



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

*For Guided Pathways® Advisory Services*

March 30, 2023

# **MissionSquare Retirement**

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

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

## **Item 2 Material Changes**

Since our last annual amendment to this Brochure on March 31, 2022, this Brochure was updated on October 25, 2022 for the following changes:

Your personal and financial information is used to personalize the advice and recommendations you receive through Managed Accounts and Fund Advice. Personal and financial information includes certain required minimum data points as well as information about your MissionSquare Accounts in which you enrolled. We encourage you to use the online interface for Managed Accounts and Fund Advice to provide additional relevant personal and financial information to help personalize the investment advice you receive. We have updated Item 4 to disclose that you must use the online interface to enter information about assets you hold in a MissionSquare Account that you inherited (sometimes referred to as a beneficiary account), as such information is no longer automatically considered when developing the investment advice you receive through Managed Accounts and Fund Advice. Please see Item 4 for more information.

Morningstar Investment Management, LLC ("Morningstar") is the Independent Financial Expert for our Guided Pathways Advisory Services. Morningstar's digital advice platform has been updated with two new options to help personalize the investment advice you receive through Managed Accounts and Fund Advice. First, the digital advice platform now allows you to complete an optional personal risk tolerance questionnaire. If you choose to complete the risk tolerance questionnaire, your responses will be considered when developing the recommended risk level for your investment portfolio. Second, if the MissionSquare Retirement IncomeAdvantage Fund is an available investment option in your Retirement Plan, the digital advice platform now allows you the option to exclude the Fund from the investment advice you receive. The online interface for Managed Accounts and Fund Advice must be used to implement these new options. Please see Item 4 and Item 8 for more information.

We charge an asset-based investment advisory fee for Managed Accounts. Instead of charging the fee based on the average daily balance of your Managed Account, we now charge our investment advisory fee based on the month-end balance of your Managed Account, pro-rated for the number of days you were enrolled in Managed Accounts for that month. Please see Item 5 for more information.

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

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

Since March 2007, we have offered Guided Pathways Advisory Services to participants in Retirement Plans that we administer. Since March 2013, we have offered Guided Pathways Advisory Services to investors in the MissionSquare IRA that we administer. In this Brochure we refer to your Retirement Plan or MissionSquare IRA account that we administer as your "MissionSquare Account".

Our Guided Pathways Advisory Services include:

***Managed Accounts*** - discretionary, ongoing investment management for allocation of your invested assets among the mutual funds and other pooled investment vehicles ("funds" or "investment options") available in your MissionSquare Account; and

***Fund Advice*** - nondiscretionary, point-in-time, individualized fund specific investment portfolio recommendations to help you select specific funds from among the funds available in your MissionSquare Account (also sometimes referred to as point-in-time Advice).

The availability of Managed Accounts and/or Fund Advice to you will depend on the features of your MissionSquare Account. Please see Item 7 for additional information.

We deliver Guided Pathways Advisory Services via a combination of online, mail, and telephone media as well as in-person meetings. Our representatives can deliver or facilitate the delivery of our Guided Pathways Advisory Services to you.

As part of Guided Pathways Advisory Services, we have entered into a contract with Morningstar Investment Management LLC to serve as the Independent Financial Expert ("IFE"). Morningstar Investment Management is an SEC registered investment advisor and wholly owned subsidiary of Morningstar, Inc. In its role as IFE, Morningstar Investment Management ("Morningstar") first

develops overall asset class allocation models. It then develops fund-specific investment portfolios for each of the asset class allocation models. Morningstar selects certain funds for the fund-specific investment portfolios from among the eligible funds available in your MissionSquare Account. If you are a participant in a Retirement Plan we administer, the funds eligible for inclusion in the portfolios are limited to only those funds chosen for the Retirement Plan by your Plan Sponsor. If you are a MissionSquare IRA investor, the funds eligible for inclusion in the portfolios are limited to those funds permitted by the MissionSquare IRA.

If you enroll in Managed Accounts discretionary management, Morningstar determines the fund-specific investment portfolio that it determines is most appropriate for you based on your personal and financial situation, investment time horizon, sustainable retirement income, and other relevant factors. We then allocate the assets of your account in accordance with Morningstar's selected portfolio. Typically, on a quarterly basis, or as you notify us of changes to your personal and financial information, Morningstar re-examines the investment portfolio to determine (1) whether to rebalance the funds within your existing portfolio, or (2) if a reallocation to a different investment portfolio is needed. If a new investment portfolio is needed, your assets will be reallocated and rebalanced to the new target asset allocation. Please see Item 8 below for additional information.

