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Part 2A of Form ADV

Firm Brochure

July 1, 2016

This Brochure provides information about the qualifications and business practices of Gallacher Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 303.708.1640 or go to our website at www.gallachercapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about GCM is also available on the SEC website at www.adviserinfo.sec.gov.

Please note that GCM's registration with the SEC as a "registered investment advisor" does not imply a certain level of skill or training.

ITEM 2 MATERIAL CHANGES

Since its last annual amendment update, GCM has materially revised this Brochure to reflect that it now serves as the investment adviser to an affiliated private investment fund. More information about the fund and the conflicts of interest created by our management of the fund is described in Items 6, 10 and 11. Any investor considering investing in the fund should carefully review the fund's offering documents, which provide additional disclosures about the risks of investing in the affiliated fund.

In addition, GCM has launched a new separate account strategy called GEM Fundamental Opportunities Long Short Strategy ("GEM Strategy"). Descriptions of the strategy and its fees are discussed on Item 4 and 5, respectively.

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ITEM 4 ADVISORY BUSINESS

Firm Description

Gallacher Capital Management LLC, (“GCM”) is an investment adviser registered with the U.S. Securities & Exchange Commission (“SEC”), pursuant to the Investment Advisers Act of 1940. GCM was established in 1993 with Kevin E Gallacher, CLU, ChFC, as the founding principal. GCM is owned 70% by Gallacher LLC (majority owner Kevin Gallacher), 25% by Tenney Capital Management LLC (owned in part by Sam Tenney), and 5% by Gillespie Holdings, LLC (owned in part by John Gillespie).

GCM advisory services are made available to clients primarily through individuals associated with GCM and are referred to as investment advisor representatives (“IARs”). For purposes of this document, “GCM” shall indicate the firm in association with its IARs. More information about each IAR is provided in their respective Brochure Supplement. At the time a client engages an IAR, the client receives a copy of both this Brochure as well as the IAR’s Brochure Supplement. If a client did not receive a Brochure Supplement for the IAR they should contact the IAR or GCM at admin@gallachercapital.com.

As of March 28, 2016 GCM managed approximately \$366,845,351 of client assets on a discretionary basis; and \$40,506,280 on a non-discretionary basis. As a matter of information, approximately \$4,864,027 of additional client assets are managed by third party investment advisors in which GCM acts as the solicitor or referral agent.

Types of Advisory Services

GCM offers various types of advisory services and programs, including GCM investment advisory programs, mutual fund asset allocation programs, wrap programs, financial planning services, retirement plan consulting services, unaffiliated private investment funds, hourly consulting, and advisory programs offered by third party investment advisor firms (TAMP). GCM provides LPL Financial LLC (“LPL”) sponsored investment programs including: Manager Select, Manager Access Select, Personal Wealth Portfolios, Optimum Market Portfolios and Model Wealth Portfolios. Separate brochures and client agreements with fee disclosures are provided to the client when such LPL platforms are recommended.

GCM Investment Advisory Programs

These accounts permit clients to authorize IARs of GCM to purchase and sell on a discretionary basis no-load and load-waived mutual funds pursuant to investment objectives chosen by the client, to liquidate previously purchased load mutual funds, to purchase and sell separate accounts within variable annuities, and to purchase equities, exchange traded funds (“ETF”), fixed income, options, hedge funds, structured products, and managed futures. In some cases, the client may direct the IAR in the purchase of hedge funds, structured products and managed futures as well as the purchase and sale of no-load and load-

waived mutual funds. For purposes of this Document, the term mutual fund includes both investment companies registered under the Investment Company Act of 1940, including exchange traded funds, and other pooled investment vehicles which are not registered.

In opening a GCM investment advisory account, the IAR obtains the necessary financial data from the client, assists the client in determining the suitability and setting appropriate investment objectives.

During any month that there is activity in the account, the client receives a monthly account statement from the custodian showing account activity as well as positions held in the account at month end. Additionally, the client receives a confirmation of each transaction that occurs within an account unless the transaction is the result of a systematic purchase, redemption or exchange. The client will also receive detailed quarterly reports describing performance, positions and activity.

Please Note: Use of Mutual Funds: Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by GCM independent of engaging GCM as an investment advisor. However, if a prospective client determines to do so, he/she will not receive GCM's initial and ongoing investment advisory services.

