

MARSH & MCLENNAN COMPANIES, INC.

Form 11-K

June 29, 2018

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR THE YEAR ENDED DECEMBER 31, 2017

SEC NO. 1-5998

A. Full title of the Plan:

MARSH & McLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

MARSH & McLENNAN COMPANIES, INC.

1166 Avenue of the Americas

New York, NY 10036-2774



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Marsh & McLennan Companies Benefits Administration Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

MARSH & MCLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN

Date: June 29, 2018 /s/ Alex P. Voitovich

Authorized Representative of the Benefits Administration Committee

MARSH & MCLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN

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Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Marsh & McLennan Companies, Inc.,  
the Marsh & McLennan Companies Benefits Administration Committee  
and the Participants in Marsh & McLennan Agency 401(k) Savings & Investment Plan:

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of Marsh & McLennan Agency 401(k) Savings & Investment Plan (the "Plan") as of December 31, 2017 and 2016, the related statements of changes in net assets available for benefits for the year ended December 31, 2017 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Report on Supplemental Schedules

The supplemental schedule of assets (held at end of year) as of December 31, 2017, has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Deloitte & Touche LLP

New York, New York

June 29, 2018

We have served as the auditor of the Plan since 2011.

MARSH & McLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AS OF DECEMBER 31,

|   | 2017          | 2016          |
|---|---------------|---------------|
| ASSETS:   |               |               |
| PARTICIPANT DIRECTED INVESTMENTS:               |               |               |
| OTHER INVESTMENTS AT FAIR VALUE (NOTES 2 and 4) | \$298,335,092 | \$285,276,451 |
| PLAN INTEREST IN MASTER TRUST (NOTE 3)          | 133,931,802   | 39,907,823    |
| TOTAL INVESTMENTS                               | 432,266,894   | 325,184,274   |
| RECEIVABLES:                                    |               |               |
| NOTES RECEIVABLE FROM PARTICIPANTS              | 9,647,234     | 7,714,387     |
| CONTRIBUTIONS RECEIVABLE                        | 1,668,814     | 1,403,672     |
| INTEREST RECEIVABLE                             | 32,829        | 280,996       |
| TOTAL RECEIVABLES                               | 11,348,877    | 9,399,055     |
| NET ASSETS AVAILABLE FOR BENEFITS               | \$443,615,771 | \$334,583,329 |

See notes to financial statements.

MARSH & MCLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2017

INVESTMENT INCOME:

|   |              |
|---|--------------|
| NET APPRECIATION IN FAIR VALUE OF INVESTMENTS | \$50,650,341 |
| DIVIDENDS AND INVESTMENT INCOME               | 2,077,869    |
| PLAN INTEREST IN MASTER TRUST                 | 9,283,022    |

|                     |            |
|---------------------|------------|
| NET INVESTMENT GAIN | 62,011,232 |
|---------------------|------------|

|   |         |
|---|---------|
| INTEREST INCOME ON NOTES RECEIVABLE FROM PARTICIPANTS | 246,899 |
|---|---------|

CONTRIBUTIONS:

|             |            |
|-------------|------------|
| PARTICIPANT | 35,813,441 |
| EMPLOYER    | 10,584,372 |
| ROLLOVERS   | 19,125,785 |

|                     |            |
|---------------------|------------|
| TOTAL CONTRIBUTIONS | 65,523,598 |
|---------------------|------------|

|  |               |
|--|---------------|
| BENEFITS PAID TO AND WITHDRAWALS BY PARTICIPANTS | (19,365,598 ) |
|--|---------------|

|  |             |
|--|-------------|
| INCREASE IN NET ASSETS BEFORE PLAN TRANSFERS | 108,416,131 |
|--|-------------|

|                                       |         |
|---------------------------------------|---------|
| TRANSFERS IN FROM OTHER PLAN (NOTE 6) | 708,225 |
|---------------------------------------|---------|

|                                      |           |
|--------------------------------------|-----------|
| TRANSFERS OUT TO OTHER PLAN (NOTE 6) | (91,914 ) |
|--------------------------------------|-----------|

NET ASSETS AVAILABLE FOR BENEFITS:

|                   |             |
|-------------------|-------------|
| Beginning of year | 334,583,329 |
|-------------------|-------------|

|             |               |
|-------------|---------------|
| End of year | \$443,615,771 |
|-------------|---------------|

See notes to financial statements.