If you receive nondiscretionary Fund Advice, Morningstar recommends the appropriate fund-specific investment portfolio, we deliver Morningstar's recommendation to you, and then you choose whether to implement the recommendation.

Morningstar employs Monte Carlo simulations to determine the likely annual retirement income that you will be able to sustain, through depletion of retirement savings, over a period greater than normal life expectancy. If you are retired and are enrolled in Managed Accounts, Morningstar provides a recommended withdrawal plan designed to optimize the tax efficiency of withdrawals from each available income source.

### ***Your Personal and Financial Information***

The advice and recommendations you receive through Guided Pathways Advisory Services are based on your personal and financial information that has been provided to us and certain assumptions Morningstar uses in the advice process. You are responsible for the accuracy and completeness of your personal and financial information. ***Your failure to keep your personal and financial information updated can materially affect the value of the advice and recommendations you receive through Guided Pathways Advisory Services.*** You can review and make any necessary updates to your personal and financial information, and review and refine some of the assumed data

points Morningstar uses, through the online Fund Advice and Managed Accounts interface. You can access that interface by logging in to your MissionSquare Account.

Your personal and financial information is used to personalize the advice and recommendations you receive through Managed Accounts and Fund Advice. Personal and financial information includes certain required minimum data points as well as information about your MissionSquare Accounts in which you enrolled. We encourage you to provide additional relevant personal and financial information to help personalize the investment advice you receive, such as information about your spouse or partner, assets you hold in a MissionSquare Account that you inherited, and assets you hold outside of your MissionSquare Account ("Outside Accounts"). Depending on the process you use to enroll in our Managed Accounts service, this additional information may not be collected during the enrollment process. You should use the online interface in order to provide any additional personal and financial information and ensure such information remains accurate and complete.

While we do not provide Fund Advice or Managed Accounts with respect to your Outside Accounts, if you provide information about your Outside Accounts Morningstar will consider your Outside Accounts in the advice process. For example, if you provide sufficient information for Morningstar to know that your Outside Assets are invested more in equity, Morningstar may recommend a more conservative investment portfolio. Conversely, if you provide sufficient information for Morningstar to know that your Outside Assets are invested more in cash or bonds, or if information is provided on a pension/defined benefit plan, Morningstar may recommend a more aggressive investment portfolio. If you provide information about your Outside Accounts, Morningstar may also provide you with a recommended asset allocation for those Outside Accounts as a whole. This information should not be considered advice to buy or sell any particular fund or other security or investment option.

### ***Using Morningstar's Optional Risk Tolerance Questionnaire***

Morningstar provides an optional risk tolerance questionnaire to help further personalize the investment advice you receive through Managed Accounts and Fund Advice. If you choose to complete the risk tolerance questionnaire, Morningstar will consider your responses when developing investment advice for you. Review and submission of the risk tolerance questionnaire must be completed by you, or by one of our representatives on your behalf and at your direction, through the online interface for Managed Accounts and Fund Advice.

If you do not complete the optional risk tolerance questionnaire, the investment advice provided under Guided Pathways Advisory Services will not take into account nor will it make any assumption related to your personal risk tolerance with respect to your investment objectives. As a result, the forecast and

recommendations Morningstar provides may involve more or less investment risk than you are comfortable with.

### ***What Happens if You Choose to Exclude Funds from Morningstar's Recommendations?***

If the MissionSquare Retirement IncomeAdvantage Fund is an available investment option in your MissionSquare Account, you can choose to exclude that Fund from the investment advice you receive through Managed Accounts and Fund Advice. Please see Item 8 for more information.

You also can request that certain other funds in your MissionSquare Account be excluded from the investment advice you receive. However, if one of these requested fund restrictions prevents Morningstar from building an appropriately diversified portfolio for you, you will be required to remove the restriction in order to use our advisory services.

Fund restrictions must be submitted by you, or by one of our representatives on your behalf and at your direction, through the online interface for Managed Accounts and Fund Advice. If you enroll in Managed Accounts and apply one or more restrictions on your account, those restrictions will remain in place on your account until you instruct us otherwise. Excluding one or more funds recommended by Morningstar from your investment portfolio may decrease the likelihood that you will achieve your retirement goals as calculated by Morningstar.

