Morningstar Investment Management LLC Form ADV Part 2A: Firm Brochure

Retirement Plan Services for Individuals

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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. 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 also is available on the SEC’s website at www.adviserinfo.sec.gov under CRD number 108031.

Morningstar Investment Management LLC is a registered investment adviser. Registration 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. You may also request a copy of our current brochure free of charge by contacting our Compliance Department at 312.696.6000, or by email to complianceemail@morningstar.com. In your request, please indicate the name of the company (Morningstar Investment Management) and the service brochure (Retirement Plan Services for Individuals) you are requesting.

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Advisory Business
Morningstar Investment Management LLC (“Morningstar Investment Management” or “we”, “our” or “us”) is a wholly owned subsidiary of Morningstar, Inc. (“Morningstar”), a publicly traded company (Nasdaq Ticker: MORN). Because we are required to inform you of any individual who holds more than 25% of our company, please be advised that Joseph Mansueto, CEO of Morningstar, individually holds more than 50% of Morningstar’s outstanding shares of stock, and is therefore an indirect owner of more than 50% of Morningstar Investment Management.

Morningstar Investment Management operated under the name Morningstar Associates, LLC from 1999 until the close of business on December 31, 2015 and has been registered with the SEC since 1999. In 2016, Ibbotson Associates, Inc., an investment adviser registered with the SEC from 2000 until the close of business on December 31, 2015, was merged into Morningstar Investment Management. Ibbotson Associates was founded in 1977 and acquired by Morningstar in 2006. Morningstar Investment Management has filed the appropriate notices to conduct business in all states, the District of Columbia, and the Commonwealth of Puerto Rico.

This brochure focuses on the services we provide to individual participants of retirement plans.

Managed Accounts ("Managed by Morningstar"). Under our Managed by Morningstar managed accounts service, we are responsible for managing your retirement account. You may enroll in the Managed by Morningstar service by various methods, such as online, by completing a paper enrollment form, or by telephone. We provide you with an investment strategy based on your personal and financial situation. This investment strategy may include a retirement income goal, a recommended savings level and retirement age designed to help you reach that goal, and recommended asset allocation targets. We then select investment options appropriate for your strategy using the investment options that are available within your plan, as defined by your plan provider or plan sponsor. We send transaction instructions to your plan provider or plan administrator to implement our recommended retirement strategy in your plan account. You may terminate the Managed by Morningstar service at any time without penalty.

Investment Restrictions. If you choose, you may ask us to exclude specific investment options from our recommendations. However, if your requested restrictions prevent us from building an adequately diversified portfolio, you will need to remove some restrictions or you may be prevented from using the Managed by Morningstar service.

In-Retirement. Some plan providers may also extend the Managed by Morningstar service to plan participants who are approaching retirement or are in retirement. If your plan provider offers this service and you meet the retirement criteria established by your plan provider, your investment strategy may include a suggested amount that you can withdraw while striving to maintain income throughout retirement. It may also include information about allocating a portion of your account balance for the purchase of an annuity or other guaranteed income product.

Company Stock Strategy: If your defined contribution plan includes your company’s stock as an investment option, and if you have a portion of your retirement account allocated to your company’s stock upon enrolling in the Managed by Morningstar service, we will recommend that you do not make additional investments in the company stock. Unless your company stock holdings are restricted due to a plan provision or a restriction imposed by your plan sponsor, we will gradually decrease your allocation over time down to zero, using the strategy outlined in your advisory agreement. You have the option to retain all or a portion of the company stock.

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Brokerage Account. Some plans may allow participants to maintain a brokerage account within the plan. If your plan allows this option, you will be responsible for managing and monitoring those assets. We do not manage brokerage account assets; however, if you provide us with detailed information on the holdings within the brokerage account, our methodology will consider these holdings in developing an appropriate investment strategy for your retirement plan account assets. If you do not provide detailed information, our methodology will assume that the balance in the brokerage account is 45% stocks and 55% fixed income.

