact the custodian or transfer agent with any questions about the proxies or other solicitations you receive. We do not provide advice about how you should vote your proxies.

### **Item 18 Financial Information**

Not Applicable.