### **Client Assets**

As of December 31, 2022, we managed \$5,469,003,264 in assets under the Managed Accounts service, all on a discretionary basis. As of December 31, 2022, we provided nondiscretionary Fund Advice to accounts with a total of \$165,126,764 in assets.

## **Item 5 Fees and Compensation**

***Managed Accounts.*** If you enroll in Managed Accounts an annual asset based advisory fee is charged to your Managed Account on a monthly basis and is deducted pro-rata in arrears against all eligible investments in your Managed Account.

If you enroll multiple accounts in Managed Accounts, the asset-based fee is calculated based on the aggregate account balance for all of your enrolled accounts.

Our standard Managed Accounts Fee Schedule is shown below:

<b>Account Balance</b>	<b>Annual Fee</b>
First \$100,000	0.50%
Next \$200,000	0.40%
Next \$200,000	0.30%
Over \$500,000	0.20%

The advisory fee is charged to your Account(s) monthly and is based on the aggregate month-end balance of all your accounts enrolled in Managed Accounts, prorated for the number of days each account is enrolled in Managed Accounts for that month. If your participation in Managed Accounts terminates before the last day of the month, the fee will be based on your aggregate balance as of the last day you were enrolled in Managed Accounts, prorated for the number of days each account is enrolled in Managed Accounts for that month.

If you are a participant in a Retirement Plan we administer, the standard Managed Accounts Fee Schedule may be waived or discounted by agreement between us and your Plan Sponsor. However, we will not negotiate our Managed Accounts Fee Schedule directly with you. Our standard Fee Schedule is subject to change as detailed in the agreement we enter into with you or, if applicable, your Plan Sponsor. Certain legacy clients of our Managed Accounts service pay fees lower than our standard Fee Schedule shown above. The fees we charge for Managed Accounts may be lower or higher than the fees charged by other providers of similar services.

**Fund Advice.** We do not charge you a separate advisory fee for Fund Advice.

### **Other Fees You Pay**

If you invest in the funds made available in your MissionSquare Account, you will indirectly bear your proportionate share of the fees and expenses that are paid at the fund level and borne by all shareholders. These fees and expenses typically include, among others, investment advisory, transfer agent, custodial and distribution fees and portfolio brokerage costs that are paid by each fund and/or its underlying funds. Certain funds may charge a redemption fee on specific transactions. Transactions initiated under Managed Accounts may result in such redemption fees being charged to you. Any applicable redemption fees will be deducted directly from your account. These fund fees and expenses are in addition to the advisory fees we charge for Managed Accounts.



The funds available to you in your Retirement Plan are selected by your Plan Sponsor. The funds available to you in the MissionSquare IRA are limited to those funds permitted by the MissionSquare IRA. Only one share class of a fund is available to you in your Retirement Plan or MissionSquare IRA. A lower expense share class may be available to you in an account held outside of MissionSquare Retirement.

### **Other Compensation We Receive**

We (or one of our affiliates) typically receive asset-based fees for providing investment advisory, recordkeeping, administrative and/or retirement plan administration services with respect to the funds in which you invest through your MissionSquare Account. Please see the response to Item 11, under Participation or Interest in Client Transactions, for a description of any potential conflict of interest from our receipt of these fees.

Within your MissionSquare Account, you *do not* have the option to purchase funds recommended through Fund Advice or Managed Accounts through other brokers or agents. However, you *do* have the option to purchase some of these recommended funds *outside of* your MissionSquare Account through other brokers or agents.

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

Not applicable.

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

We only offer Guided Pathways Advisory Services in MissionSquare Accounts. The availability of these services to you depends on the features of your MissionSquare Account. If you are a Retirement Plan participant, your Plan Sponsor must expressly adopt Managed Accounts before we can make it available to you. There is no minimum account size required to participate in our Guided Pathways Advisory Services.

If you have more than one MissionSquare Account, you may have access to Managed Accounts and/or Fund Advice in one or more of those accounts. When you enroll in Managed Accounts (or confirm an existing enrollment) or implement the fund recommendations you receive through Fund Advice in *one* of your MissionSquare Accounts, you will be required to enroll in Managed Accounts (or confirm an existing enrollment) or implement the fund recommendations you receive through Fund Advice in *all* of your MissionSquare Accounts that offer these services.

