

## Item 1. Cover Page

Harrison Fiduciary Group, LLC (“HFG”)  
264 Beacon Street  
Boston, Ma 02468

[www.harrisonfiduciary.com](http://www.harrisonfiduciary.com)

September 8, 2011

This brochure provides information about the qualifications and business practices of Harrison Fiduciary Group, LLC (“HFG”). If you have any questions about the contents of this brochure, please contact us at 617-830-5771 or [info@harrisonfiduciary.com](mailto:info@harrisonfiduciary.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any other state securities authority.

Additional information about Harrison Fiduciary Group, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

**Item 2. Material Changes**

This is the first brochure prepared by HFG. There are no material changes.

<b><i>Item 1. Cover Pager</i></b>	<b><i>1</i></b>
<b><i>Item 2. Material Changes</i></b>	<b><i>2</i></b>
<b><i>Item 3. Table of Contents</i></b>	<b><i>3</i></b>
<b><i>Item 4. Advisory Business</i></b>	<b><i>4</i></b>
<b><i>Item 5. Fees and Compensation</i></b>	<b><i>9</i></b>
<b><i>Item 6. Performance-Based Fees and Side-by-Side Management</i></b>	<b><i>10</i></b>
<b><i>Item 7. Clients</i></b>	<b><i>11</i></b>
<b><i>Item 8. Methods of Analysis, Investment Strategies and Risk of Loss</i></b>	<b><i>12</i></b>
<b><i>Item 9. Disciplinary Information</i></b>	<b><i>16</i></b>
<b><i>Item 10. Other Financial Activities and Affiliations</i></b>	<b><i>17</i></b>
<b><i>Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.</i></b>	<b><i>18</i></b>
<b><i>Item 12. Brokerage Practices</i></b>	<b><i>19</i></b>
<b><i>Item 13. Review of Accounts</i></b>	<b><i>20</i></b>
<b><i>Item 14. Client Referrals and Other Compensation</i></b>	<b><i>21</i></b>
<b><i>Item 15. Custody</i></b>	<b><i>22</i></b>
<b><i>Item 16. Investment Discretion</i></b>	<b><i>23</i></b>
<b><i>Item 17. Voting Client Securities</i></b>	<b><i>24</i></b>
<b><i>Item 18. Financial Information</i></b>	<b><i>25</i></b>

## **Item 4. Advisory Business**

### 4 A. Description of firm, time in business, principal owners.

HFG is a full service fiduciary firm, and is registered with the United States Securities and Exchange Commission, offering expertise in fiduciary oversight for institutional investors, including private, state and local retirement plans, banks and thrifts, charitable organizations, corporations or other business entities.

HFG's primary business consists of serving as a fiduciary to retirements plans either in a capacity as a Named Investment Fiduciary or an Independent Fiduciary. A substantially smaller portion of HFG's business consists of advising corporations on the selection, hiring, and monitoring of investment managers of corporate cash accounts.

#### ***Named Investment Fiduciary***

In its capacity as a Named Investment Fiduciary, HFG will assume complete fiduciary authority for the oversight and management of an ERISA qualified retirement plan. Dependent upon the type of plan (defined benefit or defined contribution), HFG's responsibilities may include, all or any, of the following: development and drafting of a plan's Investment Policy Statement; determining and implementing an asset allocation plan; selecting, hiring and monitoring of investment managers; hiring and review of third party vendors such as custodians, recordkeepers and administrators; implementation and monitoring of a securities lending program; selection and oversight of plan investment options; review and approval of plan fees and expenses.

#### ***Independent Fiduciary***

The principals of HFG have extensive investment experience and knowledge of the Employee Retirement Income Security Act of 1974 ("ERISA") and will therefore provide a variety of independent fiduciary services. Often these engagements arise either in order (i) to comply with various rulings or pronouncements issued by the Department of Labor, or (ii) to structure certain transactions in accordance with ERISA. Independent Fiduciary assignments can take a variety of forms, and among others, include the following: monitoring of company stock accounts, compliance with Prohibited Transaction Exemptions, facilitation of transferring assets between plans, proxy voting, management of stable value programs, and litigation settlement.

#### ***Cash Management***

HFG also possesses significant cash management experience and provides advisory services to corporate treasury groups with respect to corporate cash. HFG solicits proposals from other managers, reviews and analyses the proposals and makes recommendations with respect to the hiring and terminating of cash managers.

