



**Gallagher**

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## **Item 1 – Cover Page**

### **Gallagher Fiduciary Advisors, LLC**

**2850 Golf Road Rolling Meadows, IL 60008**

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

**March 31, 2025**

This Brochure provides information about the qualifications and business practices of Gallagher Fiduciary Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 212-918-8629 or at [gbs.frs.compliance@ajg.com](mailto:gbs.frs.compliance@ajg.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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



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## **Item 2 – Material Changes**

There are no changes in this ADV Part 2A (or “Brochure”) that materially change any of the services to our clients.

Any changes to the text herein were intended solely to better describe our business.

Our assets under management has been updated and includes balances from our recent acquisitions.

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

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## **Item 4 – Advisory Business**

Arthur J. Gallagher & Co. (“AJG”) and Gallagher Benefit Services, Inc. (“GBS”), established Gallagher Fiduciary Advisors, LLC, (“GFA”) in 2008. GFA is the registered investment adviser subsidiary of GBS, one of the world’s largest employee benefits consulting firms. GBS and GFA are owned by Arthur J. Gallagher & Co. (“AJG”), the New York Stock Exchange-listed insurance brokerage and risk management firm (trading under the symbol “AJG”). GFA provides retirement, investment advice/consulting and decision-making to institutional investors, which include public and private sector employee benefit plans (including multiemployer plans), charitable institutions, foundations, endowments, labor organizations, state or municipal government entities, hospitals, non-profit organizations, private trusts, and corporations or business entities, insurance companies and individuals. For more information regarding Gallagher’s institutional investor services, please see our separate ADV 2A Brochure for institutional investors. This Brochure provides information regarding our investment services for individuals.

### **Investment Services**

Investment services are provided on a non-discretionary and discretionary basis, at the direction of the client. Clients engaging us on either basis will be asked to grant such authority upon signing the Client Agreement. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for investment services, we will meet with you at the beginning of our advisory relationship to determine your investment objectives, time horizon, risk tolerance, and other relevant information. After we meet with you, we will develop a portfolio customized to your specific needs as we understand them based on our discussions with you. This portfolio may be comprised of, but is not limited to, equities, mutual funds, fixed income and exchange-traded funds.

If the client selects a discretionary basis, the client grants GFA ongoing and continuous discretionary authority to make and to enter orders with a broker-dealer for the execution of its investment recommendations in accordance with the client’s suitability information without the client’s prior approval of each specific transaction. All transactions in the clients’ account shall be made in accordance with the directions and preferences provided to GFA by the client.

As part of our investment management services, we may use one or more third-party money manager(s) to manage a portion of your account on a discretionary basis. While the chosen third-party money manager(s) will provide advice on specific securities and/or other investments in connection with this service, our firm has discretionary authority to hire and fire such managers and reallocate assets among them as deemed appropriate.



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If the client selects a non-discretionary basis, the client grants GFA ongoing and continuous non-discretionary authority to make its investment recommendations in accordance with the suitability information provided by the client. However, GFA must obtain the client's approval of each specific recommendation prior to entering orders with a broker-dealer for the execution of its investment recommendations. We will monitor your accounts on an ongoing basis to ensure that they are meeting your investment objectives and other requirements. If any changes are needed to your investments, we will either make the changes or recommend the changes to you. You will receive written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive statements at least quarterly from your account custodian.

### **Portfolio Management Services**

We also offer risk-adjusted model portfolios and strategies that are designed to meet the needs of our clients. The model/strategy fee is in addition to your advisory fee and may cost up to 85 basis points, depending on the model/strategy selected. The investment management services provided by us may cost more or less than obtaining the same or similar services through an unaffiliated investment manager. No Client or advisor is under any obligation to utilize our portfolio management services.

