Benefits in Focus

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USI CONSULTING GROUP

Market Volatility, Your Employees and Morningstar® Retirement Manager℠

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Agenda

- Introduction
- Who is Morningstar Associates?
- Addressing Your Participants' Concerns
- How Morningstar Retirement Manager Can Help
- Take Action
- Summary
- Questions

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Introduction

Participant Advice – The Historical Perspective:

- Prior to 2006, fiduciaries were precluded from offering participant advice
  - Participant advice a prohibited transaction
- Pension Protection Act of 2006 (PPA) allows participant advice as long as:
  - Advisor charges a flat fee, or
  - Advice is based on a computer model
  - Advisor must disclose fee arrangement, and
  - Advisor must inform participants about any affiliations with recommended investments

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Introduction

- USI Consulting Group has had a relationship with Morningstar Associates for over 10 years
- Morningstar Retirement Manager services:
  - Participant advice services are flexible, allowing users to satisfy their needs
  - Personalized approach offers a customized solution for participants who need help the most
  - Satisfies all the requirements outlined in PPA
  - Plan sponsors may consider Managed Accounts for Qualified Default Investment Alternative (QDIA)

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Who is Morningstar Associates?

Morningstar: Powerful Brand and Global Strength

Mission

Create great products that help investors reach their financial goals

Footprint*

Global presence in 26 countries serving 7.4 million individuals, 270,000 advisors, and 4,300 institutions

6.3 million registered users for Morningstar.com

Brand and Reputation

Trustworthy, reliable, and objective[1]

*Figures as of 12/31/2010
[1] Based on the results of Morningstar Inc.'s 2010 Brand Study

Morningstar Investment Management

$182.9B

Total Assets*

Trusted Provider

- $141.5 billion assets under advisement for investment consulting
- $38.4 billion assets under advisement and management for managed accounts, custom models, and plan sponsor advice
- $3.0 billion assets under management in managed portfolios

33+ yrs

Serving Clients**

Client-Focused Solutions

- Access to Morningstar's global resources in 26 countries
- 92 investment professionals
- Selected by 55 of the Fortune 500 to provide investment services

2 patents

World-Class Reputation

- Frequently quoted in *The New York Times, The Wall Street Journal, Forbes, Fortune, BusinessWeek, etc.*
- More than 80 research papers written or co-authored
- 6 Graham and Dodd Awards awarded by the CFA Institute

*Data as of June 30, 2011. Includes Morningstar Associates, Ibbotson Associates, and Morningstar Investment Services.

** Ibbotson Associates Inc. was established in 1977. Morningstar Associates was established in 1999 and Morningstar Investment Services, Inc. was established in 2001.

***Patent issued to Ibbotson Associates for Asset Allocation with Annuities in 2006. Patent issued to Ibbotson Associates for Human Capital in 2007.

Addressing Your Participants' Concerns

Addressing Your Employees' Questions

- Review Your Risk Tolerance
- Continue Saving
- Diversify Your Portfolio

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Why Diversification is Important