Client Obligations. In performing its services, GCM shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify GCM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising GCM's previous recommendations and/or services.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by GCM) will be profitable or equal any specific performance level(s).

Wrap Program

GCM may also provide services on a wrap fee basis as a wrap program sponsor. Under GCM's wrap program, the client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in GCM's Wrap Fee Program Brochure. **Conflict of Interest.** Because wrap program transaction fees and/or commissions are being paid by GCM to the account custodian/broker-dealer, GCM could have an economic incentive to minimize the number of trades in the client's account. ***See separate Wrap Fee Program Brochure. GCM's Chief Compliance Officer, Kevin E.***

Gallacher, CLU, ChFC remains available to address any questions that a client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest a wrap fee arrangement may create.

Financial Planning and Non-Investment Consulting/ Implementation Services

As part of GCM's financial planning services, GCM, through its IARs, shall provide personal financial planning tailored to the individual needs of the client. These services may include, as selected by the client on the financial planning agreement, information and recommendations regarding tax planning, investment planning, retirement planning, estate needs, business needs, education planning, life and disability insurance needs, long-term care needs and cash flow/budget planning. The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. The IAR delivers to the client a written financial plan. The engagement terminates upon delivery of the financial plan. GCM and IAR will not have any discretionary investment authority when offering financial planning services.

The planning services may also include recommendations as to general types of investment products or specific securities as well as advisory recommendations that may be appropriate for the client to obtain given his/her financial situation and objectives. The client is under no obligation to purchase such securities or implement advisory recommendations through the IAR.

A client leaving an employer typically has four options (and may engage in a combination of these options): i) leave the money in his former employer's plan, if permitted, ii) roll over the assets to his new employer's plan, if one is available and rollovers are permitted, iii) rollover to an IRA, or iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). GCM may recommend an investor roll over plan assets to an Individual Retirement Account (IRA) managed by GCM. As a result, GCM and its representatives may earn an asset-based fee (see Please Note below). In contrast, a recommendation that a client or prospective client leave his or her plan assets with his or her old employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to GCM (unless you engage GCM to monitor and/or manage the account while maintained at your employer). GCM has an economic incentive to encourage an investor to roll plan assets into an IRA that GCM will manage or to engage GCM to monitor and/or manage the account while maintained at your employer. There are various factors that GCM may consider before recommending a rollover, including but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus GCM, iv) protection of assets from creditors and legal judgments, v) required minimum distributions and age considerations, and vi) employer stock tax consequences, if any. No client is under any obligation to rollover plan assets to an IRA managed by GCM or to engage GCM to

monitor and/or manage the account while maintained at your employer. **Please Note:** GCM's engagement will generally include the management of the client's retirement account regardless of custodian or the client's decision to process a rollover. **GCM's Chief Compliance Officer, Kevin E. Gallacher, CLU, ChFC, remains available to address any questions that a client or prospective client may have regarding the above and the corresponding conflict of interest presented by such engagement.**

To the extent requested by a client, GCM shall provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. GCM does not serve as an attorney or accountant, and no portion of GCM's services should be construed as same. To the extent requested by a client, GCM may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of GCM in their separate individual capacities as representatives of Purshe Kaplan Sterling Investments ("PKS"), an SEC registered and FINRA member broker-dealer, and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from GCM and/or its representatives. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by GCM representatives that a client purchase a securities or insurance commission product from firm representatives in their individual capacities as representatives of PKS and/or as insurance agents, presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from GCM representatives. Clients are reminded that they may purchase securities and insurance products recommended by GCM through other, non-affiliated broker-dealers and/or insurance agencies. **GCM's Chief Compliance Officer, Kevin E. Gallacher, CLU, ChFC, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

eMoney. In conjunction with the services provided by *eMoney*, GCM may also provide client access to *eMoney*, an internet based service which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets that GCM manages (the "Excluded Assets"). **The client and/or his/her/its other advisors that maintain trading authority, and not us, shall be exclusively responsible for the investment performance of the Excluded Assets.**

Retirement Plan Consulting Services

GCM may also be engaged to provide non-discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing

the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, GCM shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a *Retirement Plan Consulting Agreement* between GCM and the plan sponsor.

