

**Form ADV Part 2A: Firm Brochure**  
Advisory Services to MetLife ExpertSelect Program

**Morningstar Investment Management LLC**  
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March 27, 2023

**This brochure provides information about the qualifications and business practices of Morningstar Investment Management LLC. If you have any questions about the contents of this brochure, please contact us at 312.696.6000 or send an email to [compliance@morningstar.com](mailto:compliance@morningstar.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 Morningstar Investment Management LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Morningstar Investment Management LLC is registered with the SEC as a registered investment adviser. Registration with the SEC does not imply a certain level of skill or training.**

All current versions of our firm brochures are available in the Part 2 Brochures section of this record on the SEC’s website. You can request a copy of our current brochure free of charge by contacting our Compliance Department at 312.696.6000, or by email to [compliance@morningstar.com](mailto:compliance@morningstar.com). In your request, please indicate the name of the company (Morningstar Investment Management) and the service brochure (MetLife Expert Select Program) you are requesting.

**Item 2. Material Changes**

The *Advisory Services to MetLife ExpertSelect Program* Firm Brochure dated March 27, 2023 contains no material changes since our last annual update dated March 24, 2022.

The non-material changes since our last annual update are:

*Item 4. Advisory Business* was updated to clarify the process used with our Program services and to reflect our assets under management and advisement as of December 31, 2022.

*Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss* was updated to reflect our current methods of analysis.

*Item 10. Other Financial Industry Activities and Affiliations* was updated to provide current information about the two groups within Morningstar Investment Management LLC – Morningstar Retirement<sup>SM</sup> and Morningstar Wealth<sup>SM</sup> – and the services Morningstar Wealth offers. We removed information about using some members of Morningstar’s Investment Management group as “participating affiliates,” as we do not currently use any affiliates or their employees to provide certain services under an intercompany participating affiliate agreement. Finally, we added information about a new Morningstar Retirement team consisting of employees of our affiliate located in Toronto, Canada.

*Item 14. Client Referrals and Other Compensation* was updated to reflect the Advisers Act rule change from Rule 206(4)-3(a)(2)(ii) to Rule 206(4)-1 for the payment of direct or indirect cash or non-cash payments to parties who recommend our services and to note that disclosures are provided to solicited clients at the time of the solicitation to make them aware of the arrangement between us and the solicitor, that the solicitor has a financial interest in recommending us to the client, other material conflicts of interest, and the terms of any compensation paid to the solicitor as a result of the referral.

We made other edits where necessary to correct grammar or punctuation, to provide clarification or further information, for consistency in terminology or content, or to improve the readability of the brochure.

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### Item 4. Advisory Business

Morningstar Investment Management LLC (“Morningstar Investment Management”, “we”, “us” or “our”) is a Delaware limited liability company that was incorporated in 1999. Morningstar Investment Management is a wholly owned subsidiary of Morningstar, Inc. (“Morningstar”). Morningstar is a publicly traded company (Nasdaq Ticker: MORN) with Mr. Joseph Mansueto, Executive Chairman of Morningstar, holding more than 30% of Morningstar’s outstanding shares. Because of that ownership, Mr. Mansueto is an indirect owner of Morningstar Investment Management.

Morningstar Investment Management is registered with the SEC under Section 203(c) of the Investment Advisers Act of 1940, as amended (“Advisers Act”). Morningstar Investment Management has filed the appropriate notices to conduct business in all 50 states, the District of Columbia, Guam, and the Commonwealth of Puerto Rico. Morningstar Investment Management is registered with the U.S. Commodity Futures Trading Commission as a Commodity Pool Operator (“CPO”) and is a member of the U.S. National Futures Association.

Morningstar Investment Management is part of Morningstar’s Investment Management group, a global investment team composed of investment analysts, portfolio managers, and other professionals. The Investment Management group consists of Morningstar’s subsidiaries that are authorized in the appropriate jurisdiction to provide investment management and advisory services. The Investment Management group’s investment and operations teams span the globe, with 9 country offices and primary offices in Chicago, London, and Sydney.

We offer a suite of investment advisory services to individuals, plan sponsors, and institutional clients. This brochure focuses on the products and services we provide to individuals through the MetLife ExpertSelect Program for their retirement plans or retirement accounts. You can obtain a copy of our brochure describing our products and services in our core capabilities of asset allocation, investment selection, and portfolio construction that we offer to institutions such as asset management firms, insurance companies, investment companies, investment fiduciaries, plan sponsors of retirement plans, plan providers of retirement plan services, and other business entities by following the instructions above. This service is provided by a sub-adviser, Morningstar Research Services LLC, who is affiliated with Morningstar Investment Management.