Account Review. The holdings in your plan account are typically reviewed on a quarterly basis. If necessary, we will send transaction instructions to your plan provider or plan administrator to rebalance or reallocate your account. However, please note that your plan provider or plan administrator may not be able to process rebalancing transactions if any investment option in your plan account has any restriction (e.g., equity wash restriction) at the time the rebalancing transaction instruction is received by the plan provider or plan administrator. In addition, rebalancing transaction instructions may be rejected if any data validation error exists on your account. In these instances, we will work with your plan provider or plan administrator to resolve any issues and to rebalance your account as quickly as possible. However, in some cases, your account may not be rebalanced until the next quarterly review period when all restrictions have been lifted and/or data validation errors have been corrected.

Account Reports. Periodically, you will receive progress reports reflecting your progress toward your retirement goals and other information regarding your investments. Typically, these reports are available electronically through our Internet application on a quarterly basis, and are mailed in paper form to your address on record on an annual basis.

Advice/Guidance ("Managed by You"). Under our Managed by You advice and guidance services, we provide information designed to help you make your own investment choices regarding your retirement account assets. Your plan sponsor or plan provider selects which Managed by You service—Advice or Guidance—is available to you. You may obtain the Managed by You service by various methods, such as online or by telephone. We provide you with an investment strategy based on your personal and financial situation. This investment strategy may include a retirement income goal, a recommended savings level and retirement age designed to help you reach that goal, and asset allocation suggestions.

With the Advice service, we also recommend investments appropriate for you using the investment options available within your plan, as defined by your plan provider or plan sponsor. With the Guidance service, we do not provide specific investment recommendations.

The Managed by You service is a point-in-time recommendation, and our advisory relationship with you ends once we provide you with our recommendations. You may return to the Managed by You service to receive new recommendations at any time.

Investment Restrictions. If you choose, you may ask us to exclude specific investment options from our investment-specific Advice recommendations. However, if your requested restrictions prevent us from building an adequately diversified portfolio, you will need to remove some restrictions or you may be prevented from using the Managed by You service.

In-Retirement. Some plan providers may also extend the Managed by You service to plan participants who are approaching retirement or are in retirement. If your plan provider offers this service and you meet the retirement criteria established by your plan provider, your investment strategy may include a suggested amount that you can withdraw while striving to maintain income throughout retirement. It may also include information about allocating a portion of your account balance for the purchase of an annuity or other guaranteed income product.

Company Stock Strategy. If your defined contribution plan includes your company’s stock as an investment option, and if you have a portion of your retirement account allocated to your company’s stock, we will recommend that you do not make additional investments in the company stock, and that you gradually decrease your allocation over time down to zero, unless you are restricted from doing so due to a plan provision or restriction imposed by your plan sponsor. You have the option to retain all or a portion of the company stock.

Brokerage Account. Some plans may allow participants to maintain a brokerage account within the plan. If your plan allows this option, you will be responsible for managing and monitoring those assets. We do not provide recommendations on brokerage account assets; however, if you provide us with detailed information on the holdings within the brokerage account, our methodology will consider these holdings in developing an appropriate investment strategy for your retirement plan account assets. If you do not provide detailed information, our methodology will assume that the balance in the brokerage account is 45% stocks and 55% fixed income.

Account Review. Under Managed by You, we do not monitor, review or update our recommendations or projections on an ongoing basis. In addition, the Managed by You service does not monitor or review the actual investment decisions that you make.

Personalized Strategy Report. On an annual basis, plan participants eligible for but not currently enrolled in the “Managed by Morningstar” managed accounts service may receive a Personalized Strategy Report. Using data provided by your plan sponsor or plan administrator, we outline a retirement strategy that may be appropriate for you. If your plan sponsor or plan administrator provides your salary and contribution rate information to us, your Personalized Strategy Report may also include an analysis of your retirement income outlook. If you wish to use the Managed by Morningstar service, this report provides you with instructions on how to enroll.

