



## BROCHURE - FORM ADV PART 2A

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This Brochure provides information about the qualifications and business practices of Stadion Money Management, LLC (“Stadion”). If you have any questions about the contents of this Brochure, please contact us at 800-222-7636 and/or [support@stadionmoney.com](mailto:support@stadionmoney.com). 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.

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

**March 26, 2020**

## **Item 2 – Material Changes**

The following material changes have occurred since Stadion's last annual update to this Form ADV Part 2A, dated March 27, 2019:

### **New Managed Account Service**

In addition to offering StoryLine's customizable managed account service for retirement plans and participants, Stadion is also offering Custom Advisor Managed Accounts, a managed account service that allows retirement plan advisers to select and customize investment options and participant allocations. Item 4 (Advisory Business), Item 5 (Fees and Compensation), and Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) have been revised to reflect this additional information.

### **Change to Separate Account Management Program Platform Availability**

Stadion no longer offers its services in its Separate Account Management Program through Single and Dual Contract SMA Programs. Stadion is generally no longer offering its Separate Account Management Program directly to new accounts except in conjunction with its Retirement Account Management Program. Item 5 (Fees and Compensation) has been edited to remove previous references.

### **Fund Liquidations**

The Stadion Alternative Income Fund was liquidated in August 2019. The ALPS/Stadion Core ETF Portfolio and the ALPS/Stadion Tactical Growth Portfolio were liquidated in October 2019. Item 5 (Fees and Compensation), Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) and Item 10 have been edited to remove previous references to the funds and respective strategies.

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#### Item 4 – Advisory Business

Stadion Money Management, LLC (“Stadion”) is a privately owned money management firm based in Watkinsville, Georgia. Stadion has been in business since 1993. In June 2011, certain investment entities controlled and managed by TA Associates, LP (“TA”) acquired, in the aggregate, a 54.4% interest in Stadion. Stadion Money Management Inc. (“Stadion, Inc.”) owns the remaining 45.6%. Timothy Chapman is the principal owner of Stadion, Inc. Stadion is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940 (the “Advisers Act”).

Stadion offers portfolio management for investment companies, individuals, businesses and institutional clients. These services are offered through Stadion’s Institutional Account Management Program, Retirement Account Management Program and Separate Account Management Program. Stadion also offers non-discretionary recommendations, trading signals and model portfolios through Stadion’s Model Delivery Services Program. A description of each of these Programs is set forth below.

*Institutional Account Management Program.* Pursuant to its Institutional Account Management Program, Stadion is the adviser to a family of mutual funds comprising the Stadion Investment Trust, which currently includes the Stadion Tactical Growth Fund, the Stadion Tactical Defensive Fund, and the Stadion Trilogy Alternative Return Fund (each a “Stadion Fund”), each of which is an open-end management investment company registered with the SEC under the Investment Company Act of 1940, as amended (the “1940 Act”), as a separate series of the Stadion Investment Trust. Stadion also offers advisory and sub-advisory services to third party registered investment companies and other investment vehicles.

*Retirement Account Management Program.* Pursuant to its Retirement Account Management Program, Stadion offers discretionary money management services to participants in certain 401(k) and similar retirement plans. Stadion offers its Retirement Account Management Program in the following four ways:

- QDIA and related arrangements with various 401(k) recordkeeping and administration firms (“Recordkeepers”). These Recordkeepers may enter into an arrangement with Stadion to make Stadion’s money management services available to participants, subject to the agreement of the plan sponsor or fiduciary. In these cases, Stadion enters into an agreement with the plan’s sponsor or fiduciary to permit Stadion to manage participants’ personal 401(k) or similar accounts. Stadion’s services are offered as either a default option (“Qualified Default Investment Alternative” or “QDIA”) or a participant choice option within certain retirement plans. Stadion offers two QDIA structures: Target Date funds and managed accounts.
- Direct relationships with employers and plan sponsors. Certain sponsors of 401(k) and similar retirement plans (including, without limitation, those offering Stadion’s services as the QDIA default option) may make Stadion’s services available to participants in their plans. In these cases, participants may elect to directly engage Stadion to manage their personal 401(k) or similar accounts by entering into a Stadion advisory agreement.
- StoryLine. Stadion’s StoryLine product line (“StoryLine”) is a managed account service that provides retirement plan sponsors and their plan participants with QDIA and related investment services that have customizable glide paths. Similar to its other Retirement Account Management Program offerings, Stadion offers Storyline as a QDIA and participant choice option through arrangements with Recordkeepers, employers and plan sponsors. The party engaging Stadion to provide StoryLine to plan participants is

required to select for the plan the platform of available investment options that Stadion will use to implement StoryLine's customizable glide paths. While this platform is expected to consist primarily of mutual funds and/or collective investment funds of trust companies ("CIFs"), it may also include third party products or proprietary products sponsored by the Recordkeeper. Alternatively, a party engaging Stadion to provide the "StoryLine. Built with SPDR ETFs" product will be required to select a platform that consists primarily of CIFs that invest in exchange-traded funds ("ETFs") that bear the SPDR® trademark and may also include third party products or proprietary products sponsored by the Recordkeeper. In either case, Stadion will implement Storyline using only the investment options available on the platform, and only the party engaging Stadion to provide StoryLine (and not Stadion itself) will be permitted to change these investment options.

- Custom Advisor Managed Accounts. Stadion's Custom Advisor Managed Account service ("CAMA") is a managed account service that allows non-affiliated retirement plan advisers ("RPA") to select and customize investment options and participant allocations through Stadion's technology platform. The RPA may elect to utilize Stadion's technology platform as 1) a co-fiduciary to the plan along with Stadion; 2) a fiduciary to the plan using Stadion as a sub-adviser; or 3) a fiduciary to the plan with Stadion only offering technology support.
- TargetFit. Stadion's TargetFit product is a group of three target date fund series – the Stadion TargetFit Conservative Strategies, the Stadion TargetFit Moderate Strategies, and the Stadion TargetFit Growth Strategies. TargetFit was designed to offer multiple target date fund options based on a particular risk objective. Each TargetFit target date fund is a CIF. As such, TargetFit is only available to certain 401(k) and similar retirement plans through open-architecture platforms.
- Direct agreements with employees. In certain cases, Stadion may enter into an agreement with a plan participant to manage the participant's account even though Stadion does not have an arrangement in place with the plan or the plan sponsor.

*Separate Account Management Program.* Pursuant to its Separate Account Management Program, Stadion provides investment recommendations and advisory and sub-advisory services to third party registered investment advisers and separate accounts, including separate accounts of insurance companies ("Insurance Separate Accounts") and Collective Investment Funds ("CIFs"). In cases where Stadion serves as adviser or sub-adviser to an Insurance Separate Account or CIF, Stadion generally expects to use the portfolios within its managed account service available as an option under the Recordkeeper's 401(k) platform as described above in Retirement Account Management Program section.

Stadion's Separate Account Management Program is offered as a "wrap fee" program. The fees paid by a client in this program cover Stadion's investment management services, most brokerage commissions and transaction fees (except in cases where a client account "steps out" or "trades away") and other related costs and expenses. The Separate Account Management Program generally includes two types of arrangements with various investment advisory platforms: (i) where Stadion acts as a non-sponsor portfolio manager to retirement plans and participants, and (ii) where Stadion sponsors an arrangement directly with individual investors. Stadion is generally no longer offering its Separate Account Management Program directly to new accounts except in conjunction with its Retirement Account Management Program.

The management of the wrap fee programs is generally the same as the management of Stadion's other accounts. Differences may arise based on investment options available through retirement plan provider platforms and certain fixed income allocations required in certain retirement program objectives. Stadion receives at least a portion of the wrap fees charged to each account.

*Model Delivery Services Program.* Pursuant to its Model Delivery Services Program, Stadion provides portfolio design services and non-discretionary investment recommendations, research or trading signals to accounts managed by other registered investment advisers.

Stadion's regulatory assets under management as of December 31, 2019 were \$ 2,989,759,924. Stadion total assets under management and advisement were \$ 2,992,600,944.

Stadion's Model Delivery Services Program assets under advisement as of December 31, 2019 were \$2,841,020. Assets under advisement are excluded from regulatory assets under management.