MARSH & MCLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2017 AND 2016 AND  
FOR THE YEAR ENDED DECEMBER 31, 2017

(1) Description of the Plan

General

The Marsh & McLennan Agency 401(k) Savings & Investment Plan (the "Plan") is a defined contribution plan with 401(k) and 401(m) features, which allows eligible participants to contribute from their eligible compensation through payroll deductions on a before-tax, after-tax or Roth 401(k) basis. Under the Plan, employees who are paid on a U.S. payroll and are at least 18 years of age, as well as employees of any subsidiary or affiliate of Marsh & McLennan Agency LLC (the "Agency"), are eligible to contribute to the Plan. The Agency is a subsidiary of Marsh & McLennan Companies, Inc. (the "Company" or "Marsh & McLennan Companies"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Employees can make rollover contributions to the Plan as soon as the employee is eligible to participate in the Plan. The Plan became effective on January 1, 2010. The before-tax and/or Roth 401(k) participant contribution percentage limit is 75% of eligible compensation. The after-tax contribution percentage limit is 15% of eligible compensation. The aggregate limit on before-tax, after-tax and Roth 401(k) contributions is 75% of eligible compensation. Participants age 50 or older by the end of the calendar year are permitted to make additional "catch-up" contributions.

The Plan's assets are held in a trust. The trustee for the Plan is the Northern Trust Company (the "Trustee"). The Trustee is responsible for maintaining the assets of the Plan and performing all other acts deemed necessary or proper to fulfill its responsibility as set forth in the trust agreement pertaining to the Plan. Effective January 1, 2016 Transamerica Retirement Solutions, LLC ("Transamerica") acquired Mercer's defined contribution book of business ("Mercer Benefits"). In connection with the acquisition, Mercer Benefits engaged Transamerica as a subcontractor to provide recordkeeping services for the Plan, which includes making distribution payments as directed by the Company. Prior to this transaction Mercer Benefits was the Plan's recordkeeper.

Effective September 1, 2017, Northern Trust became the custodian for all Plan assets. Prior to September 1, 2017 Mercer Trust Company was the custodian for all Plan assets held outside of the Master Trust and Northern Trust was the custodian of the Plan's assets held by the Master Trust.

The Marsh & McLennan Companies Benefits Administration Committee is the plan administrator responsible for the overall administration and operation of the Plan. Certain administrative functions are performed by employees of the Company or its subsidiaries. All such costs as well as administrative expenses are borne directly by the Company. The Marsh & McLennan Companies Benefits Investment Committee is the investment fiduciary responsible for selecting the investment alternatives to be made available to Plan participants in addition to Company stock (which is available at the direction of the plan sponsor as a matter of a plan design). The Plan is intended to comply with Section 404(c) of ERISA. Thus, the Plan permits each participant to exercise control over the investment of the assets in the participant's individual account and, to the extent the participant has exercised such control, that participant is solely responsible for his/her decisions. Certain investment advisory and consulting services are performed by employees of the Company.



or its subsidiaries. Those costs are borne directly by the Company. The Company also pays certain investment management fees.

#### Contributions

The Company makes matching contributions, after completion of one year of vesting service, of 50% on the first 6% of eligible compensation, which consists of base rate of pay, earned commissions and regular draw, that participants contribute to the Plan in any pay period.

Participant and company contributions are subject to certain limitations in accordance with Federal income tax regulations. When a participant reaches the Internal Revenue Code ("IRC") annual before-tax and Roth 401(k) contributions limit, the before-tax contributions are automatically made as after-tax contributions for the remainder of the calendar year unless the participant decides to discontinue contributions or the participant's eligible compensation reaches the IRC compensation limit.

#### Investments

Participants are eligible to direct their Company matching contributions and all of their participant contributions to any of the available investment options. If a participant does not choose an investment direction for his or her future Company matching contributions or participant contributions, they are automatically invested in the BlackRock LifePath portfolio fund which most clearly matches a participant's retirement age, based on the Plan's normal retirement age of 65.

#### Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution and the Company's matching contribution, charged for withdrawals, and adjusted to reflect the performance of the investment options in which the account is invested. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### Vesting and Forfeitures

Participants are vested immediately in their contributions plus actual earnings thereon. Participants vest in the Company's matching contribution as follows: 0% if less than two years of service, 33-1/3% after two years of service, 66-2/3% after three years of service and 100% after four years of service.

At December 31, 2017 and 2016 forfeited non-vested accounts totaled \$237,730 and \$157 respectively. The balances in forfeited non-vested accounts have been and will be used to fund future contributions due from the Company and/or reduce Plan expenses. During the year ended December 31, 2017, employer contributions of \$158,946 were funded from forfeited non-vested accounts.

#### Payment of Benefits

Participants with vested balances greater than \$1,000 who leave the Company may elect to leave their money in the Plan until April 1<sup>st</sup> of the year following the calendar year in which they attain the age of 70-1/2, or if later, the April 1<sup>st</sup> of the calendar year following the calendar year in which they terminated employment. Payment of benefits on termination of service varies depending upon the vested amount in the participant's account balance, the reason for termination (i.e. retirement, death, disability, termination of service for other reasons) and the payment options available (i.e. immediate lump sum payment, deferral of lump sum payment, installment payments, etc.) for a particular type of termination.

#### Notes Receivable from Participants

Plan participants may borrow from their accounts up to a maximum amount equal to the lesser of \$50,000 or 50% of the vested value of his or her Plan account. Outstanding loans, which are secured by the participants' interest in the Plan, are generally repaid through weekly and semi-monthly payroll deductions or may be paid in full without penalty. Loan repayments, which include principal and interest, are credited directly to the participant's Plan account. Interest is charged on the outstanding balance at prime rate plus 1% based on the prime rate in effect at the time the loan is processed. Loan terms range from 1 to 5 years; however, terms may exceed 5 years for the purchase of a primary residence. As of December 31, 2017, participant loans have maturities through 2032. At December 31, 2017 outstanding participant loans have interest rates ranging from 4.25% to 5.25%.

The preceding description of the Plan provides only general information. Participants should refer to the plan document and the summary plan description. The summary plan description is located in the Marsh & McLennan Companies Benefits Handbook via <https://connect.mmc.com> and provides a more complete description of the Plan's provisions.

#### (2) Summary of Significant Accounting Policies

##### Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

##### New Accounting Pronouncements

In February 2017, the Financial Accounting Standards Board ("FASB") issued new guidance to clarify presentation requirements for a plan's interest in a master trust and required more detailed disclosures of the plan's interest in the master trust. The amendments (1) require a plan's interest in a master trust and any change in that interest be presented in separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits, respectively; (2) remove the requirement to disclose the percentage interest in the master trust for plans with divided interests and require that all plans disclose the dollar amount of their interest in each of those general types of investments; (3) require all plans to disclose their master trust's other asset and liability balances and the dollar amount of the plan's interest in each of those balances; and (4) eliminate redundant disclosures relating to 401(h) account assets. Part 4 is not applicable to the Plan. The guidance is effective for fiscal years beginning after December 15, 2018 and early adoption is permitted. The guidance must be applied on a retrospective basis to each period for which financial statements are presented. The new guidance affects disclosures and presentation only. The Plan is currently evaluating the impact of the guidance, however we do not expect that the new guidance will have an impact on the Plan's financial condition.

##### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

##### Risks and Uncertainties

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. As

mentioned below, the Plan participated in the Marsh & McLennan Companies Master Retirement Savings Trust (the "Master Trust"). Included in the Master Trust's investments at December 31, 2017 and 2016 are shares of the Company's common stock amounting to \$489,308,541 and \$442,067,596, respectively. This investment represents 22% and 44% of the Master Trust's total investments at December 31, 2017 and 2016, respectively. A significant decline in the market value of the Company's common stock would significantly affect the Plan's net assets available for benefits.

#### Investment Valuation and Income Recognition

The Plan, along with the Marsh & McLennan Companies 401(k) Savings & Investment Plan, participates in the Master Trust. The Master Trust includes Marsh & McLennan Companies common stock, guaranteed investment contracts ("GICs"), security backed investment contracts ("synthetic GICs"), separate account GICs and short-term investments. Effective September 1, 2017, the Master Trust added four common/collective trusts that were previously included as part of Plan assets, but held outside of the Master Trust.