Types of Investments. We provide advice based on the investment options available in your plan, as defined by your plan provider or plan sponsor. These investment options may include open-end mutual funds (including money market funds and stable value funds), variable annuities, and/or exchange-traded funds (“ETFs”).

Regulatory Assets Under Management. As of December 31, 2015, the assets under management for Morningstar Investment Management (rounded to the nearest $100,000) were as follows:

Retirement Services to Individuals: $40,302,600,000
Discretionary Investment Management Services to Institutional Clients: $16,103,100,000
Assets under management include those of Morningstar Associates, LLC, which was re-named Morningstar Investment Management at the close of business on December 31, 2015, and Ibbotson Associates, Inc., which was merged into Morningstar Investment Management at the same time.

Fees and Compensation
We negotiate our fees with your plan provider or plan sponsor. In some cases, your fees may be paid by your plan sponsor or plan provider. Typically, our fees are charged in arrears. To view your specific fee schedule and method of paying those fees, you can access your account through our website or consult with your plan sponsor, recordkeeper, or service provider for more information or if you have questions. You may terminate your advisory relationship with us at any time without penalty.

Managed Accounts ("Managed by Morningstar"). "Managed by Morningstar" managed accounts service, your account will be charged a fee based on the assets in your retirement plan account that we manage. Your plan provider will debit our fee from your plan account and remit that fee to us. This fee is expressed in "basis points." A basis point is equivalent to 0.01%; 100 basis points is equivalent to 1%. Our fee is generally less than 100 basis points of your account. For example, if your account balance is around $50,000, your annual fee would be less than $500. In some cases, your plan provider may charge an annual administrative user fee. Please check with your plan sponsor or plan provider for specific fee information for your plan.

Advice/Guidance ("Managed by You"). We do not charge you a fee to use our "Managed by You" advice or guidance service. However, in some cases, your plan provider may charge an annual administrative user fee. Please check with your plan sponsor or plan provider for specific fee information for your plan.

Other Fees. Our fees 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 or recordkeeper. The investment options’ fees and expenses are described in the prospectus or 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 may also charge an initial or deferred sales charge. Neither Morningstar Investment Management nor any of our employees receive transaction-based compensation for the investment recommendations we make.

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 the assets in your account). Therefore, we do not manage any performance-based fee accounts side-by-side with non-performance based fee accounts.

Types of Clients
In addition to the retirement plan services for individuals described in this brochure, we also provide investment advisory services to institutional clients such as banking institutions, endowments, foundations, investment companies, pension or profit sharing plans, trusts, or other business entities. If you would like a copy of our brochure describing these services, please follow the instructions on Page 1 to access the SEC website. The Managed by Morningstar and Managed by You services are only available to individuals with retirement accounts, such as an account within a defined contribution plan or an IRA. 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 Managed by Morningstar or Managed by You service.

Methods of Analysis, Investment Strategies, and Risk of Loss
Development of Investment Advice. Our Global Investment Policy Committee and its regional governance bodies are responsible for oversight of the investment methodologies across all products and services. Members of the Committee may include officers, chief investment officers, managing directors, or managers of Morningstar Investment Management or its affiliates. The regional governance bodies include regional investment policy committees, asset allocation committees, manager selection committees and portfolio construction (peer review) committees. Global best practice working groups also exist with the goal of sharing methodologies and research across regions. These groups focus on specific investment areas such as valuation models driven by our capital markets research and methodologies used for asset allocation, manager selection, portfolio construction for different investment strategies and advice.

An investment team provides the investment advice used in the products and services referenced in this brochure. Information on key members of this investment team is included in the attached Form ADV Part 2B brochure supplement.

Analysis Methods. In providing our advisory services, we review available quantitative data to analyze and screen the investment options within a plan. For Managed by Morningstar, we also apply qualitative analysis by our investment professionals, such as evaluations of investment managers, portfolios and individual investments. The primary sources of information we use are the extensive databases and methodologies of Morningstar, external research reports and data and interviews with investment managers. Other sources include financial publications, annual reports, prospectuses, press releases, and filings with the SEC. 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. The result is an advanced model that can provide investment recommendations and a projection of different outcomes. Using this model, we develop an investment strategy tailored to your investment goals, as described below.