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Small-Cap Value 14.02	Fixed Income 10.25	Small-Cap Growth 48.54	Small-Cap Value 22.25	Foreign Stock 14.02	Foreign Stock 26.86	Large-Cap Growth 11.81	Fixed Income 5.24	Mid-Cap Core 37.38	Small-Cap Growth 29.09
Fixed Income 8.44	Cash 1.68	Small-Cap Value 46.03	Foreign Stock 20.70	Mid-Cap Core 11.27	Small-Cap Value 23.48	Foreign Stock 11.63	Cash 1.51	Large-Cap Growth 37.21	Mid-Cap Core 24.85
Cash 3.67	Small-Cap Value -11.43	Foreign Stock 39.17	Large-Cap Value 16.49	Large-Cap Value 7.05	Large-Cap Value 22.25	Small-Cap Growth 7.05	**Diversified -28.15**	Small-Cap Growth 34.47	Small-Cap Value 20.58
Mid-Cap Core -1.64	**Diversified -14.04**	Mid-Cap Core 34.02	Mid-Cap Core 15.16	**Diversified 6.35**	Large-Cap Core 15.79	Fixed Income 6.97	Small-Cap Value -28.92	Foreign Stock 31.78	Large-Cap Growth 16.71
Diversified -4.87	Mid-Cap Core -15.45	Large-Cap Value 30.03	Small-Cap Growth 14.31	Large-Cap Growth 5.26	**Diversified 14.35**	Mid-Cap Core 6.69	Large-Cap Value -36.85	Large-Cap Core 26.46	**Diversified 15.57**
Large-Cap Value -5.59	Large-Cap Value -15.52	Large-Cap Growth 29.75	**Diversified 12.43**	Large-Cap Core 4.91	Small-Cap Growth 13.35	Large-Cap Core 5.49	Large-Cap Core -37.00	**Diversified 23.74**	Large-Cap Value 15.51
Small-Cap Growth -9.23	Foreign Stock -15.66	**Diversified 29.04**	Large-Cap Core 10.88	Small-Cap Value 4.71	Large-Cap Growth 9.07	**Diversified 4.94**	Mid-Cap Core -37.28	Small-Cap Value 20.58	Large-Cap Core 15.06
Large-Cap Core -11.89	Large-Cap Core -22.10	Large-Cap Core 28.68	Large-Cap Growth 6.30	Small-Cap Growth 4.15	Mid-Cap Core 8.99	Cash 4.77	Large-Cap Growth -38.44	Large-Cap Value 19.69	Foreign Stock 7.75
Large-Cap Growth -20.42	Large-Cap Growth -27.88	Fixed Income 4.10	Fixed Income 4.34	Cash 3.34	Cash 5.06	Large-Cap Value -0.17	Small-Cap Growth -38.54	Fixed Income 5.93	Fixed Income 6.54
Foreign Stock -21.19	Small-Cap Growth -30.26	Cash 1.05	Cash 1.43	Fixed Income 2.43	Fixed Income 4.33	Small-Cap Value -9.78	Foreign Stock -43.06	Cash 0.16	Cash 0.14

Asset Class	Proxy
Large-Cap Growth	Russell 1000 Growth
Large-Cap Value	Russell 1000 Value
Large-Cap Core	Standard & Poor's 500
Mid-Cap Core	Standard & Poor's Midcap 400
Small-Cap Growth	Russell 2000 Growth
Small-Cap Value	Russell 2000 Value
Foreign Stock	MSCI EAFE
Fixed Income	BarCap US Aggregate Bond
Cash	3 Month T-Bill
Diversified	Average of all asset classes

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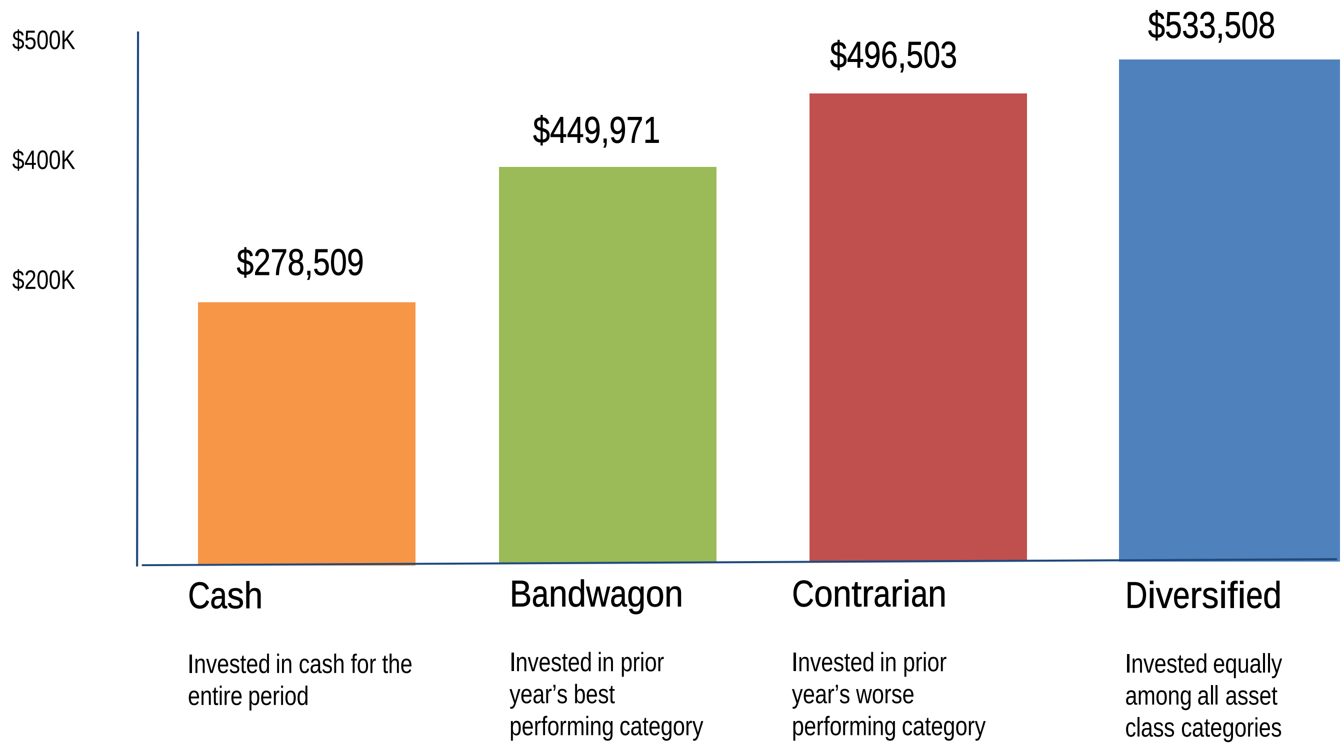
Diversification Can Lead to Relatively Strong Performance

