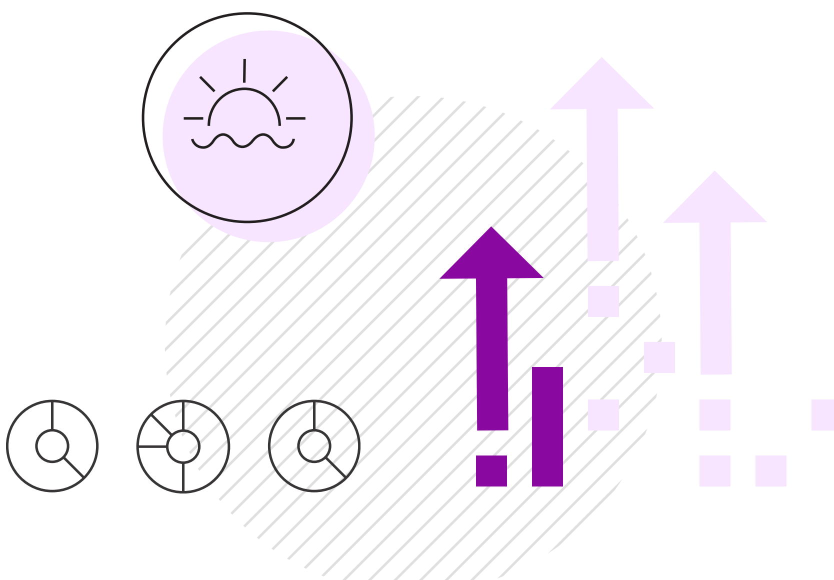
FOR RETIREMENT SAVERS

Morningstar® Retirement Manager℠ Frequently Asked Questions



Morningstar® Retirement Manager℠ **Frequently Asked Questions**

Morningstar® Retirement Manager℠ is a managed accounts service offered by Morningstar Investment Management LLC through your employer-sponsored retirement plan. Read below to learn more about how the service works with answers to these frequently asked questions.

1

During a market downturn, why don't you move my money to cash or bonds?
Morningstar Investment Management LLC believes in and takes a strategic, long-term approach to investing retirement portfolios, because retirement is a long-term goal. We don't make bets or try to time the market because studies have shown that investors tend to do poorly when they do, often selling when investment prices are low and buying when they're high.[1]

For example, if we had immediately sold your investments and placed your money in cash following the downturn in March 2020, we would have locked in any losses and likely caused you to miss the opportunity for a market rebound. In fact, retirement plan providers have recently reported that retirement plan accounts have largely rebounded since the March downturn, finding that average balances increased 13-14% by the end of the second quarter from the first quarter.[2]

As investment managers, we wouldn't have been able to predict exactly when that rebound could occur—nor are we ever able to predict short-term rises or falls in the market. That's why we've designed our methodology to provide personalized, long-term investment strategies and encourage Morningstar Retirement Manager users to stick with them. While no one enjoys a market downturn, trying to avoid them may actually lead to missing an upturn.

Of course, even when keeping all of this in mind, we know it can be hard to focus on your long-term goals during unsteady times. Don't forget that while the markets can drastically shift in the short term, returns are usually positive over the long term. Over the past 100 years, the stock market has earned investors about 8% per year, on average.[3]

2

During a recent market slump, I noticed changes to the investments in my portfolio—why?
You might notice your investments change after we rebalance your portfolio, which is included in our service. Regardless of what's happening in the markets, Morningstar Investment Management rebalances retirement portfolios every three months, as needed, to help ensure your investment strategy stays aligned with your goals.

Rebalancing is a process of returning your portfolio to its intended asset allocation, which can get out of balance due to market movements. As a reminder, your asset allocation refers to the balance of stocks and bonds in your portfolio. If, for example, the stock portion of your portfolio grows faster than the bond portion, your overall asset allocation can become too heavily weighted in stocks. Rebalancing your portfolio to the appropriate asset allocation is important because your asset allocation is what helps ensure the risk and reward potential of your investment strategy is aligned with your personal situation and goals.

Keep in mind that each time Morningstar Investment Management rebalances your investment portfolio, we also consider any new information you've shared with us, whether it's a salary increase, an outside retirement account, or a change to your target retirement date—which could all affect how your retirement investments are allocated. That's why we encourage you to revisit the service from time to time and ensure your information is up to date.

3

What's going to happen if there's even more volatility with the 2020 presidential election?

Unfortunately, market volatility is a to-be-expected part of investing, and it's never possible to predict exactly what will happen. For that reason and because retirement is a long-term goal, we don't attempt to make short-term predictions or make tactical changes to your retirement investments.

Instead, we focus on your long-term goals and stick with the investment strategy created for you in Morningstar Retirement Manager using the information we have about you and your specific situation—like your age, gender, income, and taxes. Your strategy also accounts for your time horizon, or when you plan to retire. So, if you're especially worried about potential volatility because you're retiring soon, know that your time horizon is a key factor that shapes your investment strategy.