Investment Strategy. If you are accumulating for retirement savings, our investment strategy is generally based on information such as your retirement account balance, expected retirement age, contribution rate, and other preferences you may have. If you have already retired, and if your plan provider offers the In-Retirement services described above, our strategy is based on information such as your current account balance, additional cash flows and life expectancy. This retirement strategy may include some or all of the following:

Retirement Income Goal (accumulation phase). We define your retirement income goal as the projected amount of money that you will need during retirement to live comfortably throughout retirement. We calculate this amount based on your current income, adjusted to reflect the estimated dollar value at your retirement age. Typically, we use an amount equal to 100% of your take-home pay (although some plan providers may request a different rate, e.g., 80% of your gross pay), and then project the value of that amount at your retirement age to determine your retirement income goal. You have the option to change this projected retirement income amount.
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 adviser. We do not have any material legal or disciplinary events to report.

Other Financial Industry Activities and Affiliations
This section provides information on other business activities we may conduct in addition to the services described above. It also describes any potential conflicts of interest we may have, and how we mitigate those potential conflicts.

Our parent company, Morningstar, offers various products and services to the public. Some of its clients are service providers (e.g., portfolio managers, advisers, or distributors affiliated with a mutual fund or other investment option) (collectively “Service Providers”). We may have a contractual relationship to provide consulting or advisory services to these same Service Providers. In some cases, 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 Morningstar’s relationship with these Service Providers when making investment option 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 open-end mutual funds and ETFs. In some cases, this information includes written analyses of these investment products. Although we may 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 subscribers. Our investment recommendations are based on our separate and independent research and analysis of the available investment product.

In some situations, we may recommend an investment product that holds a position in publicly-traded shares of Morningstar. Such an investment in Morningstar 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.

In certain situations, we may recommend an ETF that tracks an index created and maintained by Morningstar, and the ETF 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 ETFs, we may use solely quantitative criteria established by our advisory client to make such selection, or, in the alternative, Morningstar’s compensation from the ETF 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 ETFs. In addition, Morningstar does not and will not have any input into our investment decisions, including what ETFs will be recommended for our recommended portfolios.

In some instances, we may use the employees or resources of Morningstar or its affiliates to provide certain support services in conjunction with our advisory services. Employees of Morningstar that provide support services to Morningstar Investment Management maintain their Financial Industry Regulatory Authority (“FINRA”) security licenses under Morningstar Investment Services LLC’s limited broker/dealer registration, if appropriate for their current job responsibilities. Morningstar Investment Services utilizes its broker/dealer registration solely for the receipt of 12b-1 fees, therefore, no conflict of interest exists due to the maintenance of these security licenses. In addition, Morningstar or its affiliates may also use our employees and resources to provide certain support services in conjunction with the
services offered by Morningstar or its affiliates. These affiliates may include Morningstar Investment Services LLC, a dually registered investment adviser, limited broker-dealer, and subsidiary of Morningstar Investment Management, HelloWallet, LLC, an employee financial wellness program and subsidiary of Morningstar, and ByAllAccounts, an account and data aggregation service and subsidiary of Morningstar. Our investment professional representatives provide portfolio construction and ongoing monitoring and maintenance for the portfolios within Morningstar Investment Services’ Morningstar® Managed Portfolios® program on Morningstar Investment Services’ behalf. When the same or similar portfolios are offered by us, we do not believe these responsibilities create any material conflicts of interest for our clients. If an additional fee for such products or services by Morningstar or its affiliates is required, it will be set forth in the client advisory agreement. In these situations, clients may pay a fee directly to Morningstar or each such affiliate for its products or services, or as part of a joint fee schedule which encompasses all services.