#### Advisory Services We Offer – MetLife ExpertSelect Program

##### *Program Services*

We selected the lineup of mutual funds (each, a “Fund”) available in the MetLife ExpertSelect Program (“Program”) from the universe of funds that MetLife is authorized to offer. We review the universe of Funds using our standard proprietary screening review. The Funds selected for the Program are those that have met our criteria. We do not review the annuity products in connection with the Program or your retirement plan (“Plan.”) On an ongoing basis,

we monitor the Funds in the Program lineup using the same process used in the initial selection of the Funds. This monitoring can result in changes to the Program lineup due to, for example, one or more Funds no longer meeting our criteria. If we determine that a Fund should be removed from the Program lineup, we will identify a replacement from those funds that MetLife may offer that has similar characteristics (e.g., asset class, risk/return) as the Fund being replaced and that meets our selection criteria. In performing this service, we are acting in an advisory capacity to the Program and we are not acting in an advisory capacity to you with respect to the selection and ongoing monitoring of the Funds within the Program. We only provide advisory services to you on a limited basis as described under Participant Services below.

#### *Participant Services*

The Funds in the Program lineup include a broad range of investment alternatives that are diverse and have different risk and return characteristics. The goal of the Program Fund lineup is to give you the ability to build a diversified portfolio of Funds with risk and return characteristics that you feel are most appropriate for your situation. You are solely responsible for deciding how to allocate your Plan account among available investment options in the Plan and your Program account among the Funds available in the Program lineup. We do not offer any advice or recommendation with respect to the purchase or sale of a particular investment option in your Plan or the Funds in your Program lineup, or with respect to the purchase or sale of annuity products.

When a change in the Program lineup occurs, we provide MetLife with a written communication to be distributed to you in advance of the change ("Notification"). For purpose of delivering the Notification, MetLife will use your personal mailing information that you have made available to MetLife through the Plan enrollment process or subsequent notification. If your Program account has a balance in the Fund that is intended to be removed from the Program lineup, you are to contact MetLife to instruct them as to which remaining Fund or Funds you would like that balance to be reallocated and how you would like future contributions to be allocated. If you do not provide such instructions to MetLife on a timely basis prior to the change, we will provide you with certain limited discretionary advisory services, which only include:

- the reallocation of your entire existing account balance in the Fund that is being removed from the Program lineup to the Fund that has been added to the Program lineup in its place; and
- the direction of future contributions to the Fund that has been substituted in the Program lineup.

You can contact MetLife by calling 1-800-543-2520 or by going to [www.mlr.metlife.com](http://www.mlr.metlife.com) for answers to questions about the implementation of a Fund substitution or the Program in general. You are solely responsible for the monitoring of your Program account. You can contact MetLife at any time to change your Fund allocations and/or instructions on how to allocate your future contributions.

The Program and Participant Services to you will terminate:

- if your participation in the Program is terminated,
- if we cease to provide services in connection with the Program, or
- if you elect to invest your Plan account assets in a Plan investment option other than the Program lineup.

#### **Customized Services**

We provide advice based on the universe of investment options available to your Plan through the Program. These investment options include open-end mutual funds. The universe of investment options defined by your plan provider or plan sponsor is subject to change without notice. Particular investment options in this universe may not be appropriate for all investors, and there may be other investment options that are more suitable. We may have more favorable opinions of certain investment options which are not included in the universe of investment options made available through your plan provider or plan sponsor. Our selections are based on qualitative factors and quantitative analysis in addition to the judgment of our analysts.

#### **Wrap Fee Programs**

We do not sponsor a wrap fee program, but we do provide portfolio management services to a wrap fee program offered by our subsidiary, Morningstar Investment Services LLC.

**Assets Under Management**

As of December 31, 2022, the discretionary assets under management for Morningstar Investment Management (rounded to the nearest \$100,000) were:

Retirement Services to Individuals: \$20,507,900,000

Investment Management Services to Institutional Clients: \$31,407,900,000

Total Asset Under Management: \$51,915,800,000

The non-discretionary assets under advisement for Morningstar Investment Management (rounded to the nearest \$100,000) were \$159,525,900,000.

**Item 5. Fees and Compensation**

For the above services, only your Program account (and not any other part of your Plan account, including assets in a Fixed Annuity Account) will be charged an annual asset-based fee of 0.05% in payment for the Program and Participant Services (the “Program Service Fee”). The Program Service Fee is included in the fee for the Program. MetLife, acting as a conduit, will remit the Program Service Fee to us. MetLife does not retain any portion of the Program Service Fee and we do not pay MetLife in connection with the Program. We receive a minimum annual fee for our services. If the aggregate amount of annual Program Service Fees does not reach the annual minimum fee owed to us, MetLife has agreed to pay the difference. The amount of compensation we receive does not change based upon any particular Fund in the Program lineup.

**Payment**

MetLife will debit the Program Service Fee from your plan account and remit that fee to us.

**Other Costs in Connection with Our Advisory Services**

All fees paid by you for the Program and the Participant Services are separate from fees and expenses charged by the investment options or fees that may be charged by a third party, such as your plan provider. The Funds’ fees and expenses are described in a prospectus or its equivalent. These fees will generally include a management fee, other investment expenses, and possibly a distribution fee (e.g., 12b-1). In some cases, an investment option will also charge an initial or deferred sales charge. In addition, Fund transactions within your Program account can result in a redemption fee being charged to your Program account by the underlying Fund or Funds. Such redemption fees are separate and distinct and are in addition to the above-mentioned fees paid for the Program and Participant Services. Neither Morningstar Investment Management nor any of our affiliates or employees receive transaction-based compensation for the investment recommendations we make.