Investment contracts held by a defined contribution plan are required to be reported at contract value. Contract value is the amount Plan participants would receive if they were to initiate permitted transactions under the terms of the Plan.

The Plan also has other investments outside the Master Trust that are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The shares of mutual funds are reflected in the accompanying statements of net assets available for benefits at quoted market prices. Shares of common/collective trusts are valued at the net asset value ("NAV") of shares held by the Plan at year-end based upon the quoted market prices of the underlying investments. NAV is used as a practical expedient for estimating fair value of common/collective trusts. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Investment income and dividends include capital gains paid during the period. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the period.

#### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the plan document.

#### Administrative Expenses

Administrative expenses of the Plan are paid by the Company as provided in the plan document. Management fees and operating expenses charged to the Plan for investments in mutual funds and common/collective trusts are deducted from income earned on a daily basis and are reflected as a reduction of investment return for such investments. The Company also pays certain investment management fees.

#### Payment of Benefits

Benefit payments to participants are recorded upon distribution. Amounts allocated to persons who have elected to take a distribution from the Plan but had not yet been paid at December 31, 2017 and 2016 were insignificant.

## Excess Contributions Payable

The Plan is required to return contributions received during the Plan year in excess of the IRC limits.

## (3) Interest in Master Trust

Through August 31, 2017 the Master Trust held investments consisting of Marsh & McLennan Companies common stock, GICs, synthetic GICs, separate account GICs and short-term investments. On September 1, 2017, four common/collective trusts previously included as Plan assets but held outside the Master Trust were added to the Master Trust. The Trustee holds the investment assets of the Master Trust as a commingled fund or commingled funds in which each separate plan is deemed to have a proportionate undivided interest in the investments in which they participate. The Plan's investment in the Master Trust consists of units owned in the Marsh & McLennan Companies Stock Fund, the Invesco Fixed Income Fund, the S&P 500 Index Fund, the US Bond Index Fund, the Extended Equity Market Index Fund and the Non-US Equity Index Fund. At December 31, 2017 and 2016, the Plan's interest in the net assets of the Master Trust was approximately 6.0% and 4.0%, respectively.

The following table summarizes the net assets of the Master Trust as of December 31, 2017 and 2016:

|  | 2017                   | 2016                   |
|--|------------------------|------------------------|
| <b>INVESTMENTS:</b>                                    |                        |                        |
| <b>Marsh &amp; McLennan Companies Stock Fund</b>       |                        |                        |
| Marsh & McLennan Companies common stock at fair value  | \$489,308,541          | \$442,067,596          |
| Short-term investment fund at fair value               | 9,080,185              | 7,691,417              |
| Receivable for securities sold                         | —                      | 1,351,862              |
| Accrued interest receivable                            | 9,727                  | 4,708                  |
|  | 498,398,453            | 451,115,583            |
| <b>Stable Value Fund</b>                               |                        |                        |
| Guaranteed investment contracts at contract value      | 85,544,512             | 83,857,960             |
| Security backed investment contracts at contract value | 453,324,622            | 444,142,714            |
| Short-term investment fund at fair value               | 9,071,375              | 24,067,294             |
| Accrued interest receivable                            | 828,417                | 827,233                |
| Liability for expenses incurred                        | —                      | (121,214 )             |
| Liability for security purchased                       | (1,004,964 )           | (836,597 )             |
|  | 547,763,962            | 551,937,390            |
| Common/collective trusts at fair value                 | 1,193,125,634          | —                      |
| <b>NET ASSETS OF THE MASTER TRUST</b>                  | <b>\$2,239,288,049</b> | <b>\$1,003,052,973</b> |

The ownership interests in the Master Trust as of December 31, 2017 and 2016 are as follows:

| Marsh & McLennan Agency 401(k) Savings & Investment Plan | 2017            | 2016          |
|--|-----------------|---------------|
| Investment in Marsh & McLennan Companies Stock Fund      | \$19,697,896    | \$14,874,723  |
| Investment in Stable Value Fund                          | 27,592,373      | 25,033,100    |
| Investments in Common/Collective Trusts                  | 86,641,533      | —             |
| Investment in Master Trust                               | \$133,931,802   | \$39,907,823  |
| Plan's Percentage Interest in Master Trust net assets    | 6.0             | % 4.0 %       |
| Other plan's Interest in Master Trust                    | \$2,105,356,247 | \$963,145,150 |