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

All asset allocation guidance and fund recommendations provided to you through Guided Pathways Advisory Services is developed by Morningstar through its digital advice platform. Morningstar first constructs asset class allocation models to provide a spectrum of risk/reward choices appropriate for a broad range of investors. The allocation among asset classes is based on historic and projected returns and return patterns (standard deviations and correlations) for the asset classes.

After the asset class allocation models are established, Morningstar then selects from among the eligible investment options in your MissionSquare Account to construct fund-specific investment portfolios for each of the asset class allocation models. Morningstar uses various quantitative criteria including style-based returns and tracking error, fund expense levels, and alpha. In addition, Morningstar conducts a qualitative review and assessment for each fund-specific investment portfolio prior to its recommendation. Morningstar monitors and reviews the model advice portfolios to ensure they stay in line with stated strategic asset allocation targets and continue to meet Morningstar's investment criteria. If Morningstar determines a more attractive fund is available for one of its model advice portfolios, Morningstar may apply restrictions in order to phase the fund out of certain effected Managed Accounts over time, if Morningstar deems it appropriate in order to minimize large reallocations and/or short-term redemption fees to investors.

For Retirement Plans, your Plan Sponsor has exclusive responsibility for selecting the Plan's investment options, and those selections are made independent of Guided Pathways Advisory Services. For the MissionSquare IRA, we select the available investment options; however, we do not recommend the selection of any particular investment option for inclusion in Fund Advice or Managed Accounts. Morningstar's investment portfolios are based on and specific to the eligible investment options available in your MissionSquare Account. Morningstar, however, does not determine the investment options upon which the investment portfolios are based.

For more information about the investment principles, assumptions and methodology Morningstar uses to generate the investment advice made available to you through our Guided Pathways Advisory Services, please see Morningstar's methodology summary document, which is available on the online Fund Advice and Managed Accounts interface. You can access that interface by logging into to your MissionSquare Account.

### ***Discretionary Management Under Managed Accounts***

If you enroll in Managed Accounts, we will manage the eligible assets in your MissionSquare Account so that they generally align with the appropriate model

advice portfolio recommended for you by Morningstar. Typically, on a quarterly basis, or as you notify us of changes to your personal and financial information, Morningstar re-examines the model advice portfolio to determine if reallocation to a different model advice portfolio is needed. If a new model advice portfolio is needed, your Managed Account will be reallocated and rebalanced to the new model's target allocation. If a new model advice portfolio is not needed, Morningstar reviews the allocation of your Managed Account to determine if any fund deviates from the recommended model advice portfolio by more than an appropriate amount as determined by Morningstar. If it does, your Managed Account will be rebalanced by transferring assets among the currently designated funds to ensure your Managed Account is consistent with the target allocation of the recommended model advice portfolio.

If a fund in your MissionSquare Account closes or is replaced with a new fund, your Managed Account assets will temporarily not be aligned with the model advice portfolio recommended for you by Morningstar. In addition, in certain instances rebalancing transactions can be temporarily delayed, such as when fund or account restrictions apply or when data validation errors occur. In these scenarios, your Managed Account will be realigned with the recommended model advice portfolio as soon as reasonably practicable based on the circumstances.

### ***Investment Risks***

As discussed in Item 4 above, the online interface for Managed Accounts and Fund Advice includes an optional personal risk tolerance questionnaire, which can help further personalize the investment advice you receive. If you choose to not complete the personal risk tolerance questionnaire, the investment advice provided under Guided Pathways Advisory Services will not take into account, nor will it make any assumption related to, your personal risk tolerance with respect to your investment objectives. As a result, the forecast and recommendations Morningstar provides may involve more or less investment risk than you are comfortable with.

Our Guided Pathways Advisory Services rely on the digital advice platform of Morningstar. There are risks associated with relying on digital advice, which can include the following: the output of the digital advice depends upon the accuracy and completeness of the personal and financial information we receive; the digital advice relies on certain assumptions that may not reflect your particular needs or goals and may not be updated timely; and, if you enroll in Managed Accounts, your account will not be individually monitored by investment personnel and your account will not be rebalanced based on market conditions or other similar factors.

