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Form ADV Part 2A Disclosure Document

As of March 29, 2024



Gallagher

Insurance | Risk Management | Consulting

Item 1 – Cover Page

Arthur J. Gallagher & Co.

Gallagher Benefit Services, Inc.

Gallagher Fiduciary Advisors, LLC

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<https://www.ajg.com/us/services/investments-fiduciary-consulting/>

<https://www.ajg.com/us/services/retirement-plan-consulting/>

March 29, 2024

This Brochure provides information about the qualifications and business practices of Gallagher Fiduciary Advisors, LLC (“Gallagher”). If you have any questions about the contents of this Brochure, please contact us at (212) 918-9685 or at [Natalie Kossak@ajg.com](mailto:Natalie.Kossak@ajg.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Gallagher is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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



Insurance | Risk Management | Consulting

Item 2 – Material Changes

This Item discusses only specific material changes that have been made to the Brochure. Our last annual update of our brochure was March 30, 2023. Since March 30, 2023, we have made the following material changes to our Form ADV:

On April 1, 2023, Arthur J. Gallagher & Co. completed the acquisition of the partnership interests of BCHR Holdings, L.P., dba Buck. The investment advisory services conducted under Buck will transition and be conducted under Gallagher.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Natalie Kossak at (212) 918-9685 (natalie_kossak@ajg.com).

Additional information about Gallagher is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with Gallagher who are registered, or are required to be registered, as investment adviser representatives of Gallagher.

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Item 4 – Advisory Business

AJG and GBS, established Gallagher in 2008. Gallagher is the registered investment adviser subsidiary of Gallagher Benefit Services, Inc. (“GBS”), one of the nation’s largest employee benefits consulting firms. GBS, in turn, is owned by Arthur J. Gallagher & Co. (“AJG”), the New York Stock Exchange-listed insurance brokerage and risk management firm (trading under the symbol “AJG”). Gallagher provides retirement, investment advice/consulting and decision-making to institutional investors, which include public and private sector employee benefit plans (including multiemployer plans), charitable institutions, foundations, endowments, labor organizations, state or municipal government entities, hospitals, non-profit organizations, private trusts, and corporations or business entities, and individuals. Gallagher also provides personalized financial guidance, retirement planning, data-driven investment advice/consulting, managed account solutions to individual investors, including participants in workplace plans to private clients. For more information regarding Gallagher’s individual client services, please see our separate ADV 2A Brochure for Individuals. This Brochure provides information regarding our institutional clients.

Fiduciary Advisory/Consulting Practice

Our investment advisory/consulting practice serves defined contribution and defined benefit pension and other funds regulated under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), not-for-profit endowments and foundations and other institutional investors, where we accept fiduciary responsibility for ongoing advice on asset allocation, portfolio structure, risk management, third-party investment manager selection and monitoring, trading and brokerage and other issues. Our work for consulting clients regularly includes supervising portfolio transitions when managers are engaged or terminated. This practice also provides investment review services, where we perform project-based evaluations of the investment programs, policies and investment-related organizational structures of institutional investors compared to best practices. Gallagher recognizes that each client is different and our advice is customized accordingly. To that end, Gallagher professionals invest time helping clients define their investment objectives and needs and their tolerance for risk. We consider the nature of the client’s investment portfolio, client’s liabilities or spending requirements, funding objectives, cash flow needs and sensitivity to investment risks.

After helping the client establish its investment policy, asset allocation, risk management strategy and portfolio structure, Gallagher performs investment due diligence on third-party investment managers and provides advice and recommendations to clients regarding manager selection. In some cases Gallagher assumes discretionary authority regarding investment decisions such as how and on what terms a client’s assets should be invested and managed by third-party investment managers unrelated to Gallagher. In doing so, we use our discretion to select, monitor and, if need be, terminate and replace

the outside investment managers. In other cases, we assume responsibility for selecting a particular investment vehicle suitable for a particular strategy or asset class identified by the client and thereafter managing the client's investment in the vehicle. To support this aspect of our work, we use quantitative and qualitative methodologies, including conducting more than 250 due diligence meetings with investment managers each year, personally interfacing with key personnel both on-site and in our offices to gain insight into their processes, philosophies, resources and organizations¹.

Retirement Plan Consulting

Gallagher' Retirement Plan Consulting Team works with plan sponsors and their employees to design and manage successful employer sponsored retirement plans. This includes defined contribution and defined benefit plans. We help organizations meet their fiduciary responsibilities by working with them to implement prudent, documented processes. Our services include investment advisory, plan governance support, plan design consulting, vendor management and employee education.