You may have the option to purchase investment products we recommend or similar services through other investment advisers or financial professionals not affiliated with us.

**Compensation from Sales of Securities**

We do not expect, accept or receive compensation for the sales of securities, including asset-based sales charges or service fees from the sale of open-end mutual funds.

**Revenue Sharing Arrangements**

We do not have any revenue sharing arrangements with any registered investment advisers or mutual funds.

**Item 6. Performance-Based Fees and Side-by-Side Management**

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

**Item 7. Types of Clients**

In addition to the services described in this brochure, we also provide managed accounts and advice services to retirement investors and to individuals who are in retirement and investment advisory services to institutional clients such as asset management firms, banking institutions, consultants, endowments, financial institutions, foundations, insurance companies, investment companies, investment fiduciaries, pension or profit sharing plans, third-party advisory programs, trusts, or other business entities. If you would like a copy of our brochures describing these services, please follow the instructions on Page 1 to access the SEC website or contact us at [compliancemail@morningstar.com](mailto:compliancemail@morningstar.com). The services described in this brochure are only available to participants of

403(b) plans that enroll in the Program. We do not require a minimum account balance to use our services, and we generally do not impose any other conditions on your use of our services.

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

### **Investment Philosophy**

Our investment philosophy is driven by the investment principles that are promoted throughout our organization. The principles are intended to guide our thinking, behavior and decision making. These principles have been inspired by a number of the most experienced and successful investors in the last century. These principles also reflect and align with the history and foundation of Morningstar. The investment principles are:

- We put investors first
- We're independent-minded
- We invest for the long term
- We're valuation-driven investors
- We take a fundamental approach
- We strive to minimize costs
- We build portfolios holistically

### **Morningstar Retirement<sup>SM</sup> Investment Policy Committee**

The Morningstar Retirement Investment Policy Committee is responsible for oversight of the investment methodologies across all Morningstar Retirement's products and services, including those described in this brochure. Members of the Morningstar Retirement's Investment Policy Committee includes the Morningstar Investment Management's chief investment officers - retirement and representatives from the portfolio management, research, automated portfolios solutions, automated advisory products, product management, and business development teams. An investment team provides the investment advice used in the products and services referenced in this brochure.

### *Investment Selection for Investment Lineups*

The lineups we build are limited to a universe of mutual funds (a subset of the entire universe of mutual funds publicly available for purchase by investors) available in the Program. We have no ability to choose the mutual funds that are made available under the Program and may have more favorable options of investment options not included. Our analysis includes quantitative analytics and fundamental research on the investment options available, and holdings-based style analysis to determine an investment's style over time. We draw on Morningstar's comprehensive database of fund and security analytics.

When analyzing investment options or managers for use in a lineup, our goal is to determine their true investment style, identify what we believe to be best-in-class managers, and identify the factors contributing to their performance and risk characteristics with the aim of assessing whether their performance appears to be sustainable over time.

We start with a propriety peer grouping analysis using the available investment options. Once investment options have been placed into their appropriate peer groups, our methodology begins with a quantitative review process. First, we apply a series of screens designed to flag funds that exhibit characteristics that are apt to hinder long-term performance in order to efficiently filter a large universe of investment options to focus our efforts on a more manageable opportunity set. Second, we use a multitude of statistics to begin to assess the overall quality of an investment option. We gather current and historical data points to evaluate investment style, structure, and performance and consider key factors that include fees, management tenure, style consistency, alpha, volatility, fund size, asset class exposure, and holdings concentration.

We conduct further style analyses on managers that pass our initial screens to identify nuances of their strategies. Just as important as selecting qualified managers is determining how well an investment option will fit with other investments in the lineup. We want each investment to fill a distinct stylistic role within a plan lineup, so we carefully assess how it can be expected to complement other options we are recommending in adjacent styles. In general, we want to have a number of strategies investing in a specific space while employing different investment approaches.

To accomplish this, we rely largely on a holdings-based style analysis to build a picture of an investment option's style positioning based on its underlying holdings. This means drilling down to examine the asset class exposure

within the investment option. We evaluate overall diversification to ensure that the investment option is not exposed to undue security or sector specific risk. The goal is to provide a selection of investments that are likely to meet their investment mandate, but also to provide options that differ in their pursuit of that objective.

After an extensive quantitative review, we review an investment from a qualitative perspective. The purpose here is to allow our investment professionals to gain conviction in their investment thesis by developing a firm fundamental understanding of the strategy. Our professionals draw from their extensive experience in evaluating investment managers to analyze the people and process behind the investment. In doing so, our goal is to anticipate how an investment option is likely to be positioned in the future, which helps us build expectations of performance and capability of consistently playing a specific portfolio role.

In our fundamental assessment, we review a number of characteristics of the investment option and its manager that could be relevant to how well it can fill the role for which it is being considered. Those include reviewing the manager's performance and risk record against his or her peers in the same style—not just at the manager's current fund but also any other investment vehicles they've managed in the past. We analyze the subtleties of the manager's investment process to understand what drives performance. We observe which types of markets the investment option fares best in and which types are trouble for its style. We also determine what it is about their style that explains the performance pattern.

