

**Part 2A of Form ADV: *Firm Brochure***

**Segal Advisors**

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This brochure provides information about the qualifications and business practices of Segal Advisors. If you have any questions about the contents of this brochure, please contact us at 212-251-5262 or [jdemairo@segaladvisors.com](mailto:jdemairo@segaladvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Segal Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 114687.

## **Item 2    Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 3/28/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## **Item 4    Advisory Business**

Segal Advisors, Inc. (Segal Advisors) is a SEC-registered investment adviser with its principal place of business located in New York. Segal Advisors began conducting business in 1969.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- The Segal Group, Inc., Parent

Segal Advisors offers the following advisory services to our clients:

### **PENSION CONSULTING SERVICES**

Segal Advisors offers the following advisory and consulting services to our clients —

- non-discretionary benefit plan investment consulting services,
- full-discretion advisory services,
- limited management services for high net-worth clients.

Our services include formulating investment policies, developing appropriate asset allocation, recommending and selecting investment vehicles and managers, measuring and evaluating investment performance, asset liability modeling, 401(k)/457, 403(b) plan assessment, and 401(k)/457, 403(b) plan vendor searches. We may provide these services alone or in combination.

While the primary clients for these services will be pension, welfare, profit sharing, 401(k) and other defined contribution plans that are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), we offer these services, where appropriate, to state and municipal governmental pension and welfare plans, charitable and tax-exempt organizations, trusts and high-net worth individuals.

### ***Non-Discretionary Benefit Plan Consulting Services***

Clients may choose to use any or all of our non-discretionary benefit plan consulting services, which include the following services.

#### ***Investment Policy Statement ("IPS") Preparation:***

We will meet with the plan client to determine an appropriate investment strategy that reflects the client's stated investment objectives for management of the overall plan portfolio. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists criteria for selection of investment managers and procedures and timing intervals for monitoring investment performance.

#### ***Selection of Investment Managers and Investment Vehicles:***

We assist a client plan in constructing appropriate asset allocations for its overall plan portfolio. We will then review the plan's current investment program and recommend additional or alternative investment strategies and styles, and investment managers, that are appropriate to implement the IPS. The number of investment managers to be recommended is determined by the plan client, based on the IPS. Clients retain discretion to decide what actions to take with respect to our recommendations and to implement our recommendations.

We may recommend investment managers who will be engaged to manage separately managed accounts for a plan client. In addition, we may recommend "investment vehicles" through which investment managers may provide their management services, including any of the following: mutual funds (both index and managed), common or collective trust funds, insurance company pooled separate accounts, private placements (including limited partnerships, limited liability companies, trusts, or similar pooled structures). In this Brochure, references to an "investment manager" generally will include reference to an investment vehicle managed by an investment manager for purposes of providing investment management services.

In addition to managers of traditional equity and fixed income investments, we may recommend the use of alternative investments — including equity real estate, private equity, funds of funds, and inflation hedging strategies. Because alternative investments involve certain additional or different risks as compared to more traditional equity and fixed income investments, they are recommended only when consistent with the plan client's tolerance for risk and stated investment objectives.

Please refer to the discussion of "Methods of Analysis, Investment Strategies and Risk of Loss" (Item 8) in this Brochure for additional information about our process for reviewing and selecting investment managers and investments, including alternative investments.

#### *Monitoring of Investment Performance:*

We monitor the performance of the plan client's total portfolio and investment managers based on the procedures and timing intervals described in the client's IPS. We will make recommendations as market factors and the client's investment objectives dictate, including, when appropriate, recommendations for new or alternate investment managers. Clients retain discretion to decide what actions to take with respect to our recommendations and for implementing our recommendations.

Additional information about our manager performance monitoring processes is described in "Methods of Analysis, Investment Strategies and Risk of Loss" (Item 8) of this Brochure.