Unaffiliated Private Investment Funds

GCM may also provide investment advice regarding unaffiliated private investment funds. GCM, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. GCM's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall generally be included as part of "assets under management" for purposes of GCM calculating its investment advisory fee. GCM's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note- Valuation. In the event that GCM references private investment funds owned by the client on any supplemental account reports prepared by GCM, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than original purchase price. The client's advisory fee shall be based upon reflected fund value(s).

Hourly Consulting Services

As part of GCM's hourly consulting services, GCM, through its IARs, provide consulting services on an hourly basis. These services include, as selected by the client in the consulting agreement, advice regarding tax planning, investment planning, retirement planning, estate planning, cash flow/budget planning, business planning, education planning, and personal financial planning. The services take into account information collected from the client such as financial status, investment objectives and tax status,

among other data. The IAR may or may not deliver to the client a written analysis or report as part of the services. The IAR tailors the hourly consulting services to the individual needs of the client based on the investment objective chosen or the needs identified by the client. The engagement terminates upon final consultation with the client.

GEM Fundamental Opportunities Long Short Strategy

The GEM Strategy is a separate account strategy offered by GCM to Qualified Clients. The Strategy employs a bottom-up investment approach whereby security positions are based upon fundamental value-oriented factors and are driven by catalysts (i.e. management changes, buyouts, spinoffs, etc.). The investment philosophy employs a “quantamental” process that includes both Traditional Fundamental Analysis and a Quantitative Analysis Overlay. The GEM Strategy is designed to achieve capital growth and is not intended to be correlated to the directional movements in the equity markets.

Third Party Asset Management Program (TAMP) Services

GCM makes available advisory services and programs of third party investment advisor firms. Under these TAMP programs, GCM, through its IARs, provide ongoing investment advice that is tailored to the individual needs of the client. As part of these TAMP services, the IAR typically obtains the necessary financial data from the client, helps determine the suitability and appropriate investment objective of the program, and assists the client in opening the account. In addition, depending on the type of program, the IAR may assist the client to select a model portfolio of securities designed by the TAMP or, select a portfolio management firm to provide discretionary asset management services. It is the TAMP provider and not the IAR that has client authority to purchase and sell securities on a discretionary basis pursuant to the investment objective chosen by the client. This authorization will be set out in the TAMP client agreement. The Brochure for the particular TAMP will explain whether clients may impose restrictions on investing in certain securities or types of securities.

Assets in TAMP programs will be held at a custodian selected by the TAMP sponsor. Periodic performance reports may be provided to the client by the TAMP sponsor. The details of the account relationship will be clearly stated in the client agreement for the TAMP. The IAR provides the client a separate disclosure brochure from the TAMP provider selected.

GCM and its IARs act as referral agents on behalf of the TAMP sponsor pursuant to a referral agreement. The IAR provides the client a disclosure statement regarding the role of GCM and the IAR as the referral agent. Please see the section titled “FEES AND COMPENSATION” for more information related to these referral fees.

ITEM 5 FEES AND COMPENSATION

Financial Planning and Consulting Fees

There are two methods of charging fees: hourly or on a per plan basis (flat rate fee). The hourly charge for financial planning and consulting services is a maximum of \$300 per hour as negotiated between the IAR and client. The amount of the fee is stated in the client agreement.

The flat rate fee for financial planning services ranges from \$2,500.00 to \$20,000.00. On a case-by-case basis, GCM may also charge a higher fee depending upon the complexity of the plan. The fee is negotiated between the IAR and client and is stated in the client agreement. GCM and the IAR share in the fee.

The client may elect to pay the fee upon execution of the client agreement, upon delivery of the services requested, or a combination of up front and in arrears.

The client may terminate the agreement without penalty (full refund) within five days of execution. After the five-day period, the client may terminate the agreement at any time and a refund of unearned fees, if any, will be made based upon the time and effort completed prior to termination of the agreement. The agreement terminates upon delivery of the plan or upon completion of consulting services. No refunds will be made after completion of the plan or delivery of the consulting services.

GEM Fundamental Opportunities Long Short Strategy

GCM's annual fee for investment management services with respect to investments in the GEM Strategy shall be equal to 0.125% of each investor's GEM Strategy account balance as of the beginning of each month, payable in advance. The General Partner of the Long Short Strategy is Gallacher Equity Management, LLC ("GEM"). GEM shall receive a performance fee equal to 20% of each investor's GEM Strategy profits each month, but only to the extent that such profits exceed such investor's "high water mark". GEM is owned 100% by GCM.