## **Item 5 – Fees and Compensation**

### General Information Regarding Fees

The specific manner in which fees are charged by Stadion is established in a client's written agreement with Stadion. Generally, fees are charged quarterly in arrears, but Stadion will also enter into arrangements where fees are accrued daily and billed monthly (such as in the case of the Stadion Funds or CIFs). Stadion may also enter into arrangements where fees are billed in advance. Typically, fees are charged as a percentage of assets under management, but Stadion may enter into flat-fee arrangements with certain clients on a case-by-case basis, such as where Stadion charges a minimum fee for accounts falling below specified asset levels. Typically, investment management fees charged as a percentage of assets under management are based on account balances at the end of a calendar quarter provided by the custodian. Clients may authorize Stadion to deduct Stadion's fees directly from their account by sending an invoice to the custodian. The account custodian does not check the fee calculation, percentage or amount to be deducted, so the client is responsible for reviewing fee deductions shown on account statements and informing Stadion of any suspected errors. Accounts initiated or terminated during a billing period will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Although detailed information about the general fee schedules for each Program is set forth below, fees for each Program are negotiable and may vary from client to client. Except for fees in the Stadion Separate Account Management Program, Stadion's fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses incurred by the client. See Item 12 (Brokerage Practices) for a more detailed discussion of Stadion's brokerage practices, including additional brokerage expenses that clients in wrap fee programs may pay in connection with "step-out" (trade away) trades. Clients may also incur charges imposed by custodians, brokers, third party investments and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Client accounts that are invested in mutual funds or ETFs will be subject to such investments' internal management fees, which are disclosed in each such investment's prospectus. Such charges, fees and commissions are exclusive of and in addition to Stadion's fee.

#### Fee information for Stadion's Retirement Account Management Program

Where Stadion's services within its Retirement Account Management Program are offered as a qualified default investment option (QDIA) in third party retirement plans, the annual fees for such services generally range from 0.15% to 0.75%. Fees for Retirement Account Management Program services offered as an individual participant choice typically range from 0.35% to 1.50% (depending on certain factors, such as plan size).

Fees for services offered under StoryLine will generally range from 0.15% to 0.75%. In certain circumstances, Stadion may offer StoryLine services at different fee rates through the same plan provider in order to accommodate the plan providers' different arrangements for administrative and marketing support services (*i.e.*, Stadion's gross fee will vary because different portions of the fee are redirected to cover administrative and marketing support service costs of the plan provider).

Fees for Stadion's Custom Advisor Managed Account service ("CAMA"), fees will generally range from 0.10% to 0.20% depending on the respective roles the RPA and Stadion assume. When Stadion is a fiduciary to the plan and participants the fee will generally be 0.20%. When Stadion is a sub-adviser to the RPA, Stadion's fee is expected to 0.10% and paid out of the RPAs management fee. The RPA charges a management fee for their services. Stadion is not involved in establishing the RPA's fee with plan sponsors and participants. For further information about the RPA's fees, please review their respective Brochures.

#### Fee information for Stadion's Separate Account Management Program

*Stadion Sponsored Wrap Fee Programs.* When Stadion sponsors an arrangement directly with individual investors, accounts are typically custodied through Fidelity Investments Registered Investment Advisor Group ("Fidelity"), and fees are typically as follows:

<u>Assets Under Management</u>	<u>Annual Fees</u>
First \$1,000,000	1.25%
Next \$2,000,000	0.95%
Amounts over \$3,000,000	0.85%

Clients will be charged additional commissions or other brokerage fees when Stadion executes trades with broker-dealers other than the sponsor in order to provide favorable execution (*i.e.*, "step-out" trades). See Item 12 (Brokerage Practices) for a more detailed discussion of Stadion's brokerage practices. The minimum account size for Stadion's Separate Account Management Program is generally \$500,000. Stadion generally invests new client accounts less than \$500,000 in one or more of the Stadion Funds consistent with the client's investment objective. Assets invested in Stadion Funds will not be charged a separate management fee; however, clients should note that the management fees and expenses of investments in Stadion Funds may be higher than Stadion's Separate Account Management Program fees.

#### Fee information for Stadion's Institutional Account Management Program

Stadion provides investment advisory or sub-advisory services under its Institutional Account Management Program to the following investment companies, registered investment advisers and pooled investment vehicles:

*Stadion Funds.* Stadion charges all other Stadion Funds an annualized management fee of 1.25% of the Fund's net asset value up to \$150 million, 1.00% of assets over \$150 million and 0.85% for assets over \$500 million. The management fees paid by each Stadion Fund are more fully described in each Stadion Fund's prospectus. Management fees are calculated as of the last business day of each month based upon average daily net assets and are deducted from each Stadion Fund on a monthly basis. Each Fund also incurs fees and expenses for professional services, administration services, brokerage and transaction changes, and other miscellaneous expenses as outlined in its respective prospectus.

*Investors Master Trust for Employee Benefit Trusts.* Fees are 0.00%, 0.27%, 0.35%, 0.40% and 0.55%, depending on share class.

*Advisory and Sub-Advisory Fees.* Stadion does not currently have any of these arrangements in place.

*Research Services:* Stadion may also offer certain of its research services similar to the Separate Account Management Program under the Institutional Account Management Program, in which case fees are negotiated on a case-by-case basis.

#### Fees Information for Stadion's Model Delivery Services Program

*Model Portfolios, Investment Recommendations and Trading Signals.* For accounts where Stadion provides model portfolios, investment recommendations, trading signals or research services to other registered investment advisers, fees are generally as follows:

<u>Strategy</u>	<u>Annual Fees</u>
Individual Strategies	0.10% - 0.30%

*Research Services.* Stadion may also offer to its clients certain of its research services where fees are negotiated on a case-by-case basis which could include flat fee arrangements.

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

As of the date of this Brochure, Stadion does not have any performance-based fee arrangements. However, Stadion may enter into performance fee arrangements on a case-by-case basis.

### **Item 7 – Types of Clients**

Under both its Retirement Account Management Program and Separate Account Management Program, Stadion provides portfolio management services to individuals, high net worth individuals and corporate pension, profit-sharing and 401(k) plans. Under its Institutional Account Management Program, Stadion provides portfolio management services to the Stadion Funds, the Investors Master Trust and third-party investment advisers and investment vehicles.

The minimum account sizes under Stadion's programs are as follows:

- Separate Account Management Program: Stadion sponsored – \$500,000
- Retirement Account Management Program: None.
- Institutional Account Management Program: None (although the Stadion Funds and CIFs may have minimum initial investment sizes).



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

### Methods of Analysis and Investment Strategies

Stadion's investment strategies emphasize asset protection as well as asset growth. Stadion's investment decisions are made using processes designed to be disciplined and objective. In general, Stadion's investment approach is designed to react to current market conditions, not predict future market conditions. Investing in securities involves risk of loss that clients should be prepared to bear. Stadion's investment strategies may lose money. Stadion's actively managed portfolios may underperform during bull markets.

Stadion manages most of its portfolios utilizing an asset allocation strategy incorporating strategic equity and fixed income strategies along with an active strategy guided by Stadion's Tactical Unconstrained Strategy and Core/Satellite Strategy (collectively "Flex"). Remaining portfolios are managed using an asset allocation strategy incorporating strategic equity and fixed income strategies without Flex, Stadion's "Tactical Growth Strategy", and the investment styles used in Stadion's "Trilogy Alternative Return Strategy".

Stadion determines its clients' appropriate portfolio investment allocation based on pertinent and available information provided directly by clients or indirectly through their employer (i.e. plan sponsor) and retirement plan provider record keeper. Information includes: age, financial circumstances, investment objectives, risk tolerance, and other relevant data such as salary, expected years to retirement and retirement account salary deferral rate. The types of client information Stadion collects varies on the particular service being offered. Stadion's clients generally have the ability to impose reasonable restrictions on Stadion's management. However, when a client is introduced by an adviser that has engaged Stadion as a sub-adviser, that adviser is responsible for tailoring the client's needs with Stadion's services and restrictions generally will not be imposed on Stadion's sub-advisory services.