#### *Asset/Liability Modeling ("ALM"):*

Segal Advisors offers plan clients ALM studies that provide projections of benefit plan funding under various sets of assumptions about future conditions, such as demographic trends, the effects of inflation, and the performance of capital markets. If accepted by the plan client, we consider these results in developing the IPS with the plan client.

#### *401(k)/457, 403(b) Plan Assessment and Vendor Searches:*

We assist the sponsors and fiduciaries of participant-directed pension and profit-sharing plans with their selection of investment offerings that meet the needs of plan participants and comply with applicable regulations. We also assist plan sponsors and fiduciaries by offering DC-Connect<sup>®</sup>, an organized process for vendor selection and plan services implementation. In this role, we may assist in selection of bank custodians, recordkeepers and other service providers.

### ***Full-Discretion Advisory Services***

If we are engaged to provide full-discretion advisory services for some or all of the assets of a plan client, we will undertake discretionary responsibility for selecting, monitoring and removing investment managers as appropriate to implement the client's investment objectives and asset allocation policies, as described by the IPS. For this purpose, an "investment manager" may include a registered investment adviser, bank or insurance company selected to manage a separate portfolio on behalf of the fund, or investment vehicles, such as mutual funds, common or collective trust funds, group trusts, pooled separate accounts, and interests in partnerships, limited liability companies, trusts and similar pooled investment structures. When consistent with the client's IPS and our advisory agreement with the client, we may implement and monitor a portfolio of alternative investments on behalf of the client.

When providing full-discretionary advisory services, we may negotiate appropriate investment management agreements, or, where a mutual fund or other investment vehicle is selected, assist the client with respect to the purchase and sale of interests in such pooled investment vehicle. If a client plan that engages us to provide full-discretionary advisory services is subject to ERISA, we will accept appointment to serve as a "named fiduciary" of the plan with responsibility for, when appropriate, appointing an investment manager as a "3(38) investment manager" to the plan client. We do not effect purchases or sales of individual securities, such as stock and bonds, for clients.

On a regular basis, we will monitor the performance of investment managers under our supervision in the full-discretionary client account. If it becomes appropriate, we may terminate an investment manager or add new investment managers from time to time after we conduct an investment manager search. Additional information about our manager performance monitoring and manager search and selection processes is described in "Methods of Analysis, Investment Strategies and Risk of Loss (Item 8) of this Brochure.

Where it is part of our agreement with the client, we also will periodically rebalance the investment of the client's assets among investment managers in accordance with the client's IPS.

### ***High-Net Worth Clients***

On a limited basis, we offer certain advisory services to high-net worth clients, including consulting with respect to investment objectives and portfolio construction. Based on the client's stated investment objectives and strategy, we may recommend investment managers and investment vehicles (such as mutual funds, exchange-traded funds, and limited

partnerships or other privately offered funds) to implement the client's investment objectives. Our investment recommendations are not limited to specific type of investments, except that we will not recommend or provide advice with respect to purchases and sales of individual securities, such as stocks and bonds. High-net worth clients may implement recommendations through custodians and brokers selected by the client, or we may agree to implement the client's investment strategy on a discretionary basis. Clients retain individual ownership of all account assets. The specific services provided to a high-net worth client will be described in more detail in our investment advisory agreement with the client.

### ***Other Services***

On request by our parent company, The Segal Group, Inc. ("The Segal Group"), Segal Advisors assists in the placement of individual annuities. Specifically, if another subsidiary of The Segal Group receives a request from a client plan to obtain an annuity quote for an individual annuity for a plan participant, Segal Advisors may request quotes under a master contract between Metropolitan Life and Segal Advisors and relay the quotes to the client plan, which in turn, communicates the quotes to the individual.

### ***Client Assets***

As of March 31, 2011, Segal Advisors provided full-discretion consulting services with respect to approximately \$205 million in assets. We provided non-discretionary consulting services to employee benefit plans with a combined total of \$70 billion in assets as of that date.

