



This ADV brochure, dated March 31, 2015,
provides information about the qualifications and business practices of:

McMorgan & Company LLC

One Front Street, Suite 500

San Francisco, CA 94111

www.mcmorgan.com

If you have any questions about the content of this brochure please contact:

Chief Compliance Officer

One Front Street, Suite 500

San Francisco, CA 94111

Telephone Number: 415-788-9300

Facsimile Number: 415-616-9398

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. In addition, registration as an investment adviser does not imply a certain level of skill or training.

Additional information about McMorgan & Company LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Summary of Material Changes

This brochure dated March 31, 2015, contains material changes since the last annual update of the brochure dated March 31, 2014. In particular, please note that the following Items contain additional information not found in prior versions of McMorgan's Form ADV Part 2A:

- **Item 4 – Advisory Business:** This Item has been updated to reflect the amount of assets managed by McMorgan on a discretionary and non-discretionary basis as of December 31, 2014. In addition, Item 4 has been revised to add disclosure of McMorgan's Managed Account Platform services and a description of a privately offered infrastructure fund for which McMorgan provides investment management services.
- **Item 5 – Fees and Compensation:** This Item has been revised to disclose the advisory fees charged for McMorgan's Managed Account Platform services and the Infrastructure Fund.
- **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss:** This Item contains additional information regarding the methods of analysis, investment strategies, and risks associated with McMorgan's Managed Account Platform and the Infrastructure Fund.
- **Item 10 – Other Financial Industry Activities and Affiliations:** This Item contains additional information relating to certain relationships with Sub-Advisers utilized by McMorgan and information regarding the general partner of the Infrastructure Fund, which is an affiliate of McMorgan.
- **Item 15 – Custody:** This Item contains information relating to the fact that because an affiliate of McMorgan serves as general partner to the Infrastructure Fund, McMorgan will be deemed to have custody of the assets of the Infrastructure Fund. This Item also includes information about how McMorgan complies with the Custody Rule with respect to the Infrastructure Fund.

McMorgan has revised the language in other sections of this Brochure but has not materially altered any of its responses in this Brochure, except as noted above. Please note that this summary of material changes discusses only those material changes that have occurred since the last annual update of McMorgan's Form ADV Part 2A. We encourage you to read this brochure in its entirety and to call us with any questions you may have.

Item 3. Table of Contents

ADV Item #	Description	Page #
1	Cover Page.....	1
2	Summary of Material Changes.....	2
3	Table of Contents.....	3
4	Advisory Business.....	4
5	Fees and Compensation.....	8
6	Performance Based Fees and Side-By-Side Management.....	13
7	Types of Clients.....	13
8	Methods of Analysis, Investment Strategies and Risk of Loss.....	14
9	Disciplinary Information.....	21
10	Other Financial Industry Activities and Affiliations.....	22
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	25
12	Brokerage Practices.....	26
13	Review of Accounts.....	28
14	Client Referrals and Other Compensation.....	29
15	Custody.....	30
16	Investment Discretion.....	31
17	Voting Client Securities.....	31
18	Financial Information.....	32

Item 4. Advisory Business

A. Description of Firm

McMorgan & Company LLC (“McMorgan”) is a San Francisco-based investment adviser that provides investment management services to Taft-Hartley pension plans, multi-employer, jointly-trusted benefit plans and other institutional clients. These services include advising clients in connection with investments in, among other things, various equity and fixed income separate account products. McMorgan primarily executes its investment strategies through unaffiliated investment management firms selected and monitored by McMorgan, as described in greater detail below. McMorgan provides discretionary investment management to private funds (as described in greater detail below) and also makes available private funds that are managed by independent investment advisers.

McMorgan was founded in 1969 and has been registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”) since October 2001. McMorgan does not have any 25% owners.

As of 12/31/2014, McMorgan managed \$5,509,628,701 in client assets on a discretionary basis and \$11,326,946 in client assets on a non-discretionary basis.

B. Types of Advisory Services Offered

Equity and Fixed Income Separate Accounts – Selection of Sub-Advisers

McMorgan generally selects and engages various independent investment advisers (“Sub-Advisers”) to manage the portfolios of institutional clients. Through sub-advisory agreements, McMorgan utilizes the services of various unaffiliated Sub-Advisers to provide active discretionary portfolio management for equity and fixed income separate account strategies. Pursuant to the terms of the subadvisory agreements entered into between McMorgan and each Sub-Adviser, McMorgan delegates and grants to the Sub-Advisers the authority to buy, sell, or otherwise effect transactions for each account in accordance with the investment guidelines established for each account and other instructions or restrictions communicated to the Sub-Adviser by McMorgan.

Sub-Advisers are selected based on an evaluation of their skills and investment results in managing assets for specific asset classes, investment styles, and strategies. Although McMorgan has delegated responsibility for day-to-day portfolio management (including authority over security-level decisions) to various Sub-Advisers, McMorgan will monitor such Sub-Advisers’ performance with respect to their management of client assets and retain the authority to engage or terminate each such Sub-Adviser. Any decision to engage or terminate a particular Sub-Adviser will be based upon continued suitability and performance of the Sub-Adviser in relation to its management of client assets.

Generally, separate Sub-Advisers are utilized for each particular investment strategy. Information pertaining to various products or investment strategies also refers to the strategy or

product of the particular Sub-Adviser, unless otherwise specified or the context otherwise requires.

Information regarding the services and strategies provided by Sub-Advisers is set forth below. A more detailed description of the specific services available from each Sub-Adviser can be found in the specific Sub-Adviser's current Form ADV Part 2A. Clients are encouraged to carefully review each Sub-Adviser's Form ADV Part 2A disclosure brochure for service level, fee, conflict and professional background information applicable to each Sub-Adviser.

McMorgan has entered into sub-advisory agreements with Bradford & Marzec LLC ("Bradford & Marzec"), MacKay Shields LLC ("MacKay"), and Cornerstone Capital Management Holdings LLC ("Cornerstone"), each of which is an investment adviser registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Bradford & Marzec and MacKay serve as the Sub-Advisers for McMorgan's separate account fixed income client portfolios. Cornerstone serves as the Sub-Adviser for separate account equity client portfolios.

Bradford & Marzec specializes in the management of traditional long only domestic and global Fixed Income portfolios for its clients. Bradford & Marzec invests directly in the cash bond markets with limited use of derivatives utilizing a traditional, long-only investment approach. Bradford & Marzec also advises institutional clients under certain circumstances that would involve suggesting the appropriate maturity structure, sectors, coupon range, country exposure, quality and issuers for a bond portfolio.

MacKay is a multi-product investment manager providing advisory services to a broad range of institutions and clients in fixed income products including taxable and tax-exempt fixed income securities, municipal bonds, short and intermediate-term bonds, core investment grade, core plus, emerging markets, high yield and high yield active core, and convertibles.

Cornerstone's advisory services are provided by quantitative and fundamental investment teams organized by equity investment style groups known as: Core, Growth, and International. Quantitative strategies seek to achieve targeted returns while minimizing portfolio risk. The investment teams use proprietary models which have quantitative alpha forecasting engines that are designed to position the investment teams to capitalize on positive and negative forecasts. Cornerstone also offers a Fundamental International Equity strategy. Investment teams employ a bottom-up investment approach, incorporating individual company fundamental analysis, industry competitive dynamics, and macroeconomic analysis to identify long-term holdings in companies that have the potential for sustained growth.

All strategies seek to minimize transaction costs by implementing disciplined and sophisticated trading strategies. Please refer to Item 8, entitled "*Methods of Analysis, Investment Strategies and Risk of Loss*" for additional information regarding the investment strategies used and their associated risks).

Clients may develop written investment policy statements in accordance with each client's unique objectives and investment guidelines. Clients can impose restrictions within their investment portfolio through these investment guidelines. Client-imposed restrictions are detailed in the client's investment advisory agreement or in an amendment to the investment

advisory agreement. McMorgan may act as the “investment manager” as defined by ERISA within the framework of the investment policy statement for its multi-employer benefit and pension plan clients.