We assess whether a manager's investment process leads to a more aggressive or more conservative performance profile relative to its style peers, and how a manager's process might lead to persistent over- or under-weights in certain sectors. We also assess how performance, both absolute and relative to a peer group, has changed as a manager's assets have grown.

We use many factors to evaluate funds depending on the specific situation and the questions we are trying to answer, including investment sub-style, manager skill, impact of asset growth on performance, sources of investment ideas, investment decision-making process, actions in previous market environments, manager ownership, process repeatability, and performance attribution.

#### *Lineup Design and Construction*

When constructing a lineup, we consider issues around choice overload, naïve allocations, and loss aversion. We strive to select investments to fill a distinct stylistic role within a lineup, and carefully assesses how each investment can be expected to fit with other investments. We strive to choose funds that are clearly different from one another, rather than similar or redundant. The goal is to establish a specific role for each investment option in the lineup that minimizes holdings overlap and maximizes diversification.

#### *Managing Lineups*

We formally review investment options in our investment lineups quarterly. However, we are always monitoring our approved investment options and if something occurs intra-quarter that we believe merits immediate action, we will take action outside of the normal review schedule.

#### **Risk of Loss and Strategy Risk**

You should remember that all investments involve risk and will not always be profitable. We do not make any guarantee about the future performance or profitability of your Plan account and its underlying investments, nor do we promise that investments in the Funds in the Program lineup will be profitable. The investment options in the Program lineup are subject to a variety of risks, which could include market, currency, and political risks. We cannot guarantee that negative returns can or will be avoided in any of our recommendations. An investment's future performance can differ substantially from its historical performance and as a result, could incur a loss. Past performance is no guarantee of future results.

Asset allocation and diversification are investment strategies which spread assets across various investment types for long-term investing. However, as with all investment strategies, these strategies do not ensure a profit and do not guarantee against losses.

You should consider the impact, if any, that an investment in or a distribution from your 403(b) account may have on your tax situation. Potential tax consequences can exist. We do not provide tax advice. We encourage you to consult with a tax professional about these and other tax consequences.

## **Information Sources**

Our global resources used in the formulation of our advisory services go down to our roots—the data and analysis from Morningstar, Inc. that form the base of our investment process. This expansive, in-house network of global data and investment analysis spans asset classes and regions to help drive timely new ideas. Morningstar or its affiliates have more than 700-plus analysts and makes data available on more than 600,000 investment options. The extensive data, analysis, and methodologies from these resources, along with external research reports, data, and interviews with investment managers are combined with financial publications, annual reports, prospectuses, press releases, and SEC filings to serve as the basis of our primary sources of information.

For some of our services, we combine this information with other factors—including actuarial data, stock market exposure, probability analysis, and mean-variance optimization—into a proprietary software program to analyze a complex set of market data and variables that results in an advanced model that can provide investment recommendations and a projection of different outcomes.

## **Security Type Risks**

### *Mutual Funds*

Investments in mutual funds involve risk, including loss of principal as a result of changing market and economic conditions and will not always be profitable.

### *Money Market Funds*

A money market fund may impose a fee upon the sale of shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimum because of market conditions or other factors. An investment in a money-market vehicle is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency. For most money market funds, their sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. Although some money market funds seek to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. It is possible to lose money by investing in money market funds.

### *Stable Value Funds and Guaranteed Investment Contracts ("GICs")*

The interest rate on a stable value fund or GIC is typically only guaranteed for a certain amount of time and may vary with changing market conditions. Withdrawal fees or penalties, sometimes substantial, may be charged if you decided to move money out of a stable value fund or GIC. Stable value funds and GICs are less likely to provide long-term protection against inflation, as compared to other options.

### *Annuities*

An annuity is a tax-deferred investment structured to convert a sum of money into a series of payments over time. Annuity contracts have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a death or living benefit, a schedule of payments, a fixed investment amount guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount. Annuities often have surrender charges, which can be substantial, in the event you need to withdraw your investment early. Annuities can be complicated, and an investor should carefully read the insurance company's offering material to understand how a specific annuity's return will be determined. Variable Annuities have a rate of return that varies with underlying investment options in the market, and do not include a guarantee from the insurance company that you will earn a return. Variable annuities typically have high fees and expenses, sales charges, surrender charges, and early withdrawal penalties.

## **Item 9. Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary events that would influence your decision to hire or retain us as your investment advisor. We do not have any material legal or disciplinary events to report.

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

Morningstar Investment Management is a wholly owned subsidiary of Morningstar. Our offerings center around advisory services in our core capabilities of asset allocation, investment selection, and portfolio construction that we offer to individual investors and institutions. Morningstar Investment Management consists of two groups – Morningstar Wealth and Morningstar Retirement<sup>SM</sup>, each of whom offer certain advisory services.

Our portfolio managers and their team members who are responsible for the day-to-day management of our portfolios are paid a base salary plus a discretionary bonus. The bonus is fully or partially determined by a combination of the investment management business unit's overall revenue and profitability, Morningstar's overall annual revenue and profitability, and the individual's contribution to the business unit.