The asset allocation within our models attempts to provide consistent, risk-adjusted performance, but we cannot make any guarantees that our model allocations will produce the desired results. Results depend upon a variety of factors and risks, some of which are outlined below and many of which are beyond our control. Although we continually monitor our models, client positions are rebalanced not less frequently than quarterly. We primarily allocate client assets among various mutual funds, exchange-traded funds ("ETFs"), and individual debt securities in accordance with each client's stated investment objectives.

ETF prices, like stocks, can fluctuate over a wide range in the short term or over extended periods of time. These price fluctuations result from factors affecting individual companies, sectors or the securities market as a whole. When buying or selling an ETF, you will pay or receive the current market price, which can be more or less than the underlying net asset value of its individual holdings. There is no guarantee that the stock or bond markets or any particular mutual fund, ETF, or other security will increase in value. We tailor our advisory services to meet the needs of our individual clients, and we seek to ensure, on a continuous basis, that our clients' portfolios are managed in a manner consistent with those needs and objectives. We consult with clients initially, at the outset of our relationship, and continually in an ongoing manner to assess each of their specific risk tolerance, time horizon, liquidity constraints, and other related factors relevant to the management of their portfolios as they change over time. Clients are instructed and encouraged to promptly notify us if there are changes to their financial situations or if they wish to place any reasonable restrictions or limitations on the

management of their portfolios (so long as we determine that the conditions would not materially affect the performance of a management strategy or prove overly burdensome to our ability to provide our services).

In our model portfolios, we offer core risk-adjusted strategies to meet the needs of our clients, such as:

1. Capital Preservation
2. Moderate Conservative
3. Moderate
4. Moderate Growth
5. Growth
6. Maximum Growth

The core strategies are offered through four programs that are listed below. Custom strategies may be available for any client who feels their objectives and needs cannot be met with the other strategies above. These custom portfolios will be guided by the client's objectives, financial and tax status, risk tolerance and other factors. Please note, the fees listed are **in addition** to the fees discussed earlier in this disclosure document. Our fees can be individually negotiated between clients and our investment advisor representatives and could vary based upon certain criteria, such as related accounts and relationships, account composition, pre-existing/legacy client relationship, and account retention considerations, among other factors. We encourage all clients and potential clients to discuss fees with their investment advisor representative.

1. **Name:** Independence
  - a. **Description:** Our suite of Independence Strategies provides a turn-key approach to investing catered to smaller account balances. These Strategies are designed to gain diversified exposure to core asset classes across U.S. Stocks, Bonds, and International Stocks. Investors in the Independence Strategies utilize a single account structure to deliver a fully diversified portfolio. This enables the Investment Management Team to utilize successful managers in predominantly the mutual fund space.
  - b. **Minimum:** \$3,000
  - c. **Maximum Fee:** 35bps

2. **Name:** Liberty

- a. **Description:** Our suite of Liberty Strategies provides a turn-key approach to investing. These Strategies are designed to gain diversified exposure to core asset classes across U.S. Stocks, Bonds, and International Stocks. Investors in the Liberty Strategies utilize a single account structure to deliver a fully diversified portfolio. This enables the Investment Management Team to utilize successful managers in both the mutual fund and exchange traded fund (ETF) space, as well as incorporate their own proprietary strategies.
- b. **Minimum:** \$25,000 to \$250,000 depending on model
- c. **Maximum Fee:** 35bps

3. **Name:** Freedom

- a. **Description:** Our suite of Freedom Strategies provides a turn-key approach to investing. These strategies are designed to gain diversified exposure to core asset classes across U.S. Stocks, Bonds, and International stocks. Investors in the Freedom Strategies have the largest universe of investments due to the unified managed account (UMA) structure. This enables the Investment Strategy Team to utilize successful managers in both funds (mutual funds and ETFs) and separately managed account space, as well as incorporate their own proprietary strategies.
- b. **Minimum:** \$100,000 to \$1,000,000 depending on model
- c. **Maximum Fee:** 85bps

4. **Name:** TRU

- a. **Description:** Our suite of TRU Strategies provides a retirement income focused approach to investing. They are designed to deliver diversified exposure to the TRU Method mean-reversion relative valuation weighted mix across U.S. equities, fixed income, and limited international developed and emerging equities. The asset allocations for these strategies seek to follow a disciplined process to define weightings optimized for supporting sustainable retirement income and is overseen by the TRU Method investment team. Investors in the TRU Method strategies draw from a large universe of investments due to breadth of offerings on the custodial advisory platform. This enables the TRU Method investment management

team to utilize a large universe of passive and active managers to align the sleeve weightings with the allocation targets in operating their proprietary strategies.