Real Estate

McMorgan also manages real estate investments for institutional separate accounts. McMorgan’s principal focus is investments in real estate direct equity and debt investments, including income-producing properties or land-development opportunities, investments in new construction, redevelopment projects, first deeds of trust, real estate investment trusts, limited liability companies and other real estate securities. McMorgan charges an asset-based fee for managing real estate investment portfolios. Real estate separate accounts are managed to investors’ specific guidelines and risk tolerances.

In order to carry out certain day-to-day activities with respect to the real estate investments held by McMorgan clients, McMorgan has entered into a non-discretionary agreement with New York Life Investment Management LLC (“New York Life Investments”), pursuant to which New York Life Investments provides administrative support of real estate portfolios and McMorgan will give instructions as to the acquisition, disposition, and ongoing management of real estate assets held by McMorgan clients. In this capacity, New York Life Investments is acting in a non-discretionary, non-fiduciary role and McMorgan retains full discretion and responsibility over the real estate investments in the separate accounts.

McMorgan co-manages (with New York Life Investments) the McMorgan Northern California Value Add/Development Fund I, LP (“MNCVAD”), a commingled pooled investment vehicle dedicated to investing in commercial and multi-family residential real estate in Northern California, with a concentration in the Bay Area and Sacramento regions. Affiliates of McMorgan and New York Life Investments serve as the Co-General Partners of MNCVAD (each a “General Partner”). MNCVAD is governed by a limited partnership agreement that specifies the applicable investment guidelines and investment restrictions. Investors in MNCVAD (the “Limited Partners”) will also receive a Confidential Information Memorandum (“Memorandum”) detailing the details and risks of the investment. McMorgan may in the future sponsor, advise and/or manage additional pooled investment vehicles with similar investment programs.

Private Infrastructure Fund

McMorgan provides discretionary investment management services to the McMorgan Infrastructure Fund I, LP (the “Infrastructure Fund”), which was created as a dedicated vehicle to participate in the Global Strategic Investment Alliance (the “GSIA”) as a direct member. The GSIA is a co-investment program established to bring together a limited number of sophisticated institutional investors to jointly invest up to \$20 billion in large-scale infrastructure “Alpha Assets,” which are generally defined as large-scale, capital-intensive assets with enterprise values in excess of \$2 billion.

The Infrastructure Fund will target Alpha Asset infrastructure investments in the following sectors: transportation (such as transportation gateways, roads, airports, seaports, bridges and tunnels); energy (such as power generation and transmission and gas pipelines); utilities (such as gas or electrical distribution networks or water or waste treatment plants); communications (such as satellite, communication towers, radio frequency devices and emergency band services); and government regulated services (such as laboratory diagnostic services and land registry services).

McMorgan Infrastructure Fund I GP, LLC (the “Infrastructure GP”), an affiliate of McMorgan, serves as the general partner of the Infrastructure Fund and is responsible for the overall administration of the Infrastructure Fund, including investment decision-making, reporting and governance. The Infrastructure GP has delegated the role of investment adviser to McMorgan.

The Alliance Committee of the GSIA is the critical decision-making body of the GSIA and is comprised of representatives from each Alliance Member, including the Infrastructure Fund. The Infrastructure GP will appoint the Infrastructure Fund’s representatives on the Alliance Committee and direct the votes of the Infrastructure Fund at the Alliance Committee through those appointees.

Managed Account Platform (MAP)

McMorgan’s Managed Account Platform is a comprehensive solution targeting superior risk-adjusted return outcomes for smaller-sized plans that do not employ the asset allocation or manager selection services of an investment consultant. McMorgan utilizes a proprietary process for evaluating asset classes and strategies based on client-specific mandates, target allocation ranges, and an assessment of the investment merits of various fixed income, equity, and liquid alternative strategies. The Managed Account Platform includes, without limitation, the following services:

- Review of plan objectives and current asset allocation
- Development of investment policy guidelines
- Asset allocation design and implementation
- Manager selection
- Tactical positioning
- Online access to plan balance and trade activity
- Fiduciary oversight by McMorgan

Mutual Fund Allocation

McMorgan offers asset allocation services for certain clients invested in various mutual funds and/or money market funds. McMorgan will determine the mutual fund asset class allocation based on client-specific mandates, allocation ranges and an assessment of the investment merits of the fixed income and equity markets. McMorgan will not otherwise manage these accounts and will not obtain discretionary authority over the assets invested in the mutual funds used in the strategies.

Item 5. Fees and Compensation

A. Description of Fees; Fee Schedule

Clients are billed for advisory services according to the fee provisions included in their respective investment management agreements. For separate account clients, McMorgan charges quarterly account fees based on a percentage of the market value of the assets under management (“AUM”) as of the end of the previous quarter.

Generally, clients are billed quarterly in advance, but McMorgan may collect the fees during the quarter or post quarter end, depending upon the client's bill paying procedure. McMorgan bills clients directly and generally does not deduct fees directly from client accounts. In the event of a termination, a pro rata refund of any prepaid fees for the remainder of the applicable billing period will be made.

The standard schedule of professional fees includes a minimum initial account size that could range from less than \$1 million to \$100 million depending on the product and vehicle. Fee schedules are negotiable and can vary depending on a variety of factors such as the client, size of the account, asset levels and the investment program selected.

McMorgan's typical separate account fee schedules are as follows:

<i>Product</i>	<i>Annual Asset Mgmt Fee (% of AUM)</i>
<u>Real Estate</u>	
Real Estate Separate account	.17 - .50%
<u>Fixed Income</u>	
Short Term Bond	.25% - First \$150 m
Intermediate Fixed Income	.25% - First \$75 m
Core Investment Grade	.30% - First \$75 m
Core Plus Fixed Income	.35% - First \$75 m
Core Plus Opportunities	.40% - First \$75 m
Emerging Market Debt	.45% - All asset levels
Global High Yield	.50% - All asset levels
Leverage Bank Loans	.50% - All asset levels
High Yield Statutory Trust	.50%
High Yield Active Core	.50%
<u>Equity</u>	
Large Cap Enhanced Sub Advised Separate account	.40% - First \$25 m
Large-Cap Enhanced Commingled Fund	.40% - First \$25 m
Large-Cap Enhanced Collective Trust	.65% - All asset levels
Quantitative International Equity Separate account	.50% - First \$25 m
Fundamental International Equity Separate account	.75% - First \$25 m

Sub-Advisers that provide portfolio management services to McMorgan clients are not compensated directly by the client. Rather, McMorgan pays the Sub-Advisers 50% of the investment management fee McMorgan receives directly from clients, as set forth above.

Managed Account Platform

Generally, fees for McMorgan's Managed Account Platform are billed on a quarterly basis in advance; fees are based on the previous quarter-end account balance. The standard fee schedule for such services is as follows (although McMorgan may reduce such fees for certain clients in its discretion):

- 0.75% on the first \$2 million
- 0.50% on the next \$3 million
- 0.40% on the balance

A minimum annual account fee of \$5,000 will generally be imposed regardless of account size.

Mutual Fund Services

McMorgan receives a revenue sharing/servicing fee from the investment adviser (or an affiliate) to the mutual funds in which client assets are invested, which may in part be for providing shareholder services to certain accounts invested in such mutual funds. Revenue sharing/servicing fees for such accounts generally range from 0.10% to 0.25% depending on type of account, calculated based on each Fund's daily net assets directly attributable to McMorgan's clients. The revenue sharing/servicing fee is paid from the assets of the investment manager (or an affiliate) and not from the assets of any of the relevant mutual funds.

Private Real Estate Fund

MNCVAD will pay an annual management fee to the Co-Managers based on the aggregate amount of total unfunded capital commitments plus unreturned contributed capital and will be paid quarterly in advance as follows:

- 1.25%, up to the first \$100 million; and
- 1.00% on amounts in excess of \$100 million.

An affiliate of McMorgan, in its capacity as a General Partner of MNCVAD is entitled to receive performance-based allocations and distributions from MNCVAD based on a share of the net profits, subject to a 9% cumulative preferred return on paid-in capital contributions of Limited Partners, compounded on a quarterly basis, in accordance with the specific provisions set forth in the limited partnership agreement and offering documents. Please refer to Item 6 for additional information.

