
Item 1 – Cover Page

GBS Investment Consulting, LLC

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June 27, 2011

This Brochure provides information about the qualifications and business practices of GBS Investment Consulting, LLC (“GBS IC”). If you have any questions about the contents of this Brochure, please contact us at (630) 285-3564 or at april_hanes-dowd@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.

GBS IC 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 GBS IC also is available on the SEC’s website at www.adviserinfo.sec.gov.

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 February 25, 2011.

Effective June 1, 2011, GBS IC acquired the assets of Independent Fiduciary Services, Inc.

In the past we have delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will provide you a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosures about material changes as necessary.

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 (973-424-6403 (nkossak@independentfiduciary.com) or Charles Gregor at (412) 232-1000 (chuck_gregor@ajg.com). Our Brochure is also available on our web site www.independentfiduciary.com or www.yannipartners.com, also free of charge.

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

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation.....	2
Item 6 – Performance-Based Fees and Side-By-Side Management	3
Item 7 – Types of Clients.....	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	3
Item 9 – Disciplinary Information.....	6
Item 10 – Other Financial Industry Activities and Affiliations	6
Item 11 – Code of Ethics	7
Item 12 – Brokerage Practices	8
Item 13 – Review of Accounts	9
Item 14 – Client Referrals and Other Compensation	9
Item 15 – Custody	9
Item 16 – Investment Discretion	9
Item 17 – Voting Client Securities	10
Item 18 – Financial Information.....	11
Item 19 – Requirements for State-Registered Advisers	11

Item 4 – Advisory Business

Arthur J. Gallagher & Co. (“AJG”) and its wholly-owned subsidiary Gallagher Benefit Services, Inc., (GBS and, collectively with AJG, “Gallagher”), established GBS Investment Consulting, LLC (GBS IC) in 2008 with the purchase of substantially all of the assets of Yanni Partners, Inc. (“Yanni”), a registered investment adviser established in 1976. GBS IC acquired the assets of Independent Fiduciary Services, Inc. (“IFS”) on June 1, 2011. IFS, also a registered investment adviser, had been established in 1986.

- AJG, the New York Stock Exchange-listed parent organization, is one of the world's largest insurance and risk management services firms, providing a full range of retail and wholesale property/casualty insurance and alternative risk transfer services globally, as well as employee benefit, consulting and actuarial services.
- GBS, the direct parent of GBS IC, is the employee benefits division of AJG, providing a broad range of employee benefit plan design and consulting services.

GBS IC provides investment advice, consulting and decision-making to institutional investors, such as not-for-profit organizations, single employer, multiemployer and public sector pension and welfare plans, as well as high net-worth individuals.

GBS IC does not pay any solicitor fees.

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 and high net worth individuals, 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 operational 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. GBS IC recognizes that each client is different and our advice is customized accordingly. To that end, GBS IC 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, GBS IC performs investment due diligence on third-party investment managers and provides advice and recommendations to clients regarding manager selection. In some cases GBS IC 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 GBS IC. 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 300 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 organizations.

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 March 31, 2011, GBS IC managed, on a discretionary basis, \$1,666,184,517 in assets among 17 client accounts. In addition, GBS IC is also an advisor/consultant with respect to 210 client accounts with assets (as of March 31, 2011) totaling \$43,840,981,033.

Item 5 – Fees and Compensation

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

When GBS IC 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 GBS IC 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. In addition, GBS IC may be paid on an hourly basis in connection with follow-up work performed for a client after a project is completed.

GBS IC 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. If the contract is cancelled within the first five days after the signing of the agreement, the client is not obligated to pay any fees to GBS IC. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

GBS IC'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 GBS IC's fee, and GBS IC does not receive any portion of those commissions, fees, and costs.

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

GBS IC 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, GBS IC 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

GBS IC provides advisor 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, high net worth individuals 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 and risk tolerance to form a sound foundation for the overall investment program and a road map for implementing investment strategies. We discuss at length with clients the risks associated with equities, fixed income, and alternative strategies (such as hedge fund of funds, real estate, commodities, and private equity) 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. GBS IC 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 GBS IC 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.

Our manager search and recommendation/selection process is designed to provide the foundation for insightful recommendations by GBS IC 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. 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, GBS IC 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.

GBS IC 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 the alternative strategies, and at least one member of the team conducts on-site due diligence at the managers' offices annually. In addition to meeting with the lead portfolio manager, GBS IC meets with numerous members of the investment team and frequently views demonstrations of proprietary investment analytics used in the management of alternative investment portfolios.

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 GBS IC will assist clients' counsel in their analysis, GBS IC does not provide legal advice to our clients. If GBS IC has been given investment discretion to select a particular investment vehicle for a client, GBS IC 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: GBS IC 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. GBS IC 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, GBS IC's responsibility 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 GBS IC 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 GBS IC 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, GBS IC 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 GBS IC 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.

GBS IC 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 GBS IC or the integrity of GBS IC.

On September 5, 2007, before Gallagher established GBS IC with the purchase of Yanni's assets, the Securities and Exchange Commission found that while operating as Yanni, the firm and its president, Theresa A. Scotti, had failed to disclose material information to clients and potential clients about potential financial conflicts of interest. Specifically, Yanni was found to have sold to investment advisers subscription services to an informational database developed to facilitate the recommendation of investment advisers to Yanni's clients without disclosing this practice to clients or potential clients in response to RFPs, or in marketing materials. At Scotti's direction, Yanni had discontinued the sale of subscriptions to the database at the end of 2005. The SEC did not find that any recommendation of an investment adviser was influenced by the purchase, or failure to purchase, a subscription to the database. Both Yanni and Scotti were subjected to monetary fines (\$175,000 and \$40,000, respectively), were censured, and were ordered to cease and desist from any violations of the Advisers Act.