In addition to the U.S.-based affiliates described above, Morningstar is a direct or indirect owner of a number of other investment adviser entities located in other countries. In some cases, members of our senior management may have some management responsibilities to these other affiliated entities. We do not believe that these management responsibilities create any material conflicts of interests for our clients. A current list of all of our investment adviser affiliates can be found in our Form ADV Part 1, which can be obtained at www.adviserinfo.sec.gov, as described on Page 1 of this Brochure.

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 discretionary bonus is based in part on the investment performance over three- and five-year time periods for the portfolio(s) the employee is responsible for managing. Benchmarks are used as a measure of investment performance, and are chosen by senior personnel and approved by the Global Investment Policy Committee’s Regional Investment Policy Committee. To mitigate the conflict of interest that could arise from partially basing an employee’s bonus on portfolio performance, all investment decisions made within a portfolio must be peer reviewed by a regional governance body within the Regional Investment Policy Committee, which includes asset allocation committees, manager selection committees, and portfolio construction (peer review) committees.

We may make our clients aware of various products and services offered by Morningstar or its affiliates. We do not receive compensation from our affiliates in presenting these potential opportunities. Morningstar and its affiliates, in turn, may make their clients aware of various products and services offered by us. Morningstar and its affiliates do not receive any compensation from us in presenting these potential opportunities.

In certain circumstances, we may use the middle-office and back-office capabilities of Morningstar Investment Services. When we do, we compensate Morningstar Investment Services for use of those services. In addition, Morningstar Investment Services may provide sales support by educating investment adviser representatives about programs for which Morningstar Investment Management and Morningstar Investment Services act as investment strategists. For this sales support, the third-party investment adviser will pay a specific agreed upon fee to Morningstar Investment Management and Morningstar Investment Services.

The universe of investment options from which we make our investment selections is typically defined by the institutional client for whom we are providing services or by the plan provider client through whom our retirement plan services are delivered. In some cases, this universe of investment options may include proprietary investment options of the institutional client or plan provider client. To mitigate the conflict of interest 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 expenses, and the proprietary nature of the investment options does not influence our selection.

We may provide consulting or advisory services to institutional clients that offer investment products, such as mutual funds, variable annuities, or model portfolios. Because of our role in these investment products, recommending these products to other advisory clients may present a conflict of interest. To mitigate this potential conflict of interest, we exclude these investment products from the universe of investment options from which we make our recommendations.

We may also 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.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics: We have adopted a Code of Ethics that strives to uphold the highest standards of moral and ethical conduct, including placing our clients’ interest ahead of our own. All access persons are subject to this Code of Ethics. “Access persons” includes our officers and employees, and any officer or employee of our affiliates who makes or participates in investment recommendations to clients; or who has the ability to access a client’s nonpublic information, including a client’s security holdings or investment recommendations a client has received or will receive. Our Code of Ethics addresses such topics as our fiduciary duty, our professional responsibilities, protecting our clients’ non-public personal information, our gifts and entertainment policies, and the personal trading practices of all access persons. A copy of our Code of Ethics is available to existing and prospective clients by sending written request to our Compliance Department at the address or email address shown on Page 1 of this brochure.

Participation or Interest in Client Transactions. Our access persons may maintain personal investment accounts, and may purchase or sell investments in those accounts that are the same as or different from the investments we recommend to clients. Because we primarily 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). In addition, we do not 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).
such things as your progress toward your retirement goal, investment in an electronic format (e.g., by email or through Internet account access) will receive a progress report with information about your account, either paid to third-party solicitors. Refer to the disclosure document for information on the effect of the fees with us directly. Solicited clients referred by a third-party solicitor should solicitors may in some cases pay a higher fee than clients who contract that sets forth the terms of the arrangement (including the nature of the prospective client with a copy of this brochure and a disclosure document.

We exercise investment discretion, we will generate trade instructions for each portfolio 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. We do not participate in any soft dollar practices.