## **Item 5 Fees and Compensation**

### **PENSION CONSULTING FEES**

#### ***General Information***

Our fees for advisory and consulting services are negotiable. In general, we offer our services for fixed annual or per service fees, or based time spent at our hourly rates.

We bill clients directly for our fees on a quarterly basis in advance, unless otherwise agreed in the client agreement. Client agreements may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice, unless otherwise agreed. Upon termination of our agreement, any prepaid, unearned fees will be promptly refunded. We will pro rate the reimbursement according to the number of days remaining in the billing period.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

#### ***Additional Fees and Expenses Paid by Clients to Third Parties***

In addition to the advisory and consulting fees paid to Segal Advisors, clients will be responsible for paying other fees and expenses to third parties in connection with the

management and administration of the investments. These other fees and expenses may include any of the following, depending on investments made by the client.

- Independent investment managers engaged to manage all or a portion of a client's assets charge fees for their management services, which are separate from our fees.
- Management fees and other fund expenses are charged by mutual funds, exchange-traded funds, common or collective trust funds and other investment vehicles in which the client invests, as described by the prospectus or other offering documents. If a mutual fund or other investment vehicle also imposes sales charges, clients may pay such sales charges.
- Clients also will be responsible for paying fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, brokerage and other transaction costs imposed by broker dealers selected by independent investment managers engaged to make purchases and sales of securities. These brokerage and transaction fees are separate from our fees and will be disclosed by the firms through which transactions are executed. Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information.

We do not receive any part of these other fees and expenses related to the management and administration of our clients' accounts.

Clients should review all of the fees, charges, and expenses associated with the management and administration of their investments, including our advisory and consulting fees as well as fees, charges and expenses payable to third parties, to fully understand the total amount of fees and other charges that will apply.

### ***Other Compensation***

It is our policy that we do not accept any compensation from third parties in connection with purchases or sales of securities or other investments made by our clients. Specifically, we do not receive any sales charges, service or other fees in connection with sales of mutual funds, or any finders or placement fees.

As noted, Segal Advisors may from time to time obtain an annuity quote for an individual annuity for a participant in a client plan. Segal Advisors does not receive commissions directly from the insurers for obtaining quotes and relaying this information to a plan client, but we may receive a portion or all of a commission received by The Segal Group under an intercompany agreement if an annuity is purchased by the plan client on behalf of the plan participant. Plan clients and plan participants have the option to seek annuity quotes and to purchase annuities and other insurance products through insurance brokers and agents that are not affiliated with our firm. Our compensation for this limited annuity placement service has been at the most, one-half of one percent of the annual revenue of Segal Advisors.

***General Note on Advisory Fees*** - Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Segal Advisors does not charge performance-based fees.

## **Item 7 Types of Clients**

Our firm provides services to pension, welfare, profit sharing, annuity and 401(k) plans that are subject to ERISA. We also provide services to state and municipal governmental pension and welfare plans, charitable and tax-exempt organizations, trusts and high-net worth individuals.

We only provide services to clients that qualify as "qualified purchasers." In general, a client plan will be a qualified purchaser if it has more than \$25 million in investments. Natural persons who own more than \$5 million in investments will generally be qualified purchasers.

All clients are required to execute a written agreement for services in order to establish a client relationship with our firm.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss** **METHODS OF ANALYSIS**

### ***Non-Discretionary Benefit Plan Consulting Services***

*Establishing Investment Policy and Guidelines.* An initial goal in consulting with a benefit plan client is to establish an investment policy reflecting the client's stated investment objectives, including a clear and concise set of guidelines for investment managers engaged to provide investment management services for the client's portfolio. In connection with the establishment of the client's investment policy, we expect to define asset allocation guidelines for the client's portfolio within an acceptable range of expected risk and return parameters, permissible investment vehicles and management style. Following establishment of investment policy and asset allocation guidelines, we review with the client the current structure of the client's investment program for consistency with investment policy and asset allocation guidelines, highlight any observed strengths or weaknesses, and if appropriate, suggest alternative investment styles and/or strategies to fill any gaps in the investment program.