Gallagher typically engages with our clients as the plan's ongoing advisor but can also consult on a project basis. Gallagher has developed a national service model, which is delivered through its local team and regional support offices.

The service model can include, but is not limited to:

- **Plan Design** – Detailed analysis and consultation of program features and provisions, included industry best practices and benchmarking.
- **Fee Benchmarking** – Fee Benchmarking reports compare the current provider's hard dollar, soft dollar and transactional fees to other providers in the retirement plan marketplace.
- **Administrative Practices/Plan Consulting** – Gallagher will provide ongoing administrative support to the plan administrator and HR team, allowing for full consulting support as it relates to plan design, plan provisions, best practices and fiduciary process management.
- **Vendor Management & RFP Services** – Gallagher provides vendor management services to help our clients with day-to-day plan issues and work to ensure the services listed in the service agreement, and promised during the vendor search process, are honored by the service provider and provided in an acceptable manner. Periodically, Gallagher can help its clients complete a full request for proposal evaluation.

¹ Due to Covid -19-induced restrictions on travel and personal gatherings, all such update meetings with firms described above are being implemented via telephone conference calls or videoconferences.

- **Regulatory Compliance** – Gallagher's Fiduciary Risk Mitigation Model provides for initial fiduciary risk review, best practice documentation of committee formation and ongoing operations, committee process and meeting management, recording of meeting notes (Minutes), and compliance support as it relates to Merger & Acquisitions, Self-Corrections, Voluntary Compliance and/or IRS/DOL audits.
- **Investments** – This includes ERISA 3(21) or 3(38) advisory services, including helping the committee establish an Investment Policy Statement and providing Investment Monitoring Reports.
- **Employee Communication and Education Management** – Gallagher will work with the plan sponsor to establish an education and communication strategy to support employees and the goals of the organization. Gallagher can help facilitate this through the provider or through its own resources.

Fiduciary Decision-making Practice

Our fiduciary decision-making practice involves acting as a fiduciary decision-maker for ERISA-regulated benefit plans and other institutions when their regular fiduciaries have a conflict of interest or some other circumstance renders it appropriate – or legally necessary – for an independent, knowledgeable party to act in their stead with regard to a particular asset or transaction. Our fiduciary decision-making assignments, have included, for example, acting as an independent fiduciary evaluating, valuing, acquiring and disposing of common stock and other securities issued by the employer/sponsor of ERISA-regulated defined contribution and defined benefit pension and other plans. Other assignments have included voting proxies with respect to reorganizations or other changes at mutual funds and other commingled vehicles for the benefit plan and other fiduciary clients of the financial institution that sponsors or manages the fund or vehicle, or corporate mergers involving such institutions. On all of these assignments, we use our judgment as fiduciaries to make a decision about the transaction or asset at hand based on the client's governing documents, the applicable legal standards and the specific facts about the transaction or asset and the client on whose behalf we are taking fiduciary responsibility.

As of December 31, 2023, for our institutional clients, Gallagher managed, on a discretionary basis, \$9,375,881,733 in assets among 151 clients which includes assets for which we have discretion over a portion of an entire portfolio and assets where we are an independent fiduciary. In addition, Gallagher is also an investment advisor/consultant with respect to 1,893 clients for 2,106 pools of assets (as of December 31, 2023) totaling \$108,962,674,059.

Item 5 – Fees and Compensation

Fees for the investment advisory/consulting and retirement plan consulting practices are established through negotiation, based on such factors, among others, as the value of the assets subject to Gallagher's services, the nature and scope of the services we provide to the client, the nature and degree of fiduciary and other risk Gallagher assumes in connection with the services it provides to the client, and whether Gallagher's role is expected to be temporary or ongoing. Gallagher typically charges a flat hard dollar fee or a fee based on assets under advisement. In a few limited cases, Gallagher charges on an hourly or project basis. Fees are generally paid quarterly in arrears or in advance as agreed upon. Contracts between Gallagher and its investment advisory clients are generally terminable by either party upon thirty to ninety days' notice.

When Gallagher serves as a decision-maker for a particular transaction or asset, our fee is structured to reflect, among other possible factors, the size and complexity of the assignment, the degree of risk to which we are subject in connection with the assignment, the exact function to be performed by Gallagher and the type of investment asset(s) or transaction involved. The structure of the fee for this work has typically been a flat fee, plus reasonable expenses. In a few instances, the fee is asset-based or hourly. In addition, Gallagher may be paid on an hourly basis in connection with follow-up work performed for a client after a project is completed.