Infrastructure Fund

McMorgan receives a management fee from the Infrastructure Fund, which is charged based on a percentage of invested capital only, rather than committed capital. Management fees are payable at the beginning of each quarter in an amount equal to 1% of invested capital. McMorgan may enter into alternative fee arrangements with certain investors.

Termination

All advisory and sub-advisory arrangements may be terminated by either party upon prior written notice, pursuant to the termination provisions outlined in each agreement. If an agreement is terminated, all advisory fees are subject to pro-rata adjustment based upon the date of termination.

B. Other Fees and Expenses

Please note that in addition to the fees described above, there are other fees and expenses associated with the management of client accounts. The fees described above do not include certain charges imposed by third parties such as custody fees, mutual fund fees and expenses, brokerage fees, transaction costs, and other related expenses which may be charged to client accounts.

For example, the custodian, which is either selected by the client or by McMorgan, charges a custody fee which varies by custodian. In addition, the broker-dealers selected by the Sub-Advisers to execute transactions in your account charge a brokerage fee or impose spreads on trades. Brokerage and custody fees are not included in the investment management fee that you pay to us. Instead, custody fees are charged to you separately by the custodian, and brokerage fees and other execution costs are incurred for the client's account. Please refer to Item 12 entitled "*Brokerage Practices*" for additional information about the brokerage and transactional practices of Sub-Advisers, including the factors considered in selecting broker-dealers for client transactions and determining the reasonableness of a broker-dealer's compensation.

Client assets invested in mutual funds will be subject to certain fees and expenses imposed directly by mutual funds on their shareholders and reflected in the net asset value of the fund. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and possibly distribution or servicing fees. If the sponsor also imposes sales charges, a client may be required to pay an initial or deferred sales or surrender charge. All such fees and expenses are separate and distinct from the fees paid to McMorgan for investment advisory services.

MNCVAD will pay all expenses directly related to its own operations, including, without limitation, expenses incurred in connection with conducting due diligence, negotiating, acquiring, managing, structuring, operating, developing, improving, financing and disposing of investments, and expenses of outside counsel, accountants and other professionals, travel expenses and expenses attributable to unconsummated transactions.

The Limited Partners of MNCVAD will bear their *pro rata* share of the expenses incurred in connection with the organization of MNCVAD and the General Partners and the offering of limited partnership interests. The total amount of such organizational expenses to be paid by the Limited Partners shall not exceed \$750,000. Investors should refer to the limited partnership agreement and related documentation for additional information.

Accordingly, clients should review both the fees charged by any third party together with the fees charged by McMorgan to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

C. Compensation for Sales of Securities or Other Investment Products

Adviser Referrals – Service Fees

McMorgan offers products to its existing clients that are managed by certain third party investment advisers. McMorgan also makes client referrals to third party investment advisers. McMorgan receives a servicing fee from investment advisers, which may be calculated as a percentage or portion of the compensation that the investment adviser receives from certain of its advisory clients and/or Taft-Hartley investors in private investment funds managed by the third party adviser, in exchange for McMorgan providing client relations services to these clients/investors.

The compensation paid to McMorgan does not increase the fees or costs payable by the client or investor. When making a referral to a third party adviser, McMorgan is not exercising investment discretion or otherwise providing investment advice to a Taft-Hartley investor about retaining the adviser or investing in the adviser's private fund. Please refer to Item 14, entitled "*Client Referrals and Other Compensation*" for additional information.

The approximate range of the fees currently charged by investment advisers and the portion of such fees paid to McMorgan is set forth below:

<i>Product</i>	<i>Annual Asset Mgmt Fee (% of AUM)</i>	<i>McMorgan Servicing Fee*</i>
<u>MacKay Separate Account</u>	0.25 - 0.50%	20%
<u>MacKay Private Funds</u>	0.40 - 0.50%	20%
<u>Cornerstone Separate Account</u>	0.40%	35%
<u>NYLCAP Manager LLC ("NYLCAP") Private Funds</u>		
Private Equity	0.50% - 1.0%	20%
Mezzanine	1.0 % - 1.5%	20%
<u>Madison Private Real Estate Fund</u>	0.95%	30%

<i>Product</i>	<i>Annual Asset Mgmt Fee (% of AUM)</i>	<i>McMorgan Servicing Fee*</i>
<u>Private Advisors – Private Funds</u>		
Hedge Funds	1.00%	20%
Private Equity	0.60% - 1.0%	20%
<u>Institutional Capital LLC (“ICAP”) Separate Account</u>		
International Equity		
Select Equity		
Focused Equity		
Equity		
<u>White Oak Global Advisors, LLC Private Funds</u>	1.5%	20% plus 7% of carried interest
<u>AllianceBernstein L.P.</u>	.02% - 1.0%	4% to 20%

* Except as otherwise noted, servicing fees for accounts managed by third party advisers are based on a percentage of the management fees paid by McMorgan’s clients to the third party adviser.

Broker-Dealer Relationship

Some of McMorgan’s employees, including some of its executive officers, are also registered representatives of McMorgan & Company Capital Advisors LLC, an affiliated broker-dealer registered with the SEC and member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). In this capacity, these individuals may transact in various types of securities or investment products and may receive separate compensation for doing so. Please see Item 10 for additional information relating to this and other financial industry affiliations.

Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations. To the extent that a McMorgan representative recommends the purchase of securities or other investment products where the representative receives compensation for doing so, a conflict of interest exists because the representative may have an incentive to make recommendations based on the compensation received rather than on a client’s needs. Clients may purchase investment products recommended by McMorgan through other brokers or agents that are not affiliated with McMorgan.

Other than soliciting and selling interests in certain private funds managed by third party investment advisers, employees of McMorgan that are registered representatives of a broker-dealer do not execute securities transactions for McMorgan’s clients. In addition, the conflicts presented by these practices are disclosed at the time of the referral or solicitation or, in the case of interests in a private fund, in the private placement memoranda or other offering document for the fund.

Item 6. Performance Based Fees and Side-By-Side Management

As described in Item 5 above, an affiliate of McMorgan may receive performance-based compensation from MNCVAD in the form of incentive allocations and distributions calculated based on the profits generated on the sale or disposition of MNCVAD assets together with the current income generated by such assets (subject to certain limitations set forth in the Memorandum and the limited partnership agreement).

Certain MAP clients are charged fees only after the account achieves a specific return, as negotiated with such clients. While such fees are not based on a share of capital gains on or capital appreciation of the assets of the client, McMorgan's right to receive such fees depend on the account achieving a certain return.

The fact that an affiliate of McMorgan receives performance-based compensation creates a potential conflict of interest in that it may create an incentive for McMorgan to make investments on behalf of MNCVAD that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In order to receive such performance-based compensation, the General Partners of MNCVAD must first return all capital contributed by the Limited Partners, plus an additional 9% cumulative preferred return compounded on a quarterly basis, calculated and distributed in accordance with the specific provisions outlined in the limited partnership agreement.

Additionally, Limited Partners are provided with clear disclosure as to how performance-based compensation is charged and the risks associated with such performance-based compensation prior to making an investment. Limited Partners should carefully review the terms of the Memorandum for additional information relating to such performance-based compensation arrangements.

Item 7. Types of Clients

McMorgan provides investment management services to Taft-Hartley pension plans, multi-employer plans, jointly-trusted benefit plans, and other institutional clients, primarily through various unaffiliated Sub-Advisers selected and monitored by McMorgan. Multi-employer plans are generally set up under Section 302(c)(5) of the Taft-Hartley Act, which covers private sector employees.

Taft-Hartley plans and their assets are managed by a board of trustees which is equally representative of labor and management. The board acts as the sponsor and the fiduciary of the plan and will in turn hire attorneys, actuaries, accountants, consultants and investment managers to handle setup and operation of the plan. Taft-Hartley plans are typically administered by third-party administrators.

The minimum initial account size generally ranges from \$1 million to \$100 million, depending on the product and vehicle.

In addition, McMorgan is the discretionary manager for MNCVAD, a pooled real estate fund as described in greater detail under Item 8 below. The minimum commitment per Limited Partner in MNCVAD is \$5 million. However, the General Partners may, in their sole discretion, reduce this minimum commitment amount in specific cases.

