



## Advice toward better retirement readiness

See how Morningstar® Retirement Manager<sup>SM</sup> investment advisory services can help more of your employees be ready.

**MORNINGSTAR**®

For Plan Sponsor Use Only

PLAN  
INVEST  
PROTECT

**VOYA**®  
FINANCIAL

# Investment advice, for those who may need it the most.

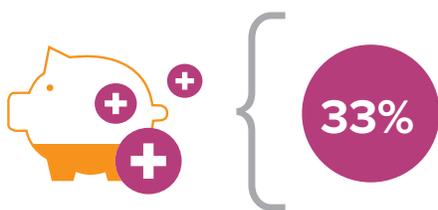
Are your employees saving enough in the plan to be financially ready for retirement? Do they need more help choosing investments best suited to their personal goals, risk tolerance and life stage? Savings and investment decisions can be complicated, even for savvy investors. That's why there's Morningstar® Retirement Manager<sup>SM</sup> – to help employees, like yours, get the most out of their plan while pursuing their retirement goals.

Available through Voya Financial's retirement product suite and offered by Morningstar Investment Management, LLC, Morningstar Retirement Manager offers two unique solutions that recognize individuals don't have to be investing experts to manage their retirement account. Investment Advice (**Manage My Plan Manually**) and Managed Accounts (**Have Morningstar Manage My Plan**)\* consider that some participants may enjoy actively managing their accounts, while others may prefer to have a professional investment manager do it for them.

\*Available for an additional fee.

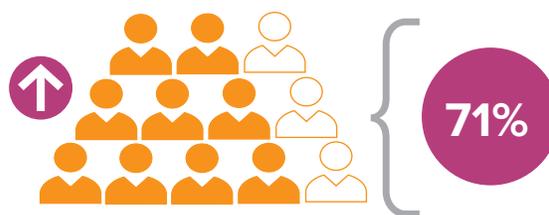
## What's the bottom line? Better plan health.

Based on research<sup>1</sup>, the Morningstar Investment Management advisory service can help improve key indicators of a plan's overall health including deferral rates, portfolio diversification and potential retirement income.



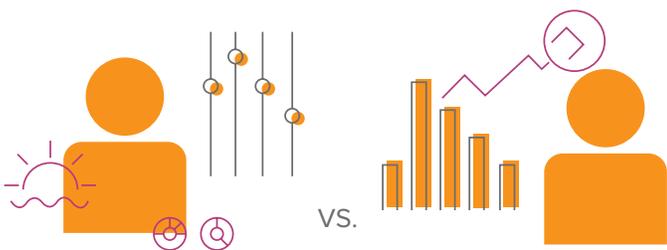
### Increased savings rates

Participants increased their savings rates by 33% after using the program, an average of 2% of their salary.<sup>2</sup>



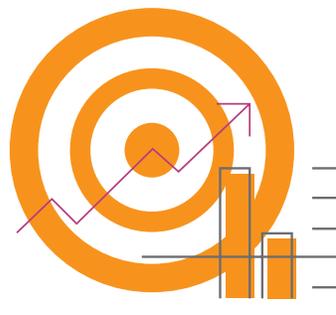
### Saving more for retirement

71% of participants increased their savings rate after using managed accounts service.<sup>3</sup>



### More-appropriate portfolios and higher quality funds

Participating in a managed accounts service resulted in more appropriate portfolio risk levels for participants and portfolios with higher quality funds, especially among those who previously managed their own investments.<sup>4</sup>



### Maximizing employer match

The percentage of participants maximizing employer match increase by 12% after enrolling in a managed accounts service.<sup>5</sup>



For important information regarding the research statistic(s), and to download the full study, go to [http://corporate.morningstar.com/US/documents/ResearchPapers/Expert\\_Guidance.pdf](http://corporate.morningstar.com/US/documents/ResearchPapers/Expert_Guidance.pdf).

**More wealth at retirement**

A 30-year old participant could potentially have almost 42% more annual retirement income from a managed accounts service with an annual fee of 0.60%.<sup>6</sup>

**Services at-a-glance**

Morningstar Retirement Manager can help take the guesswork out of choosing savings rates, building investment portfolios and managing retirement accounts. Whichever option your employees choose, they have easy access to advice and investment direction designed to help put them on track to achieving their retirement goals.