For many of our advisory services, the universe of investment options from which we make our investment selections is defined by our Institutional Client. In some cases, this universe of investment options includes proprietary investment options of the Institutional Client. To mitigate any actual or potential conflict of interests presented by this situation, we subject all investment options to the same quantitative and qualitative investment selection methodology, based on several factors, including performance, risk, and expense so that the proprietary nature of an investment option does not influence our selection.

We provide consulting or advisory services to institutional clients that offer registered or pooled investment products, such as mutual funds, variable annuities, collective investment trusts, or model portfolios. To mitigate the conflict of interest presented by our role in these investment products, we exclude such investment products from the universe of investment options from which we make our recommendations to other clients.

Morningstar Funds Trust is registered with the SEC as an open-end management investment company under the Investment Company Act of 1940, as amended, and has retained us as its investment adviser. The funds within the Morningstar Funds Trust will be used as the underlying holdings for certain Morningstar Wealth portfolios, most notably the mutual fund model portfolios series. The funds within the Morningstar Funds Trust can only be utilized in connection with the model portfolios and separately managed accounts offered by Morningstar's Investment Management group. To mitigate the conflict of interest presented by our role in these investment products, we exclude such investment products from the universe of investment options from which we make our recommendations to other clients, including participants in MetLife's ExpertSelect program. For more information about the Morningstar Funds Trust, please request a copy of our Institutional Advisory Services brochure and visit <http://connect.rightprospectus.com/Morningstar> to view the prospectus.

Morningstar Investment Management is registered as a Commodity Pool Operator with the Commodity Futures Trading Commission. Some of Morningstar Investment Management's employees are registered with the National Futures Association as principals or associated persons.

We receive compensation for our research and analysis activities (e.g., research papers) from a variety of financial institutions including large banks, brokerage firms, insurance companies, and mutual fund companies. In order to mitigate any actual or potential conflicts of interest that arise from this service, we ensure that our research and analytical activities are non-biased and objective given our business relationships. Employees who provide research and analysis for clients are separate from our sales and relationship manager staff in order to mitigate the conflict of interest that an employee may feel pressure to present results in such a way as to maintain existing or gain new business. In addition, methodology updates that impact investment recommendations or decisions are peer reviewed by the Morningstar Retirement Investment Policy Committee, which mitigates the conflict of interest by providing checks and balances so that no employee can act unilaterally in making recommendation decisions.

Our investment professionals provide portfolio construction and ongoing monitoring and maintenance for the portfolios within the Wealth Platform offered by our subsidiary, Morningstar Investment Services and to third-party financial institutions on Morningstar Investment Services' behalf. While the same or similar portfolios are offered by us to our institutional clients, we do not believe these responsibilities create any material conflicts of interest for our clients. In order to mitigate any perceived conflict of interest, when we offer discretionary services for Morningstar Wealth's portfolios, transactions for our clients are placed at the same time as transactions for Morningstar Investment Services' discretionary clients as part of block trades. We have procedures in place to ensure that trades are allocated in such a manner as to not favor one client over another. When we offer portfolios on a non-discretionary basis to third-party institutional clients, our institutional clients receive trade recommendations just after trades are placed for discretionary clients, due to our heightened fiduciary responsibilities to our discretionary clients. In addition, all non-discretionary clients are notified of transaction recommendations after the close of the trading day, so that no one such client has an advantage over another.

When we, along with Morningstar and/or our other affiliates offer services to the same client, we have the option to enter into a bundled agreement with the client that encompasses all or part of those services. Additional fee(s) for such product(s) or service(s), if required, will be set forth in our agreement with the client. In these situations, clients pay a fee directly to us and each such affiliate for its products or services, or as part of a joint fee schedule which encompasses all services.

#### *Affiliations – Investment Management Group Registered Entities*

Morningstar has an Investment Management group that consists of various subsidiaries across the globe that are each registered with the applicable regulatory body or bodies in that country. Morningstar Investment Management LLC consists of two groups –Morningstar Wealth and Morningstar Retirement. We share resources with this global group. Another member of this group, Morningstar Investment Services LLC, is our subsidiary and is also an investment adviser registered under the Advisers Act. Morningstar Investment Services is additionally registered with the Securities and Exchange Commissions as a broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA). Morningstar Investment Services offers model portfolios and separately managed accounts through its role as the sponsor of an investment advisory program known as the Wealth Platform and through third-party financial institutions, plan sponsor services, and retirement plan services for institutional and retail clients.

In some cases, our senior management members have management responsibilities to these other affiliated entities. We do not believe that these management responsibilities create any material conflicts of interests for our clients.

Morningstar Wealth and Morningstar Retirement have set up shared services teams composed of employees of our affiliate and located at our affiliate's office in Mumbai, India. Morningstar Retirement also has a team composed of employees of our affiliate located at our affiliate's office in Toronto, Canada. We compensate our affiliates for services rendered via intercompany charges. The services and compensation will be governed by intercompany agreements. This compensation will likely be lower than compensation negotiated with non-affiliated firms for the same or similar services. To mitigate any conflict of interest between us and our affiliates we have established dual reporting lines for employees on these teams so that such employees report up to employees of Morningstar Investment Management. We've also established information security boundaries and technology separation to protect our non-public information and Morningstar's compliance department monitors the personal trading activity of these employees.