- b. **Minimum:** \$25,000 to \$500,000 depending on model
- c. **Maximum Fee:** 35bps

### **Financial Planning and Consulting Services**

GFA may provide financial planning services to Clients as part of the investment advisory engagement or as a separate engagement, depending on the Client's financial situation, goals, and objectives.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, estate planning, personal savings, education savings and other areas of a Client's financial situation.

A financial plan developed for, or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. GFA may also refer Clients to an accountant, attorney or other specialist, as appropriate for their unique situation. For certain financial planning engagements, GFA will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, GFA may not provide a written summary. Plans or consultations are typically completed within six months of the contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a potential conflict between the interests of GFA and the interests of the Client. Clients are not obligated to implement any recommendations made by GFA or maintain an ongoing relationship with GFA. If the Client elects to act on any of the recommendations made by GFA, the Client is under no obligation to implement the transaction through GFA. Ultimately the Client has the discretion to decide whether to implement the plan or recommendations and takes responsibility for this decision.

You are responsible for promptly notifying GFA of any material changes in the





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information furnished by you regarding your financial situation, investment objectives, time horizon, risk tolerance and other relevant information. You may at any time place reasonable restrictions on the management of your account by notifying us of such restrictions in writing. The Client Agreement outlines the responsibilities of both the client and GFA.

### *Osaic Wealth Management Platform*

We offer investment management services through various types of accounts established by Osaic Wealth, Inc (“Osaic”) on its Wealth Management Platform (“WMP”). The Osaic WMP - Advisor Managed Portfolios Program (“Advisor Managed Portfolios”) provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through National Financial Services, Inc. (“NFS”).

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussions that you and your investment adviser representative (“IAR”) have together regarding, among other things, your personal investment objectives and goals, time horizon, risk tolerance, account restrictions, needs, personal circumstances and overall financial situation, we construct a portfolio of investments for you. Your IAR has the option to allocate your portfolio amongst a mix of stocks, bonds, options, exchange-traded funds (“ETFs”), mutual funds and other securities (“Program Investments”) which are based on your investment goals, objectives, and risk tolerance.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

The Osaic WMP - Unified Managed Account Program (“UMA”) provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. UMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

After you discuss your financial goals and objectives with your IAR, we will recommend an asset allocation model (“UMA Model”) to you which will consist of:

- a) Investment Strategies serviced and created by investment managers or your IAR that generally consist of a selection of mutual funds, exchange traded products, equities, and or bonds;
- b) Mutual funds and ETFs (“Funds”);
- c) or a combination of the preceding bundled together in an investment asset allocation model.

We will recommend a UMA Model to you based on your responses to a Questionnaire and discussion that we have together regarding among other things, your personal

investment objectives and goals, time horizon, risk tolerance, account restrictions, needs, personal circumstances and overall financial situation. In addition, you can place reasonable restrictions on investments held within your UMA account. All recommendations in the UMA are made on a discretionary basis, which means your IAR can act without your prior approval.

For further details regarding the Advisor Managed Portfolios or UMA, please refer to the Osaic Advisor Managed Portfolios Wrap Fee Program Brochure or the Osaic WMP - Unified Managed Account Wrap Fee Program Brochure. We provide the relevant brochure to you prior to or concurrent with your enrollment in these programs. Please read it thoroughly before investing.

