
Manager Relationship Disclosure

We recognize there are numerous potential conflicts in the investment consulting industry. Managing them effectively is part of Callan's heritage.

The success of our business depends on maintaining our unblemished record for providing clients with objective advice. Our approach has always been to acknowledge and then aggressively manage possible conflicts to ensure they never manifest in the advice we give clients. Our firm is vigilant about employing a highly systematized process that vets potential conflicts, maintains separation of business units, and ensures that we are being entirely transparent in all our relationships.

We mitigate conflicts of interest by adhering to the following:

Code of ethical responsibility: We observe a firm-wide ethical code, which each associate must review and acknowledge in writing every year. This code affirms for Callan employees that they must uphold their duty to our clients by adhering to specific policies and procedures. Any breach of this code can result in immediate termination and potential legal action against the individual.

Compliance: Our in-house compliance officer makes sure Callan is following all industry standards and regulations, while also identifying risks and putting procedures in place to mitigate them. This officer reports directly to the board of directors to ensure that any employee and all compliance oversight have a separate and distinct line of reporting away from the internal manager and report structures.

Separation of business units: Each of Callan's business units maintains its own personnel, as well as its own profit-and-loss accounting system. Employee compensation is contained within each separate business unit. Clients from one business unit do not receive preferential treatment in another. This statement of fact is communicated to each client at the outset of any relationship with Callan and reiterated in writing on an annual basis.

Peer review: Every manager search or strategic-planning project is a collective effort involving the client, general consultant, a team of specialists, and ultimately a peer-review committee. Callan's Manager Search Committee, which is composed of 13 senior consultants, verifies the accuracy, completeness and objectivity of all methods used in the manager screening process. For strategic-planning services, the Client Policy Review Committee, which is comprised of 12 senior consultants, evaluates all reports before they are submitted to the client. This environment of complete transparency requires a thoroughly documented process that is free of unsupported personal opinions and biases.

Disclosure: Callan believes in being proactively transparent with respect to all business activities and relationships. We routinely furnish our fund sponsor clients with a complete list of all investment managers who have professional relationships with Callan. New clients receive this information at the outset of our relationship. We adhere to the principle that there should never be any question about providing clients with the appropriate information they need in order to assess our firm's objectivity.