In reviewing a plan client's investment program, we may prepare discussions and analyses to

- 
- describe the risk and return characteristics of various categories of investments based on actual experience of professionally managed portfolios and representative market indices;
  - review the plan client's ability to bear the risk associated with portfolios comprising various combinations of asset categories;

- address the advantages and disadvantages of alternative ways to divide responsibilities among investment managers in order to effectively control asset allocation, encourage efficient trading and minimize costs; and
- comment on the advantages and disadvantages of alternative asset classes and specialty managers.

We also may study the plan's cash flow and expense characteristics, including annual cash flow requirements and projections of annual contributions vs. spending and expense disbursements, if we are engaged to perform this analysis in connection with a review of the client's investment program.

*Selecting Investment Managers.* Another objective for plan clients is to implement procedures for identifying and selecting new investment managers. (For this purpose, references to investment managers include managers who may be engaged to manage separately managed accounts, and also investment vehicles, such as mutual funds, common or collective trust funds, group trusts or other pooled vehicles through which investment managers may provide their management services.) We conduct thorough due diligence reviews of candidate investment managers, including meetings with representatives of candidate firms, applying both qualitative and quantitative factors. We maintain individual profiles of management firms and subscribe to various independent services, which provide computerized data with regard to management firms' activities, resources and results.

Generally, our reviews of investment managers include the following areas:

- Stability and size of organization, client retention, asset growth, ownership, business affiliations, and types of accounts managed;
- depth and experience of investment staff, roles of investment professionals in the decision-making process and compensation;
- historical investment performance, including variability and dispersion of investment results among accounts with similar objectives;
- implementation of and adherence to investment policy and process; and
- internal control procedures to monitor conformity with firm wide and/or client guidelines, and usefulness of reports and communications.

In assisting the plan client in the selection process, our goal is to develop systematic procedures to make the investment manager selection process as objective as possible and provide a foundation for a successful ongoing relationship between the manager and plan client. We generally will:

- (1) designate a list of investment management candidates based on our internal and external investment managers database files; candidates considered may include existing managers consistent with the client's investment policy guidelines;
- (2) prepare requests for proposals and other questionnaires for the candidate managers requesting information concerning their capabilities and services, including matters such as qualifications of personnel, fees, prior investment performance, and suggested investment practices and policies;
- (3) prepare a summary report based on proposals received for review with the plan client;
- (4) arrange and participate with the client in interviews of finalist candidates;

- (5) assist in manager selection, by summarizing the key features of both the written and oral presentations; and
- (6) assist the client in the engagement of the new manager, including matters such as negotiating fee, review of proposed contracts, and working with the manager to develop appropriate ongoing reporting procedures.

*Reviewing Client Account and Manager Performance.* We review client accounts and manager performance periodically, as specified by our management agreement with each client (typically, quarterly). The objective of our performance measurement services is to assist plan clients in evaluating the strengths and weaknesses of their investment program and individual managers.

Our performance presentation typically includes overall plan results, results for each major asset class, and, in the case of multiple managers, results for each investment manager on a quarterly and annual basis. The performance in each of these areas is compared to relevant benchmark portfolios including market indices and universes of other similar professionally managed institutional accounts. We also present sources of growth or decline in total assets arising from contributions, investment income, and capital appreciation/depreciation for each investment manager on an annual and quarterly basis.

We generally monitor our clients' portfolios in terms of the individual sub-portfolios (which may be separate asset classes or separate investment managers that exist as underlying components of the total portfolio). Each sub-portfolio is monitored against benchmarks established for the particular management relationship. For each portfolio managed by a separate investment manager, we may include a detail of the commitment to the major asset categories, and shifts in those commitments, for the overall investment program.