HFG was established in October 2010 and the two principals worked together at State Street Global Advisors, the \$2 trillion investment management group of State Street Corporation.

The principals are Mitchell H. Shames and Barbara A. Shegog (see, biographies below).

Mitchell H. Shames, Esq  
[Mshames@harrisonfiduciary.com](mailto:Mshames@harrisonfiduciary.com)

Mitchell Shames is a leading expert in fiduciary practices and investment products for domestic and global institutional clients. Until November of 2007, he was the General Counsel for State Street Global Advisors (SSgA), the \$2 trillion global investment management unit of State Street Corporation and he was an Executive Vice-President of State Street Corporation.

Over the course of his tenure at SSgA, Mr. Shames (and his staff) structured fiduciary relationships for corporate and institutional clients, ranging from investment management and company stock management to broader fiduciary oversight engagements. He served as a member of SSgA's Independent Fiduciary Committee that provided fiduciary services for the benefit plans of Enron, United Airlines, Cargill, WR Grace, and other major benefit plan sponsors. His expertise in the establishment of fiduciary policies and procedures contributed to State Street's victories in significant class action lawsuits, including United Airlines and WR Grace. Based upon his fiduciary expertise, he structured SSgA's firm-wide Fiduciary Review Committee for purposes of overseeing all fiduciary matters within SSgA.

Mr. Shames received an A.B. from the University of Chicago in 1979, a J.D. from Boston College Law School in 1983, and an LL.M. in taxation from New York University in 1984.

Barbara A. Shegog, CFA, CPA  
[Bshegog@harrisonfiduciary.com](mailto:Bshegog@harrisonfiduciary.com)

Barbara Shegog has over twenty years experience designing financial solutions for corporations. Prior to joining Harrison Fiduciary Group, Ms. Shegog worked for 11 years as a Senior Portfolio Manager at State Street Global Advisors. At SSgA, she oversaw the management of \$22 billion in corporate and stable value assets. Her responsibilities also included designing investment policies, evaluating performance, and client relationship management.

Prior to working at SSgA, Ms. Shegog held positions at Scudder Insurance Management and KPMG Peat Marwick. She has spoken at several conferences on topics related to managing fixed income assets. Speaking engagements included presentations to the Neu Treasurers Group, the Peninsula Treasury Management Association (PTMA) and to the Treasury Management Association of New England (TMANE).

Ms. Shegog received a B.A. in Economics and Business from Lafayette College in 1988 and an MBA from Boston University in 1997. She also holds a Certified Financial Analyst designation received in 1997 as well as a Certified Public Accountant designation received in 1994.

#### 4B. Advisory Services, Specialization

HFG will perform a full range of fiduciary services.

#### **Named Fiduciary**

As the Investment Named Fiduciary for a qualified retirement plan, HFG provides a single point of management for an otherwise disaggregated collection of vendors and consultants. HFG will hire and oversee all investment consultants, investment managers including the selection of investment options for a 401(k) plan, providing the plans with the benefit of best industry practices at reasonable and competitive rates. HFG will provide these services across all asset classes including: equities, fixed income and alternative investments. In addition, HFG will review and monitor a plan's contractual relationships with its trustee, administrator and recordkeeper.

At the outset, HFG works with a corporation's legal advisor to implement a corporate governance structure that clearly allocates fiduciary activities and responsibilities with respect to a retirement plan. This clear delegation and allocation of fiduciary responsibilities is a critical component in enabling officers and directors to mitigate significantly their personal fiduciary liability. Furthermore, HFG will implement fiduciary policies and procedures consistent with ERISA. On a regular basis, HFG will provide comprehensive professional reports to senior management and/or directors of the corporation.

HFG works to understand fully the current state of a retirement plan. HFG carefully reviews the objectives of the plan, the allocation and delegation of responsibilities, vendor relationships and the current communication practices between the investment named fiduciary and company management.

With respect to the investment of pension plan assets, HFG reviews the stated plan objectives and prepares suggested revisions, and if necessary, to clarify or adjust the objectives of the plan. HFG believes that the objectives of the plan should be succinct and sharply focused, capturing both the regulatory requirements and the functional objectives of the plan. To develop investment policies and objectives, HFG starts with an assessment of the plan's actuarial liabilities and funding projections. In addition, HFG evaluates the current economic environment and the outlook for the future. Based on the plan's existing or revised investment policy, HFG will review and assess the plan's asset allocation, rebalancing policies and risk control standards. This review will include an analysis of whether the investment assumptions

and decisions are consistent with the Investment Policy Statement. Where there are inconsistencies, changes will be implemented.