### *Retirement Plan Rollovers*

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

A conflict of interest arises when we advise clients to roll over retirement assets to accounts under our management or oversight. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommend that a client roll over their retirement plan

assets into an account under our management or oversight by GFA, we have a conflict of interest as we will earn a new (or increase our current) advisory fee as a result of the rollover. We address this conflict of interest by reviewing any such recommendation to ensure it is in the best interest of the client. No client is under any obligation to roll over retirement plan assets to an account managed by us.

### **Investment Advisor Representatives**

Our firm may offer services through our network of independent investment advisor representatives (“Reps”). Reps are not GFA employees and may have their own legal business entities whose trade names and logos may be used on separate marketing materials. The Client should understand that the businesses are legal entities of the Reps and not of our firm. The Reps are under the supervision of our firm and the advisory services of the Reps are provided through our firm. A complete listing of the entities is listed on our ADV Part 1.

### **Wrap Fee Programs**

Some of our accounts are offered through Osaic’s wrap fee programs as described above. Other accounts are offered through our wrap fee program that we sponsor at fidelity. The advisory fee paid by the client includes advisory services, brokerage services and custodial services in a single asset-based fee. We believe the charges and fees offered within each wrap fee program are competitive and reasonable when compared to alternative programs available through other firms. However, we make no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere or if you were to receive these services separately. If you participate in a wrap fee program, we will provide you with a separate Wrap Fee Program Brochure explaining the program and costs associated with the program.

### **Assets Under Management**

As of December 31, 2024, with respect to retail clients, GFA managed, on a discretionary basis, \$ 938,663,185 in assets.

## **Item 5 – Fees and Compensation**

GFA may charge fees to investment clients as a flat fee or based on a percentage of assets under management or advisement. The specific fees charged by GFA for its services will be outlined in each client’s Client Agreement.

GFA’s fee schedule is up to 2.00%.

Fees for the initial period of investment services are pro-rated based on the portion of the quarter remaining and billed in the month following the month in which the account was established. Fees for subsequent quarters are adjusted for deposits and

withdrawals in excess of \$10,000 are made during the prior quarter pro-rata based on the asset value of the transaction.

Either party may terminate the agreement at any time upon a written notice to the other party.

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

#### ***OSAIC WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS PROGRAM***

Osaic offers Advisor Managed Portfolios as an account where no separate transactions charges apply, and a single fee is paid for all advisory services and transactions ("Wrap Account").

They also offer Advisor Managed Portfolios with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below for advisory services, you will also pay separate per-trade transaction charges.

You will pay a monthly or quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar month or quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid monthly or quarterly fees based upon the number of days remaining in the month or quarter after the date upon which the notice of termination is received.

Each of our IARs in consultation with GFA leadership negotiates his or her own account fee schedule.

Mutual funds and ETFs invested in the account have their own internal fees which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus).

Some Fund fees include 12b-1 fees which are internal distribution fees assessed by the Fund, all or a portion of which are paid to the distributor(s) of the Funds. The Firm and your Advisory Representative do not retain 12b-1 fees paid by the Funds.

In certain instances, there is an opportunity to be eligible to purchase certain mutual funds and ETFs without incurring transaction charges subject to certain conditions.

For details, please refer to Item 4 (No Transaction Fee Programs) of the Osaic Advisor Managed Portfolios wrap fee brochure.

For complete fee details, including account fee schedule guidelines and a list of transaction charges, please see the Osaic Advisor Managed Portfolios Wrap Fee Program Brochure.

### ***OSAIC WEALTH MANAGEMENT PLATFORM – UNIFIED MANAGED ACCOUNT PROGRAM***

We offer UMA as an account where no separate transactions charges apply, and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

Each of our IARs in consultation with GFA leadership negotiates his or her own account fee schedule. The account fees paid by client include portions paid to your Advisory Representative ("Advisory Fees"), as well as to the Firm, the custodian, and the third-party money managers selected ("Program Fees"). Advisory Fees are set independently regardless of the manager selected. Mutual funds and ETFs invested in the account also have their own internal fees ("internal fund expenses") which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus). Since fees billed to your UMA account are comprised of both Program Fees and Advisory Fees, Advisory Representatives may have an incentive to select third party money managers with lower Program Fees in order to manage the overall fee charged to you. You and your Advisory Representative should consider the overall fees and expenses, including internal fund expenses, when selecting managers and other portfolio investments.