We may include performance attribution analysis to measure the components of the portfolio return that are attributable to the portfolio managers and active management decisions, as compared to the relevant market indices and asset mix policy. This analysis measures the returns due to total active management, timing relative to asset allocation or sector allocation, and security selection. For each manager, we may calculate rates of turnover in both the equity and fixed income portions of their portfolios as indicators of trading activity and management style. Additionally, we may review brokerage commission costs and expenses to determine their reasonableness.

We may use various risk measures in analyzing a manager's performance. Standard deviation, a measure of variability, is used to determine the volatility of returns. These risk measures are compared to those of the plan's designated benchmarks in order to assess the risk assumed by the investment manager.

In providing evaluations of portfolio and investment manager performance, we rely on information — including valuations of assets — provided by the client's custodian and investment managers. We do not independently verify the value of plan client assets as reported to us by a client's custodian. We provide evaluations and make recommendations based on a wide variety of private and public information sources and services, including publicly available data on mutual funds and accounts or funds managed by banks, insurance companies, and other investment managers, various stock and bond market indices, and

commercially marketed research services to which we subscribe. Although the information we collect is believed to be reliable, we cannot verify or guarantee the accuracy and reliability of this information or the manner in which it was prepared.

Unless otherwise expressly agreed in writing with our clients, we do not monitor the securities lending arrangements of our clients or their investment managers (including securities lending arrangements of mutual funds, common or collective trust funds or other pooled investments in which clients may invest). We also do not evaluate the performance, credit ratings or propriety of individual stocks, bonds or other investments selected by the client's investment managers.

*Alternative Investments.* Where appropriate, we consider and may recommend the use of alternative investments. Our larger pension fund clients are invested in private equity (all segments), hedge fund of funds (multi-strategy), equity real estate (core and opportunistic, closed and open ended), and inflation hedging strategies, including TIPs, GTAA and commodities.

It is our view that in most cases, the unique characteristics of alternative investments require case-by-case due diligence and analysis to determine the extent to which they may be appropriate for the client's investment program. We organize our customized analysis as follows:

- determining the role the asset class is expected to play in meeting the program's objectives;
- assisting in identifying and evaluating the various risks involved;
- serving as a fact-finding resource including the development of appropriate yardsticks for ongoing performance evaluation;
- coordinating the management of the alternatives program with a plan's client's internal staff and other professionals serving the plan (i.e., actuaries, attorneys, accountants, etc.)

### ***Full-Discretion Advisory Services***

In providing full-discretion advisory services, we use the same qualitative and quantitative research methods described above to select and review investment managers and, where appropriate, add or replace investment managers.

Our clients may engage us to provide full-discretion advisory services with respect to a portfolio of alternative investments. Where we are engaged on this basis, it is our goal to seek superior long-term risk-adjusted returns and provide diversified exposure among managers, strategy (venture capital, growth capital, buyouts, private equity real estate, infrastructure, and private equity energy and natural resources), geography, sectors, industries, and vintage years.

Because alternative investments generally will be made through investments in closed end funds or vehicles that impose "lock-up" provisions, they provide limited liquidity for investors. Accordingly, alternative investments are appropriate only for clients able to commit to the long term investment horizon of this asset class.

A typical alternative investment portfolio will include allocations to both strategic and tactical investments, diversified among investment managers, geographies, various development stages, sectors, industries, and vintage years.

- Strategic investments are long-term strategies (7-13 years) with appreciation potential and a high percentage of returns in the form of distributable income. Strategic investments tend to have low valuation volatility and would be used as the "anchor" within an alternatives portfolio. These investment opportunities may include longer-term private equity, real estate, infrastructure, hedge funds, Global Tactical Asset Allocation (GTAA), timber, and other income oriented/natural resource investments.
- Tactical investments are short to medium term strategies (2-8 years) with returns primarily driven by appreciation or high income opportunities. Valuation volatility can be significant.