With respect to a defined contribution plan, HFG will review and select investment options as well as monitor and approve the fees and expenses of various service providers including recordkeepers, custodians, and administrators. In the event that a defined contribution plan also has a company stock account or a stable value program, HFG will assume the discretionary management of the company stock account or the stable value program.

### **Independent Fiduciary**

In addition to serving as the Named Investment Fiduciary of a qualified plan, HFG can be retained to provide a specifically designated fiduciary task for a plan.

Independent services may include:

- Assessing, overseeing or managing stable value programs
- Overseeing and managing company stock accounts
- Directing litigation involving the plan, including approving litigation settlement offers
- Assessing, overseeing and managing securities lending programs
- Approving plan expenses for service providers
- Assessing and monitoring asset pricing and valuation processes
- Acting as fiduciary during a transition of assets from one plan to another

In such situations, an independent, conflict-free fiduciary would act solely in the best interests of the plan participants.

### **Cash Management**

In addition to its fiduciary services, HFG has specific expertise in the management of cash and short-term fixed income securities. HFG will provide advisory services to corporate treasury managers. HFG will assess the investment objectives of a corporate cash client, provide recommendations as to the development of a cash investment policy statement and then recommend cash managers to the client.

### **General Statement**

Other than assignments where HFG assumes discretionary authority over (i) company stock accounts or (ii) stable value programs in which HFG selects wrap contract providers, HFG will not possess discretionary authority over securities. Instead, HFG will manage the selection, oversight and hiring of other investment managers or service providers.

#### 4C. Customized Client Services

Clients have the capability contractually to design and limit the services provided by HFG. Through a detailed consultative process, the client and HFG will carefully outline the parameters of HFG's engagement. Some clients may choose to delegate the full Investment Named Fiduciary responsibility to HFG, while others may retain HFG for a very specific function: such as managing a stable value program (including selection of cash managers and insurance wrap providers).

The authority to hire HFG and determine the scope of its services rests at all time with the Client.

#### 4D. Wrap Programs

HFG will not participate in any wrap programs.

#### 4E. Client Assets

HFG has provided recommendations for the selection of an investment manager for a \$150 million corporate cash program.



## **Item 5. Fees and Compensation**

### 5A. Compensation and Fee Schedule

HFG does not have a standard fee schedule and HFG does not charge fees based upon an “assets under management” model. Instead, HFG charges a flat fee for each engagement. The fee is based upon the complexity of the engagement and the fiduciary risk assumed by HFG in the engagement. All fees will be negotiated with clients and reflected in a fiduciary services agreement.

### 5B. Payment method

Clients will be billed quarterly in arrears pursuant to an invoice.

### 5C. Other Fees and Expenses

Clients will remain responsible for expenses typically associated with an investment portfolio: custody, brokerage, recordkeeping, administration. Depending upon the scope of the authority delegated to HFG, HFG may select, hire and negotiate the terms and conditions of the contractual relationship, including fees, for any third-party vendor.

### 5D. Timing of Fee Payments

HFG’s fees will be due and payable quarterly in arrears.

### 5E. Other Compensation and Conflicts of Interest

None of the principals of HFG receive compensation from the sale of securities. HFG will not recommend the purchase or sale of any mutual funds. However, if HFG is delegated the authority to select investment options for a 401(k) plan, HFG will select the investment options to be included as part of the 401(k) plan. HFG will not provide any advice or have the fiduciary authority to invest participant assets into a particular mutual fund. HFG will not receive any compensation for its recommendation or selection of mutual funds as an investment option in a 401(k) program.

**Item 6. Performance-Based Fees and Side-by-Side Management**

HFG does not charge performance-based fees.

**Item 7. Clients**

HFG's clients will generally be qualified corporate retirement plans (both defined contribution and defined benefit plans); state and local retirement plans; and, corporate accounts (such as corporate treasury accounts), and other institutional investors.

HFG will not provide investment advice to individuals.

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

HFG will exercise investment discretion over securities in two contexts: 1) management of employer securities in a company stock account; and 2) oversight of a stable value program, including the selection of “wrap-contracts.”