GCM Investment Advisory Programs

For these services the account fee is negotiable, is based on the value of the assets in the account, **including cash holdings**, and is payable quarterly in advance or arrears, depending on custodian as disclosed in the client agreement.

The maximum annual investment advisory fee is 2.0%. In addition to an investment advisory/management fee, accounts may incur transaction costs, retirement plan administration and/or custodial fees, deferred sales charges on mutual funds initially deposited in the account, mutual fund marketing fees, and other mutual fund annual expenses as described in the fund's prospectus, etc. A list of transaction charges will

be given to the Client in conjunction with the client agreement. Our employees and their family related accounts are charged a reduced fee for our services.

Accounts fees are deducted unless otherwise agreed upon in writing. Account fee payments are due and assessed at the beginning of each quarter based on the value of the assets under management at the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise in good faith as reflected on the client's quarterly portfolio evaluation report. Additional deposits and withdrawals will be added or subtracted from portfolio assets, as the case may be, which may lead to an adjustment of the account fee. Fees paid in advance will be prorated should the account be terminated before the end of the billing period; the refund will be calculated based on number of days in the billing period. All account fees as well as transaction charges are deducted from the account pursuant to the client agreement unless other arrangements have been made in writing.

Accounts with alternative investments (including hedge funds and managed futures) will be assessed an annual alternative investment administrative fee. This fee is variable depending on custodian and will be disclosed on your account agreement.

In addition to the account fee stated above, the account may be assessed a transaction charge to defray the costs associated with trade execution. Although the transaction charge is identified under the commission column on the confirmation, it represents a reimbursement of transaction costs and not commissions. The IAR does not receive any portion of the transaction charge. The transaction charges are set out in the client agreement and are negotiable. Refer to the client agreement for additional information.

GCM offers a wrap fee program, a discretionary investment management service, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. Additional information is available in the GCM Wrap Fee Program brochure.

The account may cost the client more or less than purchasing program services separately. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the type and size of the account, historical and/ or expected size or number of trades for the account, and the number and range of supplementary advisory and client-related services provided to the account. GCM will perform periodic reviews of the custodian to monitor competitiveness of fees and trading costs.

Third Party Asset Management Program (TAMP) Services

Asset management fees will be based on the value of assets in the client account as valued by the TAMP custodian. Fees may vary by program. The amount of the fee will be outlined in the client agreement at

the time the relationship is established. The asset management fee may be negotiable and may be payable quarterly, in arrears or in advance.

Transaction charges may be imposed by the third party investment advisor or the custodian of assets for the program account. The transaction charges will be stated in the client agreement.

Client may also incur certain charges imposed by third parties other than GCM and IAR in connection with investments made through a custom account, including among others, the following types of charges: mutual fund or money market 12b-1 and sub-transfer agent fees, mutual fund or money market management fees and administrative expenses, mutual fund transaction fees, administrative servicing fees for trust accounts, other transaction charges and service fees, IRA and qualified retirement plan servicing fees and other charges required by law. GCM and IAR do not receive a portion of these fees. Further information regarding charges and fees assessed by a mutual fund are available in the appropriate prospectus.

TAMP accounts may cost the client more or less than purchasing program services separately. Factors that bear upon the cost of the account in relation to the cost of the same services purchases separately include: the type and size of the account, the historical and/or expected size or number of trades for the account, and the number and range of supplementary advisory and client related services provided to the account.

TAMP program accounts may be terminated by any party pursuant to the terms outlined in the program account client agreement.

ITEM 6 PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

GCM may charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) to Qualified Clients. More specifically, clients invested in Reservoir Self Storage, LLC, GEM Fundamentals Opportunities Long Short Equity Fund, LP and the GEM Strategy may be charged performance based fees. Prospective investors are guided to review the respective offering documents or this Brochure prior to investment subscription or investing, which will disclose the incentive based compensation to be received by the management team of above named entities.

Qualified Clients include those clients who have at least \$1,000,000 in assets managed by GCM, or who together with their spouse have a net worth of at least \$2,000,000 excluding their principal residence. Clients are advised that performance-based fees involve a sharing of any gains between the client and GCM. Such performance-based fees create an economic incentive for GCM to take additional risks in the management of a client portfolio that may be in conflict with the client's current investment objectives and tolerance for risk. Clients are advised that as a result of the standard asset-based fee and the

performance-based fee, GCM has an economic incentive to recommend a performance-based fee structure. GCM strives to only offer such strategies when they are suitable for its clients.