#### *Affiliations – Other Registered Entities*

Morningstar Research Services LLC is not part of the Investment Management group but is also a wholly owned subsidiary of Morningstar and an investment adviser registered under the Advisers Act. Morningstar Research Services' offerings center around the production of investment research reports and investment consulting services to financial institutions/institutional investors who themselves are registered with a regulatory body. Conflicts of interests between us and Morningstar Research Services are mitigated by such things as the maintenance of separate legal entities and reporting/organization lines, and the utilization of physical (i.e., separate floors) and technological separation. Morningstar Research Services also maintains a committee structure so as to limit any unilateral decisions. Morningstar's compliance department monitors the personal trading activities of Morningstar Research Services' employees.

We have the option to engage Morningstar Research Services to perform investment manager due diligence and/or selection services on our behalf as a sub-adviser or consultant. The notification to and authorization by the Institutional Client to our engaging Morningstar Research Services as a sub-adviser is addressed in our agreement with the Institutional Client. On such occasions, we compensate Morningstar Research Services for services rendered via an intercompany charge. The services and compensation will be governed by an intercompany agreement. This compensation will likely be lower than compensation negotiated with non-affiliated financial institutions/institutional investors for same or similar services. Morningstar Research Services' employees who are engaged to provide manager due diligence and/or selection service are prohibited from using non-public/confidential information obtained because of their engagement in its investment research reports and/or investment consulting services to clients, including us.

Morningstar Research Services provides information to the public about various securities, including managed investments like open-end mutual funds and ETFs, which include written analyses of these investment products in some situations. Although we use certain products, services, or databases that contain this information, we do not participate in or have any input in the written analyses that Morningstar Research Services produces. While we

consider the analyses of Morningstar Research Services, our investment recommendations are typically based on our separate and independent research and analysis of the available investment product.

Morningstar Research Services issues investment research reports on securities we hold in our portfolios or recommend to our clients, but they do not share any yet-to-be published views and analysis and/or changes in estimates (i.e., their confidential information) with us on these securities. Other than the use of their publicly available analysis as part of our review process, we do not solicit the input of Morningstar Research Services prior to making investment decisions or recommendations (unless we engage them as a sub-adviser as noted under the 2<sup>nd</sup> paragraph of the *Affiliations – Other Registered Entities*), nor do we have access to their analysis prior to its public dissemination. We mitigate any actual or potential conflicts of interest that could arise from the access of their analysis prior to publication through measures such as informational barriers (both physical and technological), maintaining separate organizational reporting lines, and monitoring by the compliance department.

Morningstar Research Services prepares qualitative analysis on separately managed accounts and model portfolios. To mitigate conflicts of interest, Morningstar Research Services does not prepare qualitative analysis nor recommend any separately managed account or model portfolio we offer.

Some of Morningstar Research Services' clients are sponsors of funds or associated with other securities that we recommend to our institutional clients. We mitigate any actual or potential conflicts of interests resulting from this fact through such measures as informational barriers (both physical and technological), maintaining separate organizational reporting lines, and monitoring by the compliance department. In addition, we do not factor in the relationship between Morningstar Research Services when analyzing investments or making recommendations.

Morningstar Investment Management serves as an investment adviser to investment companies registered under the Investment Company Act of 1940, as amended, and to other pooled investment products. To mitigate conflicts of interest, Morningstar Research Services does not prepare qualitative analysis on nor recommend as part of their investment consulting services any investment company we are an investment adviser to.

*Affiliations – Morningstar, Inc.*

Our parent company, Morningstar, Inc., is publicly traded (Ticker Symbol: MORN). We may recommend an investment product that holds a position in publicly traded shares of Morningstar's stock. Such an investment in Morningstar's stock is solely the decision of the investment product's portfolio manager. We have no input into a portfolio manager's investment decision nor do we require that the investment products we recommend own shares of Morningstar. An investment product's position in Morningstar has no direct bearing on our investment selection process. We mitigate any actual or potential conflicts of interest by not factoring Morningstar's publicly traded stock into our qualitative or quantitative analysis nor in our recommendations.

Morningstar offers various products and services to the public. Some of Morningstar's clients are service providers (e.g., portfolio managers, advisers, or distributors) affiliated with a mutual fund or other investment option. We may have a contractual relationship to provide consulting or advisory services to these same service providers or we may recommend the products of these service providers to our advisory clients. To mitigate any actual or potential conflicts of interest, we do not consider the relationship between Morningstar and these service providers when making recommendations. We are not paid to recommend one investment option over another, including products of service providers with which Morningstar has a relationship.

Morningstar provides information to the public about various investment products, including managed investments like open-end mutual funds and ETFs. In some cases, this information includes written analyses of these investment products. Although we use certain products, services, or databases of Morningstar, we do not participate in or have any input in the written analyses that Morningstar provides its licensees. While we consider the analyses of Morningstar, our investment recommendations are typically based on our separate and independent research and analysis of the available investment product.

Morningstar hosts educational events and conferences and on occasion provides us with the opportunity to suggest invitees or offer (proactively or upon request) discounted or waived registration fees. We mitigate any actual or potential conflicts of interest this introduces by using pre-defined criteria to select Clients for these opportunities.