### **EMPLOYER SECURITIES:**

HFG will typically be appointed as a named fiduciary and investment manager of a company stock fund within an ERISA qualified plan. As a fiduciary, HFG assumes all fiduciary responsibilities associated with the company stock fund, including the following:

- Continuous monitoring of the financial condition of the company to assess whether continued investments in company stock are prudent;
- Determining whether the continued holding of stock is consistent with ERISA, and if not, assessing and implementing a plan to liquidate the securities;
- Ensuring confidentiality;
- Voting Proxies for any unallocated shares and shares for which directions are not received.

Consistent with its role as a fiduciary, HFG acts in accordance with the terms of the plan, including the plan’s provisions relating to investment in company stock, except, however, where doing so would be inconsistent with Title I of ERISA.

HFG views its role as a fiduciary to require it to follow the intentions of the plan documents to create and establish a fund for the holding of company stock. However, Title 1 of ERISA may require HFG to disregard the intentions of the plan documents in certain extraordinary circumstances such as the company’s imminent bankruptcy or the absence of reliable financial statements issued by the company. HFG reviews all company filings with the SEC, credit reports issued by Moody’s and S&P, as well as follows key analysts reports of the company’s financial performance and participates on analyst calls. HFG also monitors significant business developments, including litigation against the company. In the event that credit ratings are not available, HFG develops its own objective factors, based upon public information, to assess the creditworthiness of the company.

Company Stock Funds present a much higher investment risk to investors than other investment options. They are not subject to the general ERISA requirement of diversification of investments. In determining whether to purchase, sell or hold company stock, HFG assesses the following factors:

- Overall financial condition of the company;

- Credit rating issued by ratings agencies or credit rating factors;
- Availability and reliability of company provided financial information; and
- Likelihood of bankruptcy.

### **STABLE VALUE; SELECTION OF INVESTMENT MANAGERS AND WRAP PROVIDERS**

Stable value programs are a popular investment option offered in many 401(k) plans. These programs typically offer the returns of a short-term bond fund and the security, or “stability,” of being valued at \$1.00/share, like a money market fund. Stable value programs are a hybrid investment program consisting of an underlying portfolio of fixed income securities and a guarantee (a “Wrap Contract”) offered by a financial services firm such as a bank or an insurance company (the “Wrap Provider”). While the underlying portfolio of securities may fluctuate in value, the Wrap Provider guarantees that a participant withdrawing from the program will receive \$1.00 per share even though the market value of the fund may be less than \$1.00 per share.

Therefore, a stable value program consists of two separate and distinct relationships which constitute two separate assets: 1) an underlying portfolio of securities managed by an investment manager or managers, and 2) a Wrap Contract.

For a discussion of the analysis in assessing the capabilities of an underlying investment manager or managers, see the discussion below on Investment Managers.

A Wrap Contract is a contract issued by a Wrap Provider which guarantees the book value of a stable value program. Wrap Contracts are complicated contractual agreements containing many conditions which must be met in order for the Wrap Provider to be bound by the Wrap Contract. Failure to meet these conditions can give rise to a default under the wrap contract.

Therefore, the critical task in analyzing and selecting a Wrap Provider is analyzing and assessing (i) the credit worthiness of the Wrap Provider and (ii) the terms of the Wrap Contract.

In evaluating and selecting Wrap Providers, HFG undertakes an extensive credit review of Wrap Providers. This review begins with detailed research on the Wrap Provider, starting with the financial statements issued by the Wrap Provider, including an analysis of the management discussions and the footnotes. In addition HFG relies upon third party research including credit reports issued by credit ratings agencies such as Standard & Poor or Moody’s as well research provided by other financial analysts. HFG also conducts its own research if it finds gaps in any of the items mentioned previously. Finally, in order to supplement its initial research, HFG monitors (i) any news pertaining to the Wrap Provider, including any litigation filed against the Wrap Provider, (ii) regularly filed documents with the Securities and Exchange Commission and (iii) other market data such as the spreads on any credit default options issued with respect to the Wrap Provider.

The Wrap Contract entered into with Wrap Provider is negotiated by a lawyer with extensive experience in these types of agreements. This assures that the Wrap Contract reflects current market terms and is properly drafted.

Many stable value programs have a single Wrap Provider, although recent trends suggest that multiple Wrap Providers will “wrap” a single stable value program. Nonetheless, the risk that a stable value program will be forced to make distributions to plan participants at market value rather than book value (presumably a lower value), depends significantly on the risk that the Wrap Provider will not default on its contractual obligations. Default by a Wrap Provider can result in substantial losses to a participant in a stable value program, particularly if the market value of the fund is below the book value of the fund.