Individuals receive	Manage My Plan Manually <small>(Available for no additional cost)</small>	Have Morningstar Manage My Plan <small>(Available for an additional fee*)</small>
Improved ability to potentially meet retirement goals	●	●
Sophisticated, institutional-quality oversight	●	●
A simplified decision-making process	●	●
Morningstar Investment Management's acknowledgement of fiduciary responsibility**	●	●
A personalized asset allocation strategy	●	●
Investment selections based on plan availability	●	●
Ongoing monitoring of investment selections		●
Automatic account rebalancing		●
Quarterly progress reports online		●
Annual progress reports mailed to homes		●

\*Check with your Voya® representative for fee information.

\*\*For the Have Morningstar Manage My Plan service, Morningstar Investment Management acts as the investment manager with discretionary authority and accepts fiduciary responsibility over only the plan accounts of those participants who have enrolled in the service.

**Under either service, Morningstar Investment Management assumes fiduciary responsibility for the investment advice it provides to participants.\*\***

If you are interested in learning more about Voya and Morningstar Retirement Manager or to adopt this service, please contact your local Voya representative or the Voya Sales Desk at (866) 481-3653, option 4.

## “The Impact of Managed Accounts on Participant Savings and Investment Decisions”, Morningstar Investment Management, LLC, 2021.

<sup>1</sup> A total of 60,825 participants were included in the study based on available participant information and various filters and include those that used Morningstar Investment Management’s Morningstar® Retirement Manager<sup>SM</sup> Managed Accounts Service between January 5, 2007 and June 4, 2018.

<sup>2</sup> This figure quantifies the change in deferral rates for participants prior to and after using the Morningstar Retirement Manager managed accounts service. The median absolute difference for those not-on-track users was two percentage points with a relative change of 33.3%. The median absolute difference for on-track users was zero percentage points with a relative change of 0%. Changes were not constant across age ranges.

<sup>3</sup> This figure quantifies the change in savings rates for participants prior to and after using the Morningstar Retirement Manager managed accounts service. (Total savings rates include employee deferrals and employer matching contributions. If an employer matching contribution rate was not available for a plan, an assumed match rate of 50% on the first 6% of deferrals was assumed.) The majority of participants who were not on track increased their savings rate (71.5%) while the majority of participant who were on track did not change their savings rates (64.8%). Changes in savings rates were not constant across age ranges, with younger participants having larger average changes than older participants. Total savings rates increased more than employee deferral rates because Morningstar Retirement Manager considers whether a participant is achieving the maximum employer match and recommends a deferral rate increase up to the employer match amount regardless of whether the participant is on track or not on track to meet their retirement goals.

<sup>4</sup> Equity allocations for portfolios before and after a participant enrolled in the Morningstar Retirement Manager managed accounts service were estimated. After using managed accounts, there were considerable changes in risk levels for some participants, in particular a subset of self-director users who were invested primarily or entirely in fixed income prior to enrolling in managed accounts. Such participants were generally invested too conservatively and had a significant increase in their equity allocations after enrolling in managed accounts. In addition, a significant number of participants, especially older participants, ended up in more conservative portfolios after enrolling in managed accounts. Morningstar Quantitative Ratings<sup>SM</sup> are used as a proxy for fund quality for this analysis. Morningstar Quantitative Ratings are statistical ratings that range from Gold, Silver, Bronze, Neutral, or Negative. Higher ratings reflect Morningstar’s conviction in a fund’s ability to outperform its peer group and/or benchmark on a risk-adjusted basis over a full market cycle of at least 5 years. Using these ratings, the weighted average “quality” of a portfolio was

estimated. Prior to enrolling in the Morningstar Retirement Manager managed account service, Allocation-fund users had an average fund quality score of 3.8 while self-director users had an average fund quality score of 3.7. After enrolling in managed accounts, the average fund quality score for users was 3.9.

<sup>5</sup> This figure quantifies the percentage of participants who received the maximum employer match prior to and after using the Morningstar Retirement Manager managed accounts service. Only plans that offered an employer match were included in this analysis. On average, 12% more not-on-track participants received the maximum employer match, when a match was available, versus 1% of on-track participants.