## ***RISK***

### ***Risk Measurement and Management***

We seek to counsel every client concerning the inherent risk in public and private investing, and we actively seek to manage risk. We generally employ a multi-faceted approach to risk management. The risk characteristics of a client plan are based on various factors, including the plan's funded percentage and expected future liabilities. Both absolute (i.e., standard deviation) and relative (i.e., tracking error) risk is considered when recommending an asset allocation and subsequent investment structure. Risk is controlled by diversifying the investment of assets both by asset class and investment style. Asset class targets and ranges are identified within the IPS. Risk is monitored on a plan and individual manager level, and is reviewed on an ongoing basis. (As noted, however, we generally do not monitor the risk of investments in individual stocks, bonds or other securities by an investment manager).

We will generally examine the risk traits of a plan client's entire portfolio through a graphic representation of portfolio returns and their standard deviation or variability. The risk and return characteristics of each sub-portfolio are also examined and graphed to provide a comparison of each manager with their individual benchmarks and to illustrate the client's total level of diversification.

We calculate risk associated with a particular investment manager in terms of return volatility, as measured by standard deviation (a statistical measure of variance from the mean) of the manager's portfolio by major asset class and total. We compare the risk characteristics to relevant market indices and a universe of similar managers. We evaluate the extent to which investment policies and objectives have been carried out and how they have affected the actual results.

Our system calculates all of the necessary return and risk statistics (time weighted and internal rate of return calculations along with all risk and risk-adjusted measures) over rolling, annualized and year by year time periods. Our system has international benchmarks and universes and can conduct fundamental analysis on international portfolios.

## ***Risk of Loss***

**Investing in stocks, bonds and other investments (including alternative investments) involves risk of loss that all clients should be prepared to bear.** Clients and prospective clients may have investment losses, including loss of original principal. Different types of investments have varying degrees of risk and may involve different types of risk. For example, the value of stocks and other equity investments are affected by fluctuations in the value of the stock markets and also by changes in the fortunes of the individual company. When investing in bonds or other fixed income investments, there is risk that the issuer of a bond may default and will be unable to make payments. The value of fixed income investments also varies when there are changes in market interest rates. Investments in foreign companies and overseas markets may involve special risks, including risks relating to changes in currency exchange rates, political, economic and social events, different market operations and less information.

Our clients may consider alternative investments for one or more reasons, including to diversify their portfolios and reduce overall portfolio volatility and to obtain potentially higher returns than may be available from other investments. However, alternative investments involve certain different and additional risks that clients must consider. Lock-up periods and other terms may obligate investors to commit their capital investment for a minimum period of time, typically no less than one or two years and sometimes for up to 10 or more years. Illiquidity and lack of ready trading markets is considered to be the most common risk and may eliminate the ability of an investor to end an investment early regardless of its success and to determine a marketable value for an alternative investment. There may be limited availability of suitable benchmarks for comparison of performance; historical return data also may be limited. In some cases, there may be a lack of transparency and regulation providing an additional layer of risk. Some alternative investments may involve use of leverage and other speculative techniques. As a result, some alternative investments may carry substantial, additional risk, which may result in the loss of some or all of the investment. For tax-exempt investors, use of leverage and certain other strategies may involve certain tax consequences, such as the possibility of "unrelated business taxable income" (or UBTI) as defined under the Internal Revenue Code.

The investment performance of a client's investment program will also vary with the success and failure of investment managers that are selected to manage the assets of the client's portfolio. **An investment manager's past performance is not indicative of future results.** Current and prospective clients may not assume that the future performance of any specific investment manager, investment strategy or investment will be profitable.

## **Item 9    Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **Item 10 Other Financial Industry Activities and Affiliations**

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations. Our parent company, The Segal Group, may from time to time provide certain consulting services (not relating to investment advisory matters) to financial institutions that provide investment management services or offer investment vehicles for investors including employee benefit plans. The Segal Group provides these consulting services on a project by project basis for fixed or hourly fees, over a limited time frame. Segal Advisors operates separately from The Segal Group as separate profit center. Our advisory employees are physically separated from The Segal Group consulting business and are not aware of the nature, scope or timing of these consulting projects.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Segal Advisors and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our code also provides for oversight, enforcement and recordkeeping provisions.