Morningstar offers various products and services to retail and institutional investors. In certain situations, we recommend an investment product that tracks an index created and maintained by Morningstar. In such cases, the investment product sponsor has entered into a licensing agreement with Morningstar to use such index. To mitigate any conflicts of interest arising from our selection of such investment products, we use solely quantitative criteria established by our advisory client to make such selection, or, in the alternative, Morningstar's compensation from the investment product sponsor will not be based on nor will it include assets that are a result of our recommendation to our advisory client to invest in those investment products. In other cases, some of Morningstar's clients are sponsors of funds that we recommend to our clients. Morningstar does not and will not have any input into our investment decisions, including what investment products will be recommended for our recommended portfolios. We mitigate any actual or potential conflicts of interest by imposing informational barriers (both physical and technological), maintaining separate organizational reporting lines, and monitoring by the compliance department. In addition, we do not factor in the relationship between Morningstar when analyzing investments or making recommendations. We mitigate any actual or potential conflicts of interests resulting from that by not producing qualitative analysis on any such exchange-traded fund as well as imposing informational barriers (both physical and technological), maintaining separate organizational reporting lines between, and monitoring by the compliance department.

In some instances, we create portfolios that track an index created and maintained by Morningstar. Morningstar does not and will not have any input into our investment decisions, including what investment products will be included in our portfolios. We mitigate any actual or potential conflicts of interest by imposing informational barriers (both physical and technological), maintaining separate organizational reporting lines, and monitoring by the compliance department.

Morningstar has and maintains accounts which they invest in accordance with investment strategies created and maintained by us. Those investment strategies are deployed using equity securities. As we have discretion over these accounts, Morningstar's accounts are traded at the same time as our and Morningstar Investment Services' other discretionary client accounts in order to ensure that Morningstar's accounts are not treated more favorably than our client accounts. Some of Morningstar's accounts are used as the subject of newsletters offered by Morningstar. In order to ensure that Morningstar's newsletter subscribers are not treated more favorably than our clients, which would result in a breach of our fiduciary duty, we do not report trades in Morningstar's accounts invested in our strategies to newsletter subscribers until after our client accounts have been traded or our non-discretionary clients have been notified.

As a wholly owned subsidiary, we use the resources, infrastructure, and employees of Morningstar and its affiliates to provide certain support services in such areas as technology, procurement, human resources, account, legal, compliance, information security, and marketing. We do not believe this arrangement presents a conflict of interests to us in terms of our advisory services. Employees of Morningstar that provide support services to us have the option to maintain their Financial Industry Regulatory Authority ("FINRA") security licenses under Morningstar Investment Services' limited broker/dealer registration, if appropriate for their current job responsibilities. We believe no conflict of interest exists due to the maintenance of these security licenses.

In certain situations, we make our clients aware of various products and services offered by Morningstar or its affiliates. We do not receive compensation for that introduction. Morningstar and its affiliates also have the option to make their clients aware of various products and services offered by us. Morningstar and its affiliates do not receive any compensation from us for that introduction, unless it falls under a solicitation arrangement, as described in Item 14 below.

Morningstar Wealth includes investment advisory services from Morningstar's Investment Management group, portfolio management software Morningstar Office<sup>SM</sup>, investment data aggregator ByAllAccounts<sup>®</sup>, and the individual investor experience across Morningstar.com<sup>®</sup>. Daniel Needham, our co-president, has management responsibilities for Morningstar Wealth. We do not believe that these management responsibilities create any material conflicts of interests for our clients, but we mitigate any actual or potential conflicts of interests resulting from that by imposing informational barriers where appropriate and undertaking compliance monitoring of the Investment Management group.

#### *Affiliations – Morningstar, Inc.'s Subsidiaries*

Equity and manager research analysts based outside the United States are employed by various wholly owned subsidiaries of Morningstar. These analysts follow the same investment methodologies and process as Morningstar

Research Services, as well as being held to the same conduct standards. As a result, we do not believe this structure causes actual or a potential for a conflict of interest.

#### *Affiliations – Credit Rating Agency*

We are affiliated with the DBRS Morningstar group of companies, which include DBRS, Inc., DBRS Limited, DBRS Ratings GmbH, and DBRS Ratings Limited. DBRS, Inc. is registered with the Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (NRSRO). DBRS Morningstar's companies are also registered with and governed by applicable regulatory body or bodies in other countries around the globe. In our analysis of certain securities, we use the publicly available credit rating and analysis issued by DBRS Morningstar. Because of our use of DBRS Morningstar's ratings and analysis is limited to that which is publicly available, we do not believe there is an actual or potential conflict of interest that arises from such use.

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

#### **Code Of Ethics**

We have in place a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act ("Code of Ethics"). Our Code of Ethics strives to uphold the highest standards of moral and ethical conduct, including placing our clients' interest ahead of our own. Our Code of Ethics covers all our officers and employees as well as other persons who have access to our non-public information (collectively "Access Persons"). Our Code of Ethics addresses such topics as professional and ethical responsibilities, compliance with securities laws, our fiduciary duty, and personal trading practices. Our Code of Ethics also addresses receipt and/or permissible use of material non-public information and other confidential information our Access Persons may be exposed and/or have access to given their position. The Code of Ethics is provided upon hire and at least annually thereafter and at each time, the Access Person must certify in writing that she or he has received, read, and understands the Code of Ethics and that they agree to or have complied with its contents.