The minimum commitment by each Limited Partner to the Infrastructure Fund is \$10 million, although the Infrastructure GP reserves the right to accept lesser amounts in its sole discretion. In general, Limited Partners in the Infrastructure Fund must be U.S. Taft-Hartley retirement plans. The Infrastructure GP reserves the right to admit other U.S. institutional investors, including public and corporate pension funds, private foundations, endowments and insurance companies in its sole discretion.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

McMorgan offers advisory services in several asset classes primarily through relationships with various Sub-Advisers. Investing in securities involves a significant risk of loss which clients should be prepared to bear. Before considering an investment in any strategy, you should understand that you could lose money. The investment strategies, practices and risk analysis that McMorgan or its Sub-Advisers use may not produce the desired results. The value of the strategy's investments may change because of broad changes in the markets in which the strategy invests or poor investment selection, which could cause the strategy to underperform other strategies with similar objectives.

Selection and Evaluation of Sub-Advisers

As noted above, McMorgan primarily executes its investment strategies through third party investment management firms selected and monitored by McMorgan. McMorgan's responsibilities with respect to sub-advised accounts include the selection, appointment, monitoring and removal of Sub-Advisers.

With respect to sub-advised accounts, McMorgan: (i) evaluates, selects, and engages the Sub-Advisers; (ii) monitors and evaluates the performance of the Sub-Advisers, including their compliance with the investment objectives, guidelines, and restrictions applicable to each account; and (iii) implements procedures reasonably designed to ensure that the Sub-Advisers comply with each account's investment guidelines and restrictions. McMorgan has ultimate responsibility for overseeing the Sub-Advisers and their hiring, termination, and replacement, as necessary.

Generally, Sub-Advisers are selected based on an evaluation of their skills and investment results in managing assets for specific asset classes, investment styles, and strategies and an assessment of the likelihood of producing appropriate investment results over the long-term. Sub-Advisers are monitored and periodically reviewed for style consistency, historical performance, financial strength, compliance program, operations, risk attribution, reputation and other information.

Material Risks

In addition to the risks associated with the specific strategies pursued by Sub-Advisers (discussed below), McMorgan's strategy of selecting and delegating portfolio management authority to certain third party investment managers itself involves certain risks, including without limitation:

- *Limitations on McMorgan's Authority:* McMorgan's ability to waive or amend the investment objectives, policies, and strategies, remove, replace or withdraw assets from a Sub-Adviser, reallocate assets among Sub-Advisers and vary or change the allocation of assets of an account may be subject to the limitations imposed by the agreements with Sub-Advisers, market conditions and applicable law. Losses may result during the time it takes McMorgan to react to market or other conditions and comply with the required notice obligations or other contractual agreements.
- *Reliance on Sub-Advisers:* The success of a strategy that uses independent Sub-Advisers depends upon, among other things, the ability of the Sub-Advisers to develop and successfully implement trading strategies that achieve their investment objectives. While McMorgan will select and monitor the Sub-Advisers, McMorgan relies to a great extent on information provided by the Sub-Advisers and may have limited access to other information regarding the Sub-Advisers' portfolios and operations. There is a risk that a Sub-Adviser may knowingly, negligently or otherwise withhold or misrepresent information, including the presence or effects of any fraudulent or similar activities.
- *Key Person Risk:* As the composition of personnel within an organization can change over time, there is a risk that new personnel may achieve less success than their predecessors. The loss of key personnel either within McMorgan or any of the Sub-Advisers could have a negative effect on a client's account.

Real Estate Investment Strategies

McMorgan offers institutional investors exposure to the commercial real estate asset class through separate accounts or through commingled private real estate funds managed by McMorgan and by third party investment advisers. McMorgan's real estate investment strategies seek to achieve income returns, potential for long-term appreciation, inflation hedging capabilities, and diversification.

The New York Life Investments Real Estate Group has been engaged by McMorgan to provide asset management services in a non-discretionary, non-fiduciary capacity to McMorgan's real estate separate accounts.

With respect to private real estate funds, McMorgan is the discretionary co-manager for MNCVAD, a pooled real estate fund that will primarily engage in the business of acquiring, developing, improving, operating, managing, holding for investment and disposing of interests in real estate. Investments may include equity and preferred equity interests in or mezzanine debt or other hybrid structures covering commercial and multi-family residential real property and a

broad spectrum of other real estate types, including but not limited to warehouse-distribution and storage facilities; retail buildings and shopping centers; commercial buildings; facilities for lease to governmental agencies; single-tenant leased facilities; medical office buildings; mixed-use projects; multi-family housing; and raw land.

In addition, McMorgan and its affiliates may facilitate the sale of interests in and may provide investor services for the Madison Core Property Fund, LLC (“Madison”), a pooled real estate fund of which New York Life Investments is the discretionary manager. Madison generally follows a core real estate strategy, as described by the National Council of Real Estate Investment Fiduciaries (“NCREIF”) for inclusion in the NCREIF Fund Index - Open End Diversified Core Equity. Madison invests primarily in well-leased commercial real estate properties across the United States. Madison may also make limited investments in value-added and opportunistic real estate investments, such as new construction, property renovation, and asset repositioning. Madison will also consider making commercial real estate debt investments when they are perceived to offer good value relative to direct property investments.

Additional information regarding the investment strategies and risks associated with Madison are set forth in the fund’s confidential information memorandum.

All separate accounts are managed to investors’ specific guidelines and risk tolerances. McMorgan assesses client needs, objectives and unique requirements to create separate account portfolios which seek to achieve their investment goals.

The framework to evaluate real estate opportunities consists of both top-down and bottom-up research processes. McMorgan also has access to the commercial real estate team of New York Life Investments, which provides certain non-discretionary, non-fiduciary services to McMorgan’s real estate separate account clients.

Material Risks

An investment in real estate assets has special risks associated with the direct and indirect ownership of real estate. The underlying real estate investments are subject to market risk and will fluctuate in value.

Material investment risks in real estate also include the possibility that a particular property type or geographic location could underperform due to various economic factors. Real estate values are subject to general economic risks and may decline during periods of economic weakness. Additionally, any property investment could underperform due to worse than expected leasing or rent growth; tenant bankruptcies or credit problems; unforeseen regulatory factors; physical issues; functional or locational obsolescence; natural disasters; or excessive new construction of competitive properties. Investments in development properties may underperform due to development cost overruns, failure to meet construction timelines, regulatory or entitlement problems, or failure to achieve key leasing assumptions.

Material risks associated with commercial real estate debt investments include market interest rate fluctuations, and in the case of a borrower default, delays and legal costs in recovering the loan amount as well as the reduced collateral value.

Managed Account Platform and Mutual Fund Allocation Strategies

McMorgan offers asset allocation services for certain clients. McMorgan's Managed Account Platform utilizes a proprietary process for evaluating asset classes and strategies based on client-specific mandates, target allocation ranges, and an assessment of the investment merits of various fixed income, equity, and liquid alternative strategies. The framework to evaluate the asset classes consists of both qualitative, top-down examination of macroeconomic and market factors, and quantitative, bottom-up analysis of factors specific to fixed income and equity markets.

Material Risks

Material risks include general market risks and those risks relating to relative asset class performance. These risks include the potential for significant loss of principal due to broad declines in equity or fixed income security valuations. Risks also include the potential for declining income streams due to declining market interest rates or dividend reductions.

Although allocation among different asset classes generally limits the client's exposure to the risk of any one class, the risk remains that the adviser may favor an asset class that performs poorly relative to other asset classes.

For example, deteriorating stock market conditions might cause an overall weakness in the market that reduces the absolute level of stock prices in that market. Under these circumstances, if the mutual fund were primarily invested in stocks, it would perform poorly relative to a portfolio invested primarily in bonds. Similarly, the adviser to a particular mutual fund could be incorrect in its analysis of economic trends, countries, industries, companies, the relative attractiveness of asset classes or other matters.

Equity Strategies

Through Sub-Advisers, McMorgan offers a range of investment management services to clients, including equity and fixed income separate account products. McMorgan also makes available private funds that are managed by unaffiliated investment advisers. The investment strategies and risks associated with private funds are set forth in the private fund offering memoranda.

