



StanCorp Investment Advisers, Inc. Form ADV 2A Brochure

March 2021

Item 1 – Cover Page

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

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

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

Item 2 – Material Changes

The last annual update of this brochure was in May 2020. Since the last update, no material changes have occurred.

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Item 4 – Advisory Business

In May 2000, StanCorp Investment Advisers was incorporated under the laws of the State of Oregon and registered with the Securities and Exchange Commission to act as a registered investment adviser under the Investment Advisers Act of 1940.

StanCorp Investment Advisers is part of StanCorp Financial Group that is owned by Meiji Yasuda Life Insurance Company, a mutual insurance company headquartered in Tokyo, Japan.

The services we offer include:

1. Advisory services to the retirement plan clients of Standard Insurance Company and Standard Retirement Services, Inc., consisting of:
 - fund selection and monitoring for group annuity separate accounts and the Standard Retirement Services' Net Asset Value platform;
 - development and maintenance of model asset allocations for defined contribution plans;
 - fund portfolio construction for defined benefit plans;
 - assistance with selecting funds for specific retirement plan menus and portfolios;
 - professional account management, personalized asset allocation and customized automatic contribution increases for Mainspring Managed participants;
 - quarterly monitoring reports reflecting the plan-level performance of mutual funds offered to the plan sponsor; and
 - quarterly account statements for Mainspring Managed participants.
2. Investment advice to the Reliance Advisory Portfolio Collective Trusts, a series of 14 collective trusts owned by Reliance Trust that:
 - invest in unaffiliated mutual funds representing a broad range of asset categories;
 - have 10 fully diversified portfolios and four style-based portfolios, each representing the large, small, and mid-cap, fixed income, and international equity categories; and
 - are only available to clients of Standard Retirement Services.

Our advisory services are designed to meet the investment needs of retirement plan participants within the parameters determined by the plan sponsors. Plan sponsors can elect or prohibit certain types of mutual funds to be used in the plan. Our asset allocation models and portfolios are constructed to invest the clients' assets according to their long-term objectives and risk tolerances; they do not allow for individual selection of investment options.

We do not participate in wrap fee programs.

Our total Regulatory Assets Under Management as of March 1, 2021 were \$26,568,899,717. Of that, \$16,852,181,470 was managed on a discretionary basis, and \$9,716,718,247 was managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Retirement plan clients pay Standard Retirement Services an asset-based fee for administrative, recordkeeping services and, if applicable, advisory services provided to plans and plan participants. Plan sponsors may select to be invoiced for the asset-based fee or to have proportionate shares deducted from participant account assets. Fees are billed or deducted in arrears for each quarter.

Plan sponsors may select to be charged for fiduciary advisory services described in this Form ADV through one of two options – 1) a fee for Fiduciary Investment Advisory services and/or Fiduciary Investment Management services that is separate from the fee charged by Standard Retirement Services for its administrative services, or 2) one fee which covers the services provided by StanCorp Investment Advisers and Standard Retirement Services. If the plan sponsor elects to pay separately for

fiduciary advisory services, the maximum fees will not exceed 10 basis points of the value of the plan assets. The fee that the plan agrees to pay is documented and is part of the total fee outlined in the Administrative Services Agreement.

Factors considered and discussed with a plan sponsor when proposing a fee for services include, but are not limited to, the size of the plan, complexity of the services required, extent of the plan's relationship with us and our affiliates, competitive conditions in the marketplace, and whether a proprietary product is selected by the plan sponsor or its designated fiduciary as an investment option. Standard Retirement Services can also waive fees for Fiduciary Investment Advisory services and/or Fiduciary Investment Management services.

If a plan sponsor has elected Standard Stable Asset Fund as the investment option for its Cash Equivalent asset class, they can also elect to use a portion of the return generated by the Standard Stable Asset Fund (see Item 8) to reduce the asset-based fee. Both the return and asset-based fee would reflect the reduction authorized by the plan sponsor and the rate of return could be below the guaranteed minimum rate after the offset is applied.

If the plan sponsor had not elected to take a reduction in the return to offset against the fee, the assets in the account could have earned a higher rate of return and been charged a higher fee.

Participants enrolled in the Mainspring Managed service can also pay Standard Retirement Services a per-participant fee.

In accordance with an intercompany agreement between StanCorp Investment Advisers and Standard Retirement Services, Standard Retirement Services collects fees on our behalf and is contractually obligated to pay us a fixed annual fee for providing investment advisory services to all Standard Retirement Services clients who elect to receive such services. Any amount over what Standard Retirement Services collects from all of the plans for advisory services and what it is obligated to pay us annually is retained by Standard Retirement Services as its revenue for making our services available on its retirement services platform. Any shortfall is paid by Standard Retirement Services from its revenue.

Retirement plan clients may terminate our services with a 60-day notice.

Portfolios that include mutual funds and/or ETFs can have a layered fee structure. The funds' expenses, including any management fees, are deducted from the value of the mutual funds. These expenses are in addition to SIA's fees, if any, for its services, and the fees reduce investment returns. We can either recommend mutual funds that are no-load or those having a 12b-1 fee, as appropriate. No-load funds have no sales charges included in their expenses, and 12b-1 fees are sales charges that are incorporated into the expense ratio and, therefore, the price of the fund. In no case does StanCorp Investment Advisers receive compensation from mutual fund companies. If a 12b-1 fee is paid, it is returned to the plan sponsor as a reduction of Standard Retirement Services' asset-based fee.