ITEM 7 TYPES OF CLIENTS

GCM's advisory services are available for individuals, individual retirement accounts (IRA), pension and profit sharing plans including plans subject to Employee Retirement Income Security Act of 1974, trusts, estates, charitable organizations, corporations and other business entities.

GCM does not require a minimum asset amount for financial planning, hourly consulting or GCM investment advisory accounts. For TAMP programs the TAMP sponsor typically establishes a minimum account value, which will be set out in the account opening documents with the TAMP sponsor.

GCM, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The IAR has access to various research reports and model portfolios to which he or she may refer in determining investment advice to the client. The IAR chooses his or her own research methods, investment style and management philosophy. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

Each IAR will propose their investment philosophy and recommendations through a consultative process which considers the clients personal and financial objectives including such things as time horizon, diversification, risk aversion, life events, tax status, investment selection process, investment review and need for income, among other things.

Investing in securities involves risk of loss that clients should be prepared to bear. For clients who have a greater weighting to stock investments they can be prepared to experience a more volatile portfolio where a 20% drop in value can be expected in extreme volatile market conditions.

In addition, there are special risks involved when investing in global securities, small company stocks, high yield bonds (junk bonds), commodities, alternative investments, market timing strategies, and private placement securities. These risks involve sharp fluctuations in price, economic and political instability, credit quality, market and currency fluctuation, among others.

ITEM 9 DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to client's evaluation. GCM does not have any disciplinary information to disclose at this time.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

GCM is a licensed insurance agency and is qualified to sell Life, Accident & Health insurance in the state of Colorado. IARs may also be licensed insurance agents. Refer to the IAR's Brochure Supplement for specific information.

IARs may also be registered representatives of Purshe Kaplan Sterling Investments, Member FINRA/SIPC. In such capacity, they may sell securities through PKS and receive normal and customary commissions as a result of such purchases and sales.

Conflict of Interest: The recommendation by GCM representatives that a client purchase a securities (as a representative of PKS) or insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from GCM representatives. Clients are reminded that they may purchase securities and insurance products recommended by GCM through other non-affiliated broker-dealers and/or insurance agents. **GCM's Chief Compliance Officer, Kevin E. Gallacher, CLU, ChFC remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

IARs, GCM and GCM employees may receive additional non-cash compensation from advisory product sponsors and/or custodians. Such compensation may not be tied to the sale of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Advisory product sponsors may also pay for education or training events that may be attended by GCM employees and IARs.

As an added convenience to its clients, GCM maintains relationships with pension consultants and third-party administrators who provide full service administration for GCM's clients in the areas of qualified retirement plans such as, profit sharing and pensions plans, as well as non-qualified plans of deferred compensation. The client accepts sole responsibility for any engagement consummated with these firms. GCM may be paid a fee from these firms. Any fees paid will be disclosed to GCM's clients beforehand.

GCM maintains relationships with property & casualty insurance agents (P&C Agent) as well as group health insurance brokers. Some of GCM's IARs are P&C (property and casualty) licensed and may be paid a referral fee from the P&C Agent, however the client accepts full responsibility for any programs implemented through that agency or agent. GCM and some of its IARs are also health insurance licensed and may receive fees from health insurance brokers on a split commission basis for all clients it refers. All commission splits will be disclosed to the client.

Affiliated Private Funds

Affiliated Private Fund- GEM Fundamental Opportunities Long Short Equity Fund, L.P. GCM is affiliated with and serves as investment adviser to the GEM Fundamental Opportunities Long Short Equity Fund, L.P. (the "*affiliated fund*"). The complete description of the terms, conditions, risks and fees associated with the *affiliated fund* is set forth in each of the *affiliated fund's* offering documents. GCM, on a non-discretionary basis, may recommend that clients allocate a portion of their investment assets to the *affiliated fund*. GCM's clients are under absolutely no obligation to consider or make an investment in a private investment fund.