For complete fee details, including account fee schedule guidelines, please refer to The Osaic Wealth Management Platform – Unified Managed Account Wrap Fee Program Brochure, as applicable.

Clients in Non-Wrap Accounts on Osaic's WMP platform will incur transaction charges per trade in addition to the quarterly account fee. Transaction charges are generally included in the quarterly account fee for clients in Wrap Accounts on Osaic's WMP platform. All accounts on Osaic's WMP platform, including Wrap Accounts, may incur other ancillary charges which are not included in the quarterly account fee including IRA and Qualified Retirement Plan account maintenance and termination fees, transfer costs, margin interest, national securities exchange fees, costs associated with

exchanging currencies, wire transfer fees, paper confirmation fees or other fees as required by law. Clients are responsible for all additional fees, expenses and charges for which they become obligated under any separate agreement with the custodian.

GFA'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.

Mutual funds and exchange traded funds 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 GFA's fee, and GFA does not receive any portion of those commissions, fees, and costs. For more information on our brokerage practices, please refer to Item 12 – Brokerage Practices.

The amount of the administrative fee payable to Osaic is subject to a discount if GFA maintains Advisor Managed Portfolios or UMA accounts with aggregate assets under management at target levels negotiated with Osaic. The amount of the discount is adjusted on a yearly basis. This presents a conflict of interest, as GFA has an incentive to recommend that clients open Advisory Managed Portfolios or UMA accounts in order to retain a larger amount of the total account fee paid by each client who opens an account on Osaic's WMP platform. GFA addresses this conflict of interest by ensuring that any such recommendations are in the client's best interest.

Certain of GFA's supervised persons are registered representatives of Osaic (CRD No. 23131), a registered broker-dealer (member FINRA and SIPC). As registered representatives of Osaic, they will earn commissions for selling securities products in this separate capacity to clients of GFA. An affiliate of GFA, GBS Retirement Services, Inc. ("GBSRS"), also has an arrangement with Osaic in which it will receive commissions for brokerage services provided by GFA's supervised persons who are also registered representatives of Osaic. These arrangements present a conflict of interest because our supervised persons who are registered representatives have an incentive to recommend securities products to you for the purpose of generating commissions rather than solely based on your needs. To mitigate this conflict of interest, we or our delegate require all supervised persons to ensure that any such recommendations are in the client's best interest.

Certain of GFA's supervised persons may refer clients to GBS Insurance and Financial Services, Inc. ("GBS Insurance"), an affiliated insurance agency. These persons will



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

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

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

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

GFA 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, GFA 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**

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

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

GFA utilizes different methods of analysis and investment strategies. Our asset allocation and investment evaluation work spans quantitative as well as qualitative considerations, including traditional modeling, economic conditions and scenarios, and an interrelated set of cash flow, operational, and other considerations. We work with clients to establish a long-term, strategic asset allocation at the "total portfolio level" that is based on a deliberate and evaluative review of the client's investment objectives, risk tolerance and other relevant information to form a sound foundation for the overall investment program and a road map for implementing investment strategies. We



discuss with clients the risks associated with equities, fixed income, and alternative strategies (such as hedge funds of funds, real estate, commodities, and private equity/debt) as well as the relative merits of each. As the capital markets evolve over time and certain asset classes present compelling investment opportunities, we re-review our clients' strategic asset allocation to make sure it remains efficient and appropriate. GFA continually monitors client accounts, performing periodic reviews with clients. In addition, we use tools to evaluate current investment positions as well as research potential fund replacements as additional resources. GFA has an asset allocation modeling software which enables us to model severe market dislocations and how client portfolios would likely react under stressed market conditions.