The risk of a default by a Wrap Provider can take a number of forms, including: a) default by the Wrap Provider on its general obligations (such as failure to make interest payments on a bond), b) the Wrap Provider claiming that the conditions of the wrap contract have been breached, or c) a bankruptcy filing by the Wrap Provider.

## **INVESTMENT MANAGERS**

In reviewing and selecting investment managers HFG assesses the following 5 factors: 1) experience with, and knowledge of, an asset class, 2) organizational structure, 3) investment process and research capabilities, 4) reporting and client service, and 5) fees.

### **Experience**

HFG looks for managers who are knowledgeable about, and have demonstrated expertise in, the asset class. A manager also has to have a proven track record through a variety of market cycles and manage a pool of assets of a reasonable size. HFG also examines the depth and experience of the team assigned to a particular engagement to assure that an assignment is staffed sufficiently.

### **Organization**

Investment managers must be able to exercise independent judgment without any conflicts of interest. HFG examines the corporate ownership structure to make sure that there are no impediments to independence. Furthermore, HFG assesses whether team members receive market compensation and whether there is a potential for awards of equity interests in the firm. Turnover in the firm is also factored into the analysis.

### **Investment Process and Research**

HFG requires that an investment manager must have a fully documented and disciplined investment process which includes appropriate risk controls, compliance policies and procedures as well as trading policies and procedures. Investment decisions must be supported by thorough

research and a rigorous recommendation process. The entire investment and research process must be transparent, documented, and accessible.

The portfolio management team must be able to provide the services required by HFG and must be able to adapt to a plan's or HFG's needs. The team must demonstrate investment best practices and insightful solutions to portfolio structural requirements.

### **Reporting and Client Service**

Investment managers must be able to provide regular reports in a clear and transparent format and must be flexible in the event that HFG requests customized reporting. Investment, trading and compliance professionals must be available on a reasonable basis for portfolio review meetings with HFG.

### **Fees**

The fee structure proposed by an investment manager must be transparent and competitive. HFG will require that an investment manager certify that the fee structure, and any other relationships entered into by the investment manager, does not create any conflicts of interest.

The greatest risk with respect to any an investment manager is the risk that the manager does not prudently perform its contractual responsibilities. This failure can take the form of not following investment guidelines, trading policies or various compliance procedures. These failures raise the prospects of generating significant losses for an investment portfolio.

**Item 9. Disciplinary Information**

There are no legal or disciplinary events pending against either HFG or its partners.



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

### 10A. Broker/Dealer

None of the principals of HFG are registered, or have an application pending to register, as a broker-dealer or as a registered representative of a broker-dealer;

### 10B. Futures Commission Merchant

None of the participants of HFG are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### 10C. Other Conflicts of Interest

The principals of HFG have no other relationships with any type of financial firm, consultant, bank, accounting firm, law firm, insurance agency or any other type of firm which could give rise to a conflict of interest with HFG's clients.

### 10D. Recommendation or Selection of Other Advisors

HFG may, from time to time, either recommend or select other investment managers, consultants, or service providers for its clients. At no time, however, will HFG receive any type of compensation from a third party whom it might select for a client.

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

### 11A. Code of Ethics

HFG maintains a Code of Ethics which is substantially based upon the model Code of Ethics proposed for Chartered Financial Analysts. HFG will make a copy of its Code of Ethics available upon request by clients.

All of HFG's Code of Conduct and compliance policies reflect the following principle: HFG always puts the interests of its clients before the interests of HFG, and any of its employees or owners.

### 11B. Participation or Interests in Client Transactions

Neither HFG nor a related person recommends to clients, or buys or sells for client accounts, securities in which HFG or a related person has a material financial interest.

### 11C. Investment in the Same Securities as a Client

Neither HFG nor a related person invests in the same securities (or related securities, *e.g.* warrants, options or futures) that HFG or a related person recommends to clients.

### 11D. Recommending Securities to Clients to Buy or Sell

Neither HFG nor a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that HFG or a related person sells the same securities for its own (or a related person's) account.

## **Item 12. Brokerage Practices**

HFG assumes discretion over the selection of broker/dealers only in limited circumstances.