In some cases, clients pay additional fees to the custodian.

Clients purchase the investments we recommend through unaffiliated custodians or through Standard Insurance Company. Standard Insurance Company pays us a fixed retainer for wholesaling its group annuity contracts and Standard Stable Asset Fund.

Item 6 – Performance-based Fees

We do not offer performance-based fee schedules.

Item 7 – Types of Clients

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

We also offer services to endowments and other organizations.

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

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

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

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

Standard Stable Asset Fund is a general account group annuity product issued by Standard Insurance Company. Amounts contributed and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of Standard Insurance Company.

Standard Stable Asset Fund is neither a mutual fund nor a bank product and is not insured by the FDIC or any other federal governmental agency. Standard Insurance Company periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. Standard Stable Asset Fund may not be available in all states. Information on Standard Stable Asset Fund may be obtained by contacting your Standard Insurance Company representative. (See Item 5 for additional information on Standard Stable Asset Fund.)

Item 9 – Disciplinary Information

We have no disciplinary actions to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

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

Members of our senior management team are also officers of one or more of the sister subsidiaries and can be engaged in the business of those subsidiaries in addition to the responsibilities they have to our firm, which could also include serving as registered representatives or principals of StanCorp Equities.

Standard Retirement Services provides recordkeeping, administrative, and compliance services to retirement plans. It receives compensation for these services from plans in accordance with its Administrative Service Agreement with the plans. We are compensated for the investment advice we provide, if elected by plan sponsors, as part of a bundled service arrangement agreed to between the plan and Standard Retirement Services. As described in Item 5 above, we receive a flat fee from Standard Retirement Services to provide advisory services. We are not compensated on the basis of the investment(s) offered by the plan. Standard Insurance Company is compensated as the issuer of the Standard Stable Asset Fund, if a plan sponsor or its designated fiduciary (other than us or our

affiliates) selects it as an investment option for the plan. Employees of StanCorp Equities, Inc., our broker-dealer affiliate, receive additional compensation when the Standard Stable Asset Fund is included in the plan.

Such employees, who are also registered through us, do not individually provide investment advice regarding the Standard Stable Asset Fund. Also, StanCorp Equities does not serve as a broker-dealer for plan assets and does not transmit or execute trades.

Current regulations do not permit us or our affiliates to recommend the Standard Stable Asset Fund to plan sponsors and plan participants. In connection with Mainspring Managed, once a plan sponsor, or its designed fiduciary (other than us or our affiliates), selects the Standard Stable Asset Fund as the cash equivalent investment option for the allocation models in Mainspring Managed, we will allocate participant funds to the Standard Stable Asset Fund in accordance with the allocation percentage for the cash equivalent sleeve in the models.

As a fiduciary under the Employee Retirement Income Security Act of 1970, as amended, we mitigate any conflict of interest associated with our allocating assets to the Standard Stable Asset Fund by complying with the conditions of the statutory exemption for investment advisers provided in §408(b)(14) and §408(g) of ERISA and related regulations. The advice we give to plan participants with respect to Mainspring Managed is audited annually by an independent auditor for compliance with ERISA, and the auditor furnishes the plan's authorizing fiduciary a copy of their findings within sixty (60) days of completion of the audit.

Item 11 – Code of Ethics

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

Item 12 – Brokerage Practices

When applicable, we have the discretion to determine the broker and/or institution with which trades are executed, the specific securities that are purchased and the size of transactions without prior client consent, within client established guidelines.

Transactions for endowments and other clients are executed through a custodian platform. The basis for recommendation of the custodian includes availability of low-cost, high-quality mutual funds offered, transaction costs, and the accuracy and quality of trade execution and overall client service. We do not execute trades for soft dollar benefits, nor do we have directed brokerage arrangements.

Item 13 – Review of Accounts

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

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

Item 14 – Client Referrals and Other Compensation

We have third-party solicitor agreements with a limited number of firms to define the roles and responsibilities associated with shared retirement plan client relationships but stopped accepting new solicitor agreements in 2014. Solicitor compensation is calculated as a percentage on assets subject to each retirement plan services agreement; the percentage rate is based on individual plan details.

In the past, we participated in the Schwab Advisor Network, a service designed to help investors find an independent investment advisor. Schwab is a broker dealer independent of and unaffiliated with our

firm; does not supervise our activities; and has no responsibility for our management of client portfolios or our other advice or services. We no longer pay Schwab fees to receive client referrals through the service nor ongoing fees for past referrals.

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

Item 15 – Custody

We do not physically hold client assets, as plan assets are held by custodians. Plan participants receive plan account statements from our affiliate, Standard Retirement Services or Standard Insurance Company, as applicable, and plan sponsors receive plan account statements from the custodians and can access Standard Retirement Services PlanNet quarterly reports. Plan sponsors and plan participants should carefully review their account statements and notify us or Standard Retirement Services immediately upon discovery of any error. Plan sponsors should also compare the plan account statement they receive from the custodian against PlanNet quarterly reports and notify us or Standard Retirement Services and the custodian immediately upon discovery of any error.

Item 16 – Investment Discretion

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

Item 17 – Voting Client Securities

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

Item 18 – Financial Information

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