For equity strategies, McMorgan generally uses Cornerstone as Sub-Adviser. Cornerstone's advisory services are provided by quantitative and fundamental investment teams that utilize an approach that seeks to achieve targeted returns while minimizing portfolio risk. Each investment team employs models and processes that are unique to each product. The Cornerstone products offered may include the following quantitative investment strategies: Large Cap Enhanced Separate Account, Large Cap Enhanced Commingled Fund, or Large Cap Enhanced Collective

Trust; and the following fundamental investment strategies: Fundamental International Equity Separate Account.

Cornerstone's Quantitative Large-Cap Enhanced strategy seeks to outperform the S&P 500 Index by 100 basis points annually, after fees, through the implementation of Cornerstone's quantitative model. The investment process for Cornerstone's quantitative investment strategies involve: (i) a multi-factor stock selection model that ranks the stock selection universe in order of attractiveness; (ii) a quantitative portfolio construction method that selects active portfolio weights by balancing expected returns and expected risks of individual stocks; and (iii) a systematic trading approach that balances opportunity cost versus market impact.

Cornerstone's Fundamental International Equity strategy seeks to outperform the MSCI EAFE Index over a full market cycle. The investment team employs a bottom-up investment approach, incorporating individual company fundamental analysis, industry competitive dynamics, and macroeconomic analysis. The team seeks to invest in what it believes are reasonably priced stocks of companies whose earnings are expected to sustainably grow more than 10% per year in each of the next three to five years. To identify such companies, it quantifies long-term secular trends or forces, and identifies companies that are poised to benefit from these trends or forces.

Material Risks

Clients should be aware that there are certain risks associated with investing in Cornerstone's quantitative and fundamental investment strategies. These risks include (without limitation):

- *Common Stock Risk:* Investments in common stocks and other equity securities are subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in the portfolio managers' ability to anticipate changes that can adversely affect the value of the strategy's holdings.
- *Growth Stock Risk:* If growth companies do not increase their earnings at a rate expected by investors, the market price of the stock may decline significantly, even if earnings show an absolute increase. Growth company stocks also typically lack the dividend yield that may cushion falling stock prices in market downturns.
- *Value Stock Risk:* Value stocks may never reach what the portfolio management team believes is their full value or they may go down in value. In addition, different types of stocks tend to shift in and out of favor depending on market and economic conditions, and therefore the strategy's performance may be lower or higher than the performance of strategies that invest in other types of equity securities.
- *Valuation Risk:* Uncertainties in the conditions of the financial markets, unreliable reference data, lack of transparency and inconsistency of valuation models and processes may lead to inaccurate asset pricing. In addition, other market participants may value securities differently. As a result, when a security or other instrument is sold in the market, the amount that the account receives may be less than the amount at which it was valued.

- *Liquidity Risk:* Securities purchased by a strategy that are liquid at the time of purchase may subsequently become illiquid due to events relating to the issuer of the securities, market events, economic conditions or investor perceptions. The value of illiquid securities may reflect a discount from the market price of comparable securities for which a liquid market exists, and accordingly may have a negative effect on the value of the strategy's assets. To meet client requests to withdraw assets, the strategy may be forced to sell securities at an unfavorable time and/or under unfavorable conditions.
- *Derivatives Risk:* A strategy may lose money using derivatives, regardless of the purpose for using such instruments. Using derivatives may increase the volatility of the strategy's NAV, and the risk assumed as a result of a derivatives investment may be larger than the size of the investment itself.
- *Exchange Traded Fund (ETF) Risk:* The risks of owning an ETF generally reflect the risks of owning the underlying securities held by the ETF, although lack of liquidity in an ETF could result in it being more volatile than the underlying portfolio of securities. Disruptions in the markets for the securities underlying ETFs purchased or sold by the strategy could result in losses on the strategy's investment in ETFs. ETFs also have management fees that increase their costs versus owning the underlying securities directly.
- *Short Term Trading Risk:* Due to the trading strategies utilized within the Large-Cap Enhanced strategy, the strategy may experience a portfolio turnover rate of greater than 100%. Strategies with high turnover rates (over 100%) often have higher transaction costs and may generate short-term capital gains.
- *Foreign Security and Currency Risk:* Investments in foreign securities are subject to risks that differ in certain ways from those of U.S. issuers. These risk factors include: fluctuating currency values; less liquid trading markets; greater price volatility; political and economic instability; less publicly available information about issuers; changes in U.S. or foreign tax or currency laws; and changes in monetary policy. Foreign securities may be more difficult to sell than U.S. securities. The risks of investing in foreign securities in emerging market countries are likely to be greater than in foreign countries with developed securities markets and more advanced regulatory regimes.

The value of a client's assets may be affected favorably or unfavorably by the changes in currency rates and exchange control regulations. Currency exchange rates may fluctuate significantly over short periods of time. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments.

Please see Cornerstone's Form ADV Part 2A for more details on the quantitative and fundamental investment strategies and the risk of loss associated with these strategies.

Fixed Income Strategies

As noted under Item 4, McMorgan uses MacKay and Bradford & Marzec as the Sub-Advisers for McMorgan's fixed income accounts.

MacKay is a multi-product investment adviser providing advisory services to a broad range of institutions and clients in fixed income products including taxable and tax-exempt fixed income securities, municipal bonds, short and intermediate-term bonds, core investment grade, core plus, emerging markets, high yield and high yield active core. The MacKay separate account products offered may include Short Term Bond, Intermediate Fixed Income, Core Investment Grade, Core Plus Fixed Income, Core Plus Opportunities, Emerging Market Debt, High Yield, Leverage Bank Loans, and Convertible Bonds. MacKay is also the investment manager to a number of private investment funds. In pursuing various investment strategies, MacKay conducts a continuing review of yields and other information derived from a database which it maintains in managing fixed-income portfolios. Fundamental economic cycle analysis, credit quality, and interest rate trends are some of the factors considered in determining whether to increase or decrease the emphasis placed upon a particular type of security or industry sector. Investment decisions take into account a broad range of fundamental and technical indicators.

Bradford & Marzec invests directly in the cash bond markets with limited use of derivatives utilizing a traditional, long-only investment approach. Bradford & Marzec may also advise institutional clients under certain circumstances that would involve suggesting the appropriate maturity structure, sectors, coupon range, country exposure, quality and issuers for a bond portfolio. Methods of analysis employed during strategy implementation and portfolio monitoring include statistical, fundamental, technical, and cyclical analysis. Industry analysts review operating and credit trends within assigned industries and perform financial analysis on individual issuers to develop recommendations for each of their respective industries.

Material Risks

Clients should be aware that there are certain material risks associated with investing in fixed income strategies.

Leveraged loans and high yield bonds may be rated below investment grade (sometimes referred to as "junk bonds") and are generally considered speculative because they present a greater risk of loss, including default, than higher quality debt securities. Such securities may be less liquid and can be subject to greater price volatility than higher rated securities. In times of unusual or adverse market, economic or political conditions, these securities may experience higher than normal default rates.

Although certain leveraged loans are collateralized, there is no guarantee that the value of the collateral will be sufficient to repay the loan in the event of default. Moreover, leveraged loans may, under certain circumstances, be less liquid than higher quality debt securities, and an active trading market may not exist. In addition, some loans may be subject to restrictions on their resale, which may prevent your account from obtaining the full value of the loan when it is sold.

Other material risks include (without limitation):

- *Credit Risk*: The risk that an issuer of a debt security may fail to repay the loan created by the issuance of that debt security.
- *Maturity Risk*: The risk that a debt security with a longer maturity may fluctuate in value more than a debt security with a shorter maturity.
- *Market Risk*: The risk that low demand for debt securities may negatively impact their price.
- *Interest Rate Risk*: The risk that when interest rates go up, the value of a debt security goes down, and when interest rates go down, the value of a debt security goes up.
- *Selection Risk*: The risk that the securities selected may underperform the market.
- *Call Risk*: During a period of falling interest rates, the issuer may redeem a security by repaying it early, which may reduce the account's income, if the proceeds are reinvested at lower interest rates.
- *Liquidity Risk*: Securities purchased by a strategy that are liquid at the time of purchase may subsequently become illiquid due to events relating to the issuer of the securities, market events, economic conditions or investor perceptions. The value of illiquid securities may reflect a discount from the market price of comparable securities for which a liquid market exists, and accordingly may have a negative effect on the value of the strategy's assets. To meet client requests to withdraw assets, the strategy may be forced to sell securities at an unfavorable time and/or under unfavorable conditions.