Other plan's Percentage Interest in Master Trust net assets 94.0 % 96.0 %

The following table summarizes the net investment income of the Master Trust for the year ended December 31, 2017:

INVESTMENT INCOME AND  
EXPENSES:

|   |                |
|---|----------------|
| Net appreciation in fair value of<br>Marsh & McLennan Companies<br>common stock | \$ 87,850,285  |
| Net appreciation in fair value of<br>common/collective trusts                   | 75,957,426     |
| Dividends   | 9,007,784      |
| Interest  | 11,144,427     |
| Expenses  | (610,508 )     |
| NET INVESTMENT INCOME   | \$ 183,349,414 |
| NET INVESTMENT INCOME FROM MASTER TRUST – BY PLAN:                              |                |
| Marsh & McLennan Agency 401(k) Savings & Investment Plan                        | \$9,283,022    |

Other plan's income from Master Trust \$174,066,392

Marsh & McLennan Companies Stock Fund Valuations

The Marsh & McLennan Companies Stock Fund consists of Marsh & McLennan Companies common stock and short-term investment funds. The Marsh & McLennan Companies common stock is reported at fair value based on the closing market price at December 31, 2017 and 2016. The short-term investment fund is composed of high-grade money market instruments with short maturities that are reported at NAV as of the reporting date.

Stable Value Fund Valuations

The stable value fund consists of GICs, synthetic GICs, separate account GICs and short-term investment funds. The short-term investment funds primarily consist of high-grade money market instruments with short maturities that are reported at NAV as of the reporting date.

The investments in traditional GICs, synthetic GICs, and separate account GICs are part of the stable value fund managed by Invesco Advisers, Inc. Investments in traditional GICs, synthetic GICs, and separate account GICs (collectively, the "Investment Contracts") are valued at contract value. The Investment Contracts provide for benefit responsive withdrawals by Plan participants at contract value.

Investment Contracts will normally be held to maturity and meet the fully benefit responsive requirements of the accounting guidance. The contract value of Investment Contracts will be adjusted to reflect any issuer defaults or other evidence of impairment of an Investment Contract should they occur.

Synthetic GICs consist of investment-grade fixed income securities (or units of commingled funds composed of such securities) owned by the Fund or, in the case of separate account GICs, owned by the insurance company. These underlying assets are "wrapped" by an insurance company, bank, or other financial institution (the "wrap provider"). With traditional GICs, the underlying assets are part of the general account of the issuing insurance company. The underlying securities of the synthetic GICs and separate account GICs are generally actively managed during the life of the contract. Under specified circumstances, the Investment Contracts provide liquidity for benefit payments to the Fund for the benefit of Plan participants at contract value.

The stable value fund purchases wrapped contracts from insurance companies, banks, or other financial institutions. The wrapped contract amortizes the realized and unrealized gains and losses on the underlying fixed income investments, typically over the duration of the investments, through adjustments to the future interest crediting rate. The issuer of the wrapped contract provides assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero. An interest crediting rate less than zero would result in a loss of principal or accrued interest. The crediting rate is calculated by a formula specified in each wrap agreement and is typically reset on a monthly or quarterly basis, depending on the contract. The key factors that influence future crediting rates for wrapped contracts include: the level of market interest rates, the amount and timing of participant contributions, transfers, and withdrawals into/out of the contract, the investment returns generated by the fixed income securities that back the wrapped contract, and the duration of the underlying investments backing the contract. Because changes in market interest rates affect the yield to maturity and the market value of the underlying bonds, they can have a material impact on the contract's crediting rate. In addition, participant withdrawals and transfers from the stable value fund are paid at contract value but funded through the market value liquidation of the underlying investments, which also impacts the interest crediting rate. The resulting gains and losses in the market value of the underlying investments relative to the contract value are amortized in the future through either a lower crediting interest rate (in the event of market losses) or higher crediting interest rate (in the event of market gains) than would otherwise be the case. All wrapped contracts provide for a minimum interest crediting rate of zero percent. Events that would permit a contract issuer to terminate a contract upon short notice include the Plan's loss of its qualified status, uncured material breaches of responsibilities, or material and adverse changes to the provisions of the Plan. If one of these events were to occur, the contract issuer could terminate the contract at the market value of the underlying investments (or, in the case of a traditional GIC, at the hypothetical market value based upon a contractual formula).