In addition, investments in the funds recommended by Morningstar are subject to the risks associated with investing in mutual funds, collective funds, and other securities, and will not always be profitable. ***Investing in securities involves risk of loss that you should be prepared to bear.*** Although, each investment option available through your MissionSquare Account is subject to a degree of risk that could affect its performance, certain investment options entail additional risk specific to their asset class. For example, high yield bond investments are subject to increased risk of default, compared to higher rated securities. Foreign investments are subject to greater risks of currency fluctuations and political uncertainty. Equity securities of companies with relatively small market capitalization may be more volatile than securities of larger, more established companies. Specialty funds invest in a limited number of companies and are generally non-diversified. This is not intended to be an exhaustive list of risks associated with investment options. You should regularly review the disclosure materials for the investments in your MissionSquare Account(s) to understand the risks of each investment.

### ***Considerations for Participants in Retirement Plans with the MissionSquare Retirement IncomeAdvantage Fund***

As discussed in Item 4 above, if the MissionSquare Retirement IncomeAdvantage Fund is available in your Retirement Plan, through the online interface for Managed Accounts and Fund Advice you may select to exclude the Fund from the investment advice you receive.

If you are invested in the MissionSquare Retirement IncomeAdvantage Fund prior to enrolling in Managed Accounts and you do not exclude the Fund, (1) some or all of your existing balance in that Fund may be sold when we allocate your Managed Account according to the investment portfolio Morningstar selects for you, which will cause you to lose the guarantees you would have had associated with that Fund, and (2) you may receive future allocations to the Fund through Managed Accounts. Please see the *MissionSquare Retirement IncomeAdvantage Fund Important Considerations* document for more information.

If you are invested in the MissionSquare Retirement IncomeAdvantage Fund prior to enrolling in Managed Accounts and you choose to exclude the Fund from the investment advice you receive, (1) none of your existing balance in that Fund will be sold when we allocate your Managed Account according to the investment portfolio Morningstar selects for you, and (2) you will not receive any future allocations to the Fund through Managed Accounts,

Excluding the MissionSquare Retirement IncomeAdvantage Fund from the investment advice you receive may decrease the likelihood that you will achieve your retirement goals as calculated by Morningstar. Please see Item 4 for more information.

The MissionSquare Retirement IncomeAdvantage Fund invests in a separate account under a group variable annuity issued by a third-party insurance company. The separate account, in turn, invests in underlying collective trust funds that are subject to the risks associated with investing in those vehicles. Insurance guarantees (i.e., the ability of the MissionSquare Retirement IncomeAdvantage Fund to allow you to make periodic withdrawals after your account balance has been depleted) are provided by the third-party insurance company and are based on that company's claims paying ability. Further, your investment in the MissionSquare Retirement IncomeAdvantage Fund involves the risk that the insurance guarantees may terminate under certain conditions, such as when: you leave your Retirement Plan; your Plan Sponsor switches Retirement Plan providers; your Plan Sponsor removes the fund from your Retirement Plan's investment lineup; and if the fund and/or the group annuity contract in which it invests terminates.

If your Retirement Plan includes the MissionSquare Retirement IncomeAdvantage Fund and you would like more information on the Fund, please review the Fund's disclosure documents. These are available to you by logging into your MissionSquare Account.

#### **Item 9 Disciplinary Information**

Not Applicable.

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

##### **Banking Institution**

VantageTrust Company, LLC ("VTC") is a New Hampshire non-depository trust company and is one of our wholly owned subsidiaries. VTC is the sole trustee of VantageTrust, VantageTrust II and VantageTrust III (collectively, the "VT Trusts"), trusts established and maintained by VTC for the purpose of the collective investment and reinvestment of assets of certain tax-exempt, governmental pension and profit-sharing plans, retiree welfare plans, related trusts and certain other eligible investors. We (and some of our affiliates) are compensated for certain recordkeeping, management, and administrative services provided to VTC for the benefit of the eligible investors within the VT Trusts.

##### **Investment Advisor**

MissionSquare Investments is one of our wholly owned subsidiaries and is an SEC registered investment advisor. MissionSquare Investments provides investment advisory and management services to VTC with respect to certain

investment options of the VT Trusts (referred to in this Brochure as our “in-house funds”), including in-house funds that are made available in certain Retirement Plans that we administer.