A copy of our Code of Ethics is available to existing and prospective clients by sending written request to [compliance@morningstar.com](mailto:compliance@morningstar.com).

#### **Interest In Client Transactions**

Our Access Persons have the option to maintain personal investment accounts and purchase or sell investments in those accounts that are the same as or different from the investments we recommend to clients. Because we generally recommend mutual funds and ETFs, our Access Persons' personal investing activities should not conflict with our advisory activities or the timing of our recommendations. In addition, our Code of Ethics is designed to ensure that Access Persons' personal trading activities will not interfere with our clients' interests, while allowing our Access Persons to invest in their own accounts.

We do not engage in principal transactions (transactions where we, acting in our own account or in an affiliated account, buy a security from or sell a security to a client's account) nor do we engage in agency cross transactions (transactions where we or our affiliate executes a transaction while acting as a broker for both our client and the other party in the transaction).

#### **Interest In Securities That We May Recommend**

Morningstar Investment Management has and maintains a number of seed accounts (accounts used to establish a strategy we offer or are tracking), many of which follow strategies we offer to clients. We place block trades for our accounts, therefore trade requests for our seed accounts are placed at the same time as trades are placed for those client accounts invested in the same strategy and for which we have discretion. Block trades are allocated in such a manner as to ensure that our seed accounts do not receive more favorable trades than our clients' accounts. Client accounts that we manage on a discretionary basis and thus, our seed accounts, are traded just before we provide model portfolio trade recommendations to other clients using our U.S. managed portfolios. However, our model portfolio clients receive trade recommendation after the close of the trading day, so that no one model portfolio client is favored over another.

#### **Personal Trading By Access Persons**

Our Code of Ethics is designed to ensure that Access Persons' personal trading activities does not interfere with our clients' interests. While our Access Persons have the option to maintain personal investment accounts, they are subject to certain restrictions. Our Code of Ethics includes policies designed to prevent Access Persons from trading based on material non-public information. Access Persons in possession of material non-public information are prohibited from

trading in securities which are the subject of such information and from tipping such information to others. In certain instances, we employ information blocking devices such as restricted lists to prevent illegal insider trading. Morningstar's compliance department monitors the activities in the personal accounts of our Access Persons (and any accounts in which they have beneficial ownership) upon hire and thereafter. Access Persons are required to pre-clear IPO, initial digital coin offerings, and private placement transactions with Morningstar's compliance department.

#### **Item 12. Brokerage Practices**

Where we exercise investment discretion, we will generate trade instructions for each individual account that requires rebalancing and forward those instructions to the appropriate institution as designated by the plan provider. As a result, we do not have the ability to make decisions regarding which broker is used to execute the transactions in your account. We do not participate in any soft dollar practices.

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

We provide ongoing monitoring of the Funds in the Program and, when necessary, remove and replace Funds included in the Program. However, we do not provide periodic review or ongoing monitoring of individual participant accounts.

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

We make direct or indirect cash or non-cash payments to our affiliates or to unaffiliated third parties for recommending our services as described in Item 4 above. If such payments occur, they will be done pursuant to Rule 206(4)-1 of the Advisers Act. Clients referred by third party solicitors may in some cases pay a higher fee than clients who contract with us directly. Through disclosures, which are spoken or given to clients at the time of the solicitation, solicited clients solicited by an unaffiliated person are made aware of the arrangement between the solicitor and us (and therefore that the solicitor has a financial interest in recommending us to client), any other material conflicts of interest, and the terms of any compensation paid directly or indirectly to the solicitor as a result of their referral.

#### **Item 15. Custody**

We do not serve as a custodian of client assets. However, in cases where we have the ability to debit fees directly from client accounts, we are deemed to have custody of client assets under Rule 206(4)-2 of the Advisers Act, even if we do not act as a custodian. The plan sponsor is responsible for selecting the custodian for plan assets. The selection of custodians may be limited by your plan provider.

#### **Item 16. Investment Discretion**

You retain the investment discretion over the assets in your Plan account. We only have investment discretion under the limited circumstances more specifically described under Participant Services in the Advisory Business section above, in the event you fail to provide MetLife with instructions on how to reallocate investments in your account in a Fund that has been removed from the Program lineup, and how to allocate future investments in your account.

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

You are responsible for receiving and voting proxies for all investments held in your account. We do not have the authority to and will not vote proxies. You may receive proxies or other solicitations directly from your plan account's custodian. We cannot provide information or advice in regard to questions you have about a particular solicitation.

We do not advise or act for clients in legal proceedings, including class actions or bankruptcies, involving recommended securities.

#### **Item 18. Financial Information**

We are required to provide you with certain financial information or disclosures about our financial condition. We do not have any financial commitment that impairs our ability to meet our contractual and fiduciary commitments to clients, nor have we been the subject of any bankruptcy proceeding.