#### (4) Fair Value Measurements

Guidance issued by the FASB related to Fair Value Measurements and Disclosures, provides a framework for measuring fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair values. The Plan classifies its investments into Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; Level 3, which refers to securities valued based on significant unobservable inputs; and NAV, which refers to investments valued using net asset value as a practical expedient. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Plan's policy is to recognize transfers between levels at the beginning of the reporting period. The following tables set forth, by level within the fair value hierarchy, a summary of the Plan's other investments held outside the Master Trust measured at fair value at December 31, 2017 and 2016.

| Assets Held Outside the Master Trust         |   |   |  |                |               |
|--|---|---|--|----------------|---------------|
| Fair Value Measurements at December 31, 2017 |   |   |  |                |               |
|  | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | NAV            | Total         |
| Mutual funds:                                |   |   |  |                |               |
| Balanced/target retirement funds             | \$22,673,693  | \$  | —\$  | —\$—           | \$22,673,693  |
| Bond funds                                   | 8,649,731   | —   | —  | —              | 8,649,731     |
| Growth funds                                 | 21,086,310  | —   | —  | —              | 21,086,310    |
| International funds                          | 17,271,337  | —   | —  | —              | 17,271,337    |
| Value funds                                  | 43,567,534  | —   | —  | —              | 43,567,534    |
| Total Mutual funds                           | 113,248,605   | —   | —  | —              | 113,248,605   |
| Common/collective trusts                     | —   | —   | —  | 185,086,487    | 185,086,487   |
| Total Investments                            | \$113,248,605   | \$  | —\$  | —\$185,086,487 | \$298,335,092 |

| Assets Held Outside the Master Trust         |  |   |  |                |               |
|--|--|---|--|----------------|---------------|
| Fair Value Measurements at December 31, 2016 |  |   |  |                |               |
|  | Quoted<br>Prices in<br>Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | NAV            | Total         |
| Mutual funds:                                |  |   |  |                |               |
| Balanced/target retirement funds             | \$18,784,905   | \$  | —\$  | —\$—           | \$18,784,905  |
| Bond funds                                   | 8,152,749  | —   | —  | —              | 8,152,749     |
| Growth funds                                 | 20,766,657   | —   | —  | —              | 20,766,657    |
| International funds                          | 12,078,111   | —   | —  | —              | 12,078,111    |
| Value funds                                  | 35,108,331   | —   | —  | —              | 35,108,331    |
| Total Mutual funds                           | 94,890,753   | —   | —  | —              | 94,890,753    |
| Common/collective trusts                     | —  | —   | —  | 190,385,698    | 190,385,698   |
| Total Investments                            | \$94,890,753   | \$  | —\$  | —\$190,385,698 | \$285,276,451 |

Following is a description of the valuation methodologies used for assets measured at fair value.

• Mutual funds: Valued at quoted market prices at year-end on an active market.

• Common/collective trusts: Valued at NAV at year-end.

The following tables set forth, by level within the fair value hierarchy, a summary of the Master Trust's investments measured at fair value at December 31, 2017 and 2016.

| Master Trust Assets<br>Fair Value Measurements at December 31, 2017           |   |  |                 |                 |
|---|---|--|-----------------|-----------------|
| Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | NAV             | Total           |
| Marsh & McLennan Companies common stock                                       | \$489,308,541   | \$—  | \$—             | \$489,308,541   |
| Short-term investment fund  | 18,151,560  | —  | —               | 18,151,560      |
| Common/collective trusts  | —   | —  | 1,193,125,632   | 1,193,125,632   |
| Total Master Trust Investments at Fair Value                                  | \$507,460,101   | \$—  | \$1,193,125,632 | \$1,700,585,733 |

| Master Trust Assets<br>Fair Value Measurements at December 31, 2016           |   |  |               |  |
|---|---|--|---------------|--|
| Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total         |  |
| Marsh & McLennan Companies common stock                                       | \$442,067,596   | \$—  | \$442,067,596 |  |
| Short-term investment fund  | 31,758,711  | —  | 31,758,711    |  |
| Total Master Trust Investments at Fair Value                                  | \$473,826,307   | \$—  | \$473,826,307 |  |

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stock: Valued at the closing price reported on an active market where the securities are traded.