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

The *affiliated fund* is available only to clients who are: "Accredited Investors," as the term is defined by Rule 501 of the Securities Act of 1933; "Qualified Clients" as the term is defined in Rule 205-3 under the Investment Advisers Act of 1940; and only by a Confidential Private Placement Memorandum. Additional information on these standards is provided in the Confidential Private Placement Memorandum and Subscription Agreement for the *affiliated fund*. Investors in the *affiliated fund* may not impose any restrictions on fund investments. This Brochure is not an offer to sell, or a solicitation of an offer to purchase, interest in the *affiliated fund*. Such an offer can only occur when the prospective investor receives the offering documents.

Please Also Note: Valuation. In the event that GCM references private investment funds owned by the client on any supplemental account reports prepared by GCM, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If the fund sponsor does not provide a post-purchase valuation, then the valuation shall reflect the initial purchase

price (and/or a value as of a previous date) or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects the initial purchase price (and/or a value as of a previous date), then the current value(s) (to the extent ascertainable) **could be significantly more or less than original purchase price**. The client's advisory fee shall be based upon such reflected fund value(s).

GCM provides investment advisory services to the *affiliated fund*. A related person of GCM is also the General Partner of the *affiliated fund*. The *affiliated fund* is not publicly offered or traded and is available to accredited investors and qualified purchasers only, as described in more detail above. We may recommend the *affiliated fund* to certain clients for whom we believe the fund would be suitable. This creates a ***conflict of interest***, as we may benefit by our recommendation of the related private fund. Our policies to address this conflict are described further in Item 11.

Affiliated Private Fund- Reservoir Self Storage, LLC. One of GCM's principals, Kevin Gallacher, is a principal of a private investment called Reservoir Self Storage, LLC. GCM, on a non-discretionary basis, may recommend that certain accredited investors consider allocating a portion of their investment assets to Reservoir Self Storage, LLC. The terms and conditions for participation in this private investment, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents. GCM's clients are under absolutely no obligation to consider or make an investment in a private investment fund.

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that they are qualified for investment in the fund, and acknowledge and accept the various risk factors that are associated with such an investment.

Please Also Note: Valuation. In the event that GCM references private investment funds owned by the client on any supplemental account reports prepared by GCM, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If the fund sponsor does not provide a post-purchase valuation, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date) or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects the initial purchase price (and/or a value as of a previous date), then the current value(s) (to the extent ascertainable) **could be**

significantly more or less than the original purchase price. GCM does not charge the client an advisory fee for private investment funds.

Please Also Note: Conflict Of Interest. Because GCM and/or its related persons can earn compensation from the *affiliated private fund* (both management fees and incentive compensation) that may exceed the fee that GCM would earn under its standard asset based fee schedule referenced in Item 5, the recommendation that a client become an investor presents a **conflict of interest**. No client is under any obligation to become an investor. **GCM's Chief Compliance Officer, Kevin Gallacher, remains available to address any questions regarding this conflict of interest.**

ITEM 11 CODE OF ETHICS, PARTICIPATION / INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

GCM has adopted a Code of Ethics for all supervised persons of the firm describing its standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at GCM must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics permits GCM employees and IARs to invest for their own personal accounts in the same securities that GCM and IARs purchase for clients in program accounts. This presents a potential conflict of interest because trading by an employee or IAR in a personal securities account in the same security on or about the same time as trading by a client can disadvantage the client. GCM addresses this conflict of interest by requiring in its Code of Ethics that GCM employees and IARs report certain personal securities transactions and holdings to GCM. GCM has procedures to review personal trading accounts for front-running. Employees and IARs are also required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the Code of Ethics is available to clients or prospective clients upon request.

Neither GCM nor any related person of GCM recommends, buys, or sells for client accounts, securities in which GCM or any related person of GCM has a material financial interest except with regard to the *affiliated fund*.

GCM and/or its personnel own interest in, and a related person of GCM is the General Partner of, the *affiliated fund*. GCM may recommend the fund to clients for which GCM believes the investment is suitable. GCM only recommends such securities to clients who meet the requisite income and/or net worth requirements and where GCM believes that the investment is appropriate for the client based on the

client's ability to accept the risk. ***When recommending the affiliated fund to advisory clients, clients will be subject to increased overall fees, including performance fees as further described in the Confidential Offering Memorandum.***

In addition, all things equal, GCM prefers and recommends its *affiliated fund* over unaffiliated funds. Therefore, clients should be guided accordingly when purchasing interests in the *affiliated fund*. Clients may direct GCM not to recommend or invest in the *affiliated fund*.