Since its creation in 2008, GBS IC has had no involvement in any legal or disciplinary proceeding that would have been material to any client or potential client evaluating GBS IC or the integrity of its management. In 2011, Scotti ceased serving in a management capacity at Yanni and does not serve in a management capacity with GBS IC.

IFS never experienced a disciplinary or legal proceeding in its 25 years in business before GBS IC acquired its assets that would have been material to any client or potential client evaluating IFS or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

Neither GBS IC nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Likewise, neither the firm nor any of its management persons 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.

GBS IC is a single-member, limited-liability company, with GBS its single member. Itself a wholly-owned subsidiary of AJG, GBS is a licensed insurance agency that provides employee benefits consulting services nationwide. 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.

GBS IC has structured its relationship with all affiliates of GBS and AJG to prevent conflicts of interest and to preserve the objectivity and independence of GBS IC'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 GBS IC. A copy of these information barrier procedures is available in their entirety to any client or prospective client upon request.

A separate division of GBS called Gallagher Retirement Services ("GRS") provides fiduciary consulting services to small, mid, and large retirement plans, including 401k, 403b, 457, defined benefit, and nonqualified plans. A plan sponsor client of GRS may choose to pay GRS' 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; GRS is indifferent to which method the client selects. To accommodate clients that choose to pay GRS fees with revenue generated within the plan, GBS established a separate wholly-owned subsidiary called GBS Retirement Services, Inc. ("GBSRS"), a limited purpose registered broker dealer whose sole function is to receive those plan-generated fees arising from transactions executed by NFP Securities, Inc., an unaffiliated broker-dealer firm. GBS IC 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 individual securities transactions and cannot and does not receive commissions from any investment manager. Likewise, when GBS IC, as an independent fiduciary decision-maker, is authorized to select a broker-dealer to execute purchases or sales of securities, GBS IC cannot and does not direct trades to GBSRS or any other affiliate of GBS or AJG, and no commission revenue from such transactions is directed or otherwise paid to any of them.

GBS IC does not receive compensation directly or indirectly from advisers for recommendations or selections. The firm does not have any business relationships with advisers, providers, mutual fund companies, or investment management advisors that would create a conflict of interest. GBS IC operates in an independent manner.

Item 11 – Code of Ethics

GBS IC 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. GBS IC will provide a copy of the Code of Ethics to any client or prospective client upon request.

GBS IC 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, GBS IC 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 GBS IC employees of a list of companies whose securities may not be traded by a GBS IC employee or an immediate family member without advance permission from the Chief Compliance Officer or the appropriate delegated representative. An employee may not buy or sell a particular security when he or she knows that a GBS IC client has a pending buy or sell order in place in that security, and may not knowingly trade in a security for seven days before or after a client trade in that security.

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. GBS IC 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

GBS IC 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, GBS IC and client negotiate the scope and limitations, if any, that apply to purchasing or selling specific securities. In engagements where GBS IC 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.

GBS IC 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, GBS IC 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, GBS IC may recommend one or more of such firms.

GBS IC 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 GBS IC are not factors in making the determination. GBS IC does not receive compensation from whichever broker it recommends to the client, in order to preserve our objectivity.

As explained above, GBS IC does not direct trades to any affiliate of GBS IC, AJG or GBS and 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 operational review is undertaken, GBS IC 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, GBS IC generally reviews reports at least monthly from the custodian/master trustee. Investment performance and related reviews generally are conducted on a quarterly basis.

GBS IC often meets with clients and typically issues oral or written reports on a quarterly basis. These meeting and reports may address any matters subject to the supervision of GBS IC, 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. GBS IC generally conducts investment manager searches and evaluations as circumstances require.

Item 14 – Client Referrals and Other Compensation

GBS IC may directly compensate persons who refer clients to it. However, 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.

The only compensation GBS IC receives comes directly from our clients for investment consulting services provided. We do not assist investment managers with their proprietary businesses and do not receive compensation from investment managers for doing so.

Item 15 – Custody

GBS IC does not have custody of client funds or securities.

Item 16 – Investment Discretion

GBS IC accepts discretionary authority to manage securities accounts on behalf of clients pursuant 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 GBS IC 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. GBS IC 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

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

GBS IC's procedure for reaching a conclusion on proxy issues generally consists of the following outline:

- Review proxy statement; identify issues presented for shareholder vote;
- Determine which are "routine" and which may raise issues or concerns;
- Review other public documents (annual report, SEC filings, etc.) for information relevant to such issues;
- Identify pro and con considerations with respect to each proposal from the perspective of the client as a shareholder;
- Review evaluations and recommendations of other institutions or advisory firms as available;
- Consider appropriate considerations unique to the perspective of an ERISA covered plan (as distinct from other shareholders), if any;
- Solicit views on the issues from other investment professionals such as money managers who hold the stock (who we may deem "prudent persons in like circumstances," consistent with the ERISA standard of prudence);
- Discuss all inputs internally and reach a conclusion;
- Exercise the proxy vote; and
- Document our process and conclusions in writing.

Shareholder votes that involve a transaction materially affecting the ownership or assets of the company may require additional financial and/or legal analysis.

Clients may obtain a copy of GBS IC's proxy voting policies and procedures upon request. Clients may also obtain information from GBS IC 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 GBS IC's financial condition. GBS IC 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 GBS IC is registered with the SEC.