

## **Global Portfolio Strategies, Inc.**

### **Services Provided to Defined Benefit and Defined Retirement Plans**

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This brochure provides information about the qualifications and business practices of Global Portfolio Strategies, Inc. (GPSI). If you have any questions about the contents of this brochure, please contact Pamela Gedman at 973-367-8683 or [gpssupport@prudential.com](mailto:gpssupport@prudential.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.

Additional information about GPSI also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

GPSI is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

## ITEM 2 – MATERIAL CHANGES

There are no material changes to report. Currently, our brochure may be requested by contacting us at 860-534-7790 or [gpssupport@prudential.com](mailto:gpssupport@prudential.com). Our brochure is also available free of charge on the SEC web site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ITEM 4 – ADVISORY BUSINESS

GPSI was established October 27, 1981. The principal owner of GPSI is Prudential Retirement Financial Services Holding LLC., a wholly owned subsidiary of Prudential Financial Inc. (PFI). This brochure will describe certain services provided by GPSI which include:

- **Consulting Services for Defined Benefit Retirement Plans**
- **Consulting Services for Defined Contribution Retirement Plans, Trusts and Charitable Organizations**

### **Consulting Services for Defined Benefit Retirement Plans:**

GPSI provides asset allocation advice to Defined Benefit retirement plans. We seek to determine a long-term asset class mix for each plan's investment portfolio that is designed to help achieve the highest rates of return consistent with each client's risk tolerance. Our clients are holders of variable insurance contracts issued by our affiliates, Prudential Retirement Insurance and Annuity Company (PRIAC) and The Prudential Insurance Company of America (PICA). These contracts are funded by insurance company separate accounts of PRIAC and PICA, respectively. Contracts may also be funded by the insurance company general account of PRIAC. With respect to the assets held in such accounts, PRIAC and PICA receive investment management advice from various affiliated and unaffiliated registered investment advisers that manage these assets on a day-to-day basis. In some cases, client assets for which we provide asset allocation advice are not limited to PRIAC and PICA separate account contracts. For example, clients may choose to utilize registered mutual funds or collective investment trusts to fulfill the asset class allocation recommendations set for the plan by GPSI.

We typically offer our asset allocation advice in a package of standard service or enhanced service. Under our standard and enhanced service packages, the first step is consulting with you about the needs of your plan. We then develop an appropriate asset allocation strategy and you select the investment options for your plan. The client is responsible for monitoring, selecting, removing and replacing specific plan investments.

We review all requests for asset allocation services that fall outside of the standard and enhanced service packages described below, on a case by case basis. GPSI can provide reporting only service or investment policy statement development. The service can be purchased separately or as a package depending on the needs of your plan. Reviews and reporting are described below in our response to Item 13.

### The Standard Service

Our standard package of service includes an annual review and ongoing maintenance of the asset allocation strategy as needed.

Our standard consulting service include the following:

- Examination of your plan's objectives and the overall investment goals to be met;
- Development of long-term asset allocation strategy focusing on liabilities as well as assets;
- A cash flow analysis based on a five-year holding period which is performed to assess the maximum portion of current and projected funds that should be considered for equity investment;
- A further risk analysis which recommends any adjustments to the maximum equity position depending on your financial and subjective risk tolerance; and
- A diversification of your funds among a number of different asset classes, working within the level of equity exposure that has been determined, and also providing for your plan's liquidity needs.

The development of a long-term asset allocation strategy includes:

- Implementation of long-term asset allocation strategy through evaluation and selection of asset classes. The implementation process helps you achieve your plan's desired asset mix in an orderly manner, over a reasonable period of time. The flow of funds to each asset class is based on your plan's existing assets and the current asset mix, as well as projected contributions, disbursements, and investment income;
- Educating clients on the appropriate standards for their selection and retention of funds and managers. Standards include specific benchmarks for return and risk of various time periods as well as other important criteria;
- Evaluation of plan investment results in light of your plan's overall investment policy;
- Ongoing consulting as circumstances dictate regarding investment policy; and
- Analysis of various quantitative risk/return calculations to ascertain if adequate diversification is provided.