*Flex Investment Model:* Stadion's Flex investment model is comprised of Stadion's "Core/Satellite Strategy", which is discussed in more detail below. Stadion's Flex investment model is a proprietary, rules-based, tactical asset allocation model designed to react to current market conditions. The Flex model uses a basket of short-term technical measures ("Dynamic Trend") and longer-term technical measures ("Cyclical Trend") to evaluate the overall risk levels in the market place. These levels determine the rules we use to buy and sell investments for client accounts. Stadion's Flex model seeks to:

- Participate in gains when stock and/or bond market conditions are good
- Reduce exposure to the markets when conditions are poor
- Continually manage portfolio risk through tactical asset allocation

Tactical Unconstrained Strategy: For portfolios managed using the Tactical Unconstrained Strategy, Stadion invests primarily in (a) "Fund Investments", which may include: actively managed and index-based ETFs (exchange traded funds); mutual funds and other investment companies; groups of securities related by index or sector made available through certain brokers at a discount brokerage rate (such as stock baskets, baskets of bonds and other index-or sector-based groups of related securities) and options or futures positions (e.g., options or futures contracts on securities, securities indexes, currencies or other financial instruments) with respect to any of the foregoing intended to match or approximate their performance; and (b) "Cash Positions", which include cash and short-term, highly liquid investments, such as money market instruments, U.S. government obligations, commercial paper, repurchase agreements, and other cash or cash equivalent positions. Assets are allocated among Fund Investments and Cash Positions using Stadion's Dynamic Trend measure, a proprietary, technically driven asset

allocation model to determine a short-term trend indicator for “market risk” based on a combination of factors. Examples of technical indicators examined include market breadth, trend determination, sector analysis, and relative strength/performance.

Based on its allocation model, Stadion seeks to evaluate the risk levels for different markets and market sectors. For example, Stadion will use the model to make a technical determination of the risk that different markets or market sectors will decline. Stadion then seeks to participate in markets and market sectors with lower risk scores, and seeks to divest investments in markets and market sectors with high risk scores. Stadion may also invest in Cash Positions (up to 100% of a client’s portfolio), and manage such Cash Positions strategically, when it believes markets are overvalued or have too high of a risk. In lieu of Cash Positions, Stadion may utilize fixed income ETFs that invest in U.S. Treasuries or similar types of fixed income securities.

Core/Satellite Strategy: For portfolios managed using the Core/Satellite Strategy, Stadion invests primarily in Fund Investments and Cash Positions. Assets are allocated using Stadion’s proprietary, technically driven asset allocation model to determine a cyclical trend indicator for “market risk” based on a combination of factors.

The “Core Position” maintains a continually invested portfolio, which comprises approximately 40% to 60% of the strategy’s net assets, in a blend of equity, fixed and short-term investments, with the blend for each client depending on the client’s particular investment objective and risk profile. The remaining portion of the strategy, referred to as the “Satellite Position” is allocated using Stadion’s Tactical Unconstrained Strategy, described above. The portfolio’s Core Position will normally be fully invested in order to blend the benefits of market exposure gained through having approximately 50% of the portfolio’s assets invested in broad-based equity or fixed-income market or market sector Fund Investments in varying market conditions. The portfolio’s investments within the Core Position will change from time to time based on Stadion’s Cyclical Trend indicators and allocation models. However, through the Core Position, the portfolio will be exposed to the performance of selected U.S. or international equity and debt markets as a whole, or sector indexes, regardless of market conditions or risk.

Trilogy Alternative Return Strategy: Stadion’s “Trilogy Alternative Return Strategy” is a proprietary model that combines multiple investment strategies and investment techniques that are designed to generate return and manage risk exposure among varying market conditions.

For portfolios managed using this strategy, Stadion allocates the portfolio’s assets among three distinct investment styles, each of which is managed as a separate position within the portfolio, as follows:

- (i) a diversified portfolio of common stocks and ETFs investing in stock indexes, and options selected to provide protection from market declines (the “Equity Position”),
- (ii) fixed-income securities or ETFs investing in fixed-income securities, and options sold and repurchased to generate net premium income (the “Income Position”), and
- (iii) index options or other securities in an effort to benefit from substantial price changes (up or down) in the markets (the “Market Movement Position”).

In executing index options strategies for the three positions within the Trilogy Alternative Return Strategy, Stadion intends to purchase and write (sell) put and call options on one or more broad-based U.S. stock indices, such as the Standard & Poor’s 500 Index, or ETFs that replicate such indices. Index options are typically settled in cash rather than by delivery of securities and reflect price fluctuations in a group of securities or segments of the securities market. Over time, the indices on which Stadion

purchases and sells options may vary based on Stadion's assessment of the availability and liquidity of various listed index options, and Stadion's evaluation of equity market conditions and other factors.

In allocating the Trilogy Alternative Return Strategy's assets, Stadion uses a combination of the underlying investment strategies described above and may reduce or limit investments in certain assets, asset classes or strategies in order to achieve the desired composition of the Trilogy Alternative Return Strategy. These strategies are designed to manage risk exposure by seeking opportunities for return under varying market conditions. Under normal market conditions, Stadion expects that (i) approximately 30% to 70% of assets will be allocated to the Equity Position, (ii) approximately 30% to 50% of assets will be allocated to the Income Position and (iii) approximately 2% to 30% of assets will be allocated to the Market Movement Position; however, these percentages may vary over time or as a result of market fluctuations.

Tactical Growth Strategy: The Tactical Growth Strategy seeks long-term capital appreciation by investing in Fund Investments that Stadion believes have the potential for capital appreciation. The Tactical Growth Strategy uses a proprietary quantitative research process to determine current risk in the broad market equity markets, as well as to determine the strategy's:

- optimum cash position;
- weighting between the value and growth segments of the market;
- sector and industry allocation; and
- domestic and international exposure.

In executing the Tactical Growth Strategy, Stadion generally will search for investments that exhibit attractive valuations on several metrics, which may include, without limitation, price movement, volatility, price-to-earnings ratios, growth rates, price-to-cash flow ratios and price-to-book ratios. The Tactical Growth Strategy may include both growth and value style investing. The strategy retains the flexibility to allocate among equity or fixed income Fund Investments. The strategy may invest up to 100% of its assets in Fund Investments that have portfolios comprised of equity securities (including domestic or foreign companies of any size in any sector) or fixed-income securities (including domestic or foreign corporate and/or government bonds issued by any size company, municipality or government body in any sector of any maturity, yield or quality rating). The mix of fixed income and equity Fund Investments may be substantially over-weighted or under-weighted in favor of fixed income or equities, depending on prevailing market conditions. The strategy may participate in a limited number of industry sectors but will not concentrate its investments in any particular sector.

The strategy may hold all or a portion of its assets in Cash Positions, either due to pending investments or when investment opportunities are limited. Cash Positions include cash and short-term, highly liquid investments such as money market mutual funds.

For this strategy, Stadion generally sells a security under one or more of the following conditions:

- the security reaches Stadion's appraised value;
- there is a more attractively priced Fund Investment or other security as an alternative;
- the optimum Cash Position has changed based on Stadion's quantitative research;

- the weighting between the value and growth segments of the market have changed based on Stadion's quantitative research;
- the weighting between sector and industry allocations has changed based on Stadion's quantitative research; or
- the weighting between domestic and international exposure has changed based on Stadion's quantitative research.

StoryLine Strategies: Stadion will seek to implement StoryLine's customizable glide paths by utilizing a strategic equity strategy ("Core Equity"), strategic fixed income strategy ("Core Fixed Income") and Flex in varying allocations based on Stadion's Glide Path Investment Process ("GPIP"). Stadion's GPIP is derived from a quantitative and qualitative analysis of a universe of Target Date Fund Series' glide paths which focuses on asset allocations to determine risk levels in an effort to effectively compare "To" and "Through" target date series with one another. Stadion may offer StoryLine's customizable glide paths by utilizing Core Equity and Core Fixed Income without Flex. In implementing such strategies, Stadion will be limited in its investable universe to a platform of particular investments typically selected by the plan sponsor engaging Stadion to provide the StoryLine product. Plan sponsors may also designate investment fiduciaries, not affiliated with Stadion, to select the platform of investments, and in some cases, the portfolio allocations for Stadion to use. While this platform is expected to consist primarily of mutual funds and/or CIFs, it may also include third party products or proprietary products sponsored by the Recordkeeper. Alternatively, a party engaging Stadion to provide the "*StoryLine. Built with SPDR ETFs*" product will be required to select a platform that consists primarily of CIFs that invest in exchange-traded funds ("ETFs") that bear the SPDR® trademark, and may also include third party products or proprietary products sponsored by the Recordkeeper. In either case, Stadion will implement Storyline using only the investment options available on the platform, and only the party engaging Stadion to provide StoryLine (and not Stadion itself) will be permitted to change these investment options.