Please see Bradford & Marzec's and MacKay's Form ADV Part 2A for more specific details on its investment strategies and the risk of loss associated with each specific strategy.

Infrastructure Risks

The Infrastructure Fund is expected to invest only in infrastructure-related assets. Such a concentrated portfolio is vulnerable to the risks associated with the industries in which the Infrastructure Fund invests, and is subject to greater risks and market fluctuations than funds and other investors investing in a broad range of industries. Infrastructure-related investments may have increased susceptibility to risks associated with general or local economic conditions and political developments, changes in regulations, environmental problems, casualty losses and changes in interest rates.

Item 9. Disciplinary Information

There are no legal or disciplinary events involving McMorgan or any of its management persons that are material to our advisory business or to the management of client accounts to report at

this time. In the event that an account is managed by a Sub-Adviser hired by McMorgan, please refer to the Form ADV Part 2A of each Sub-Adviser for a description of material disciplinary events, if any, involving such Sub-Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Certain of McMorgan's employees, including some of its executive officers, are registered as representatives and principals of McMorgan & Company Capital Advisors LLC ("McMorgan Capital Advisors"), an SEC-registered broker-dealer and member FINRA. McMorgan Capital Advisors is a wholly-owned subsidiary of McMorgan. McMorgan uses McMorgan Capital Advisors to facilitate the sale of interests in certain pooled investment vehicles managed or sponsored by various investment advisers, including funds managed or sponsored by McMorgan or its affiliates.

An affiliate of McMorgan serves as the general partner of the Infrastructure Fund and as co-general partner of MNCVAD (the "Affiliated General Partners"). Each of the Affiliated General Partners is a related person of McMorgan and is under common control with McMorgan. With respect to the Infrastructure Fund, the Infrastructure GP has full and exclusive management authority over the investment decisions, asset dispositions, distributions, and other activities of the Infrastructure Fund. While the Infrastructure GP maintains ultimate discretionary investment authority over the Infrastructure Fund, McMorgan has been delegated the role of investment adviser. The Affiliated General Partners and their employees and personnel will be subject to the Advisers Act and rules thereunder, and to all of McMorgan's compliance policies and procedures. Each of the personnel of the Affiliated General Partners will be deemed "persons associated with" McMorgan (as that term is defined in section 202(a)(17) of the Advisers Act) and will be subject to SEC examination.

The following relationships or arrangements are material to our business and may create potential conflicts of interest:

Broker-Dealers – As noted above, certain of McMorgan's employees are registered representatives of McMorgan Capital Advisors and may sell private funds and other investment products to institutional investors. McMorgan Capital Advisors may compensate registered employees who promote the sale of certain products for their efforts. The sales and marketing activities of registered employees are subject to the supervision of both McMorgan and McMorgan Capital Advisors.

Investment Advisers – Several third party investment advisers provide investment management services to McMorgan through sub-advisory agreements. McMorgan retains various investment advisers to serve as Sub-Advisers to various client accounts for which McMorgan is the investment adviser. McMorgan does not receive compensation, directly or indirectly, from the Sub-Advisers, but rather pays them for their investment management services a portion of the advisory fee McMorgan receives from the client. MacKay sub-advises McMorgan's separate account fixed income client portfolios. Cornerstone sub-advises McMorgan's separate account equity client portfolios.

McMorgan conducts due diligence in the selection of its Sub-Advisers and provides ongoing investment management oversight of these sub-advisory functions.

McMorgan currently has sub-advisory relationships with the following registered investment advisers:

- **Bradford & Marzec** is an SEC registered investment adviser that serves as Sub-Adviser to McMorgan's institutional clients who participate in fixed income separate accounts. McMorgan has a minority ownership interest in Bradford & Marzec. This may create an incentive to recommend Bradford & Marzec as a Sub-Adviser. In all cases, Sub-Advisers are selected based on an evaluation of their skills and investment results in managing assets for specific asset classes, investment styles, and strategies. Any decision to engage or terminate a particular Sub-Adviser will be based upon continued suitability and performance of the Sub-Adviser in relation to its management of client assets.
- **MacKay** is an SEC registered investment adviser that serves as Sub-Adviser to McMorgan's institutional clients who participate in fixed income separate accounts and serves as the investment manager to various private investment funds. Clients of McMorgan may be solicited to invest in such limited partnerships for which MacKay serves as investment manager to various private investment funds.
- **Cornerstone** is an SEC registered investment adviser that acts as a Sub-Adviser for McMorgan's institutional separate account equity strategies offered to clients as well as subadviser to various mutual funds for which New York Life Investments serves as adviser

McMorgan may also enter into various servicing arrangements with other investment advisers. McMorgan has entered into agreements with New York Life Investments, Cornerstone, ICAP, NYLCAP, Private Advisors, MacKay, AllianceBernstein L.P., and White Oak pursuant to which McMorgan receives compensation for solicitation and other client-relations services in the Taft-Hartley market. Under the agreement, Cornerstone, ICAP, NYLCAP, and MacKay pay a portion of their advisory fee to McMorgan as a sourcing and servicing fee for marketing and client reporting services provided within the Taft-Hartley market. The compensation paid to McMorgan does not increase the fees or costs payable by the client.

In addition to MacKay and Cornerstone, McMorgan currently has servicing relationships with the following:

- **New York Life Investments** is an SEC registered investment adviser that provides certain non-discretionary services to McMorgan's real estate separate account clients and also serves as the investment manager for the MainStay Funds and Madison (as described in Item 8, above).

- **ICAP** is an SEC registered investment adviser that acts as a subadviser for various mutual funds for which New York Life Investments serves as adviser and also engages in other advisory services.
- **NYLCAP Manager LLC** (“NYLCAP”) is an SEC registered investment adviser that serves as the investment manager of various limited partnerships and also engages in other advisory services. McMorgan clients may be solicited to invest in such limited partnerships for which NYLCAP serves in a similar capacity.
- **Private Advisors** is an SEC registered investment adviser that serves as the investment manager of various limited partnerships and also engages in other advisory services. Clients of McMorgan may be solicited to invest in such limited partnerships or in others for which Private Advisors serves in a similar capacity.
- **White Oak Global Advisors** (“White Oak”) is an SEC registered investment adviser that serves as the investment manager of various privately placed investment funds and separately managed accounts, as well as other advisory services. Clients of McMorgan may be solicited to invest in such funds or accounts for which White Oak serves in a similar capacity.
- **AllianceBernstein L.P.** (“AllianceBernstein”) is an SEC registered investment adviser that takes a research-driven approach to a variety of investment strategies, including Global Fixed Income & Emerging Market Debt, Small & SMid Cap Value Equities, and Small & SMid Cap Growth Equities, among others. McMorgan clients may be solicited to invest in such strategies or other accounts for which AllianceBernstein serves in a similar capacity.

Under such arrangements, McMorgan may be serving in the role of solicitor for the other investment adviser, in which case all such agreements will be in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act. All solicitation arrangements are fully disclosed to the client in writing at the time of the solicitation via a solicitor disclosure statement or similar document that outlines the nature and amount of the compensation paid to McMorgan. Clients will also be provided a copy of the Form ADV Part 2A of the investment adviser recommended by McMorgan.

As a result of these arrangements, McMorgan may be incentivized to present only the investment advisers from whom McMorgan receives solicitor/referral fees as opposed to another investment adviser from whom McMorgan does not receive such fees. Additional details about any such arrangement can be found in the applicable solicitor disclosure document that McMorgan will provide to each client that is referred to another investment adviser under a solicitor arrangement.

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

McMorgan's Code of Ethics ("Code") covers all employees and sets forth guidelines that promote ethical conduct and adhere to the highest duty of trust and fair dealing in placing the interests of our clients ahead of our employees' own personal interests or the interests of others.

