

Grow Your Business with Morningstar® Retirement ManagerSM

As a financial advisor, you want to provide your clients with superior investment management and high-quality, full service support. Yet as the chart below shows, if you're like most advisors, you may be challenged to stay on top of researching the thousands of funds available to your clients. Morningstar Associates can help you alleviate this problem.

The Managed by Morningstar managed account program, available through Morningstar® Retirement ManagerSM, provides your clients with a sophisticated portfolio management program in which they can receive a personalized retirement strategy including recommendations for their retirement income goal, savings rate, risk level, and specific investments. This allows you to save time so that you focus on expanding your client relationships and assets under management.

Benefits To You

Make the most of your working hours. With Managed by Morningstar you'll hand over your back-office tasks such as determining asset allocations, selecting investments, rebalancing portfolios, and producing reports to Morningstar Associates. This helps you free up your time for you to concentrate on cultivating new client relationships and building on those in place. You'll also be able to uncover additional client needs by collecting infor-

mation about your client's entire financial picture, including other investment accounts or those of his or her spouse. This creates a tremendous opportunity to engage your clients in a conversation about other potential advisory needs and ultimately to help grow your business.

In addition, because Morningstar Associates takes on full fiduciary responsibility for the assets in the managed account program, you'll benefit from a strong source of fiduciary support. Finally, you'll be able to leverage the Morningstar name, known for its comprehensive investment research and data. Morningstar Associates, the registered advisory subsidiary of Morningstar also has extensive expertise as an investment manager. Both you and your clients can be confident in the integrity and expertise of the company behind our managed accounts program.

Additional Benefits For Plan Sponsors:

- ▶ Provide a value-added plan benefit
 - ▶ Added fiduciary protection
 - ▶ Help improve plan metrics
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- ▶ Additional Benefits For Plan Participants:
 - ▶ Sophisticated, institutional-quality oversight
 - ▶ Simplified decision-making process
 - ▶ Improved ability to meet retirement goals

<p>Problem</p> <p>You must juggle multiple responsibilities to manage and grow your business.</p> <p>Typical Allocation of an Advisors Time</p> <ul style="list-style-type: none"> ● Client facing activities—61% ● Administrative—17% ● Investment Management—15% ● Training Professional Development—7% <p>Source: Cerulli Associates 2010 For illustration only</p>	<p>Solution</p> <p>Managed by Morningstar Program from Morningstar Associates.</p> <p>Benefits To You</p> <ul style="list-style-type: none"> ▶ Outsource your back office ▶ Uncover additional client needs ▶ Gain fiduciary support ▶ Leverage the Morningstar name
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Features Of The Service

- ▶ Discretionary investment management
- ▶ Professional oversight
- ▶ Retirement income projections
- ▶ Savings recommendations
- ▶ Risk based asset allocation
- ▶ Expert investment selection
- ▶ Ongoing monitoring and reporting

The Investment Process

At Morningstar Associates, we believe that creating a great portfolio is about more than creating an efficient frontier. We begin the process by learning about the investor’s specific objectives. We then apply our quantitative and qualitative expertise to build, manage, and monitor a portfolio that will help our clients achieve their long term goals.

Our process begins by collecting information about your client’s financial situation and goals. We factor in, not only the time horizon, but the investor’s entire financial picture into our assessment of risk capacity. Using a goals-based framework and Monte Carlo simulations, we make projections about the investor’s future account value and aim to identify scenarios where the investor can meet their goals with the highest degree of probability and the least amount of risk. Generally, we look for scenarios where an investor can reach his or her retirement income goal with at least a 90% probability level.

Next, we attempt to build diversification into the very foundation of a portfolio, accounting for asset class, investment style, market sectors, and size, among other factors. To uncover the true investment style of a fund, we use holdings-based analysis—leveraging Morningstar’s comprehensive securities database of more than 380,000 investments and their holdings.

The ability to assess investment manager quality is a critical component of a portfolio’s success and assures that our portfolios contain the highest quality managers of those available. We use both a rigorous quantitative process and a hands-on qualitative review by our investment professionals

when reviewing investment managers. We then select managers who complement one another, avoiding the risks of overlap and overconcentration. The involvement of Morningstar investment professionals is key differentiating feature of the Managed by Morningstar program. We review the investment options in every plan at the outset as well as quarterly, making adjustments or reallocating when necessary.

About Morningstar Associates

Morningstar Associates, a premier provider of investment advisory services for the retirement plan industry, is a registered investment advisor and wholly owned subsidiary of Morningstar Inc., a company known for being a trusted source for insightful information on stocks, mutual funds and other investment products. Morningstar Associates serves institutions and individuals at all stages of retirement plan development—including plan lineup development, investment monitoring, and participant recommendations. Morningstar Associates is part of Morningstar Investment Management¹, which advises on more than \$180 billion in assets (as of March 31, 2012).

¹Morningstar Investment Management is a division of Morningstar. Morningstar Investment Management includes Morningstar Associates, Ibbotson Associates, and Morningstar Investment Services, all registered investment advisors and wholly-owned subsidiaries of Morningstar, Inc. All investment advisory services described herein are provided by one or more of the investment advisor subsidiaries. The Morningstar name and logo are registered marks of Morningstar.

For More Information

Please contact your plan representative.

How the Program Works

Upon Enrollment	Quarterly	Annually
Strategy generated including wealth projection, retirement goal, asset allocation, and investment selection.	Account reviewed and adjustments made if new information or market performance shifts dictate changes.	Accounts rebalanced to target allocations, incorporating any new client information.
Strategy summary printed from site; transaction confirmation emailed.	Quarterly Progress Report available online. Email notification sent if any account changes are made.	Quarterly Progress Report available online. Email notification sent if any account changes are made.