Each StoryLine with Flex allocation will generally be comprised of five sub-components: Domestic Equity, International Equity, Short Duration Fixed Income, Long Duration Fixed Income, and Flex. The Domestic Equity and International Equity sub-components (collectively "Core Equity") will be strategically allocated to provide broad market exposure amongst domestic equity and international equity investments, respectively. The Short Duration Fixed Income and Long Duration Fixed Income sub-components ("collectively Core Fixed Income") will be strategically allocated to provide exposure to short and long duration securities, respectively. In some cases, Stadion may utilize guaranteed investment contracts offered by the Recordkeeper in lieu of or in addition to the Short Duration Fixed Income sub-component. The Flex sub-component will be allocated amongst equity, fixed income and cash positions using Stadion's Core/Satellite Strategy Stadion will periodically (e.g., annually) review the relevant benchmarks for each sub-component and make allocation adjustments among the sub-components as necessary. Each Storyline without Flex will generally be comprised of four sub-components: Domestic Equity, International Equity, Short Duration Fixed Income and Long Duration Fixed Income. The sub-components will be strategically allocated as described above. In some cases, Stadion may utilize guaranteed investment contracts offered by the Recordkeeper in lieu of or in addition to the Short Duration Fixed Income sub-component.

Custom Advised Managed Accounts. Stadion's CAMA service offers non-affiliated retirement plan advisers ("RPA") to select and customize investment options and participant allocations through Stadion's GPIP platform. The RPA may elect to utilize Stadion's technology platform in multiple ways:

- RPA is co-fiduciary appointed to the plan along with Stadion – typically in this arrangement;

Stadion will provide its customizable glide path service using its GPIIP applied to a specific investment platform selected by the RPA. The specific investment platform selected by the RPA is likely to differ from the investment line-up offered by the plan sponsor.

- RPA is a fiduciary appointed to the plan utilizing Stadion as a sub-adviser – typically in this arrangement; the RPA will direct Stadion to apply its GPIIP to customized participant allocations using a specific investment platform. The specific investment platform is likely to differ from the investment line-up offered by the plan sponsor.
- RPA is a fiduciary appointed to the plan using Stadion's GPIIP platform – typically in this arrangement, Stadion's role is to offer technical support for its GPIIP platform. Stadion does not have any input over the RPAs decisions, nor will Stadion review the RPA's asset allocation or investment selection process.

TargetFit: Stadion will seek to implement TargetFit's multiple glide paths by utilizing a strategic equity strategy ("Core Equity"), strategic fixed income strategy ("Core Fixed Income") and Flex in varying allocations dependent on the risk based objective of each fund series (conservative, moderate and growth) and point in time until retirement of each target date fund glide path. The allocations for the Stadion TargetFit Growth Strategies are designed to have more Core Equity throughout the series. The allocations for the Stadion TargetFit Conservative Strategies are designed to have more Core Fixed Income and Flex throughout the series. The allocations for the Stadion TargetFit Moderate Strategies are designed to have less Core Equity but more Core Fixed Income than Stadion TargetFit Growth Strategies and more Core Equity but less Core Fixed Income than Stadion TargetFit Growth Strategies. The S&P Target Date Index Series are used as the benchmarks for each fund based on its stated target date.

### Risk of Loss

Stadion's strategies are subject to investment risks; therefore, you may lose money. There can be no assurance that any of the strategies will be successful in meeting its investment objective. Generally, Stadion's strategies will be subject to the following risks:

*Commodity Risk:* Investing in commodities through commodity-linked ETFs and mutual funds may subject a portfolio to potentially greater volatility than investments in traditional securities. The value of commodity-linked ETFs and mutual funds will be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

*Currency Risk:* Investments in foreign markets involve currency risk, which is the risk that the values of the Fund Investments and other assets denominated in foreign currencies will decrease due to adverse changes in the value of the U.S. dollar relative to the value of foreign currencies. A Stadion-managed portfolio may, but is not required to, hedge against currency risk through the use of forward foreign currency contracts, which are obligations to purchase or sell a specified currency at a future date at a price established at the time of the contract. Forward foreign currency contracts involve the risk of loss due to the imposition of exchange controls by a foreign government, the delivery failure or default by the other party to the transaction or the inability of a portfolio to close out a position if the trading market becomes illiquid. There can be no assurance that any currency hedging transactions will be successful, and a portfolio may suffer losses from these transactions.

*Derivative Risk:* Put and call options and futures contracts are referred to as “derivative” instruments since their values are based on (i.e., “derived from”) the values of other securities. Derivative instruments can be volatile and the potential loss to a portfolio may exceed a portfolio’s initial investment. Derivative instruments may be difficult to value and may be subject to wide swings in valuations caused by changes in the value of the underlying instrument. The use of these instruments requires special skills and knowledge of investment techniques that are different than those normally required for purchasing and selling securities. If Stadion uses a derivative instrument at the wrong time or judges market conditions incorrectly, or if the derivative instrument does not perform as expected, these strategies may significantly reduce a portfolio’s return. A portfolio could also experience losses if it is unable to close out a position because the market for an instrument or position is or becomes illiquid. Derivative instruments involve risks different from direct investments in the underlying securities, including: imperfect correlation between the value of the derivative instrument and the underlying assets; risks of default by the other party to the derivative instrument; risks that the transactions may result in losses of all or in excess of any gain in the portfolio positions; and risks that the transactions may not be liquid. Derivative instruments may create economic leverage in a portfolio, which magnifies a portfolio’s exposure to the underlying instrument.

- Futures Contracts. A futures contract is a bilateral agreement to buy or sell a security (or deliver a cash settlement price, in the case of a contract relating to an index or otherwise not calling for physical delivery at the end of trading in the contracts) for a set price in the future. The portfolio will be required to deposit with its custodian in a segregated account cash, U.S. Government securities, suitable money market instruments, or liquid, high-grade fixed income securities, known as “initial margin”, in an amount required for the particular futures contract as set by the exchange on which the contract is traded. This margin amount may be significantly modified from time to time by the exchange during the term of the contract. If the price of an open futures contract changes (by increase in the case of a sale or by decrease in the case of a purchase) so that the loss on the futures contract reaches a point at which the margin on deposit does not satisfy margin requirements, the broker will require an increase in the margin. A portfolio will incur brokerage fees when it purchases and sell futures contracts. Positions taken in the futures markets are not normally held until delivery or cash settlement is required, but are instead liquidated through offsetting transactions, which may result in a gain or a loss. While futures positions taken by a portfolio will usually be liquidated in this manner, the portfolio may instead make or take delivery of underlying securities whenever it appears economically advantageous for the portfolio to do so.
- Options. If a portfolio sells a put option whose exercise is settled in cash, a portfolio cannot provide in advance for its potential settlement obligations by selling short the underlying securities, and a portfolio will be responsible, during the option’s life, for any decreases in the value of the underlying security below the strike price of the put option. If a portfolio sells a call option whose exercise is settled in cash, the portfolio cannot provide in advance for its potential settlement obligations by acquiring and holding the underlying securities, and the portfolio will be responsible, during the option’s life, for any increases in the value of the underlying security above the strike price of the call option. If a portfolio establishes a debit option spread, the potential for unlimited losses associated with the option a portfolio sold will be mitigated, but the potential for unlimited gains associated with the option purchased will be reduced by the cost of, and capped by losses potentially incurred as a result of, the corresponding option sold. Options purchased by a portfolio may decline in value with the passage of time, even in the absence of movement in the price of the underlying security.

- Securities Index Futures Contracts. A securities index futures contract does not require the physical delivery of securities, but merely provides for profits and losses resulting from changes in the market value of the contract to be credited or debited at the close of each trading day to the respective accounts of the parties to the contract. On the contract's expiration date, a final cash settlement occurs, and the futures positions are simply closed out. Changes in the market value of a particular index futures contract reflect changes in the specified index of securities on which the future is based.

In general, a portfolio will not purchase or sell futures contracts or related options unless either (i) the futures contracts or options thereon are purchased for "bona fide hedging" purposes (as defined under the CFTC regulations); or (ii) if purchased for other purposes, the sum of the amounts of initial margin deposits on a portfolio's existing futures and premiums required to establish non-hedging positions, less the amount by which any such options positions are "in-the-money" (as defined under CFTC regulations) would not exceed 5% of the liquidation value of the portfolio's total assets.

*Dividend Yield Risk:* While a portfolio may hold securities of companies that have historically paid a dividend, those companies may reduce or discontinue their dividends, thus reducing the yield of the company's securities. Lower priced securities in a portfolio may be more susceptible to these risks. Past dividend payments are not a guarantee of future dividend payments. Also, the market return of high dividend yield securities, in certain market conditions, may be worse than the market return of other investment strategies or the overall stock market.