Our receipt of an asset-based fee presents a conflict of interest. This is because the more assets there are in the client's account, the more the client will pay in fees. Therefore, we have an incentive to encourage clients to increase the assets in their accounts. We address this conflict of interest by ensuring any such recommendations are in the client's best interest.

Gallagher does not accept compensation from the sale of securities or other investment products, including asset-based charges or service fees from the sale of mutual funds.

Accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be refunded unless the parties agree to other terms, and any earned, unpaid fees will be due and payable.

Certain of Gallagher's supervised persons are registered representatives of Triad Advisors, LLC (CRD No. 25803) ("Triad"), a registered broker-dealer (member FINRA and SIPC). As registered representatives of Triad, they will earn commissions for selling securities products in this separate capacity to clients of Gallagher. An affiliate of Gallagher, GBS Retirement Services, Inc. ("GBSRS"), also has an arrangement with Triad in which it will receive commissions for brokerage services provided by Gallagher's supervised persons who are also registered representatives of Triad. These arrangements present a conflict of interest because our supervised persons who are

registered representatives have an incentive to recommend securities products to you for the purpose of generating commissions rather than solely based on your needs. To mitigate this conflict of interest, we or our delegate, require all supervised persons to ensure that any such recommendations are in the client's best interest.

Certain of Gallagher's supervised persons may refer clients to GBS Insurance and Financial Services, Inc. ("GBS Insurance"), an affiliated insurance agency. These persons will earn commissions for selling insurance products in this separate capacity to clients of Gallagher. This presents a conflict of interest because our supervised persons who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. To mitigate this conflict of interest, we require all supervised persons who are licensed to offer insurance products to our clients to assure that the recommendation to purchase insurance is in the client's best interest.

We require all supervised persons to seek prior approval of any outside employment activity so that we can ensure that any conflicts of interest in such activities are properly disclosed.

Commissions earned by these persons are separate and in addition to our advisory fees. Securities and insurance products are available through other channels and as a client you are not obligated to purchase products recommended by our supervised persons. For more information, please see Item 10 of this Brochure.

Gallagher's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investment managers and other third parties, including for example asset management fees, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, exchange traded funds, collective investment trusts, limited partnerships and other commingled vehicles also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Gallagher's fee, and Gallagher does not receive any portion of those commissions, fees, and costs.

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

Gallagher does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). If in the future, Gallagher is compensated by the use of an incentive fee arrangements, we will comply with Rule 205-3, under the Investment Advisers Act of 1940 (the "Advisers Act").

Item 7 – Types of Clients

Gallagher provides retirement, investment advisory/consulting and decision-making services to institutional investors, which include public and private sector employee benefit plans (including multiemployer plans), charitable institutions, foundations, endowments, labor organizations, state or municipal government entities, hospitals, non-profit organizations, private trusts, and corporations or business entities.

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

Our asset allocation and investment manager evaluation work spans quantitative as well as qualitative considerations, including traditional modeling, economic conditions and scenarios, and an interrelated set of cash flow, operational, and other considerations. We work with clients to establish a long-term, strategic asset allocation at the “total portfolio level” that is based on a deliberate and evaluative review of the client’s investment objectives, risk tolerance and other relevant information to form a sound foundation for the overall investment program and a road map for implementing investment strategies. We discuss with clients the risks associated with equities, fixed income, and alternative strategies (such as hedge funds of funds, real estate, commodities, and private equity/debt) as well as the relative merits of each. As the capital markets evolve over time and certain asset classes present compelling investment opportunities, we re-review our clients’ strategic asset allocation to make sure it remains efficient and appropriate. Gallagher has invested considerable resources in developing and utilizing robust asset allocation modeling software which enables us to model severe market dislocations and how client portfolios would likely react under stressed market conditions. The software enables Gallagher to stress test portfolios and model how different asset allocations would likely react to interest rate changes, severe market swings and dislocations which cause a high degree of correlation across typically non-correlated asset classes.

Communication is a key factor in assessing a client’s needs with respect to investment strategies and portfolio structures and may, from time to time, prove imperfect, although we maintain ongoing communications with our clients regarding those needs. Ascertaining a client’s tolerance for risk requires considerable judgment based on an assessment of the client’s financial position, and the Committee/Board and management’s attitudes toward risk. It is often difficult to assess attitudes toward risk because of diverse views among individuals. Our assessment of the organization’s financial position and capacity for risk (and thus, certain investment strategies) might differ from the organization’s own assessment. These needs and conversations will vary depending on plan type or investment pool.