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 their attitudes toward risk. It is often difficult to assess attitudes toward risk because of diverse views among individuals. Our assessment of the client's financial position and capacity for risk (and thus, certain investment strategies) might differ from the client's own assessment.

Investing in securities involves risk of loss that clients should be prepared to bear. GFA does not recommend primarily any particular type of security. The client bears the risk of loss on its investments. It is impossible to describe all possible types of risks which may affect investments. Among the risks are the following:

- Market Risks. Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- Currency Risk. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Interest Rate Risk. Movements in interest rates may directly cause prices of fixed income securities to fluctuate. For example, rising interest rates can cause "high quality, relatively safe" fixed income investments to lose principal value.
- Credit Risk. If debt obligations held by an account are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and interest when due, the value of those obligations may decline, and an account's value

may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly “junk” or “high yield” bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher-rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, to ratings downgrades, and to liquidity risk.

- Purchasing Power Risk. Purchasing power risk is the risk that an investment’s value will decline as the price of goods rises (inflation). The investment’s value itself does not decline, but its relative value does. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- Liquidity Risk. Liquidity is the ability to readily convert an investment into cash. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.
- Political Risks. Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- Regulatory Risk. Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- Risks Related to Investment Term. If the client requires a liquidation of their portfolio during a period in which the price of the security is low, the client will not realize as much value as they would have had the investment had the opportunity to regain its value, as investments frequently do, or had it been able to be reinvested in another security.
- Business Risk. Many investments contain interests in operating businesses. Business risks are risks associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Financial Risk. Many investments contain interests in operating businesses. Excessive borrowing to finance a business’ operations decreases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- Default Risk. This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- Large-Cap Stock Risk. Investment strategies focusing on large-cap companies may underperform other equity investment strategies as large cap companies may not experience sustained periods of growth in the mature product markets in which they operate.
- Small/Mid-Cap Stock Risk. Investment strategies focusing on small- and mid-cap stocks involve more risk than strategies focused on larger more established companies because small- and mid-cap companies may have smaller revenue, narrower product lines, less management depth, small market share, fewer financial resources and less competitive strength.
- Fixed-Income Market Risk. Economic and other market developments can adversely affect fixed-income securities markets in Canada, the United States, Europe and elsewhere. At times, participants in debt securities markets may develop concerns about the ability of certain issuers to make timely principal and interest payments, or they may develop concerns about the ability of financial institutions that make markets in certain debt securities to facilitate an orderly market which may cause increased volatility in those debt securities and/or markets.
- Risks of Investment in Futures, Options and Derivatives. Such strategies present unique risks. For example, should interest or exchange rates or the prices of securities or financial indices move in an unexpected manner, we may not achieve the desired benefits of the futures, options and derivatives or may realize losses. Thus, the client would be in a worse position than if such strategies had not been used. In addition, the correlation between movements in the price of the securities and securities hedged or used for cover will not be perfect and could produce unanticipated losses.
- ETF Risk. The returns from the types of securities in which an ETF invests may underperform returns from the various general securities markets or different asset classes. The securities in the underlying indexes (the "Underlying Indexes") may underperform fixed-income investments and stock market investments that track other markets, segments and sectors. Different types of securities tend to go through cycles of out-performance and under-performance in comparison to the general securities markets.

## 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 GFA or the

integrity of GFA.

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

## **Item 10 – Other Financial Industry Activities and Affiliations**

GFA is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Certain of our employees are registered representatives of a broker-dealer, as further described below. Neither the firm nor any of its management employees are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities. Lastly, other than as described below or in our ADV or a consultant's ADV 2B Brochure, neither GFA nor any of its management employees have any material relationships or arrangements with any related broker-dealer, municipal securities dealer, government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), other investment adviser or financial planner, futures commission merchant, commodity pool operator, commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships.