If you're concerned about potential volatility in the coming months, one thing you can do is to make sure your information in Morningstar Retirement Manager is accurate and up to date. Have there been any recent changes to your life or financial situation, such as a change to your marital status, or do you have a retirement account from a previous employer? Let us know so we can take that information into account and make sure your retirement portfolio is positioned to help you reach your goals, regardless of what happens in the markets.

To update or double-check your information, revisit Morningstar Retirement Manager by going to your retirement plan provider's website.

4

How can I change my risk preference for my investment portfolio?

Rather than asking for your risk preference, Morningstar Retirement Manager estimates your risk capacity for you. Your risk capacity is a measurement of how much risk you are financially able to take, which we determine using the information you've provided, like your income, your existing retirement investments both in and outside your retirement plan, as well as the age you plan to retire. While your risk capacity depends on your specific situation, generally speaking, your retirement portfolio will gradually become more conservative as you get older.

We believe risk capacity is more reliable and objective than risk preference and less subject to change. For example, studies have shown that investors' risk preference and tolerance tend to change during times of market volatility.[2] Our method is designed to help us pinpoint your risk capacity with what we think is greater accuracy than standard approaches. And, just like everything else you get with Morningstar Retirement Manager, your risk level is personalized to you.

5 What if I'm not happy with the performance of my investments?

In general, we're focused on ensuring you have an investment strategy designed to help you reach your long-term retirement goals. We don't focus on short-term gains or trying to time the market.

That being said, understanding how your investment strategy is designed—which includes your asset allocation or the balance of stocks and bonds in your portfolio—might help to make sense of the returns you see.

As a reminder, the investment strategy created for you in Morningstar Retirement Manager is based on the information we have about you and your specific situation like your age, when you want to retire, gender, income, and taxes. Based on this information and any other retirement accounts you've told us about, we determine your risk capacity and how aggressive or conservative your portfolio should be.

Generally, those who have more time until retirement will have a more aggressive portfolio with a greater concentration of stocks. Stocks have a greater return potential but also tend to have more risk and be more volatile. This means a more aggressive portfolio is likely to fluctuate more during periods of short-term volatility than a more conservative portfolio with a greater concentration of bonds.

For someone who is closer to retirement, they will generally have a more conservative portfolio with a greater concentration of bonds—however they may still be invested in some stocks. This is because, even though you may start withdrawing from your retirement account soon, you won't be withdrawing all your savings at once. Having some of your portfolio allocated to stocks gives that portion a greater return potential, which may help your overall savings to last longer.

Of course, market volatility can also affect investment returns. Fortunately, while the markets can drastically shift in the short term, returns are usually positive over the long term. Over the past 100 years, the stock market has earned investors about 8% per year, on average.[3]

6 Can I change the investments in my retirement portfolio?

Because Morningstar Retirement Manager's managed account service is designed to be a hands-off service for retirement savers, you cannot make specific changes to the investment strategy that's been created for you. However, if there are particular funds you know you do not want to invest in, in the Morningstar Retirement Manager website you can select up to four funds to exclude entirely from your strategy.

Morningstar Investment Management follows a diligent process to invest your retirement savings using the investment options that have been selected by your employer, or another party, for your plan.

To create portfolios for Morningstar Retirement Manager users, we first decide which asset classes should be included and what risk exposures we believe a portfolio should hold for various types of investors. We then use tools to apply our proprietary methodology and research to pick the appropriate combination of funds to satisfy those risk exposure goals.

When vetting individual funds, we start by calculating various statistics that allow us to measure what we think is each fund's ability to outperform (or underperform) its peers relative to the amount of risk the fund takes on to do so. This process helps us narrow down our fund options if a particular employer's plan has many to choose from.

7 What if I want to make changes to the way I'm invested—can I do that?

We designed Morningstar Retirement Manager for those who are interested in receiving professional investment advice and/or management for their retirement account. If you're enrolled in our managed account services, using the information you've shared with us, we take the reins for you and provide a personalized investment strategy that's being monitored on an ongoing basis.

8 I'm retiring soon and worried about the effects of market volatility on my savings. What should I do?

As you approach retirement, your risk capacity will evolve. In turn, our advice or account management services will also evolve so you continue to invest in a manner designed to help you meet your retirement goals. For someone close to retirement, this generally means transitioning to a more conservative portfolio with a greater concentration of bonds. This is because bonds tend to be less reactive to market volatility in the short-term.

However, even for those close to retirement will still have a portion of their portfolio invested in stocks. This is because, even if you plan to start withdrawing from your savings soon, you won't be withdrawing the entirety of your savings at once. Keeping a portion of your portfolio invested in stocks can increase your earnings potential, which may help you make your savings last.

9 I'm retiring soon. What should I do next when it comes to my savings?

There are a couple of features in Morningstar Retirement Manager that can help you as you transition to retirement.

The Social Security Guidance feature helps you make a more informed decision about when to collect Social Security benefits. With the feature, you can view an estimation of how much you can collect in Social Security at each eligible age (62-70); understand the penalties of collecting Social Security while working; or choose not to rely on Social Security benefits for your retirement strategy, if preferred.