Hypothetical Results of $10,000 Invested Annually (1990-2010)



Source: Morningstar Associates, LLC. The hypothetical returns presented are for illustrative purposes only and do not imply any actual historical performance. Results of an investment made today may differ substantially from the hypothetical performance shown and as a result, an individual client may lose money. The hypothetical performance is based on annual category returns and does not represent any actual investment. Diversification does not ensure a profit or protect against a loss in a declining market. Past performance is no guarantee of future results.

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How Morningstar Retirement Manager Can Help

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Morningstar Retirement Manager

Morningstar® Retirement Manager℠ — ABCo. | MORNINGSTAR

1 Confirm Your Information — 2 Review Your Strategy — 3 Finalize Your Strategy

	Current	Proposed
Overall Rating (?)	★★★	★★★★★
Retirement Income Outlook (?)	**$28,249/yr**	**$37,729/yr**
Retirement Income Goal	$36,496/yr	$36,496/yr
Savings Rate (?)	3%	8%
Asset Mix/Risk Level (?)	Balanced	Aggressive
Investment Selections (?)	Good	Excellent

Morningstar® Retirement Manager℠ — ABCo. | MORNINGSTAR

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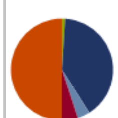

Current Asset Mix	%
Large-Cap Stock	40
Mid-/Small-Cap Stock	4
International Stock	5
Bonds	50
Cash Equivalents	1
Total	100

Proposed Asset Mix	%
Large-Cap Stock	34
Mid-/Small-Cap Stock	22
International Stock	29
Bonds	12
Cash Equivalents	3
Total	100

Comprehensive investment advisory service that provides participants with a long-term diversified portfolio

Features

- Personalized investment strategy
- Advice/Managed Accounts
- Platform enables delivery through multiple platforms
- Retirement Readiness

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Flexible Options

Advice

Participant decides whether to implement our recommendations

- Point-in-time recommendations
- For the “Help Me” user
- Personalized retirement readiness forecast
- Fund-specific portfolio
- Participant manages own account
- Online enrollment

Managed Accounts

We create, implement, and manage a participant’s strategy

- Professional, ongoing oversight
- For the “Do It For Me” user
- Personalized retirement readiness forecast
- Fund-specific portfolio
- Customized asset allocation
- Quarterly reviews
- Reallocation and rebalancing as necessary
- Quarterly and annual participant communications
- Online/paper enrollment

Investment Process

Profile investor
- Collect personal data

Determine asset mix
- Human capital methodology
- Risk questionnaire
- Mean-variance optimization
- Black-Litterman Model
- Capital market expectations
- Monte Carlo simulations