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

Some consultants for GFA provide fiduciary consulting services to small, mid, and large retirement plans, including 401k, 403b, 457, defined benefit, and nonqualified plans. A plan sponsor client of these consultants may choose to pay such fees for services rendered to a defined contribution plan with revenue generated within the plan or with hard dollars. The client chooses the method of payment; GFA is indifferent to which method the client selects. To accommodate clients that choose to pay within the plan (via commissions), a separate wholly-owned subsidiary called GBS Retirement Services, Inc. ("GBSRS"), a limited purpose, constructive receipt, registered broker dealer was established whose primary function is to receive those plan-generated fees arising from transactions executed by Osaic, an unaffiliated broker-dealer firm. GFA does not receive any of those fees. While GBSRS is registered with FINRA and is registered in Illinois, New York and Texas as an investment adviser, GBSRS cannot

and does not execute or clear securities transactions and cannot and does not receive commissions from any investment manager; it receives monies only from Osaic arising from transactions the latter executes. GFA believes this structure prevents the conflicts that other broker-dealer affiliates may pose. We will have a conflict of interest in that we will have an incentive to recommend commissionable securities based on the receipt of commissions, rather than based on the client's needs. We address this conflict of interest by ensuring that any such recommendations are in the client's best interest.

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

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

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

Commissions earned by these persons are separate and in addition to our advisory fees. Securities and insurance products are available through other channels and as a client you are not obligated to purchase products recommended by our supervised persons.

We recommend and assist clients in selecting the managed account programs of Osaic. If a third-party managed account program is selected for a GFA client, they will receive

the Form ADV Part 2A or Appendix I, as applicable, (disclosure brochure) for the managed account program. Clients are encouraged to review these disclosures to understand all material aspects of the program including relevant fees and conflicts of interest. We have a conflict of interest in that we will only use or recommend sub-advisers or other third-party managers that have a relationship with GFA and have met the conditions of our due diligence review. There may be other third-party money managers that may be suitable that we do not have a relationship with them or that may be more or less costly. To address this conflict, we consider the best interests of clients in selecting sub-advisers or third-party managers. You are under no obligation to utilize the services of the sub-advisers or third-party managers we recommend.

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

## **Item 11 – Code of Ethics**

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

GFA 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, GFA 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 GFA employees of a list of companies whose securities may not be traded by a GFA employee or an immediate family member without advance permission from the Chief Compliance Officer or the appropriate delegated representative, as well as other restrictions.

The Code of Ethics also requires that employees report all securities transactions (with narrowly-crafted exceptions related to instruments such as shares in registered open-end mutual funds, bank certificates of deposits and U.S. government securities) to the Chief Compliance Officer or the appropriate delegated representative, who uses the reports to monitor compliance with the Code of Ethics and other internal procedures. The Code of Ethics requires that each employee certify in writing that he or she has fully



and accurately reported to and provided the Chief Compliance Officer or the appropriate delegated representative with statements for all personal securities accounts in which the employee holds a direct or indirect beneficial interest. GFA 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**

GFA generally recommends that investment clients utilize the brokerage and clearing services of Osaic. Prior to engaging GFA to provide investment services, clients will be required to enter into a formal Client Agreement with our firm setting forth the terms and conditions under which GFA will manage the client's assets, and a separate custodial agreement with the designated broker-dealer.

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

We do not have to pay the broker-dealer for these services and no client is charged for these services. Therefore, we receive a benefit. This presents a conflict of interest, as we have an incentive to recommend Osaic because of our existing relationship and the benefits we receive, rather than on your interest in receiving most favorable execution.

We mitigate this conflict by conducting best execution reviews and through the application of our policies and procedures. We may cause clients to pay commissions that are higher than those charged by another broker-dealer to effect the same transaction. We have determined that the transaction charges incurred are reasonable in relation to the value of the services received. These products or services received may benefit all of our clients, not just those whose assets are custodied at the broker-dealer who provides the products or services.