#### The Enhanced Service

Our enhanced service includes all the services under our standard service plus recommending changes to your plan's asset allocation at pre-defined points as your plan's funding status level changes over time.

In addition to the standard service, our enhanced service includes the following:

- Development of an asset allocation strategy with an established "glidepath" (a predetermined change in allocation percentages over time) constructed in a manner with the objective to effectively manage funded status volatility, mitigates undue risk exposure, and becomes more conservative (i.e. more hedged with the plan's liabilities) as the plan increases its funded status.

#### **Consulting Services for Defined Contribution Retirement Plans Trusts and Charitable Organizations:**

We provide consulting services to Defined Contribution retirement plans and Trusts or Charitable Organizations.

These services include, but are not limited to:

- Examination of plan objectives and investment goals;
- Evaluation of investment results in light of your plan's overall investment policy;
- Guidance on appropriate standards for their selection and retention of funds and managers. Standards include specific benchmarks for return and risk of various time periods as well as other important criteria;
- Evaluation and selection of asset classes and recommended investment options appropriate for each plan; and
- Analysis of various quantitative risk/return calculations in order to ascertain whether adequate diversification is provided.

The purpose of our consulting program for sponsors of Defined Contribution retirement plans is to assist clients in managing their fiduciary responsibilities for plan investment allocation and selections under ERISA or other applicable law. This service is available on an ongoing or a one-time only basis.

For Defined Contribution retirement plans, Trusts and Charitable Organizations, we may be requested by a client to review a plan's current investments, using qualitative and quantitative review criteria developed jointly by the client and us. Should the review determine that the existing investments do not satisfy these criteria, we will conduct a fund search process, again using criteria developed in conjunction with the client. We will then present for the client's consideration individual securities or specific investment products identified by the fund search process. The client is responsible for selecting, removing and replacing plan investments.

**Our Assets Under Management:**

For the services listed in this brochure, GPSI does not manage client assets.

**ITEM 5 – FEES AND COMPENSATION****Consulting Services for Defined Benefit Retirement Plans:**

Our stated fee schedule for new Defined Benefit retirement plan clients for our package of standard service is as follows. All fees are negotiable.

	Assets	Annual Fee
First	\$2,500,000	0.40%
next	\$2,500,000	0.15%
next	\$2,500,000	0.10%
next	\$2,500,000	0.05%
next	\$90,000,000	0.03%
over	\$100,000,000	Negotiable

Our stated fee schedule for new Defined Benefit retirement plan clients for our package of enhanced service is as follows. All fees are negotiable.

	Assets	Annual Fee
First	\$2,500,000	0.45%
next	\$2,500,000	0.35%
next	\$2,500,000	0.10%
next	\$2,500,000	0.05%
next	\$90,000,000	0.03%
over	\$100,000,000	Negotiable

There is a minimum fee of \$5,000 for both the standard and enhanced packages.

For clients with multiple plans:

- Total assets are applied to the scale;
- There is an additional charge of \$1,500 for the second and each subsequent plan; and
- Total charges are allocated by plan based on each plan's share of total client assets.

Clients often prefer to agree on a single blended fee rate that reflects the above schedules.

Each year an annual fee will be billed on June 30 and collectible on or by August 1, that is based on assets under GPSI's asset allocation management as of the previous December 31. For clients whose contracts are not in force throughout an entire calendar year fees will be computed on a pro-rata basis.

New clients whose contracts are effective between January 1 and April 30 will be billed on May 31, or after the receipt of their first quarterly report, whichever comes later.

New clients whose contracts are effective after the May 31 billing cycle will be billed on December 31, with fees collectible on or before the following February 1.

Clients electing to discontinue their services may either be due a refund of pre-paid asset allocation fees or will be billed upon receipt of the discontinuance notification depending on the timing of their contract termination. A refund of pre-paid asset allocation fees will be refunded in the same manner they were paid.

Fees for all non-standard asset allocation services will be reviewed on a case by case basis.