### **Broker-Dealer**

MissionSquare Investment Services is one of our wholly owned subsidiaries and is a broker-dealer registered with the SEC and is a member of FINRA. Some of our management persons are also registered representatives of MissionSquare Investment Services. MissionSquare Investment Services markets our in-house funds solely to Plan Sponsors and other institutional clientele. MissionSquare Investment Services does not provide fund recommendations to you or other participants in Retirement Plans.

### **Collective Trust Funds**

Certain Retirement Plans that we administer include our in-house funds. These are primarily structured as collective trust funds or “CITs.” These funds are easily identified because their names typically start with “MSQ” or “MissionSquare.” Some of our in-house funds invest in our other in-house funds. For example, our target-date funds, the MissionSquare Retirement Target Funds, invest in other MissionSquare Funds.

We receive asset-based fees for administrative services provided to VTC with respect to our in-house funds. Our wholly owned subsidiary, MissionSquare Investments, receives asset-based fees for investment advisory and administrative services provided to VTC with respect to certain in-house funds. MissionSquare Investments has entered into agreements with subadvisors for the performance of some or all of its advisory duties and responsibilities relating to certain of these funds. MissionSquare Investments retains the responsibility and authority to monitor and review the performance of each subadvisor it engages, and VTC retains oversight of MissionSquare Investments’ advisory responsibilities. The investment advisory fees paid to MissionSquare Investments are in addition to any fees paid to the subadvisors.

### **Conflicts**

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

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

### **Code of Ethics**

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

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

Also as part of the Code of Ethics, we have adopted procedures to control the use of material, non-public information. These procedures take into account that we may, and our related persons may, from time to time come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, we are prohibited from improperly disclosing or using such information for our personal benefit or for the benefit of any other person, regardless of whether such other person is one of our advisory clients. Accordingly, if we come into possession of material non-public or other confidential information with respect to any company, we may be prohibited from communicating such information to, or using such information for the benefit of, our clients, and we have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, our clients when following policies and procedures designed to comply with law.

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

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

Fund Advice and Managed Accounts may be made available to you if you are a participant in a Retirement Plan we administer. Through the Retirement Plans we administer we make available our in-house funds as well as third-party funds. With respect to MissionSquare IRA accounts, we make available third-party funds. As described above in Item 10, certain in-house funds invest in other in-house funds. When we make the in-house funds available to you a conflict of interest exists because we (or one of our wholly-owned subsidiaries) receives compensation in the form of advisory and/or administrative fees based on the assets invested in our in-house funds.

Additionally, we receive administrative fees from our third-party fund settlement and clearing agent ("Clearing Agent") for providing administrative and other services based on Retirement Plan assets invested in third-party funds. These administrative fees come from payments made by third-party funds to the Clearing Agent. We may credit or make payments to certain Retirement Plans or employers based, in part, on anticipated administrative fee income from our Clearing Agent or we may reduce the fees charged to Retirement Plans or employers for plan administration or other services based on such anticipated fee income that we expect to receive ("administrative allowances"). These administrative allowances are negotiated, may not be directly tied to the payments we receive, and may be more or less than actual payments received. Any such crediting, allowance, or fee reduction arrangement is described in the Administrative Services Agreement we enter into with each Retirement Plan.

With respect to the MissionSquare Retirement IncomeAdvantage Fund, we receive an advisory fee and a services fee from the third-party insurance company for managing the separate account in which the Fund invests. The separate account's investments include some of our in-house funds.

We select the MissionSquare IRA investment options. However, we do not recommend the selection of any particular investment option for inclusion in Fund Advice or Managed Accounts. We are not acting as a fiduciary when we select the MissionSquare IRA investment options. As described above, we will receive compensation based on your allocation of assets among investment options within the MissionSquare IRA.

Because of the above, a potential conflict of interest exists when we provide Managed Accounts or Fund Advice because we also receive the additional compensation described above. In handling this potential conflict, we have designed these services in accordance with the United States Department of



Labor Advisory Opinion 2001-091A (the "Advisory Opinion"). The Advisory Opinion provides an authorization for retirement plan and IRA providers to offer investment advice to their participants provided, among other things, that the advice is generated by an Independent Financial Expert ("IFE"). We have selected Morningstar to act as the IFE. Under the Advisory Opinion and our contract with Morningstar, we cannot influence the investment recommendations generated for you by Morningstar. Thus, all of the specific fund recommendations you receive through Managed Accounts and Fund Advice come from Morningstar, not MissionSquare Retirement.