Our manager search and recommendation/selection process is designed to provide the foundation for insightful recommendations by Gallagher and to support or, as the case may be, implement prudent decision-making by or for our clients. We start by working

with clients to fully define the prospective investment mandate given the overall structure of the client's assets and liabilities and the client's investment objectives and risk tolerance. Gallagher maintains a Focus List of high conviction managers that have been thoroughly vetted and evaluated by our asset class teams and Research Committee. We also recognize, however, that our clients have unique circumstances that cannot all be met by a single list. In such situations, our client teams employ a rigorous process to ensure that every manager meets our extremely high standards. We view investment manager searches as a critical function, recognizing that the cost of a "poor" decision can be extremely high. Our consulting team utilizes a number of quantitative and qualitative resources firm-wide in order to perform the search, whereby prospective investment managers compete with their peer universe of managers on a number of predetermined factors. And as discussed above, Gallagher meets in-person with key representatives of literally hundreds of investment management organizations each year.

We take extensive steps to adequately evaluate prospective and current investment managers for our clients, including seeking prudently to detect shortcomings such as organizational instability, financial weakness and lack of rigor in the investment process. However, our evaluation may not detect all of the nuances of certain functions that the managers perform or fail to perform.

Gallagher recognizes that "non-traditional" asset classes such as hedge fund of funds strategies or other alternative investments may entail risks different from those presented by traditional asset classes. Members of the research team hold numerous in person meetings with portfolio managers responsible for alternative strategies, and at least one member of the team conducts on-site due diligence at the managers' offices in advance of recommending such strategies to clients. In addition to meeting with the lead portfolio manager, Gallagher meets with numerous members of the investment team and frequently views demonstrations of proprietary investment analytics used in the management of alternative investment portfolios. Gallagher also regularly monitors the portfolio decisions and performance of such funds, and in some cases may participate on a fund's advisory committee comprised of fund investors.

Alternative asset investments may have potential for extreme loss and are not suitable for all clients. For example, real estate may expose an investor to the risk of economic downturn, as well as overbuilding (leading to declines in rental income), inadequate leasing of properties, poor management of properties, inability to sell properties quickly, and political risks (zoning issues). Hedge funds pose several key risks: limited information regarding the managers' holdings, restrictions as to when investors can withdraw their money, investments in certain complex securities with limited liquidity (difficult to sell), use of leverage (investing borrowed money), difficulty in obtaining prices for certain investments, and high fees. Commodities may be highly volatile. Although commodities offer the potential to perform relatively well in a period of rising inflation, they may sustain large losses when the economy declines. Private equity investments may

pose the following risks: lack of access to invested assets for a decade or longer, dependence on good performance of public equity markets to sell investments, dependence on the manager to perform difficult functions – buying high-potential companies on favorable terms and improving their operating performance of the companies, and high fees.

Investing through a commingled investment vehicle such as a limited partnership, as opposed to a separate account that holds the individual securities or a readily tradable vehicle such as a mutual fund or exchange-traded fund, can present risks distinct from the investment risks associated with the underlying investment strategy. Examples include restrictions on withdrawals from the vehicle and contractual limitations on the liability of the general partner or other entity responsible for management. The investment vehicle's prospectus or other offering document and other governing instruments generally disclose those risks. Clients should obtain advice from competent legal counsel before investing in such vehicles. While Gallagher will assist clients' counsel in their analysis, Gallagher does not provide legal advice to our clients. If Gallagher has been given investment discretion to select a particular investment vehicle for a client, Gallagher uses internal and external legal resources (including, if appropriate, the client's counsel) to analyze and, if appropriate, negotiate modifications to the documentation.

Investment Discretion: Gallagher also manages securities for clients pursuant to agreements that identify specifically the security being managed. The client is typically an employee benefit plan, and the security typically is one that has been issued by the employer/plan sponsor of the plan or an affiliate. If our assignment includes deciding whether and on what terms to acquire the security on behalf of the plan, we engage in fundamental analysis of the issuer and the security. We also consider whether the addition of the security is consistent with the client's Investment Policy Statement and other governing documents, and how the addition of the security affects the overall financial and, if applicable, actuarial condition of the plan. As ongoing manager of such a security, we conduct continuing fundamental analysis of the company and the security against the backdrop of the Investment Policy Statement and the client's needs for liquidity and other individualized concerns. Gallagher is typically not responsible for the overall diversification of the client's investment portfolio.

If the client is a participant-directed defined contribution plan subject to ERISA, and the plan explicitly provides that the investment options offered to participants must include stock or other securities issued by the employer/plan sponsor, Gallagher's responsibility in these cases typically is to determine, as an independent fiduciary and "investment manager" under ERISA, whether and when, if ever, it has a duty under ERISA to sell the plan's holdings of the security notwithstanding the provisions of the plan and participant elections to invest their plan accounts in the security.