<sup>6</sup> The amount of annual income a participant could receive in retirement was determined by calculating the expected geometric return for each participant’s portfolio prior to and after using the Morningstar Retirement Manager managed accounts service using the portfolio’s asset class exposures. The difference between these results was then projected forward to the participant’s assumed retirement at age 65. Participants are grouped by (i) age, (ii) self-directors versus allocation-fund users, (iii) whether they are “on track” or “off track” for meeting the retirement goal, and (iv) annual managed account investment management fee. Each portfolio’s fund allocation and the participant’s savings rate are assumed to remain constant over time and a retirement age of 65 is assumed. In reality, these would likely change over time and would differ by individual participants.

For this calculation, sixty (60) basis points was used as a proxy for the average fee assessed by a managed account provider. This analysis does not account for all portfolio costs such as fees, taxes, or expenses other than the annual investment management fee. If included, these fees would lower the potential amount of additional wealth at retirement shown in this analysis. Overall, an average 25- to 34-year old participant in this scenario could potentially realize an additional \$4,306 in annual retirement income. (In this age group, not-on-track self-directors could realize an additional \$6,937 by enrolling in managed accounts; Not-on-track allocation-fund users could realize an additional \$2,375, and on-track self-directors could realize an additional \$1,405. On-track allocation-fund users were found to potentially realize \$1,714 less by using managed accounts than by using an allocation fund).

The average amount a participant could realize in annual retirement income by enrolling in managed accounts with an annual 60 basis-point investment management fee varies across age groups, with an average 35- to 44-year old having the potential to realize an additional \$1,817 and an average 45- to 54-year old has the potential to realize an additional \$374. A 55- to 65-year old could potentially realize \$143 less by using managed accounts.

## About Voya Financial®

Voya Financial, Inc. helps Americans plan, invest and protect their savings — to get ready to retire better. With a clear mission to make a secure financial future possible — one person, one family, one institution at a time — Voya’s vision is to be America’s Retirement Company®.

## About Morningstar Investment Management

Morningstar Investment Management LLC, a leading provider of investment advisory services for the retirement plan industry, is a registered investment advisor and subsidiary of Morningstar, Inc, a company known for its independence and investor focus.

Morningstar Investment Management offers fiduciary solutions at all stages of retirement plan development — including plan lineup development, investment monitoring and participant recommendations.



Not FDIC/NCUA/NCUSIF Insured | Not a Deposit of a Bank/Credit Union | May Lose Value | Not Bank/Credit Union Guaranteed | Not Insured by Any Federal Government Agency

**IMPORTANT: The projections or other information generated by Morningstar® Retirement Manager<sup>SM</sup> regarding the likelihood of various retirement income and/or investment outcomes are hypothetical in nature, do not reflect actual results (including investment results) and are not guarantees of future results. Results may vary with each use and over time.**

Morningstar® Retirement Manager<sup>SM</sup> 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. Morningstar Investment Management’s advisory service relates solely to the available investment options offered under the plan. Retirement plan funding products are offered through Voya Financial Partners, LLC (member SIPC) or other broker dealers with which it has selling agreements. Voya Financial provides Morningstar Investment Management with the plan’s available investment options and information about participants but the decisions regarding the advice provided are made by Morningstar Investment Management. Voya and its companies are not affiliated with Morningstar Investment Management LLC or its affiliates, and receive no fee or other direct financial benefits from Morningstar Investment Management in connection with the use of its services. The Morningstar name and logo are registered marks of Morningstar, Inc.

Any insurance products, annuities and funding agreements that you may have purchased are sold as securities and are issued by Voya Retirement Insurance and Annuity Company (“VRIAC”). Fixed annuities are issued by VRIAC. VRIAC is solely responsible for meeting its obligations. Plan administrative services provided by VRIAC or Voya Institutional Plan Services, LLC (“VIPS”). Neither VRIAC nor VIPS engage in the sale or solicitation of securities. If custodial or trust agreements are part of this arrangement, they may be provided by Voya Institutional Trust Company. All companies are members of the Voya® family of companies. **Securities distributed by Voya Financial Partners, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.** All products or services may not be available in all states.

156940 893950\_0921 WLT 250009948 © 2021 Voya Services Company. All rights reserved. CN1835925\_0923

PLAN | INVEST | PROTECT

Voya.com