### Company Stock Management

When HFG is appointed the discretionary manager of a company stock fund, it will also be granted the discretion to select the broker to effect transactions in the stock. In selecting a broker, HFG will endeavor to choose a broker/dealer capable of providing the services necessary to obtain best execution of the transaction. HFG maintains a list of approved broker/dealers from which it may select a broker-dealer for a particular transaction (the “List”). HFG will also consider a broker/dealer who previously provided services to the client.

On a regular basis, HFG will review and assess the firm’s List. Broker/dealers are evaluated on various criteria, including the commissions schedule, as well as the reliability, integrity and financial condition of the firm, the timeliness and accuracy of trade execution skills, and operation and settlement capabilities. HFG does not commit a specific amount of business to any broker/dealer.

For each transaction, HFG will determine which broker/dealer on an approved list can provide the best execution of a specific transaction. Consideration is given to various factors including consistency of quality execution, general order flow, and market-making skills, ability or willingness to commit capital and provide liquidity, and sales trading and coverage skills. If in a specific set of circumstances, HFG determines that best execution can be obtained from a broker/dealer not on the List, then the trade can be executed with the identified broker/dealer provided the trade is reported to HFG’s Fiduciary Committee (the “Committee”) with an explanation as to why the specific broker/dealer was selected for the transaction.

HFG, in its discretion, may effect transactions through an electronic crossing network (“ECN”) in an attempt to find liquidity or price improvement not available through traditional trading methods. In selecting among market makers, and non-market makers or ECNs, HFG generally seeks to select those firms it believes to be actively and effectively trading the security being bought or sold. HFG may select an ECN offered by a provider of services to HFG in addition to ECN’s offered by other firms.

### **Item 13. Review of Accounts**

HFG fulfills a variety of fiduciary roles for ERISA qualified plans. Given the variety of these roles, there is not single review process for each relationship. Instead, the Fiduciary Committee (consisting of the 2 principals of HFG) will determine the nature and timing of the review for each client relationship and account.

The Fiduciary Committee meets weekly to review client accounts.

The nature of written reports provided to clients will also vary with respect to the nature of the fiduciary engagements. The timing and substance of these written reports will be negotiated with the clients and included in a fiduciary services agreement.

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

### 14 A. Other Compensation

HFG does not receive an economic benefit from anyone who is not a client with respect to providing any investment advice or other advisory services to its clients.

### 14B. Client Referrals

From time to time HFG pays a marketing and client services fee to a third party for the introduction of a client to HFG and the follow up communications with the client. This fee is disclosed in the contract HFG enters into with its client.

**Item 15. Custody**

HFG does not custody any assets.

## **Item 16. Investment Discretion**

For certain engagements, HFG accepts discretionary authority to manage securities accounts on behalf of clients. Typically, this authority is limited to engagements in which HFG is managing a company stock account, or selecting and monitoring insurance wrap contracts for stable value plans.

The delegation of authority to HFG to exercise discretion over certain accounts is reflected in the documents governing the retirement plan, including a fiduciary services agreement which reflects the terms, conditions and limitations, if any, to the engagement.

## **Item 17. Voting Client Securities**

HFG will accept authority to vote client securities for shares of company stock held in qualified retirement plans. Typically this voting relates to unallocated shares of stock and shares for which no participant direction is received by the plan trustee of a defined contribution benefit plan.

In addition, clients may retain HFG for the exclusive purpose of voting proxies with respect to certain shares of stock.

HFG seeks to vote proxies in a manner that enhances long-term value for shareholders and promotes efficient corporate governance practices and oversight. In voting proxies HFG recognizes the rights of shareholders and the need for the board and management of a company to be able to direct and oversee the corporation's activities.

HFG assumes discretion over the voting of proxies and never takes directions from the corporation, or anyone else, with respect to the voting of proxies. HFG strives to vote proxies, in its judgment, in the best interest of plan participants.

HFG maintains Proxy Voting Guidelines and Procedures which are available upon request.



**Item 18. Financial Information**18A. Balance Sheet

HFG does not require or solicit prepayment of any fees, therefore a balance sheet is not included.

18B. Financial Conditions

There are no financial conditions that are reasonably likely to impair HFG's ability to meet contractual commitments to clients.

18C. Bankruptcy Petition

HFG has not been subject to a bankruptcy petition.

**Item 19. Requirements for State Registered Advisers**

Not Applicable.