The Code also provides guidance to employees regarding conflicts of interest, board memberships, outside business activities, confidentiality, gifts and entertainment, personal trading and reporting, and insider trading. Under the Code, employees must conduct their personal securities transactions in a manner that neither interferes with any client's portfolio transactions nor takes inappropriate advantage of an employee's relationship to such client.

The Code requires supervised persons to report any violations of the Code promptly to the Chief Compliance Officer. Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code during the preceding year. A copy of the Code of Ethics is available upon request.

While we permit our employees to engage in personal securities transactions, as a company we recognize that these transactions may raise potential conflicts of interests. This is particularly true when they involve securities owned by, or considered for purchase or sale for, a client account by us or our sub-advisers. The Code provides employees with specific guidance concerning personal security investments and the responsibilities associated with that activity. All of our employees are subject to the following restrictions:

- They may not trade while in possession of material, non-public information.
- They must complete and keep current an annual Conflicts of Interest Questionnaire concerning any potential conflicts.
- They must adhere to restrictions regarding the receipt and giving of gifts and entertainment.

Some provisions of the Code, particularly with respect to personal trading, apply only to "Access Persons" (defined as officers or directors or persons who have access to nonpublic information regarding any client's purchase or sale of securities).

Specifically, the Code requires all Access persons to:

- Report personal securities transactions in "Reportable Securities," which would not include transactions involving direct obligations of the US Government, shares of unaffiliated open end investment companies, commercial paper, certificates of deposit, high quality short term investments and interests in qualified state college tuition programs.
- File quarterly reports and certifications of their personal securities transactions of covered trading activity and annual reports of securities holdings and brokerage accounts with our compliance officer.

- Not purchase IPOs or private placements without prior approval.

In addition, employees who make recommendations regarding the purchase or sale of securities for client accounts are deemed to be “Investment Personnel,” and are subject to further restrictions with respect to their personal trading activities which include:

- Investment Personnel may not purchase or sell shares in a fund for their own account if any purchase or sale of such security has been made for a client account in the prior seven days. This primarily involves our mutual fund asset allocation services.

Certain transactions in which McMorgan engages may require, for either business or legal reasons, that no employees trade in the subject securities for specified time periods or until the potential conflict of interest with respect to such securities no longer exists. McMorgan maintains a list of issuers whose securities may not be traded in on behalf of clients or in the personal accounts of Access Persons (the “Restricted List”) that lists (i) issuers of public securities with respect to which McMorgan or any of its Access Persons have Material Non-Public Information, (ii) issuers with which McMorgan or an affiliate has entered into a confidentiality agreement, and (iii) such other issuers as that the Chief Compliance Officer (or his designee), in their discretion, deem to present similar conflicts of interest. No employee may engage in any sort of trading activity with respect to a security or a derivative thereof on the Restricted List without obtaining prior approval from the Chief Compliance Officer.

McMorgan performs limited securities trading and investment management functions. Individual investment decisions to purchase or sell equity or fixed income securities within separate account products are delegated to Sub-Advisers through sub-advisory agreements. With regard to securities transactions placed in our clients’ separate accounts managed by Sub-Advisers, McMorgan does not have access to investment recommendations before the transactions are placed and generally does not receive trading information from Sub-Advisers until the next business day after the transaction is placed.

A copy of the Code may be obtained by sending a written request to:

McMorgan & Company LLC
Attention: Chief Compliance Officer
One Front Street, Suite 500
San Francisco, CA 94111

Item 12. Brokerage Practices

Selection and Compensation of Broker-Dealers

McMorgan has delegated the brokerage selection for equity and fixed income separate accounts to its Sub-Advisers. McMorgan performs periodic oversight of this function. Sub-Adviser policies regarding investment and brokerage selection are set forth in the Form ADV Part 2A of each Sub-Adviser, which will be made available upon request.

The Sub-Advisers and any third party managers of private investment funds hired by McMorgan have discretionary authority to execute transactions on behalf of clients consistent with best execution.

Soft Dollar Arrangements

McMorgan has delegated the trading and brokerage execution for equity and fixed income separate accounts to its Sub-Advisers. McMorgan performs periodic oversight of the use of soft dollar arrangements. The brokerage commissions that are used to acquire research in these types of arrangements are known as "soft dollars."

An inherent conflict of interest exists because the Sub-Advisers could use their own resources to purchase these services. Thus, Sub-Advisers have an incentive to disregard their best execution obligation when directing transactions and an incentive to generate more trades to earn soft dollar credits for services. McMorgan does not enter into any soft dollar arrangements directly.

The Sub-Advisers have adopted policies pertaining to the use of soft-dollar arrangements which are described in each Sub-Adviser's Form ADV Part 2A, which will be made available upon request.

Brokerage for Client Referrals

In selecting or recommending broker-dealers, our Sub-Advisers are prohibited from considering a broker-dealer's referral of clients to them. They also are not permitted to consider its sale of shares of the Mainstay Funds or of any private funds that any of their affiliates advise in selecting broker-dealers. While Sub-Advisers may direct brokerage to broker-dealers that have consulting divisions that might refer clients or investors, there is no agreement to do so.

Directed Brokerage

McMorgan has delegated primary responsibility for all trading functions for equity and fixed income separate accounts to its Sub-Advisers. McMorgan performs periodic oversight of these delegated functions. Based on written client communications, Sub-Advisers may accept directed brokerage arrangements. Clients who direct brokerage may pay higher commissions than those who do not since this limits the ability of Sub-Advisers to negotiate commissions for the clients. There may be a recapture component to the directed brokerage arrangement benefiting the client. Sub-Advisers have adopted policies pertaining to the use of directed brokerage which are described in their respective Form ADV Part 2A and will be made available upon client request.

Aggregation and Allocation of Orders

McMorgan has delegated primary responsibility for all trading functions for equity and fixed income separate accounts to its Sub-Advisers. McMorgan performs periodic oversight of this delegated function. The Sub-Advisers have adopted policies pertaining to the aggregation and allocation of orders which are further described in their Form ADV Part 2A and will be made available upon client request.

Item 13. Review of Accounts

Monitoring

McMorgan equity and fixed income separate accounts are monitored continuously by Sub-Advisers in an effort to make sure that client objectives are being achieved. Each Sub-Adviser's portfolio management teams are responsible for portfolio strategy and composition and managing client accounts in compliance with client investment guidelines and restrictions. Reviews may include (depending on the asset class) reviews of sectors, securities, trade levels, durations and yield exposures.

Formal regular and informal ad hoc meetings are typically held to discuss portfolio positions, strategies, trends and relative value. Where possible, portfolio attributions versus the benchmarks are calculated monthly to determine how investment decisions and associated risks have performed. Quarterly portfolio reviews are also conducted which typically include a review of portfolio holdings, characteristics, strategies and account performance versus portfolio benchmarks.

In order to prevent guideline breaches, client guidelines that can be systematically monitored are entered into front-end trade order management and compliance monitoring systems on a pre-trade basis. Overnight compliance is run on client accounts daily. Dedicated compliance staff at the sub-advisers review and investigate any alerts or breaches identified by the system and report material items to McMorgan. In addition to the daily Compliance reviews described above, portfolio activity is monitored and reviewed by McMorgan's portfolio management team members.

Periodic Reviews

McMorgan's Chief Investment Officer conducts regular periodic reviews of portfolio performance results, trading activity and each Sub-Adviser's ongoing account review. The oversight process includes examination of compliance controls, review of internal and external audit results, operational infrastructure and changes in key personnel. McMorgan also provides allocation services between mutual funds in accordance with client investment guidelines. McMorgan conducts monthly or more frequent reviews of these allocations.

Real estate portfolios are managed in accordance with separate account guidelines and applicable offering documents. McMorgan's portfolio management personnel perform quarterly reviews of these parameters.

Triggering Factors

In addition to periodic reviews, McMorgan may perform reviews of separately managed accounts as it deems appropriate or as otherwise required. Additional reviews may be undertaken for reasons including changes in market conditions, changes in security positions or changes in a client's investment objective or policies.

Client Reporting

The content and frequency of client reports vary by client. Reporting requirements are typically part of the contract negotiations and are generally memorialized in the signed investment management agreement or client investment policy statement. Client reports typically include portfolio market values, certain transaction and performance information, holdings and information covering portfolio or economic outlook. Customized reporting is typically provided as frequently as requested by clients.