Investing in securities involves risk of loss that clients should be prepared to bear. If the client is a defined contribution plan under ERISA, the client should educate the plan's participants about the risk of loss associated with investment in securities subject to management by Gallagher since losses on the securities are effectively borne by the participants. Participants should be advised to give careful consideration to the benefits of a well-balanced and diversified investment portfolio. This is particularly true if the plan assets managed by the Gallagher consists of the securities of a single issuer presented as a separate investment option to plan participants, rendering it significantly riskier than a diversified portfolio. If the securities are "qualifying employer securities" held in an employer stock fund investment option in a participant-directed plan, the plan's holdings of the stock are not subject to the diversification requirements of ERISA's fiduciary responsibility rules. In addition, Gallagher may have limited or no discretion to sell the plan's holdings of the stock, depending on the terms of the plan, the agreement between Gallagher and the plan and applicable law.

Accordingly officials or representatives of the client plan should tell participants that the value of investment in such a fund depends entirely on the investment performance of a single security (and, if the employer stock fund also includes a small amount of cash for liquidity purposes, the investment return on the cash), and the participants are therefore subject to the significant risk associated with investing in a single security as opposed to a portfolio of diversified investments. Plan fiduciaries should afford the plan and its participants the opportunity to mitigate that risk by making available to participants the opportunity to invest in a variety of different kinds of investments through an array of diversified investment options.

Gallagher does not recommend primarily any particular type of security. The client bears the risk of loss on its investments.

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 your evaluation of Gallagher or the integrity of Gallagher.

Since its creation in 2008, Gallagher has had no involvement in any legal or disciplinary proceeding that would have been material to any client or potential client evaluating Gallagher or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

Gallagher is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Certain of our employees are registered representatives of a broker-dealer, as further described below. Neither the firm nor any of its management

employees are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities. Lastly, other than as described below or in our ADV or a consultant's ADV 2B Brochure, neither Gallagher nor any of its management employees have any material relationships or arrangements with any related broker-dealer, municipal securities dealer, government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), other investment adviser or financial planner, futures commission merchant, commodity pool operator, commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships.

Gallagher is a single-member, limited-liability company, with GBS as its single member. Itself a wholly-owned subsidiary of AJG. GBS offers expertise and guidance in all areas of benefits planning, delivery and administration for a broad range of employee benefit plans and services, including executive benefits and financial planning, actuarial, data analysis and benchmarking, retirement consulting, benefits outsourcing, and human resources services for its clients.

Some consultants for Gallagher provide fiduciary consulting services to small, mid, and large retirement plans, including 401k, 403b, 457, defined benefit, and nonqualified plans. A plan sponsor client of these consultants may choose to pay such fees for services rendered to a defined contribution plan with revenue generated within the plan or with hard dollars. The client chooses the method of payment; Gallagher is indifferent to which method the client selects. To accommodate clients that choose to pay within the plan (via commissions), a separate wholly-owned subsidiary called GBS Retirement Services, Inc. ("GBSRS"), a limited purpose, constructive receipt, registered broker dealer was established whose primary function is to receive those plan-generated fees arising from transactions executed by Triad Advisors, LLC (CRD No. 25803) ("Triad"), a registered broker-dealer (member FINRA and SIPC), an unaffiliated broker-dealer firm. Gallagher does not receive any of those fees. While GBSRS is registered with FINRA and is registered in Illinois, New York and Texas as an investment adviser, GBSRS cannot and does not execute or clear securities transactions and cannot and does not receive commissions from any investment manager; it receives monies only from Triad arising from transactions the latter executes. Gallagher believes this structure prevents the conflicts that other broker-dealer affiliates may pose. We may have a conflict of interest in that we have an incentive to recommend commissionable securities based on the receipt of commissions, rather than based on the client's needs. We address this conflict of interest by ensuring any such recommendations are in the client's best interest.

Certain of Gallagher's supervised persons are registered representatives of Triad. As registered representatives of Triad, they will earn commissions for selling securities products in this separate capacity to clients of Gallagher. GBSRS also has an arrangement with Triad in which it will receive commissions for brokerage services provided by Gallagher's supervised persons who are also registered representatives of Triad. Furthermore, the percentage of commissions paid to GBSRS is based on the aggregate commissions generated by our supervised persons who are registered representatives of Triad each calendar year, and will increase when certain negotiated thresholds are reached. These arrangements present a conflict of interest because we have an incentive for supervised persons to recommend securities products to you for the purpose of generating commissions rather than solely based on your needs. We have an additional incentive for our supervised persons to recommend commissionable products to you in order to increase the percentage of commissions retained by our affiliate GBSRS. To mitigate these conflicts of interest, we require all supervised persons to ensure that any such recommendations are in the client's best interest.