We disclose the specific fees and expenses, as well as the compensation received from third-party funds, associated with your Retirement Plan's investment options to your Plan Sponsor, who has a fiduciary duty to select the investment options that are made available to you and the other participants in your Retirement Plan.

### **Personal Securities Trading**

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

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

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

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

We have also taken steps to ensure that teammates who manage investments for our own corporate portfolio do not misuse confidential information about client investments. We require that trades for the corporate portfolio be placed

in accordance with pre-clearance guidelines that mirror those in the Personal Securities Trading Policy. Additionally, our teammates that participate in the investment decision and transaction must attest that the trade was not based on material non-public information and that the trade does not conflict with the interests of other accounts managed by us or our affiliates.

### **Item 12 Brokerage Practices**

**Fund Advice.** Not applicable. We do not maintain an advisory client account for you in connection with Fund Advice. Under our nondiscretionary Fund Advice service, Morningstar recommends the appropriate fund-specific investment portfolio for you, we deliver Morningstar's recommendation to you, and then you choose whether to implement the recommendation in your MissionSquare Account.

**Managed Accounts.** You are not permitted to direct us to use specified brokers in performing portfolio transactions within the Managed Accounts service. In our role as recordkeeper for your MissionSquare Account, we batch purchase and sale requests from participants, including advisory clients and non-clients, for funds that are included in the investment portfolios Morningstar recommends. Such transactions are completely filled for all participating accounts on the date of the transaction. Because such orders are for funds that are priced only once per day, the aggregation process does not have a material effect on the quality of the execution as all orders received in good order before 4:00pm (ET) will receive the same execution price.

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

Investment advice provided to you through Guided Pathways Advisory Services is developed by Morningstar, the Independent Financial Expert. We do not have any input into Morningstar's recommendations and we do not review Morningstar's advice or your accounts. However, we do annually review the asset allocation methodology Morningstar uses to develop the investment advice.

If you are enrolled in Managed Accounts, reports outlining portfolio holdings and account performance are provided to you quarterly. In addition, if you are enrolled in Managed Accounts, we will periodically remind you of your ongoing responsibility to confirm the accuracy and completeness of your personal and financial information upon which the advice and recommendations you receive are based. Any materials required or desired to be sent to you shall be sent to your most recent email or physical address received by us. Our receipt of a valid email address for you is a requirement for your participation in Fund Advice and/or Managed Accounts. You must have the ability to read, download and retain documents provided to you via email or via access to our online Fund Advice and Managed Accounts interface.

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

We do not pay third-parties for advisory client referrals. We do compensate certain of our own employees to solicit Managed Accounts clients. Such compensation is based on the amount of new assets enrolled in Managed Accounts that is attributable to clients solicited by the employee. This structure creates an incentive for our employees to recommend Managed Accounts to you based on the compensation they will receive. We structure all endorsements and testimonials related to our investment advisory services in accordance with applicable laws.

#### **Item 15 Custody**

If you are enrolled in Managed Accounts, the assets in your account are maintained in your name by VTC, the “qualified custodian” as defined in Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended. VTC is one of our wholly owned subsidiaries (see Item 10). VTC is located at 777 North Capitol Street, NE, Washington, DC 20002. As the qualified custodian, VTC will send account statements to you on a quarterly basis. You should carefully compare the account statements that you receive from VTC with the quarterly statement that you receive from us.

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

**Fund Advice.** Fund Advice is a nondiscretionary investment advisory service. This means that under Fund Advice Morningstar recommends the appropriate fund-specific investment portfolio for you. We then deliver Morningstar’s recommendation to you. You then choose whether to implement the recommendation in your MissionSquare Account.

**Managed Accounts.** Managed Accounts is a discretionary investment management service. This means that we allocate eligible assets in your MissionSquare Account in accordance with the investment portfolio Morningstar selects and without seeking your pre-approval for each investment transaction. Before we accept discretionary authority, we enter into an advisory contract with you and/or the Plan Sponsor of your Retirement Plan.

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

We do not have the authority to vote securities for clients of our Guided Pathways Advisory Services (including Managed Accounts). Individual clients that are also shareholders will receive their proxies or other solicitations directly from their custodian or a transfer agent. We do not provide advice about how you should vote your proxies.

**Item 18 Financial Information**

Not Applicable.