In order to address these conflicts, Clients will receive the Confidential Offering Memorandum and full disclosure of known risks before investing in the *affiliated fund*. In addition, GCM or its affiliates may invest in or alongside the *affiliated fund*. GCM maintains the above referenced code of ethics and reviews its "access persons" trading to ensure that investors are not being injured.

As part of financial planning services or hourly consulting services an IAR may provide recommendations as to investment products or securities. To the extent that IAR recommends clients invest in products and services that will result in compensation being paid to GCM and/or the IAR, this may represent a conflict of interest. If the client decides to implement the financial plan or consulting advice through a GCM Advisory Program or service, the IAR will provide client at the time of engagement with a Brochure, client agreement and other account paperwork that contain specific information about fees and compensation that the IAR and GCM will receive in connection with that program.

It is GCM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. GCM will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Clients should understand that GCM and IARs may perform advisory and/or brokerage services for various other clients, and that GCM and IAR may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for the account may also be different.

Kevin Gallacher is also a management person in Reservoir Self Storage, LLC in which GCM may solicit client investments. Because Kevin Gallacher, as a related person can earn compensation from the Reservoir Self Storage, LLC private fund (both management fees and incentive compensation) that may

exceed the fee that GCM would earn under its standard asset based fee schedule referenced in Item 5, the recommendation that a client become an investor presents a *conflict of interest*. No client is under any obligation to become an investor. GCM's Chief Compliance Officer, Kevin Gallacher, remains available to address any questions regarding this conflict of interest.

ITEM 12 BROKERAGE PRACTICES

In the event that the client requests that GCM recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct GCM to use a specific broker-dealer/custodian), GCM generally recommends that investment management accounts be maintained at LPL or Fidelity. Prior to engaging GCM to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with GCM setting forth the terms and conditions under which GCM shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that GCM considers in recommending *LPL or Fidelity* (or any other broker-dealer/custodian to clients) include historical relationship with GCM, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by GCM's clients shall comply with GCM's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where GCM determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although GCM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, GCM's investment management fee. GCM's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

To the extent that GCM provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the GCM decides to purchase or sell the same securities for several clients at approximately the same time. GCM may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among GCM's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase

and sale orders placed for each client account on any given day. GCM shall not receive any additional compensation or remuneration as a result of such aggregation.

In connection with TAMP programs, the TAMP sponsor may require that clients direct brokerage services to a broker-dealer, including the TAMP sponsor or broker-dealer affiliated with the TAMP sponsor. For more information about the brokerage practices of a TAMP sponsor, clients should refer to the Disclosure Brochure for the applicable TAMP.

GCM does not utilize research or research related products and other services obtained from broker/dealers, or third parties, on a soft-dollar commission basis. Soft dollars generally refer to arrangements whereby a discretionary investment advisor is allowed to pay for and receive research, research-related or execution services from a broker/dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for client accounts.

Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, GCM may receive from *LPL or Fidelity* (or another broker-dealer/custodian, investment manager, platform or fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist GCM to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by GCM may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by GCM in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist GCM in managing and administering client accounts. Others do not directly provide such assistance, but rather assist GCM to manage and further develop its business enterprise.

GCM's Chief Compliance Officer, Kevin E. Gallacher, CLU, ChFC remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.

Directed Brokerage: GCM does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer,

and GCM will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by GCM. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs GCM to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through GCM. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

ITEM 13 REVIEW OF ACCOUNTS

The number of client accounts handled by each IAR varies. Client review meetings occur as agreed upon by the client and IAR.

Client reviews for all types of GCM advisory services consider such things as: changes in family status, risk aversion, portfolio diversification, personal tax status, income needs, education needs, as well as economic indicators in facilitating the client's goals. Each IAR will review on an ongoing basis such items as account statements, quarterly performance reports and other information or data related to the client's account and investment objective.

Although financial planning services terminate upon delivery of the plan, clients are encouraged to update their financial plans annually. Such annual review may be conducted at the election of the client and a new agreement for services between GCM, the client and the IAR will be required. The review may consist of a new personal financial plan if the client's circumstances and/or goals have changed in any way (updated financial plan). Alternatively, the review may be a comparison of the client's current assets and his/her goals as stated in the personal financial plan (progress report).