Certain of Gallagher's supervised persons may refer clients to GBS Insurance. These persons will earn commissions for selling insurance products in this separate capacity to clients of Gallagher. This presents a conflict of interest because our supervised persons who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. To mitigate this conflict of interest, we require all supervised persons who are licensed to offer insurance products to our clients to assure that the recommendation to purchase insurance is in the client's best interest.

We require all supervised persons to seek prior approval of any outside employment activity so that we can ensure that any conflicts of interest in such activities are properly disclosed.

Gallagher has structured its relationship with all affiliates of GBS and AJG to prevent conflicts of interest and to preserve the objectivity and independence of Gallagher's investment consulting and fiduciary decision-making teams and their advice, decisions and operations. Information barrier procedures have been adopted to safeguard the independence of Gallagher. A copy of these information barrier procedures is available in their entirety to any client or prospective client upon request.

Item 11 – Code of Ethics

Gallagher has adopted a Code of Ethics to restrict or prohibit transactions by its employees and their family members that could create actual conflicts of interest, the potential for conflicts or the appearance of conflicts. The Code also established reporting requirements and enforcement procedures. Gallagher will provide a copy of the Code of Ethics to any client or prospective client upon request.

Gallagher does not typically recommend to its advisory clients that they purchase or sell individual securities other than interests in commingled investment vehicles such as mutual funds, collective trusts, limited partnerships and limited liability companies. As an independent fiduciary decision-maker or adviser, Gallagher does have authority to purchase or sell, or to recommend the purchase and sale of a particular security. Accordingly, the Code of Ethics includes policies and procedures that limit the ability of employees to purchase or sell certain securities. Those procedures include maintenance and distribution to all Gallagher employees of a list of companies whose securities may not be traded by a Gallagher employee or an immediate family member without advance permission from the Chief Compliance Officer or the appropriate delegated representative, as well as other restrictions.

The Code of Ethics also requires that employees report all securities transactions (with narrowly-crafted exceptions related to instruments such as shares in registered open-end mutual funds, bank certificates of deposits and U.S. government securities) to the Chief Compliance Officer or the appropriate delegated representative, who uses the reports to monitor compliance with the Code of Ethics and other internal procedures. The Code of Ethics requires that each employee certify in writing that he or she has fully and accurately reported to and provided the Chief Compliance Officer or the appropriate delegated representative with statements for all personal securities accounts in which the employee holds a direct or indirect beneficial interest. Gallagher also has in place written procedures, as required by Section 204A of the Investment Advisers Act of 1940 to prevent the misuse by employees or other access persons of confidential or material non-public information concerning clients or potential clients.

Item 12 – Brokerage Practices

Gallagher has the authority to determine whether, when and on what terms to sell or buy specific securities only in connection with certain of its decision-making engagements. For those engagements, Gallagher and client negotiate the scope and limitations, if any, that apply to purchasing or selling specific securities. In engagements where Gallagher determines to buy or sell specific securities, we select the broker and negotiate the commission to be paid unless the client requests that we utilize the services of another broker.

Gallagher suggests brokers to clients for whom we act as an investment consultant only in the following, narrow senses. First, when clients terminate one investment manager and hire a replacement, they sometimes wish to utilize a portfolio transition agent to assist in transferring and to some extent, modifying the account securities. Based on analysis of competing brokerage firms that perform that type of transition service, Gallagher may recommend one or more of such firms to the client. Second, clients sometimes wish to utilize commission recapture, discount brokerage, soft dollar converter programs or

similar brokerage arrangements. Based on analysis of competing brokerage firms that offer such arrangements, Gallagher may recommend one or more of such firms.

Gallagher bases its recommendations on various factors and judgments, including the net commission cost to the client, the candidates' ability to provide the precise services desired, the candidates' experience with the category of securities and the relevant market, the exact terms on which such services are provided and a host of other considerations it has developed and documented over the years. Products, research and services given to Gallagher are not factors in making the determination. Gallagher does not receive compensation from whichever broker it recommends to the client, in order to preserve our objectivity.

Gallagher does not receive client referrals or compensation of any kind from broker-dealers or other third parties in exchange for using any particular broker-dealer.