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [jdemairo@segaladvisors.com](mailto:jdemairo@segaladvisors.com), or by calling us at 212-251-5262.

Segal Advisors and individuals associated with our firm are prohibited from engaging in principal transactions.

Segal Advisors and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Segal Advisors provides full-discretion advisory services to the pension plan of its corporate parent, The Segal Group, Inc. The Segal Pension Plan may select investment managers that Segal Advisors recommends for other clients, in the same manner as any two or more Segal Advisors clients may invest with the same investment managers. All clients have the same

access to investment managers, and fees are set by each manager, not by Segal Advisors.

## **Item 12 Brokerage Practices**

Segal Advisors does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

In general, plan clients are required to select brokers and dealers to effect purchases and sales of securities for their portfolios, or the plan client's investment managers are responsible for selecting brokers and dealers in connection with their investment management of the client's portfolio. Therefore, Segal Advisors generally does not effect purchases and sales of securities for clients, or select brokers and dealers to effect purchases and sales of securities for clients. When we have full discretionary authority regarding a client's investments, we may, on a limited basis, assist the client in making an investment in certain types of investment vehicles, such as mutual funds, group trusts, or private placements. However, all such transactions are effected directly with the investment issuer or underwriter and not through a broker-dealer.

Segal Advisors assists clients who are interested in reducing securities brokerage costs by suggesting commission recapture and discount brokerage firms experienced in handling institutional accounts. The use of any brokerage firm is determined by the client's investment manager(s) considering the quality of execution capability and brokerage costs involved. Any cost savings realized by these arrangements are received by the client.

## **Item 13 Review of Accounts**

### **PENSION CONSULTING SERVICES**

#### ***Review of IPS***

Segal Advisors reviews the IPS established for its plan clients whenever the plan client advises of a change of circumstances regarding the plan client's needs, and periodically as set forth in its agreement with the plan client (typically, annually).

#### ***Review of Client Accounts***

As described above under Methods of Analysis (Item 8) of this Brochure, our firm reviews the plan client's investment portfolio periodically as specified by our management agreement with each client (typically, quarterly). The review typically includes overall plan results, results for each major asset class, and results for each investment manager on a quarterly and annual basis. The review includes comparison of portfolio composition and performance to the client's investment guidelines. These reviews are performed by one of the following officers of Segal Advisors:

John DeMairo, Senior Vice President  
Rich Ranallo, Senior Vice President  
Lawrence Marino, Senior Vice President  
Robert Liberto, Senior Vice President  
Seth Almaliyah, Vice President

Frank Carofano, Vice President  
Amy Heyel, Vice President  
Rafik Ghazarian, Vice President  
Brett Hazen, Vice President  
Michael Raub, Vice President  
Frank Picarelli, Vice President

**Reports:** Clients receive reports as set forth by the client advisory agreement between Segal Advisors and the client, or in accordance with the client's IPS.

## **Item 14 Client Referrals and Other Compensation**

It is our policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

It is the policy of Segal Advisors not to have custody of client funds or securities, with the exception of clients who are high net-worth individuals.

Clients should carefully review statements received from their custodian and are urged to compare the account statements received from their custodian with reports that we provide. When clients have questions about their account statements, they could contact Segal Advisors or the custodian preparing the statement.

## **Item 16 Investment Discretion**

We may accept discretionary authority to select investment managers and certain investment vehicles for full-discretion advisory clients and certain high-net worth individual clients. Please see a discussion of these services under the discussion of our Advisory Business (Item 4) of this Brochure.

Clients may place reasonable restrictions on the discretionary powers granted to our firm in their written advisory agreement or in another written document that is acknowledged by our firm.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all

elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. When a client requests, we will review the proxy voting guidelines of each manager for consistency with the client's investment policy and review investment managers' proxy voting activities for consistency with the managers' proxy voting policies.

## **Item 18   Financial Information**