**Consulting Services for Defined Contribution Retirement Plans, Trusts and Charitable Organizations:**

Fees for consulting services to Defined Contribution retirement plans range up to \$100,000 annually, depending on the number of services purchased and the frequency of delivery. Fees are billed semi-annually in arrears for all ongoing consulting services. Fees for all one-time services are billed immediately following delivery.

Fees for consulting services to Trusts or Charitable Organizations range up to \$100,000 annually, depending on the number of services purchased and the frequency of delivery. Fees are billed semi-annually in arrears for all ongoing consulting services. Fees for all one-time services are billed immediately following delivery. Fees for fund searches are \$3,000 per asset class.

We may provide advisory services when a client has chosen an investment option for which one of our affiliates provides investment-related services. As is more thoroughly discussed in the Conflicts section in Item 10 below, where this occurs, we will pass through to the customer any fees that GPSI's affiliates receive in connection with these investment options. All clients electing to discontinue their services will be billed upon receipt of the discontinuance notification for services provided through the discontinuance date.

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

We do not charge performance-based fees. Rather, we charge asset based or flat fees for our consulting services to Defined Benefit retirement plans, Defined Contribution retirement plans, Trusts and Charitable Organizations.

## ITEM 7 – TYPES OF CLIENTS

We provide consulting services to retirement plans, including retirement plans of private employers as well as state or municipal government entities. Our principal investment advisory service consists of providing asset allocation advice to Defined Benefit retirement plans. We also provide consulting services to Defined Contribution retirement plans, as well as Trusts and Charitable Organizations. There are no account minimums.

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

**Consulting Services for Defined Benefit Retirement Plans:**

For Defined Benefit retirement plans, we do not offer advice on individual securities or specific investment products. We offer asset allocation advice on the following classes of investments (these are not exclusive):

- Equity;
- Fixed Income;
- Real Estate; and
- Alternative Investments

We look at client plan liability information from sources including:

- The most recent actuarial valuation and underlying data; and
- Interviews with the client regarding risk tolerance and cash flow projections, including contributions and disbursements.

We assign an investment strategist to each client. The investment strategist works with clients to determine the asset allocation needed to cover a plan's liabilities and create reserves for disbursements. They conduct an asset/liability analysis to quantify and manage the risks and opportunities associated with various asset class mixes. We have a long-term approach to setting asset allocation strategies. We do not recommend strategies that respond to short-term market fluctuations.

Clients should keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. It is possible to lose money by investing in securities.

**Consulting Services for Defined Contribution Retirement Plans, Trusts and Charitable Organizations:**

For Defined Contribution retirement plans, Trusts and Charitable Organizations, GPSI conducts fund searches by using information generated through the mutual fund screening process of PRIAC's Investment Products Group. The fund screening process uses both qualitative and quantitative criteria to narrow down the number of mutual funds that should be considered in the selection or replacement of plan investment options.

We use several third-party proprietary databases that contain investment manager and fund information and information from fund sponsors.

For Trusts and Charitable Organizations, we take into account both required and expected disbursements from the following sources:

- The most recent disbursement schedule; and
- Interviews with the client regarding risk tolerance and projected disbursements.

Clients should keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. It is possible to lose money by investing in securities.

**Risks Related to Regulation:**

Laws and regulations affecting our business change from time to time, and we are currently operating in an environment of significant regulatory reform. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide.

**Certain Risks Related to Cybersecurity and Technology:**

Investment advisors, including GPSI, must rely in part on digital and network technologies to conduct their businesses and to maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by ourselves, as well as, those owned or managed by others, such as custodians, financial intermediaries, transfer agents, and other parties to which we or they outsource the provision of services or business operations.



Like all businesses that use computerized data, we and our affiliates and the systems we use might in some circumstances be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers mounting an attack on computer systems. We and our affiliates have implemented and maintain an information technology security policy and program that includes certain technical and physical safeguards intended to protect the integrity, availability and confidentiality of the data we have and they systems that store it and take other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction.