Gallagher receives research or other products or services from Triad in connection with client securities transactions. These services can include, but are not limited to: research regarding program investments, ongoing review, evaluation and continued recommendation of program investments, quarterly reports outlining the client's program investment performance, services to facilitate payment of our fees from client accounts, website and associated technology to assist us with the selection of program investments and generation of investment strategy proposals and other associated documents, performance reporting, trading and model management, transition assistance, consultation with compliance, marketing and brokerage services, and discounts on financial planning and business marketing programs. Triad may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us.

We do not have to pay the broker-dealer for these services and no client is charged for these services. Therefore, we receive a benefit. This presents a conflict of interest, as we have an incentive to recommend Triad because of our existing relationship and the benefits we receive, rather than on your interest in receiving most favorable execution. We mitigate this conflict by conducting best execution reviews and through application of our policies and procedures. We may cause clients to pay commissions that are higher than those charged by another broker-dealer to effect the same transaction. We have determined that the transaction charges incurred are reasonable in relation to the value of the services received. These products or services received may benefit all of our clients, not just those whose assets are custodied at the broker-dealer who provides the products or services.

Except as explained above in herein and in Item 10, Gallagher does not direct trades to any affiliate of Gallagher, AJG or GBS and Gallagher does not accept or receive brokerage commissions or "soft dollars."

Item 13 – Review of Accounts

The frequency, type and level of reviews and factors triggering reviews depend on the specific nature of the client, the portfolio and the engagement. When an investment review is undertaken, Gallagher generally will focus on systems and practices regarding investment-related matters, rather than on periodically evaluating specific portfolio holdings. When overseeing investment-related matters on an ongoing basis, Gallagher periodically reviews reports from the custodian/master trustee. Investment performance and related reviews generally are conducted on a periodic basis.

Gallagher meets with clients and typically issues oral or written reports on a periodic basis. These meetings and reports may address any matters subject to the supervision of Gallagher, pursuant to contract, including for example, asset allocation; adherence of managers to investment objectives, guidelines and policies; investment performance (on both an absolute basis and relative to relevant peers and agreed benchmarks), activities of the master trustee/custodian, such as cash management, reporting, settlement of securities transactions; new investment opportunities and strategies; brokerage practices, including “soft dollar” arrangements; and other matters. Gallagher generally conducts investment manager searches and evaluations as circumstances require.

Item 14 – Client Referrals and Other Compensation

Gallagher may directly compensate persons who refer clients to it. However, if applicable, we pay such compensation only through “hard dollars” and do not pay such compensation through directed brokerage involving transactions effectuated on behalf of its clients. In addition, full disclosure is made to clients, if applicable.

The only compensation Gallagher receives comes directly from our clients for the investment services provided. We do not provide investment advice or recommendations to investment managers regarding their proprietary businesses and do not receive compensation from investment managers for doing so. However, Gallagher does provide performance measurement service in a non-advisory capacity to a single entity organized as a federally chartered savings bank and which is a registered investment adviser. No actual or potential conflicts are created as a result of this relationship as Gallagher neither recommends the use of any investment offerings from this entity to its clients nor advises any of its clients regarding this entity.

Item 15 – Custody

Gallagher does not hold physical custody of client funds or securities. We require that qualified custodians hold client assets, as fully described in Item 12 – Brokerage Practices. Gallagher has custody because we are granted authority, upon written consent from our clients in our agreements to make certain third-party transfers on behalf of our

clients who have granted us this authority. This authority is granted to us by the client through the use of a standing letter of authorization (“LOA”) established by the client with his or her qualified custodian. The standing LOA authorizes our Firm to take specific actions pursuant to the terms of the LOA, and can be changed or revoked by the client at any time. We have implemented the safeguard requirements of SEC regulations by requiring safekeeping of client funds and securities by a qualified custodian. We have further implemented procedures to comply with the requirements outlined by the SEC in its February 1, 2017 No- Action Letter to the Investment Adviser Association.

Item 16 – Investment Discretion

Gallagher accepts discretionary authority to manage securities accounts on behalf of clients pursuant to an investment management agreement that specifically describes the scope and limits on that authority. Clients typically limit the authority to a particular category of investment or even to a particular security, such as employer stock. Before Gallagher assumes this authority, we negotiate with the client the terms of the investment management agreement to assure that the investment authority is properly delegated and its scope and limitations are carefully defined. Gallagher also obtains from the client assurance that the delegation of authority is consistent with the client’s governing instruments such as, for example, the trust agreement establishing an employee benefit plan’s fund and the Investment Policy Statement governing the client’s investment portfolio.