Each Limited Partner in the Infrastructure Fund will be furnished with: (i) annual audited financial statements of the Infrastructure Fund; (ii) quarterly unaudited financial statements of the Infrastructure Fund; and (iii) quarterly descriptive investment information for each of the Infrastructure Fund's portfolio investments.

The Infrastructure Fund will hold an annual meeting of Limited Partners to review and discuss the Infrastructure Fund's investment activities.

Item 14. Client Referrals and Other Compensation

McMorgan may enter into solicitation agreements with unaffiliated investment advisers, pursuant to which McMorgan serves as a solicitor and is compensated for referring clients to the third party advisers. All solicitation agreements between McMorgan and investment advisers will be in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act. While the specific terms of each agreement may differ, the compensation generally takes the form of the investment adviser sharing with McMorgan a portion of the advisory fee the investment adviser charges you for providing investment management services.

McMorgan may, therefore, have a conflict of interest to refer clients to those investment advisers that pay referral fees to McMorgan rather than those that don't. Additionally, McMorgan may have a conflict of interest to refer clients to those investment advisers that pay higher referral fees over those that pay lower referral fees. The conflicts presented by these practices are disclosed at the time of the solicitation or referral.

In accordance with the requirements of Rule 206(4)-3, each prospective client who is referred to an unaffiliated investment adviser will receive a copy of the investment adviser's Form ADV Part 2A and a separate written disclosure document disclosing the nature of the solicitation relationship between McMorgan and the investment adviser and the amount of compensation that will be paid to McMorgan by the investment adviser.

McMorgan or its affiliates may compensate certain placement agents, solicitors, or other third parties for referring prospective investors or clients to McMorgan. Pursuant to agreements with such placement agents or solicitors, McMorgan (or its affiliates, in certain cases) pays the placement agent or solicitor fees based upon a percentage of the amount invested by such investors or a portion of the advisory fees paid by clients referred by the third party placement agent or solicitor. All required disclosures related to such referral activities are provided at the

time the referral is made. Such referral activities will be conducted in a manner that is consistent with Rule 206(4)-3 under the Advisers Act and relevant SEC guidance, including No-Action Letters.

McMorgan has also entered into client and investor services agreements with unaffiliated investment advisers under which the investment adviser pays McMorgan a percentage or portion of the compensation that it receives from certain of its Taft-Hartley advisory clients and/or Taft-Hartley investors in private investment funds managed by the investment adviser, in exchange for McMorgan providing client relations services to these clients/investors. The compensation that the adviser pays to McMorgan does not increase the fees or costs payable by the investment adviser's client or investor. McMorgan does not exercise investment discretion or otherwise provide investment advice to the Taft-Hartley client or investor about retaining the investment adviser or investing in the private investment fund. For further details regarding fees and compensation, see Item 5.

McMorgan Capital Advisors may also have arrangements with certain investment advisers pursuant to which the McMorgan employees, in their capacity as registered representatives of a broker-dealer, may solicit investors for private investment funds managed by affiliated or unaffiliated investment advisers in exchange for a percentage or portion of the compensation received by the investment adviser from the investment in the private investment fund by the investor referred by the McMorgan employee.

Item 15. Custody

McMorgan does not have custody of client funds or securities for our client accounts invested in equity, fixed income or mutual fund allocation strategies. All client accounts are maintained at qualified custodians, such as banks or broker-dealers that are chosen by the client. Clients receive account statements directly from their custodians and should carefully review those statements. In addition, as requested, clients may also receive periodic investment reports from McMorgan. Clients are encouraged to carefully review any investment reports received from McMorgan and compare them to the account statements received from the custodian to identify any discrepancies.

With regard to real estate separate accounts, McMorgan may be deemed to have custody of the client funds and real estate assets. When McMorgan is deemed to have custody of a client's account, McMorgan complies with the custody rules under the Advisers Act, including the engagement of an independent public accountant to perform a surprise audit on at least an annual basis. These rules are designed to limit the risk that client assets would be misappropriated.

McMorgan is deemed to have custody of the assets owned by the Infrastructure Fund because an affiliate of McMorgan serves as the general partner to the Infrastructure Fund. To ensure compliance with Rule 206(4)-2 under the Advisers Act, McMorgan will ensure that the Infrastructure Fund is subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the PCAOB and that the Infrastructure Fund's audited financial statements are distributed to Investors within 120 days of the end of the Infrastructure Fund's fiscal year.

Item 16. Investment Discretion

McMorgan generally has investment discretion to manage securities and real estate assets on behalf of client accounts. With respect to equity and fixed income separate accounts, McMorgan has discretion over the selection, appointment, monitoring, and removal of Sub-Advisers. Sub-Advisers appointed by McMorgan on behalf of clients are responsible for making the day-to-day investment decisions consistent with the investment guidelines and restrictions applicable to each client. McMorgan generally does not have the duty of determining or approving specific investments made by the Sub-Advisers other than monitoring their activities for consistency with the general investment objectives and guidelines. The Sub-Advisers are responsible for compliance with all applicable laws, rules and regulations pertaining to their investment activities.

Clients may impose restrictions on this discretion by, among other things, prohibiting the purchase of specific securities, or prohibiting the purchase of securities within a specific industry or type of real estate asset. Clients may also restrict the use of certain broker-dealers to execute trades, or may restrict the amount of securities that can be bought or sold within the account. Client imposed restrictions are detailed in the client's investment advisory agreement or in the client investment guidelines or investment policy statement. Prior to opening a new client account, we obtain all necessary information to ensure that the account is properly established on our client management and portfolio accounting systems.

Item 17. Voting Client Securities

McMorgan will vote the proxies of our clients, where proxy voting authority has been delegated to McMorgan, solely in the interest of our clients and for the exclusive purpose of providing benefits to them.

McMorgan has delegated the primary responsibility for voting the proxies of its equity separate account clients to Cornerstone. McMorgan performs periodic oversight of Cornerstone's proxy voting processes. McMorgan and Cornerstone have each adopted proxy voting policies and procedures designed to ensure that all proxies are voted in the best interests of clients without regard to the interests of McMorgan, Cornerstone or other parties.

To assist Cornerstone in researching and voting proxies, Cornerstone has engaged Institutional Shareholder Services Inc. ("ISS"), which is a third party proxy service provider. Where a client has contractually delegated proxy voting authority to McMorgan, Cornerstone votes proxies in accordance with ISS' standard voting guidelines unless the client provides alternative guidelines. Where Taft-Hartley clients have delegated proxy voting authority to McMorgan, proxies will be voted in accordance with the ISS Taft-Hartley Advisory Services' guidelines, which are based upon the AFL-CIO Proxy Voting Policy and complies with the fiduciary standards delineated by the U.S. Department of Labor.

In voting proxies, material conflicts may exist when one of Cornerstone's affiliates:

- Manages the issuer's or proponent's pension plan.
- Administers the issuer's or proponent's employee benefit plan.
- Provides brokerage, underwriting, insurance or banking services to the issuer or proponent.
- Manages money for an employee group.

Additional material conflicts may exist if one of our executives (or an executive of Cornerstone or its affiliates) is a close relative of, or has a personal or business relationship with:

- An executive of the issuer or proponent.
- A director of the issuer or proponent.
- A person who is a candidate to be a director of the issuer.
- A participant in the proxy contest.
- A proponent of a proxy proposal.

If a potential conflict exists, our Sub-Advisers have processes in place to forward override requests to a proxy voting committee for appropriate resolution, which will consider the facts and circumstances of the potential conflict, and determine how to vote. This determination could include: permitting or denying the override request; delegating the vote to an independent third party; or obtaining voting instructions from the client.

Clients wishing to obtain either a copy of McMorgan or Cornerstone's proxy voting policies and procedures or information as to how proxies were voted for securities held in their account, should send a written request to:

McMorgan & Company LLC
Attn: Chief Compliance Officer
One Front Street Suite 500
San Francisco, CA 94111

Item 18. Financial Information

McMorgan does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to file a balance sheet for its most recent fiscal year.