Depending on your employer, you may also have access to the Income Secure feature in Morningstar Retirement Manager, which is designed to help you plan how you spend your income in retirement. It provides a sustainable spending plan and investment strategy for your retirement account once you are retired or about to retire.

This feature analyzes your retirement account(s), Social Security benefits, bequest amounts, tax exposure, pensions, and other income sources that help fund your retirement account (including those of a partner, if applicable). The feature then presents you with a plan that includes recommendations for an annual spending amount and a withdrawal strategy if you have multiple accounts. To find out if you have access to the Income Secure feature, reach out to your HR or benefits representative.

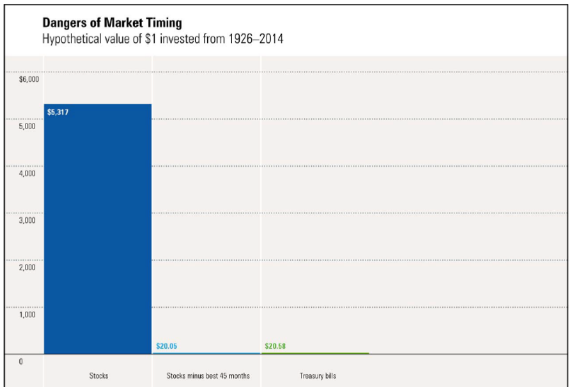
10 How much does the managed accounts service cost me?

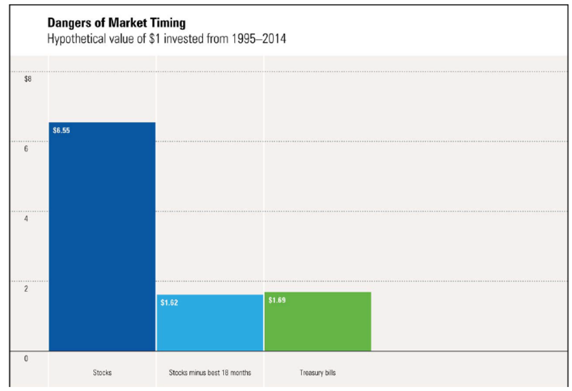
You can confirm your exact fee by calling your plan provider or in Morningstar Retirement Manager by selecting the “Fee Calculator” link in the footer of the service.

11 Why should I use Morningstar Investment Management for advice on my retirement savings?

Morningstar Retirement Manager was designed with retirement savers like you in mind and provides independent investment advice, which means we don’t receive any compensation based on the particular investment recommendations we make. While Morningstar Retirement Manager is an online service, it’s supported by a team of investment professionals that specializes in supporting retirement investors. They evaluate and refine the methodology behind our portfolios on an ongoing basis to help investors reach their retirement goals. In addition to using the information we have about your specific situation and goals, your investment strategy is designed with insights gathered from our independent research in asset allocation and our experience in portfolio construction and manager selection.

[1] Morningstar, Inc. data – Market-Timing Risk, Dangers of Market Timing I and II. Stocks are represented by the Ibbotson® Large Company Stock Index. An investment cannot be made directly in an index. The data assumes reinvestment of income and does not account for taxes or transaction costs.





[2] Data published by Fidelity and Charles Schwab.

[3] David Blanchett, Michael Finke & Michael Guillemette (2018) The Effect of Advanced Age and Equity Values on Risk Preferences, Journal of Behavioral Finance, 19:4, 434-441, DOI: 10.1080/15427560.2018.1431884

[3] Based on the compound annual growth rate of the S&P 500 from January 1, 1919 to December 31, 2019. Annual returns data provided by Shiller and Yahoo Finance.

Morningstar® Retirement Manager℠ is offered by Morningstar Investment Management LLC, a registered investment adviser and subsidiary of Morningstar, Inc., and is intended for citizens or legal residents of the United States or its territories. The Morningstar name and logo are registered marks of Morningstar, Inc. Investment advice generated by Morningstar Retirement Manager is based on information provided and limited to the investment options available in the defined contribution plan. Projections and other information regarding the likelihood of various retirement income and/or investment outcomes are hypothetical in nature, do not reflect actual results, and are not guarantees of future results. Results may vary with each use and over time. The Morningstar name and logo are registered marks of Morningstar, Inc.

All investments involve risk, including the loss of principal. There can be no assurance that any financial strategy will be successful. Morningstar Investment Management does not guarantee that the results of their advice, recommendations or objectives of a strategy will be achieved.

Asset allocation and diversification are methods used to help manage risk. They do not ensure a profit or protect against a loss.

Bonds are subject to interest rate risk. As the prevailing level of bond interest rates rise, the value of bonds already held in a portfolio decline. Portfolios that hold bonds are subject to declines and increases in value due to general changes in interest rates.

The market prices of securities can fluctuate as a result of several factors, such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the market price.

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.

Investments in common stocks involve risk and may not always be profitable. Common stocks are typically subject to greater fluctuations in market value than other asset classes due to factors such as a company’s business performance, investor perceptions, stock market trends and general economic conditions.