**Review of Accounts**

Managed Accounts (“Managed by Morningstar”). Retirement accounts enrolled the Managed by Morningstar managed accounts service are typically rebalanced or reallocated on a quarterly basis as necessary, and receive quantitative and/or qualitative reviews performed by our investment team on an annual or as-needed basis. You are responsible for notifying us of changes in your personal and financial information, investment objectives, and investment restrictions so that we can make the necessary adjustments to your investment strategy. Periodically, you will receive a progress report with information about your account, either in an electronic format (e.g., by email or through Internet account access) or by U.S. mail to your address of record. This progress report may include such things as your progress toward your retirement goal, investment performance information, and an analysis of your retirement account.

Advice/Guidance (“Managed by You”). We do not provide ongoing account reviews as part of the Managed by You advice and guidance services. You should review your retirement plan and retirement account asset allocation recommendations on a regular basis. You may use the Managed by You service at any time to update your personal information and review your retirement plan strategy, which may have changed as the result of the updated information. In addition, we do not prepare periodic reports as part of the Managed by You service. You may use the Managed by You service to review your retirement accounts as frequently as you wish.

**Client Referrals and Other Compensation**

In certain situations, we may make direct or indirect cash payments to our affiliates or to unaffiliated third parties for recommending the use of our advisory services to their clients. Such cash payments are paid pursuant to a written agreement between us and our affiliate or the third party solicitor. Affiliated solicitors will disclose to the prospective client at the time of solicitation that they are affiliated with us and may receive compensation for the referral. Third party solicitors will provide each prospective client with a copy of this brochure and a disclosure document that sets forth the terms of the arrangement (including the nature of the relationship and the fees to be paid.) Clients referred by third party solicitors may in some cases pay a higher fee than clients who contract with us directly. Solicited clients referred by a third-party solicitor should refer to the disclosure document for information on the effect of the fees paid to third-party solicitors.

**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 may be deemed to have custody of client assets, even if we do not act as a custodian. Your plan provider or its designee is responsible for selecting the custodian for your plan assets and you should receive statements from the qualified custodian that holds your assets at least quarterly. You should carefully review such statements and compare them to the progress reports we provide to you. Our progress reports may vary from custodial statements because of differences in accounting procedures (e.g., trade-date versus settlement-date accounting) or reporting dates. If you note any discrepancies on your account statements, please promptly contact your plan administrator.

**Investment Discretion**

When you accept the advisory agreement for our “Managed by Morningstar” managed accounts service, you assign to us full discretion to manage the investments of your retirement account on your behalf and to monitor it on an ongoing basis. Based on information provided by you, we provide you with an individualized asset allocation strategy and select investment options appropriate for that strategy based on the options available in your account. As described above, you have the right to impose reasonable restrictions on your retirement account. We will exercise our discretion in managing your account consistent with your individualized strategy and within the account restrictions, if any.

If you elect our “Managed by You” advice or guidance service, you retain the investment discretion and control of your retirement account. We provide you with information designed to help you make investment choices regarding your retirement account assets, but you are responsible for managing the investments in your account. We do not monitor, review or update our recommendations or projections on an ongoing basis.

In some cases, we may have investment discretion in managed accounts through our retirement plan services programs we offer to our institutional clients. In other cases, we may make investment recommendations to retirement plan participants, but the participants have the discretion to accept, reject, or modify our recommendations. The extent of our investment discretion is set forth in our contract with the plan provider or the participant.

**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.

**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, and we have not been the subject of any bankruptcy proceeding.

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Morningstar Investment Management LLC Form ADV Part 2B: Brochure Supplement

Retirement Plan Services for Individuals

June 17, 2016

This brochure supplement provides information about the investment team for Morningstar Investment Management LLC’s retirement plan services for individuals as a supplement to our firm brochure. This supplement provides information on the members of the investment team with the most significant responsibility for day-to-day investment advice for retirement plan services and is not a complete list of all the members of the investment advisory team.