GCM and its IARs make no representation with respect to legal or tax matters. It is the client's responsibility to consult with legal and tax counsel as necessary.

ITEM 14 CLIENT REFFERALS AND OTHER COMPENSATION

As referenced in Item 12 above, GCM may receive an indirect economic benefit from LPL, Fidelity, or other custodians as well as advisory product sponsors. GCM, without cost (and/or at a discount), may receive support services and/or advisory products from *LPL* and/or *Fidelity* (or another broker-dealer/custodian, investment manager, platform or fund sponsor).

GCM, employees and IARs may receive additional non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sale of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with client educational meetings or marketing & advertising initiatives. Advisory product sponsors may also pay for education or training events that may be attended by GCM employees and/or IARs.

IARs recommending GCM investment advisory accounts receive a portion of the annual fee charged to the client account. LPL, acting as the custodian for GCM Investment Advisory Programs, may also provide benefits to GCM and its IARs such as, stock options to purchase shares of LPL's parent company, LPL Investment Holdings Inc., reimbursement for attendance at LPL conferences and events, as well as reimbursement of fees that IARs pay to LPL for items such as administrative services. Other things of value such as free or reduced-cost marketing materials may also be offered. The amount of this compensation may be more or less than what GCM or its IARs would receive if the client participated in programs of other investment advisors or paid separately for the investment advice, brokerage and other client services. These benefits may present a potential conflict of interest.

GCM has entered into referral agreements with TAMPs pursuant to which GCM and IARs receive referral fees from the third party investment advisors in return for referral of clients. GCM refers clients to such firms as Hanlon Investment Management and Envestnet. GCM addresses the potential conflict by providing the client with a disclosure statement explaining the role of GCM and IAR as well as the referral fee received. The list of TAMP investment advisors may change periodically.

The IAR recommending a TAMP program would receive compensation as a result of the client's participation in the program. This compensation includes a portion of the advisory fee and also may include other compensation such as bonuses, awards or other things of value offered by the TAMP such as reimbursement of expenses for seminars presented to IAR's clients, advertising, marketing or practice management expenses. These benefits may represent a *conflict of interest*.

GCM may compensate other persons for client referrals. GCM enters into an agreement with such referral agents and pays them a portion of the advisory fee. The referral agent discloses to the client at the time of the solicitation, the arrangement and the compensation to be received by the referral agent.

ITEM 15 CUSTODY

LPL or Fidelity provide custody services for GCM Advisory Programs. LPL and Fidelity provide investment account statements to clients on at least a quarterly basis. GCM urges clients to review such statements carefully.

For TAMP programs, client assets are maintained by independent custodians chosen by the TAMP. The client will be given the name and address of the custodian upon completion of new account paperwork. The client will also receive statements and reports directly from the TAMP custodian. GCM urges clients to review these statements and reports carefully.

As a result of Kevin Gallacher's involvement with Reservoir Self Storage, LLC, the *affiliated fund* is subject to an annual surprise examination performed by an independent accountant in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. **GCM's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

ITEM 16 INVESTMENT DISCRETION

For GCM investment advisory accounts, the client agreement grants GCM authorization to manage their account on a discretionary basis. Discretionary authorization provides GCM the ability to determine when, and what type of securities are to be purchased and sold. When selecting securities and determining amounts, GCM observes the investment policies, limitations and restrictions agreed to in the client agreement. The client agreement authorizes LPL as the custodian to deduct GCM advisory fees from the client account.

With respect to financial planning and hourly consulting services, GCM and the IAR do not have any discretionary investment authority.

For TAMP programs, the client typically authorizes the TAMP sponsor to purchase and sell securities on a discretionary or non-discretionary basis pursuant to the TAMP client agreement. GCM and the IAR do not have discretion on any TAMP program accounts.

ITEM 17 VOTING CLIENT SECURITIES

Neither GCM nor its IARs accept authority to vote client securities in connection with any of the investment advisory services described in this Brochure, unless otherwise noted in the specific advisory agreement.

ITEM 18 FINANCIAL INFORMATION

GCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, nor has GCM been the subject of a bankruptcy proceeding.

ANY QUESTIONS: GCM's Chief Compliance Officer, Kevin E. Gallacher, CLU, ChFC, remains available to address any questions regarding this Part 2A.