Item 17 – Voting Client Securities

- A.** When Gallagher’s Fiduciary Decision-making Practice is voting the proxies on behalf of its client:

As an independent fiduciary, Gallagher is required to act at all times in the interest of the plan’s participants and beneficiaries. When Gallagher’s fiduciary decision-making discretion extends to voting proxies, we do not apply a blanket guideline to any proxy issue, but consider each particular issue on its merits. Even in situations where the scope of our assignment includes the acceptance of a client’s pre-established proxy voting guideline, Gallagher generally has a fiduciary obligation to reach its own conclusion and to override the guideline if Gallagher determines adherence to the guideline is contrary to applicable law.

Gallagher procedure for reaching a conclusion on proxy issues generally consists of the following outline:

- Review proxy statement and other public documents (annual report, SEC filings, etc.) for information relevant to the issues;

- Solicit views on the issues from other investment professionals such as money managers who hold the stock (that we may deem “prudent persons in like circumstances,” consistent with the ERISA standard of prudence);
- Review analyses by proxy voting advisory services such as Institutional Shareholder Services and Glass Lewis;
- Identify pro and con considerations relative to the viewpoint of a shareholder;
- Consider appropriate considerations unique to the perspective of an ERISA covered plan (as distinct from other shareholders), if any;
- For more complex issues, generally consider information in the public sphere; for example, news reports or analysis in widely read financial publications which may give us additional perspective;
- Solicit view from other shareholders that own the share in question (that we may deem “prudent persons in like circumstances,” consistent with the ERISA standard of prudence);
- Provide a prudent assessment of the impact on risk-return to the plan for any issue that is raised, including a review of all facts and circumstances surrounding the issue – such factors may include the economic effects of climate change and other environmental, social, or governance factors (ESG factors) on the particular investment or investment course of action;
- Discuss all inputs internally and reach a conclusion;
- Document our process and conclusions in writing; and,
- Upon approval of our investment committee, exercise the proxy vote.

Shareholder votes that involve a transaction materially affecting the ownership or assets of the company that sponsors the ERISA plan may require additional financial and/or legal analysis, such as:

- The price offered for the shares relative to their price before the proposed transaction was announced (i.e., the “premium”);
- Assessment of the consideration offered relative to the company’s financial condition and profitability and business trends impacting the company;
- Comparison of the business and financial prospects of the company in the event the transaction is approved relative to its prospects on a “stand-alone” basis;
- Prospects for additional offers from third parties;
- The adequacy of financing necessary to complete the transaction;
- Potential obstacles to closing, such as litigation or regulatory review; and
- Assessment of the process applied by the company’s Board of Directors in reviewing the bid and soliciting and evaluating competing bids.

B. When Gallagher Fiduciary Advisors, LLC’s Fiduciary Decision-making Practice is voting the proxies of a mutual fund reorganization on behalf of the fund’s benefit plan investors (“Clients”):

Gallagher shall conduct an independent fiduciary analysis of the reasonableness from the investment perspective of the Clients collectively of the transactions with respect to each of the funds, and based on such fiduciary analysis, direct the Company in writing whether to vote the shares of each fund held by all relevant Clients either in favor of or against the transaction with respect to that particular fund (each such direction an “Instruction” and, collectively, the “Instructions,” it being understood that Gallagher may provide a separate Instruction with respect to each fund covering the shares in the particular fund held by the Clients in that fund).

Gallagher’s Instructions shall be based on its independent determination. Gallagher’s responsibility shall be limited to the delivery of the Instructions, and it shall have no responsibility, fiduciary or otherwise, with respect to any other aspect of the funds or the transactions. It is understood and agreed that the Company, and not Gallagher, is responsible for casting the Clients’ votes for or against the approval of each of the transactions in accordance with the Instructions.

Gallagher shall act independently of the Company and its affiliates at all times and shall take such actions as it deems necessary and appropriate in its sole discretion to discharge fully its duties hereunder.

Gallagher shall complete the services described above in a timely manner.

- C.** When Gallagher Fiduciary Advisors, LLC's Investment Consulting Practice is monitoring the proxy voting policies of third-party investment managers on behalf of its client:

When serving as an investment consultant, Gallagher's fiduciary duty on behalf of its client is to select third-party investment managers, monitor their performance and their fees, and make any necessary changes (including replacing the manager) when either the performance of the manager is sub-par, or their fees are unreasonable. As part of the monitoring process, Gallagher is charged with monitoring the third-party investment manager's activities with respect to its proxy voting of the underlying investments. Gallagher shall request a copy of the proxy voting policy that the third-party manager has adopted, and monitor its actions in relation to the policy.

Clients may obtain a copy of Gallagher's proxy voting policies and procedures upon request. Clients may also obtain information from Gallagher about how we voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Gallagher's financial condition. Gallagher has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Not applicable since Gallagher is registered with the SEC.