GFA does not receive client referrals or compensation of any kind from broker- dealers

or other third parties in exchange for using any particular broker-dealer.

We routinely recommend that you direct our firm to execute transactions through broker-dealers with which we have a business relationship. Not all investment advisers recommend that a client use a particular broker-dealer. As such, we may be unable to achieve the most favorable execution of your transactions, and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. If clients prefer to utilize their own broker-dealer, we will not be able to provide investment services to those clients.

We do not aggregate the purchase or sale of the same securities for various client accounts. Accordingly, you may pay different prices for the same securities transactions than other clients pay.

### **Item 13 – Review of Accounts**

GFA's investment adviser representatives monitor accounts on an ongoing basis and conduct account reviews at least annually or as agreed upon with individual clients. Reviews consist of determining whether your portfolios and strategies continue to align with your investment goals and objectives. All investment clients are advised that it remains their responsibility to advise GFA of any changes in their investment objectives and/or financial situation.

GFA's investment adviser representatives may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, economic or political events and client request.

Clients are provided, at least quarterly (unless the client elects otherwise), with written summary account statements directly from the broker-dealer for the client accounts.

From time to time, GFA may also provide separate written reports summarizing account activity and performance to clients. Clients are encouraged to compare the information on any such reports prepared by GFA against the information in the statements provided directly from the broker-dealer and alert GFA of any discrepancies.

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

GFA may directly compensate persons who refer clients to it. However, if applicable, we pay such compensation only through "hard dollars" and do not pay such compensation through directed brokerage involving transactions effectuated on behalf of its clients. In addition, full disclosure is made to clients, if applicable. Compensating third parties for client referrals presents a conflict of interest, as the third party has an incentive to recommend our firm in exchange for the compensation. We address this



conflict of interest through disclosure in this Brochure and at the time of the recommendation, in accordance with applicable regulations.

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

## **Item 15 – Custody**

GFA does not hold physical custody of client funds or securities. We require that qualified custodians hold client assets, as fully described in Item 12 – Brokerage Practices. GFA has custody because we are granted authority, upon written consent from our clients in our Client Agreement, to deduct the management fees directly from client accounts and to delegate that authority to a financial institution. We also have custody due to our standing authority to make third-party transfers on behalf of our clients who have granted us this authority. This authority is granted to us by the client through the use of a standing letter of authorization (“LOA”) established by the client with his or her qualified custodian. The standing LOA authorizes our Firm to disburse funds to one or more third parties specifically designated by the client pursuant to the terms of the LOA and can be changed or revoked by the client at any time. We have implemented the safeguard requirements of SEC regulations by requiring safekeeping of client funds and securities by a qualified custodian. We have further implemented procedures to comply with the requirements outlined by the SEC in its February 1, 2017, No- Action Letter to the Investment Adviser Association.

Account statements are delivered directly from the qualified custodian to each client at least quarterly. Clients should carefully review those statements and are urged to compare the statements against any reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

## **Item 16 – Investment Discretion**

GFA accepts discretionary authority to manage securities accounts on behalf of clients pursuant to the Client Agreement that specifically describes the scope and limits on that authority. With discretionary authority our firm is authorized to execute securities transactions for the client without first having to seek the client's consent for each

transaction. Clients who engage the firm on a discretionary basis may, at any time, impose reasonable restrictions in writing on GFA's discretionary authority. Clients may also request that we manage their investments on a non-discretionary basis. This means that we will seek the client's consultation prior to implementing investment decisions.

### **Item 17 – Voting Client Securities**

GFA does not vote or assist in voting proxies for our individual clients. Certain third-party managers selected or recommended by GFA may vote proxies for clients, as further described in the manager's respective Brochure. Therefore, except in the event a third-party manager votes proxies, clients will receive proxies or other solicitations directly from the custodian and are responsible for making all decisions relating to any such matters.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about GFA's financial condition. GFA 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**

This section is not applicable since GFA is registered with the SEC.