*Emerging Markets Risk:* Investments in emerging markets, which include Africa, Asia, the Middle East and Central and South America, are subject to the risk of abrupt and severe price declines. The economic and political structures of developing countries, in most cases, do not compare favorably with the U.S. and other developed countries in terms of wealth and stability, and financial markets in developing countries are not as liquid as markets in developed countries. The economies in emerging market countries are less developed and can be overly reliant on particular industries and more vulnerable to the ebb and flow of international trade, trade barriers, and other protectionist measures. Certain countries may have legacies or periodic episodes of hyperinflation and currency devaluations or instability and upheaval that could cause their governments to act in a detrimental or hostile manner toward private enterprise or foreign investment. Significant risks of war and terrorism currently affect some emerging market countries.

*ETF NAV and Market Price:* The market value of an ETF's shares may differ from its net asset value ("NAV"). This difference in price may be due to the fact that the supply and demand in the market for ETF shares at any point in time is not always identical to the supply and demand in the market for the underlying basket of securities. Accordingly, there may be times when an ETF trades at a premium (creating the risk that a portfolio pays more than NAV for an ETF when making a purchase) or discount (creating the risks that the portfolio's value is reduced for undervalued ETFs it holds and that the portfolio receives less than NAV when selling an ETF).

*ETF Tracking Risk:* Index-based ETFs in which Stadion-managed portfolios may invest may not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, these ETFs may incur expenses not incurred by their applicable indices.

*Equity Securities Risk:* The value of equity securities may decline due to general market conditions which are not specifically related to a particular company and are generally beyond Stadion's control, including fluctuations in interest rates, the quality of Stadion's investments, economic conditions, corporate



earnings, adverse investor sentiment and general equity market conditions. In a declining stock market, stock prices for all companies (including those in a Stadion portfolio) may decline, regardless of their long-term prospects.

*Fixed Income Risk:* Stadion may purchase fixed income investments of any maturity and credit quality. There are risks associated with fixed income investments, which include interest rate risk, maturity risk and credit risk. These risks could negatively affect the value of investments of Stadion's portfolios.

- Credit Risk. The value of a portfolio's fixed income investments is dependent on the creditworthiness of the issuer. A deterioration in the financial condition of an issuer or a deterioration in general economic conditions could cause an issuer to fail to pay principal and interest when due.
- Interest Rate Risk. The value of a portfolio's fixed income investments will generally vary inversely with the direction of prevailing interest rate movements. Generally, when interest rates rise, the value of a portfolio's fixed income investments can be expected to decline.
- Junk Bonds or High Yield Securities Risk. High yield securities and unrated securities of similar credit quality are considered to be speculative with respect to the issuer's continuing ability to make principal and interest payments and are generally subject to greater levels of credit quality risk than investment grade securities. High yield securities are usually issued by companies without long track records of sales and earnings, or by companies with questionable credit strength. These fixed income securities are considered below "investment-grade". The retail secondary market for these "junk bonds" may be less liquid than that of higher-rated fixed income securities, and adverse conditions could make it difficult at times to sell certain securities or could result in lower prices than those used in calculating the Fund's net asset value. These risks can reduce the value of the Fund's shares and the income it earns.
- Liquidity Risk. Liquidity risk is the risk that a fixed income security may be difficult to sell at an advantageous time or price due to limited market demand (resulting from a downgrade, a decline in price, or adverse conditions within the fixed income market).
- Maturity Risk. The value of a portfolio's fixed income investments is also dependent on their maturity. Generally, the longer the maturity of a fixed income security, the greater its sensitivity to changes in interest rates.
- Mortgage-Related Securities Risk. Mortgage-related and other asset backed securities may be particularly sensitive to changes in prevailing interest rates and early repayment on such securities may expose the Fund to a lower rate of return upon reinvestment of principal.
- Prepayment Risk. The debtor on any fixed income obligation may pay its obligation early, reducing the amount of interest payments.
- U.S. Government Securities Risk. Government securities held by a portfolio may not be backed by the "full faith and credit" of the U.S. Government and may be supported only by the credit of the issuer. The guarantee of the U.S. Government does not extend to the yield or value of the U.S. Government securities held by a portfolio.

*Foreign Securities Risk:* Investing in securities issued by companies whose principal business activities are outside the United States may involve significant risks not present in domestic investments. For example, there is generally less publicly available information about foreign companies, particularly those



not subject to the disclosure and reporting requirements of U.S. securities laws. Foreign issuers are generally not bound by uniform accounting, auditing, and financial reporting requirements and standards of practice comparable to those applicable to domestic issuers. Investments in foreign securities also involve the risk of possible adverse changes in investment or exchange control regulations or currency exchange rates, expropriation or confiscatory taxation, limitation on the removal of cash or other assets, political or financial instability, or diplomatic and other developments which could affect such investments. Further, economies of particular countries or areas of the world may differ favorably or unfavorably from the economy of the United States. Foreign securities often trade with less frequency and volume on their respective exchanges than domestic securities and therefore may exhibit greater price volatility than domestic investments. ADRs and ETFs investing in foreign securities are subject to risks similar to those associated with direct investments in foreign securities.

*“Fund of Funds” Structure:* To the extent that you invest in a Stadion strategy through a Stadion Fund or other fund structure, your cost of investing will generally be higher than the cost of investing directly in the ETFs or other investment company shares held by Stadion Fund or other fund structure, because you will indirectly bear fees and expenses charged by the underlying ETFs and investment companies in which a portfolio invests in addition to the Stadion Fund’s or other funds’ fees and expenses. The use of this “fund of funds” structure could affect the timing, amount, and character of distributions to you and therefore may increase the amount of taxes payable by you.

*Growth Investing Risk:* A portfolio may invest in companies that appear to be growth-oriented. Growth companies are those that Stadion believes will have revenue and earnings that grow faster than the economy as a whole, offering above-average prospects for capital appreciation and little or no emphasis on dividend income. If Stadion’s perceptions of a company’s growth potential are wrong, the securities purchased may not perform as expected, reducing a portfolio’s return.

*Inflation/Deflation Risk:* Inflation may cause the present value of future payments to decrease, causing a decline in the future value of assets or income. Deflation causes prices to decline throughout the economy over time, impacting issuers’ creditworthiness and increasing their risk for default, which may reduce the value of the portfolio.

*Large Capitalization Companies Risk:* Large capitalization companies (i.e., companies with more than \$5 billion in capitalization) may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes and may not be able to attain the high growth rate of successful smaller companies especially during extended periods of economic expansion.

*Limited Platform of Investments:* Parties that engage Stadion to provide the StoryLine product will select the platform of investment options available to Stadion in implementing its investment program. Stadion will implement Storyline using only the investment options available on the platform, and only the party engaging Stadion to provide StoryLine (and not Stadion itself) will be permitted to change these investment options. Accordingly, Participants investing through a StoryLine product should be aware that, when implementing the participant’s customized glide path, Stadion investable universe will be limited to those particular investments, which may not perform as well as other investment options utilized by Stadion to implement similar investment strategies for other clients.

*Management Style Risk:* A portfolio’s performance is based on the performance of the securities in which it invests. The ability of the portfolio to meet its objective is directly related to the ability of Stadion’s

allocation model to accurately measure market risk and appropriately react to current and developing market trends. There is no guarantee that Stadion's judgments about the attractiveness, value, and potential appreciation of particular investments in which the portfolio invests will be correct or produce the desired results. If Stadion fails to accurately evaluate market risk or assess market conditions, the portfolio's value may be adversely affected.

*Market Risk:* Market risk is the risk that the value of securities in a portfolio may decline due to daily fluctuations in the securities markets that are generally beyond Stadion's control. In a declining stock market, stock prices for all companies may decline, regardless of their long-term prospects.

*Model Delivery Risk.* The timeliness and the ability of other registered investment advisers to execute trades in response to changes in a model portfolio, non-discretionary investment recommendations, research or trading signals provided by Stadion may subject participant account trades to follow the execution of Stadion's discretionary trades. Participant accounts may therefore be disadvantaged as a result of different execution prices.

*Money Market Mutual Funds:* Although a money market fund generally seeks to maintain the value of an investment at \$1.00 per share, there is no assurance that it will be able to do so, and it is possible to lose money by investing in a money market fund. A portfolio will incur additional indirect expenses due to acquired fund fees and other costs to the extent it invests in shares of money market mutual funds. When a portfolio invests in money market funds and other Cash Positions, the portfolio may not participate in stock market advances to the same extent it would had it remained more fully invested in Fund Investments.