Nevertheless, despite reasonable precautions, cybersecurity incidents could occur, and might in some circumstances result in unauthorized access to sensitive information about us or our clients. In addition, such incidents might cause damage to client accounts, data, systems or affect client services.

Furthermore, these systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or others' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

## ITEM 9 – DISCIPLINARY INFORMATION

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of us or the integrity of our management. We have no facts or events to report in response to this Item.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### **Financial Affiliates and Activities including Conflict of Interest:**

As an indirect, wholly-owned subsidiary of PFI and part of a diversified global financial services organization. We are affiliated with many types of U.S. and non-U.S. financial service providers, including insurance companies, broker-dealers, commodity trading advisors, commodity pool operators and other investment advisers. Some of our employees are officers of and/or provide services to some of these affiliates. Those affiliates' products and services are very often offered together with ours, including as part of an integrated product offering by Prudential Retirement. These situations are described more fully below:

- Our clients are holders of variable insurance contracts issued by our affiliates, PRIAC and PICA. These contracts are funded by insurance company separate accounts of PRIAC and PICA. Contracts may also be funded by the insurance company general account of PRIAC.
- With respect to the assets held in these insurance company separate accounts and/or general accounts, PRIAC and PICA receive advice from various affiliated and unaffiliated registered investment advisers that manage these assets on a day-to-day basis.
- PRIAC and PICA typically provide various administrative and recordkeeping functions for our clients.

- Certain mutual funds included in the fund search process offered to Defined Contribution retirement plans may include affiliated funds or funds that pay revenue to our affiliated entities.
- Mutual funds managed and/or distributed by a GPSI affiliate that are made available to GPSI Defined Benefit clients with asset allocation services generate greater revenue to that affiliate, which will result in greater commissions to the affiliate's sales force than nonproprietary funds.

#### **Conflicts of Interest:**

The integrated structure described above can result in an actual or perceived conflict of interest on our part, so that GPSI's asset allocation advice might be regarded as inappropriately generating fees to us or our affiliates. We seek to address these conflict situations in several ways.

First, where our asset allocation service clients select general account and separate account investments of PRIAC, or other funding options offered by PICA or PRIAC, clients are fully informed in advance of the investment fees retained by our affiliates.

Also, there may be situations where our affiliates receive a fee with regard to an investment option selected by GPSI (such as an investment management fee for a mutual fund). In that event, GPSI will pass through to clients any fees paid to GPSI's affiliates by the client.

More generally, the portfolio managers of our affiliated sub-advisers (PGIM, Inc., Jennison Associates, LLC and QMA LLC) are often responsible for managing multiple accounts, including accounts of affiliates, institutional accounts, mutual funds, insurance company separate accounts and various pooled investment vehicles, such as commingled trust funds and unregistered funds. These affiliations and portfolio management responsibilities may cause potential and actual conflicts of interest. We and our affiliated sub-advisers aim to conduct ourselves in a manner we consider to be the fairest and consistent with our fiduciary obligations to all of our respective clients.

For a description of our sub-advisers, potential and actual conflicts of interest, as well as the policies and procedures they have in place to mitigate these potential and actual conflicts, please see their respective investment adviser brochures at <http://www.adviserinfo.sec.gov/>.

Certain Defined Benefit plan clients utilize our affiliate Prudential Bank & Trust (PB&T) as a plan trustee.

Like other investment advisers, we are subject to various conflicts of interest in the ordinary course of our business. We strive to identify potential risks, including conflicts of interest, which are inherent in our business, and conduct formalized annual conflict of interest surveys. When actual or potential conflicts of interest are identified, we seek to address such conflicts through one or more of the following methods:

- Elimination of the conflict;
- Disclosure of the conflict; or
- Management of the conflict through the adoption of appropriate policies and procedures.

We follow PFI's policies on business ethics and personal securities trading by investment personnel, and have adopted a Code of Ethics, supervisory procedures, and conflicts of interest policies, among other policies and procedures, which are designed to ensure that clients are not harmed by potential or actual conflicts of interests. However, there is no guarantee that such policies and procedures will detect and ensure avoidance or disclosure of each and every potential conflict that may arise.