Please contact the Compliance Department at 312.696.6000 or compliancemail@morningstar.com if you did not receive a copy of our firm brochure, if you have questions about the content of this supplement, or if you would like information about other members of our investment team. In your request, please indicate the name of the company (Morningstar Investment Management) and the type of service (Retirement Plan Services for Individuals.)

Lucian Marinescu, CFA
Educational Background and Business Experience: Lucian is a portfolio manager and head of target date strategies for Morningstar Investment Management. He served as a project manager for Morningstar, Inc. beginning in 2002 before joining Ibbotson Associates, Inc. in 2007. Born in 1979, Lucian has a BA in economics and business administration from Monmouth College, an MBA from University of Chicago Booth School of Business, and is a CFA* charterholder. Lucian does not have any disciplinary information, other business activities or additional compensation to disclose.

John Shelbourne
Educational Background and Business Experience: John is a senior investment analyst. He joined Morningstar, Inc. in 2006 and served as a data analyst, product manager, and senior client relationship manager before joining Ibbotson Associates, Inc. in 2014. John is responsible for constructing and rebalancing the managed accounts portfolios. Born in 1980, John has a bachelor’s degree from Purdue University and is a CFA* charterholder. John does not have any disciplinary information, other business activities or additional compensation to disclose.

Heather Young
Educational Background and Business Experience: Heather is the portfolio construction team manager. She joined Ibbotson Associates, Inc. in 1998 as a senior analyst. Heather is responsible for constructing and rebalancing the managed accounts portfolios. Born in 1975, Heather has a bachelor’s degree from Indiana University. Heather does not have any disciplinary information, other business activities or additional compensation to disclose.

Bryan Platz, CFA
Educational Background and Business Experience: Bryan is an investment consultant. Bryan was a client solutions consultant with Morningstar, Inc. from 2006 to 2011. From 2011 to 2013, Bryan was an investment consultant for Mesirow Financial. He joined Morningstar Investment Management1 as an investment consultant in 2013. Born in 1977, Bryan has a BS from Miami University and is a CFA* charterholder. Bryan does not have any disciplinary information, other business activities or additional compensation to disclose.

Investment Team Supervision – Daniel Needham, CFA
Daniel is president and global chief investment officer for the Investment Management group at Morningstar, Inc., which includes Morningstar Investment Management. Before adding the role of president in 2015, Daniel was global chief investment officer for the Investment Management group. In 2013 his role expanded to include responsibility for Morningstar’s investment management operations in Europe. Prior to 2013, Daniel was chief investment officer and managing director for Investment Management in Asia-Pacific. Daniel joined Morningstar in 2009 through the company’s acquisition of Intech Pty Ltd, where he served as chief investment officer. He also held other investment roles including analyst, portfolio manager, and head of multi-strategy. Before joining Intech in 2002, Needham worked for Zurich Financial Services in Sydney.

Daniel oversees the United States investment team, including setting the strategic direction and goals for the team. The activities of the investment team are guided by the Americas Investment Policy Committee of the Global Investment Policy Committee, which Daniel chairs. The Global Investment Policy Committee and its working sub-committees and investment teams are responsible for oversight of the investment methodologies. The sub-committees and investment teams focus on specific investment capabilities such as valuation models and asset allocation, manager selection, portfolio construction and portfolio risk analytics. Daniel holds a bachelor’s degree in commerce from the University of Sydney, where he majored in finance and economics. He also is a CFA* charterholder.

*The Chartered Financial Analyst (CFA) designation is an international professional certification offered by the CFA Institute. To become a CFA charterholder, candidates must pass three six-hour exams, possess a bachelor’s degree, and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct. The CFA is a qualification for finance and investment professionals, particularly in the fields of investment management and financial analysis of stocks, bonds and their derivative assets. The program focuses on portfolio management and financial analysis, and provides a general knowledge of other finance areas.

1 Morningstar Associates, LLC was re-named Morningstar Investment Management LLC and Ibbotson Associates, Inc. was merged into this entity at the close of business on December 31, 2015.

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