*Portfolio Turnover:* As a result of its trading strategies, Stadion may sell portfolio securities without regard to the length of time they have been held and some of Stadion's portfolios will likely have higher portfolio turnover than other investment options. Since portfolio turnover may involve paying brokerage commissions and other transaction costs, higher turnover generally results in additional portfolio expenses. High rates of portfolio turnover could lower performance of Stadion's portfolios due to these increased costs and may also result in the realization of short-term capital gains. High rates of portfolio turnover in a given year in non-qualified accounts would likely result in short-term capital gains that are taxed at ordinary income tax rates.

*Sector Risk:* Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If a portfolio invests more heavily in a particular sector, the value of its shares may be sensitive to factors and economic risks that specifically affect that sector. As a result, a portfolio's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors, which may impact the share price of companies in these sectors. The sectors in which any portfolio may invest in more heavily will vary.

*Small and Medium Capitalization Companies Risk:* A portfolio may, at any given time, invest a significant portion of its assets in securities of small capitalization companies (i.e., companies with less than \$1 billion in capitalization) and/or medium capitalization companies (i.e., companies with between \$1 billion and \$5 billion in capitalization). Investing in the securities of small and medium capitalization companies generally involves greater risk than investing in larger, more established companies. The securities of small and medium companies usually have more limited marketability and therefore may be more volatile and less liquid than securities of larger, more established companies or the market averages in general. Because small and medium capitalization companies normally have fewer shares outstanding than larger companies, it may be more difficult to buy or sell significant amounts of such shares without

an unfavorable impact on prevailing prices. Small and medium capitalization companies often have limited product lines, markets, or financial resources and lack management depth, making them more susceptible to market pressures. Small and medium capitalization companies are typically subject to greater changes in earnings and business prospects than larger, more established companies. The foregoing risks are generally increased for small capitalization companies as compared to companies with larger capitalizations.

*Value Investing Risk:* Value investing attempts to identify companies selling at a discount to their intrinsic value (i.e., what a company is “really” worth, as determined by analyzing business, financial, and other factors about the company and its market). Value investing is subject to the risk that a company’s intrinsic value may never be fully realized by the market or that a company judged by Stadion to be undervalued may not be undervalued.

## **Item 9 – Disciplinary Information**

Stadion has no disciplinary information to disclose.

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

Stadion has several affiliations material to its advisory business. A description of each is provided below.

### Registered Personnel

Certain of Stadion’s management persons or other personnel of Stadion, or one or more affiliates of Stadion, may be registered from time to time as registered representatives of the principal underwriter for the Stadion Funds (the “Distributor”) to facilitate certain marketing activities on behalf of Stadion and the Stadion Funds. Any activities performed by such persons requiring such registration is supervised by the Distributor. Stadion does not direct any of its brokerage to, or execute any trades through, such persons.

### Stadion Funds

Stadion is the investment adviser of the Stadion Funds, each of which is a series of the Stadion Investment Trust. The Stadion Investment Trust is governed by a Board of Trustees. A majority of the Trustees are independent of Stadion.

### Collective Investment Funds

Stadion is the sub-adviser to CIFs created and administered by Benefit Trust Company as trustee. Stadion is not affiliated with Benefit Trust Company.

### Insurance Separate Accounts

Stadion is the sub-adviser and investment manager to certain sub-accounts of Insurance Separate Accounts established by Lincoln National Life Insurance Company and Mutual of Omaha Life Insurance Company. Stadion also acts as an investment manager utilizing investments residing in Insurance Separate Accounts and/or Group Variable Annuities established at Minnesota Life Insurance Company, CMFG Life Insurance Company, EPIC Advisors, Inc., Ameritas Life Insurance Corp. and Nationwide Life Insurance Company.

### Related Investment Adviser Entities

Certain investment funds affiliated with TA Associates, L.P. and its subsidiaries (collectively, “TA”) own a significant interest in Stadion and, accordingly, TA may be considered to “control” Stadion and further to be a “related person” of Stadion. Further, TA also controls TA Associates Management, L.P., an investment adviser registered with the Securities and Exchange Commission. Stadion and TA do not conduct joint operations and Stadion does not provide investment advice to its clients that is formulated by TA.

Certain TA-affiliated entities serve as general partners of investment-related limited partnerships and/or advisers of other private funds. A supplementary list of these limited partnerships and other private funds is available upon request. None of Stadion’s clients are solicited to invest in these limited partnerships or other private funds.

### Conflicts of Interests

Conflicts of interests may arise where Stadion recommends that clients invest in the Stadion Funds or in Insurance Separate Accounts and Collective Investment Funds for which Stadion serves as adviser or sub-adviser. Stadion receives direct benefits from investments in Stadion Funds, and may receive indirect benefits if a client is introduced to the sponsor of, and invests in, the Collective Investment Funds or an Insurance Separate Account discussed above. To minimize these conflicts, assets invested in Stadion Funds will not be charged a separate management fee; however, clients should note that the management fees and expenses of investments in Stadion Funds may be higher than Stadion’s Separate Account Management Program fees. For assets invested in Stadion-managed Insurance Separate Accounts that are investment options under applicable insurance company retirement platforms, Stadion will not receive (i.e. waive) any additional fee for investment advisory services rendered to Stadion-managed Insurance Separate Accounts. Stadion’s employees and representatives make recommendations based upon client needs without regard to their own personal benefit.

Conflicts may arise when clients have assets at custodians that are different than the custodian of the Stadion Investment Trust, Collective Investment Funds or Insurance Separate Accounts. Stadion has implemented a block rotation process, so that over time no custodial block will be favored over another when Stadion places orders for execution. Stadion may execute transactions for itself and its employees. Such transactions are included in their appropriate custodial block. Stadion includes non-discretionary investment recommendations, research or trading signals provided to other registered investment advisers in its block rotation process. Even so, the timeliness and the ability of other registered investment advisers to execute trades on a non-discretionary basis may subject participant accounts to follow the execution of Stadion’s discretionary trades. Participant accounts may be disadvantaged since their trades will generally be made after the discretionary block trades and may result in different execution prices. Stadion employees may invest in the Stadion Funds. Stadion has Personal Trading Policies to review employee investments pursuant to its Code of Ethics. See Item 11 (Code of Ethics).

Conflicts of interests may arise where Stadion recommends that clients invest in guaranteed income contracts or stable value accounts (“GIC/SVA”) issued by a plan provider sponsor where Stadion’s Retirement Account Management Program services are offered. To minimize these conflicts, Stadion conducts an analysis on the prudence of the investment, the credit quality of the issuer and an arms length, independence analysis for assets invested in GIC/SVA. Stadion does not receive any additional compensation from assets invested in GIC/SVA.

*StoryLine*. Stadion has entered into an agreement with State Street Global Advisors, a division of State Street Bank & Trust Company, and certain of its affiliates (“State Street”) that obligates Stadion, among other things, to utilize within the “*StoryLine. Built with SPDR ETFs*” product (with certain exceptions) only ETFs that bear the SPDR® trademark and to market the StoryLine product as “StoryLine Built with SPDR® ETFs” (the “SSGA Agreement”). Under the SSGA Agreement, Stadion is entitled to receive from State Street an annual payment, reimbursement for certain marketing and educational services, marketing and distribution assistance and other benefits. These payments and other benefits create conflicts of interests when Stadion recommends that clients engage Stadion to provide the StoryLine product. These conflicts may be mitigated, however, by the fact that, as described above, the party engaging Stadion to provide the StoryLine product will select and continuously monitor the platform of investments.

## **Item 11 – Code of Ethics**

Stadion has established a Code of Ethics designed to prevent conflict of interest situations. The Code of Ethics provides, among other things, that:

- All Stadion officers, directors and employees (“Stadion Personnel”) must reflect the professional standards expected of persons in the investment advisory business by being judicious, accurate, objective and reasonable in dealing with both clients and other parties.
- All Stadion Personnel must comply with applicable federal securities laws.
- Stadion Personnel will place the interests of Stadion’s clients ahead of any personal interests, except as may otherwise be approved or disclosed to clients.

The Code also requires that Stadion’s investment recommendations and actions, and personal, non-public information regarding clients be kept confidential and not be provided to third parties, other than service providers in the ordinary course of business.

Stadion’s Code of Ethics includes policies on trading on insider information (“Insider Trader Policies”) and policies on personal trading (“Personal Trading Policies”) by Stadion Personnel with access to investment decisions (“Access Persons”). The Insider Trading Policies are designed to detect and prevent the misuse of material non-public information by Stadion Personnel. The Personal Trading Policies are designed to protect the interests of clients by placing restrictions on personal trading by Access Persons. The Personal Trading Policies also require regular reporting of securities transactions by Access Persons, and annual certifications from Access Persons regarding portfolio holdings and compliance with the Code.