Our proxy voting obligations are described in Item 17.

## ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### **Code of Ethics:**

We maintain a Code of Ethics as required by applicable SEC rules. Our Code of Ethics requires employees to conduct business in an honest and forthright manner in accordance with the highest of ethical standards. In addition, the Code of Ethics requires employees to put client interests ahead of our own and disclose actual and potential meaningful conflicts of interest. The Code of Ethics incorporates our Personal Securities Trading policies that are described in greater detail below. Our employees are required to report any violation of the Code of Ethics promptly to our chief compliance officer.

We will provide a copy of our Code of Ethics to clients or prospective clients upon request.

### **Participation or Interest in Client Transactions:**

GPSI does not have participation or interest in Client Transactions.

### **Information Barrier Policy:**

The Code of Ethics also includes the US Information Barrier standards. The standards prohibit sharing material non-public information (MNPI) with other areas of the company except on a need to know basis. These standards are designed to impose restrictions on communication used with issuer related MNPI. Specifically, employees may not communicate to any employee of another area of the company (whether or not material or nonpublic) with respect to an issuer whose name appears on his or her restricted list or any other identified issuer of publicly traded securities with respect to which he or she has MNPI. In addition, employees may not communicate with any employee of another area of the company for the purpose of eliciting MNPI with respect to an issuer of publicly traded securities and determining whether they have MNPI with respect to particular issuers of publicly traded securities; or determining whether the names of particular issuers of publicly traded securities appear on another area's restricted list.

### **Personal Securities Trading Standards:**

We maintain a Personal Securities Trading policy that governs the trading activities of our employees. Depending upon their classification under the policy, employees may be required by the policy to:

- Report personal securities transactions to our corporate compliance unit;
- Pre-clear personal securities transactions;
- Maintain brokerage accounts only with certain approved brokers that report transaction information to our corporate compliance unit; and
- Annually report securities holdings to our corporate compliance unit.

In certain classifications we compare personal trading activity versus firm trading and restricted list content as well as the rules listed above, and any matches are investigated by our compliance unit. An ethics committee meets regularly to consider possible violations and take disciplinary action where appropriate.

Employees receive periodic training regarding our Personal Securities Trading policies. In addition, employees must annually confirm that they have read and understand our Code of Ethics, including the Personal Securities Trading policy.

**Outside Business Activities:**

From time to time, certain of our employees or officers may engage in outside business activities, including outside directorships. Outside business activity where an employee is a director, officer, employee, partner or trustee or otherwise holds any other position of substantial interest is subject to prior approval pursuant to our personal conflicts of interest and outside business activities policy that is contained in our Code of Ethics and Personal Trading policy. Actual and potential conflicts of interest are analyzed during such approval process.

**Gifts & Entertainment Policy:**

Our employees may occasionally give or receive gifts, meals or entertainment of moderate value, subject to compliance with applicable laws and regulations and rules of self-regulatory organizations. We have adopted a policy to address the conflicts of interest related to gifts and entertainment, such as the appearance of having given or received something of value that influenced our business decisions or the business decisions of our clients. The policy requires the reporting and preclearance of gifts, meals and entertainment given or received which exceed certain thresholds. In addition, our employees are prohibited from soliciting the receipt of gifts, meals or entertainment. Compliance will periodically review summaries of gifts and entertainment activity to detect trends of abuse, conflicts of interest, or possible violations of the policy.

**Political Contributions:**

Due to the potential for conflicts of interest, we have established policies and procedures relating to political contributions that are designed to comply with applicable federal, state and local law. Under our political contributions policy, certain employees (including spouses and dependent children) must obtain preapproval before making any political contribution. This policy also prohibits our employees from making any political contributions with the intent of influencing a public official regarding the award of a contract to GPSI.

## ITEM 12 – BROKERAGE PRACTICES

We do not require customers to conduct any transactions through brokerage firms chosen by us. We do not recommend that customers use any specific brokerage firms, nor do we receive any consideration from any brokerage firm in connection with client transactions.