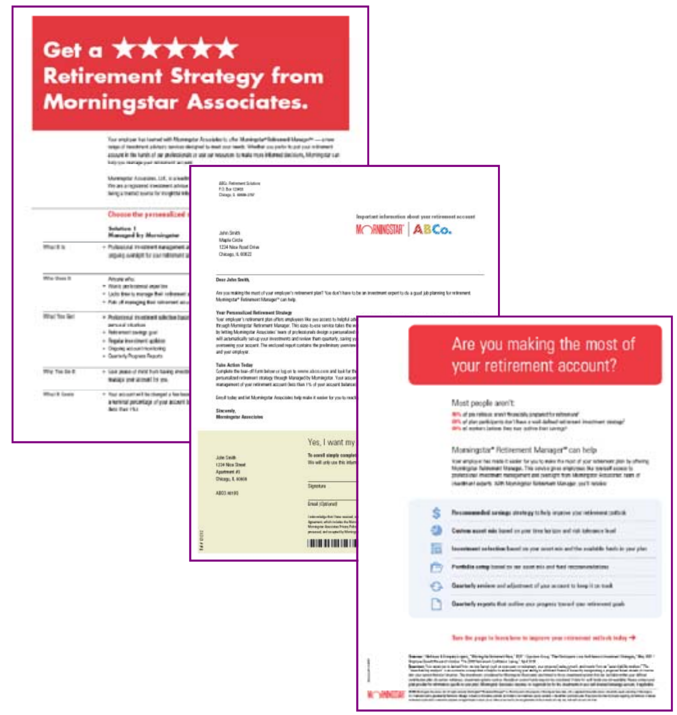
Select investments
- Quantitative analysis
- Fundamental analysis

Construct portfolio
- Alpha-tracking error optimizer
- Returns-based/ holdings-based

Monitor and rebalance
- Quarterly rebalancing
- Annual reallocation

Communications Support

- Standard materials include:
  - Emails
  - Web banners
  - Newsletter content
  - Postcard/posters
  - Webcasts
  - Videos
- Personalized retirement strategy reports
- Participant progress reports



Fees

Advice	Managed Accounts

▪ Free of charge	▪No direct cost to the Plan Sponsor
	▪Fee for professional management is a percentage of the participant's account balance = 0.75% per year
	▪ Automatically deducted from account – no bills
	▪ $7.50 for every $1,000 in a participant's account.
	  ▪ For example, if account balance is $40,000, annual fee is $300
	  ▪ In this case, quarterly deduction would be $75

Real Impacts on Participants

Participants who enroll in Managed Accounts are:

Able to spend more in retirement

Can expect an increase in projected monthly income by 19%

More appropriately allocated

63% of participants had either too little or too much equity before enrolling

Better positioned to weather market downturns

34% of participants had too much equity prior to enrolling

Better diversified

49% of participants had more than 30% of their account balance in one fund prior to enrolling in managed accounts

*Morningstar Associates proprietary data. Based on an analysis of all participants enrolled in the managed accounts service for whom we have appropriate data. Actual participant experience may differ substantially from the results shown.

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Take Action

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How To Begin Offering Retirement Manager

- Contact your USI Consulting Group Account Manager
  - Review and execute plan sponsor agreement
  - Determine rollout strategy
    - Education meetings
    - Email announcements
    - Posters/payroll stuffers
    - Personalized strategy reports

Summary

- The Pension Protection Act of 2006 permits participant advice
- USI Consulting Group and Morningstar Associates developed a simple and effective solution for participant needs
- Morningstar Retirement Manager services:
  - Develop personalized goals
  - Customize a strategy for participants
  - On-going monitoring and detailed reporting
  - Simple implementation and plan sponsor tools
- Your USI Consulting Group Account Manager will follow up with you on the next steps toward implementation

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Important Disclosures

The information, data, analyses, and opinions presented herein do not constitute investment advice; are provided as of the date written and solely for informational purposes only and therefore are not an offer to buy or sell a security; and are not warranted to be correct, complete or accurate. Past performance is not indicative and not a guarantee of future results.

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