Disciplinary actions, including dismissal, may be imposed for violations of the Code of Ethics by Stadion Personnel. You may request a copy of Stadion’s Code of Ethics by contacting Stadion.

## **Stadion Funds**

As explained under Item 5 (Fees and Compensation), Stadion may recommend that certain clients in Stadion’s sponsored wrap program (e.g., clients with accounts under \$500,000) invest in one or more of the Stadion Funds. However, client assets invested in a Stadion Fund will not be charged separate management fees by Stadion, and such recommendations will be made when Stadion believes it is the most efficient way to manage a client’s account (e.g., due to the size of the account). Clients should note that management and other fees for investments in Stadion Funds may exceed Stadion’s separate account fees.

## Stadion Managed Insurance Separate Accounts

As explained under Item 5 (Fees and Compensation), Stadion may invest assets of retirement plan participants - that have engaged Stadion under a participant choice agreement, a QDIA arrangement, or StoryLine agreement - in Stadion-managed Insurance Separate Accounts that are investment options under applicable insurance company retirement platforms. However, Stadion will not receive (i.e. waive) any additional fee for investment advisory services rendered to Stadion-managed Insurance Separate Accounts.

## **Item 12 – Brokerage Practices**

### Brokerage Selection

Stadion uses both quantitative and qualitative judgments for best execution. Best price, giving effect to commissions and other transaction costs, is an important factor, but the selection also involves the quality of brokerage services, factoring in such criteria as execution capability, willingness to commit capital, creditworthiness, financial stability, clearance and settlement capability and research.

All securities transactions are executed through brokers, dealers or other financial intermediaries who are unaffiliated with Stadion. In selecting broker-dealers for client transactions, consideration is given to such factors as the rate of commission, the type and price of the security, the size of the order, the execution and operations capability of the broker, and the reliability, effectiveness of communication, the integrity and financial condition of the broker, and other factors. While Stadion generally seeks the best price available under the circumstances, each transaction may not necessarily reflect the best price or lowest commission rate. Stadion and its employees are to focus on establishing processes, disclosures and documentation, which together form a systematic, repeatable and demonstrable approach to seeking best execution in the aggregate.

Stadion may, consistent with its duty of best execution and Stadion's specific agreement with each client, effect trades for client accounts through broker-dealers that provide Stadion with access to their respective institutional trading platforms, networks and services, which are typically not available to retail investors ("Institutional Benefits"). These Institutional Benefits may include software, web interfaces and other technology made available to Stadion that assist Stadion in managing and trading client accounts by, without limitation: (i) providing electronic real-time access to client account data (such as trade confirmations and account statements); (ii) facilitating trade execution and allocating aggregated trade orders for multiple client accounts; (iii) providing research, pricing and other market data tools for Stadion's use; (iv) facilitating payment of Stadion's fees from clients' accounts; and (v) assisting with Stadion's back-office functions, recordkeeping and client reporting. Stadion may, in evaluating whether to recommend a broker-dealer or trade a client's account with a broker-dealer, take into account the broker-dealer's provision of Institutional Benefits as part of the total mix of factors it considers.

The foregoing Institutional Benefits do not constitute "soft dollar" arrangements because they are provided without regard to whether Stadion requests them, and without regard to the volume of trading that Stadion does with the broker-dealer (i.e., client account trades do not generate soft dollars used to pay for the products and services the broker-dealer provides). However, they are products and services that are provided to Stadion to assist Stadion in managing client accounts because its clients use the broker-dealer for custody and/or trading. Accordingly, clients and potential clients should be aware that Stadion may face a conflict of interest in recommending or selecting a broker-dealer for trading in order to receive some or all of the Institutional Benefits.

*Information regarding Step-Out Transactions in Wrap Fee Programs.* Under a typical wrap fee program, clients are not charged a commission on trades executed through the sponsor firm. However, Stadion may place orders with broker-dealers other than the sponsor firm of a wrap fee program (trades commonly known as “step-out transactions”) as and when Stadion determines a step-out transaction is consistent with its duty to seek best execution. For most clients, all or nearly all of the transactions for their accounts will be traded away from the sponsor firm. In such instances, executing broker-dealers will impose commissions or mark-ups/mark-downs on those orders and the sponsor of the wrap fee program may also charge a fee in connection with each such step-out transaction, all of which will be charged to the client’s account in addition to the wrap fee. The executing broker-dealer’s commissions or mark-ups/mark-downs are netted into the price received for a security and will not be reflected as individual items on the client trade confirmation. Please check with your sponsor firm to determine whether there are options available to you (such as unbundling certain trading fees from your wrap fee) to reduce the overall costs and expenses incurred by your account.

#### Soft Dollars

Stadion does not engage in soft dollar transactions.

#### Directed Brokerage

Stadion may accept directed brokerage instructions from clients in writing in its sole discretion. When a client directs brokerage, Stadion, due to a lack of discretion, may not achieve most favorable execution of client transactions, and the client may pay higher brokerage commissions. Generally, clients utilizing Stadion’s non-sponsored Separate Account Management Program through various investment advisory platforms will direct Stadion to use the affiliated broker of the client’s custodian.

#### Aggregated Trades

Stadion aggregates blocks across custodians wherever possible. However, some custodial relationships prevent Stadion from including those accounts in the same block. In these cases, Stadion may aggregate trades for client accounts at the same custodian into a “block”. If Stadion has multiple blocks making the same trade, Stadion’s general policy is to use a block rotation process to enter trade orders for execution. In addition, you should note that Stadion may also aggregate trades for itself or for its access persons with client trades, provided that the applicable account participates in its respective block. Notwithstanding the foregoing, Stadion may, where the portfolio manager or trader determines that it is advisable, consider performing step-out allocations in order to protect the execution for all blocks on a net of commission basis rather than utilize the block rotation process.

#### End of Day Execution Strategies

Stadion may utilize “market on close” orders or seek execution strategies to trade at, into, or near the market close for its portfolios. A “market on close” order is a market order that is to be executed as close to the closing price as possible. Should Stadion utilize these execution strategies for its portfolios, certain clients utilizing directed brokerage may have their orders entered the following trading day, and at a different price, due to operational limitations with their respective custodians.

### **Item 13 – Review of Accounts**

Stadion reviews client accounts regularly for consistency with the applicable model portfolio. The Director of Operations, Senior Systems Analyst, Account Specialist, Software Engineer, and Portfolio Management Team conduct the reviews. The Portfolio Management Team will make changes, as the



Portfolio Management Team determines are appropriate, to bring an account in line with its model portfolio.

Stadion requires that clients select custodians that issue at least quarterly reports. Such reports include a complete listing of account assets priced as of period end, and show all transactions occurring during the period.

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

### **Solicitor Referrals**

Stadion previously engaged solicitors to refer potential clients to Stadion for investment advisory services in compliance with the requirements of Rule 206(4)-3 under the Advisers Act. As of April 1, 2017, Stadion no longer pays solicitor compensation.

### **Retirement Account Administrative and Marketing Services**

Stadion may pay a portion of the investment management fee for managed qualified plan accounts to the plan's administrator as compensation for administrative services associated with the management of qualified plan accounts, for the development and maintenance of transaction interfaces to Stadion, and for providing Stadion with marketing and administrative support services that facilitate the wholesale marketing of Stadion services to plan sponsors.

### **Other Compensation**

Stadion services may be marketed by various third-party wholesaling organizations and/or third party administrators who may also receive compensation from Stadion for education, training and sales support services offered on behalf of Stadion. Stadion may also pay (out of its own resources) commissions to brokers that sell shares of Stadion Funds. Clients may contact Stadion at any time for additional information regarding the amount of fees paid to any third party.

## **Item 15 – Custody**

Client funds and securities are maintained with an unaffiliated "qualified custodian". It is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Stadion of any questions or concerns. Clients should promptly notify Stadion if the custodian fails to provide statements on each account held.

## **Item 16 – Investment Discretion**

For client accounts over which Stadion has investment discretion, Stadion has this authority pursuant to the terms of the client's investment management agreement with Stadion.

When selecting securities and determining amounts, Stadion observes the investment policies, limitations and restrictions of the particular client. For registered investment companies, Stadion's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Clients have the opportunity to impose reasonable restrictions on the management of the Client's portfolio, provided such restrictions are provided to Stadion in writing and agreed to by Stadion.