GPSI has no “soft dollar” arrangements in place with any other firm.

## ITEM 13 – REVIEW OF ACCOUNTS

### Account Reviews

**Consulting Services for Defined Benefit Retirement Plans:**

Our standard and enhanced packages of asset allocation services and any nonstandard package of services, typically includes an annual review and quarterly asset allocation reports. On an annual basis, our investment strategist performs an account review that includes analyzing the rationale for the long-term asset allocation strategy. For the nonstandard services, the performance of the funds selected for the plan may also be reviewed. Reports for one-time services will be delivered at a date agreed upon by GPSI and the client.

For new clients receiving the standard or enhanced package of asset allocation service for Defined Benefit retirement plans, in the absence of additional demographic data each strategist will evaluate the client's existing allocation and will implement a strategy based upon the information available to the strategist. Upon receipt of the additional data and discussions to evaluate the client's risk tolerance, a new strategy may be set and implemented. Annual reviews are conducted thereafter as described above.

Each strategist is responsible for setting, maintaining, implementing and reviewing the allocation strategy, and where applicable, the plan's fund selection. Each strategist is generally responsible for no more than 100 clients.

**Consulting Services for Defined Contribution Retirement Plans, Trusts and Charitable Organizations:**

Our Consulting Service typically includes a quarterly investment performance reports, including presentations at plan committee meetings as requested. Quarterly updates on fund managers, including whenever there is a performance issue or a change in the manager's management team that GPSI believes significant, as this information becomes publicly available. This will include a quarterly analysis of each fund's compliance with the applicable plan's investment policy statement criteria and a review to address portfolio or firm level changes affecting the fund client reports.

Client Reports

**Consulting Services for Defined Benefit Retirement Plans:**

A client with our standard or enhanced package of asset allocation services typically receives quarterly asset allocation reports. The quarterly report may include rates of return, status of assets, strategy summary, performance comparisons and an asset allocation update.

**Consulting Services for Defined Contribution Retirement Plans, Trusts and Charitable Organizations:**

A client with our standard package of fund evaluation services receives quarterly performance reports with quarterly updates or performance results. Reports may include an investment policy statement if that service was also selected.

For the one-time service option, one set of reports which may include an investment policy statement and performance results will be delivered at a date agreed to by GPSI and the client.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

We do not accept or pay referral fees in connection with Consulting Services for Defined Benefit and Defined Contribution retirement plans.

## ITEM 15 – CUSTODY

**Consulting Services for Defined Benefit Retirement Plans:**

With respect to our consulting services to Defined Benefit plans, although we do not have possession of client assets, because our affiliate PB&T serves as plan trustee or custodian, in our opinion the SEC custody rule deems us to have custody over certain assets of those clients. Defined Benefit plan sponsors will receive account statements from PB&T and/or third party qualified custodians with possession of client assets no less frequently than quarterly and should carefully review those statements.

## ITEM 16 – INVESTMENT DISCRETION

### **Consulting Services for Defined Benefit Retirement Plans:**

We do not determine individual securities to be bought or sold for Defined Benefit retirement plans. Rather, we determine the amount to rebalance, and implement the rebalancing by asset class and by fund, based on the funds selected by the client to implement and maintain the asset allocation.

### **Consulting Services for Defined Contribution Retirement Plans, Trusts and Charitable Organizations:**

For Defined Contribution retirement plans, Trusts and Charitable Organizations, we may identify for a client's consideration individual securities or specific investment products through a fund search when the current plan investments do not meet qualitative and quantitative review criteria. The client is responsible for selecting, removing and replacing plan investments.

## ITEM 17 – VOTING CLIENT SECURITIES

For Defined Benefit plan clients, the client is responsible for voting proxies. All proxies are sent to the client by Broadridge Investor Communication Solutions, Inc., an outside vendor we have contracted with to provide this service.

For Defined Contribution plan clients, the client is responsible for voting proxies.

## ITEM 18 – FINANCIAL INFORMATION

We have no financial commitment that impairs our ability to meet contractual commitments to our clients.