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

In general, Stadion votes proxies for the Stadion Funds and certain other clients. In voting proxies for clients, Stadion is committed to voting in the manner that serves the best interests of the client (e.g., the fund and its shareholders or individual clients).

Stadion has appointed a proxy voting manager, Brad Thompson (the “Proxy Manager”), and adopted specific voting guidelines (the “Voting Guidelines”) to follow when voting proxies for the Stadion Funds. In determining the appropriate vote for a proxy, the Proxy Manager takes into consideration what vote is in the best interests of clients consistent with the provisions of Stadion’s Voting Guidelines. Stadion will not allow clients to direct Stadion’s vote.

In cases where Stadion is aware of a conflict between the interests of a Stadion Fund or another client and the interests of Stadion or an affiliated person of Stadion (e.g., a portfolio company is a client or an affiliate of a client of Stadion), Stadion will notify the applicable Stadion Fund or the other client (as appropriate) of the conflict and will vote the applicable shares in accordance with the Stadion Fund’s or other client’s instructions.

If you would like a copy of Stadion’s Proxy Voting Policy (which includes Stadion’s Voting Guidelines), you may contact us at the address and phone number below. In addition, if you are a shareholder of a Stadion Fund, we will provide you with a record of how Stadion voted proxies for the Stadion Fund or your client account upon request. Information regarding how Stadion voted proxies for each Stadion Fund will also be available through the SEC’s web site, [www.sec.gov](http://www.sec.gov).

## **Item 18 – Financial Information**

Stadion does not require or solicit prepayment of fees six months or more in advance, and Stadion currently does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.



PART 2B of Form ADV: Brochure Supplement

Stadion Money Management, LLC

1061 Cliff Dawson Rd.

Watkinsville, GA 30677

800-222-7636

[www.stadionmoney.com](http://www.stadionmoney.com)

March 26, 2020

Judson P. Doherty, CFA \*

Bradley A. Thompson, CFA \*

William McGough, CFA \*

Duane L. Bernt, CFA, FSA \*

Dale C. Williams

\*Investment Committee Member for Stadion Money Management LLC

This Brochure Supplement provides information on our personnel listed above and supplements the Stadion Money Management LLC (“Stadion”) Brochure. You should have also previously received a copy of the Brochure.

If you have not received our firm’s Brochure, have any questions about professional designations or about any content of this supplement, please contact us at 800-222-7636.

Additional information about Stadion and its personnel is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Additionally, a Summary of Professional Designations is included with this Part 2B Brochure Supplement. The list is provided to assist you in evaluating the professional designations that certain of our investment professionals hold.

## **Judson P. Doherty, CFA**

*Chief Executive Officer, President, Investment Committee Member, Board of Managers Member*

### Item 2 – Educational Background and Business Experience

Year of birth: 1969

Educational background: Vanderbilt University, BA Economics, 1991

Business background:	2001 – present	Stadion Money Management
	1999 – 2000	Aon Investment Consulting
	1994 – 1999	BPS&M

### Item 3 – Disciplinary Information

None

### Item 4 – Other Business Activities

Judson P. Doherty serves as President for the Stadion Investment Trust, for which Stadion is the investment adviser. The Stadion Investment Trust is governed by a Board of Trustees, a majority of which are independent of Stadion.

### Item 5 – Additional Compensation

None

### Item 6 – Supervision

Judson P. Doherty reports to Stadion's Board of Managers. Michael Isaac, Stadion's Chief Compliance Officer (706-583-5230), supervises Mr. Doherty's advisory activities. This supervision takes various forms, including: reviewing communications and advertisements, conducting regular meetings and various internal controls related to supervised persons.

## **Bradley A. Thompson, CFA**

*Chief Investment Officer, Investment Committee Member*

### Item 2 – Educational Background and Business Experience

Year of birth: 1964

Educational background: University of Georgia, BBA Finance 1986

Business background:	2006 – present	Stadion Money Management
	1998 – 2006	Global Capital Advisors
	1996 – 1999	AAPG, Inc.

### Item 3 – Disciplinary Information

None

### Item 4 – Other Business Activities

None

### Item 5 – Additional Compensation

None

### Item 6 – Supervision

Bradley A. Thompson reports to Judson P. Doherty, Stadion's President and CEO (706-583-5207). Michael Isaac, Stadion's Chief Compliance Officer (706-583-5230), supervises Mr. Thompson's advisory activities. This supervision takes various forms, including: reviewing communications and advertisements, conducting regular meetings and various internal controls related to supervised persons.

## **Duane L. Bernt, CFA, FSA**

*Chief Financial Officer, Investment Committee Member*

### Item 2 – Educational Background and Business Experience

Year of birth: 1970

Educational background: University of Nebraska, BS, 1992

University of Pennsylvania - Wharton School, MBA, 2005

Business background:	2011 – present	Stadion Money Management
	1998 – 2011	Lincoln Financial Group
	1992 – 1998	CIGNA

### Item 3 – Disciplinary Information

None

### Item 4 – Other Business Activities

Duane L. Bernt serves as Treasurer for the Stadion Investment Trust, for which Stadion is the investment adviser. The Stadion Investment Trust is governed by a Board of Trustees, a majority of which are independent of Stadion. Mr. Bernt is also a board member for the Interfaith Hospitality Network of Athens, an organization that provides shelter to homeless families. Mr. Bernt provides advice regarding staffing oversight and strategic planning.

### Item 5 – Additional Compensation

None

### Item 6 – Supervision

Duane L. Bernt reports to Judson P. Doherty, Stadion's President and CEO (706-583-5207). Michael Isaac, Stadion's Chief Compliance Officer (706-583-5230), supervises Mr. Bernt's advisory activities. This supervision takes various forms, including: reviewing communications and advertisements, conducting regular meetings and various internal controls related to supervised persons.

## **William T. McGough, CFA**

*Portfolio Manager & CIO - Retirement*

### Item 2 – Educational Background and Business Experience

Year of birth: 1981

Educational background: University of Georgia, BBA Finance 2003

Business background: 2003 – present Stadion Money Management

### Item 3 – Disciplinary Information

None

### Item 4 – Other Business Activities

None

### Item 5 – Additional Compensation

None

### Item 6 – Supervision

William T. McGough reports to Bradley A. Thompson, Stadion's Chief Investment Officer (706-583-5234). Bradley A. Thompson and Michael Isaac, Stadion's Chief Compliance Officer (706-583-5230), supervise Mr. McGough's advisory activities. This supervision takes various forms, including: reviewing communications and advertisements, conducting regular meetings and various internal controls related to supervised persons.

## **Dale C. Williams**

*Sales Director*

### Item 2 – Educational Background and Business Experience

Year of birth: 1950

Educational background: Gordon College, 1974

Business background:	2005 – present	Stadion Money Management
	1978 – 2005	Delta Airlines

### Item 3 – Disciplinary Information

None

### Item 4 – Other Business Activities

None

### Item 5 – Additional Compensation

None

### Item 6 – Supervision

Dale C. Williams reports to David Lacusky, Stadion's Chief Distribution Officer (610-731-5404). David Lacusky and Michael Isaac, Stadion's Chief Compliance Officer (706-583-5230), supervise Mr. Williams' advisory activities. This supervision takes various forms, including: reviewing communications and advertisements, conducting regular meetings and various internal controls related to supervised persons.

## **SUMMARY of PROFESSIONAL DESIGNATIONS**

This Summary of Professional Designations is provided to assist you in evaluating the professional designations and minimum requirements of our investment professionals who hold these designations.

### **CFA - Chartered Financial Analyst**

Issued by: CFA Institute

Prerequisites/Experience Required: Candidate must have an undergraduate degree and four years of professional experience involving investment decision-making, or have four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Study program (250 hours of study for each of the 3 levels)

Examination Type: 3 course exams

Continuing Education/Experience Requirements: None

### **FSA – Fellow of the Society of Actuaries**

Issued by: Society of Actuaries

Prerequisites/Experience Required: There are no formal prerequisites for taking the Society of Actuaries' fellowship-level examinations and modules.

Educational Requirements: Requirements to attain the FSA designation include examinations, e-Learning courses and modules, validation of educational experiences outside the SOA Education system (VEE), a professionalism seminar and the Fellowship Admissions Course.

Examination Type: Series of course exams covering general and specialty tracks

Continuing Education/Experience Requirements: Annual Society of Actuaries Continuing Professional Development Requirements