Short-term investment funds: High-grade money market instruments valued at NAV at year-end.

Common/collective trusts: Valued at NAV at year-end.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2017 and 2016, there were no transfers between levels.



## (5) Net Asset Value (NAV) Per Share

The following table provides additional information as of December 31, 2017 and 2016 for investments held outside the Master Trust in certain investments that report a NAV per share (or its equivalent):

|  | Fair Value    |               | Unfunded<br>Commitments | Redemption<br>Frequency | Redemption Notice<br>Period |
|--|---------------|---------------|-------------------------|-------------------------|-----------------------------|
|  | 2017          | 2016          |                         |                         |                             |
| S&P 500 Index Fund (a)*                | \$—           | \$24,418,437  | —                       | Daily                   | None                        |
| Target retirement funds (b)            | 159,037,387   | 119,578,122   | —                       | Daily                   | None                        |
| US Bond Index Fund (c)*                | —             | 11,210,497    | —                       | Daily                   | None                        |
| Blue Chip Growth Trust (d)             | 26,049,100    | 19,014,808    | —                       | Daily                   | None                        |
| Extended Equity Market Index Fund (e)* | —             | 5,213,450     | —                       | Daily                   | None                        |
| Non-U.S. Equity Index Fund (f)*        | —             | 10,950,384    | —                       | Daily                   | None                        |
|  | \$185,086,487 | \$190,385,698 |                         |                         |                             |

\*Investment became part of Master Trust on September 1, 2017.

This category includes investments in U.S. equity securities and collective investment funds that seek to (a) approximate the return of the S&P 500 Composite Stock Price Index. The fair value of the investment in this category has been estimated using the quoted market prices of the underlying securities.

This category includes investments in a mix of index funds designed to provide income for selected retirement (b) years. The fair value of the investments in this category has been estimated using the quoted market prices of the underlying securities.

This category includes investments in U.S. government and agency securities, investment grade corporate and (c) Yankee bonds, and mortgage-backed and asset-backed securities. The fair value of the investments in this category has been estimated using the quoted market prices of the underlying securities.

This category includes investments in U.S. and non-U.S. equity securities. The fair value of investments in this (d) category has been estimated using the quoted market prices of the underlying securities.

This category includes investments in U.S. equity securities that seek to approximate the return of the Russell (e) Small Cap Completion Index. The fair value of the investment in this category has been estimated using the quoted market prices of the underlying securities.

This category includes investments in non-U.S. equity securities that seek to approximate the return of the Morgan (f) Stanley Capital International All Country World Ex-U.S. index (MSCI ACW Ex-USA Index). The fair value of the investment in this category has been estimated using the quoted market prices of the underlying securities.

There are no redemption restrictions on these investments. In addition, the registered investment company funds in the Plan have no unfunded commitments and can be redeemed daily with no notice period.

## (6) Exempt Party in Interest Transactions

At December 31, 2017 and 2016, the Plan, through its interest in the Master Trust (see Note 3) was the beneficial owner of 237,605 and 215,659 shares of common stock of Marsh & McLennan Companies, Inc., the sponsoring employer. The fair value of the shares as of December 31, 2017 and 2016 was \$19,338,641 and \$14,576,382, respectively. The cost of these shares at December 31, 2017 and 2016 was \$6,203,597 and \$5,425,038,

respectively. The Plan recorded dividend income of \$325,682 and \$256,559 for the years ended December 31, 2017 and 2016, respectively, from shares of Marsh & McLennan Companies, Inc.

The Mercer Emerging Markets Equity Fund is an available investment option for participants in the Plan. Mercer Investment Management, Inc. the "manager of managers" for the fund is a subsidiary of the plan sponsor. Investment fees for this fund are deducted from income earned on a daily basis and are reflected as a reduction of investment return of the fund pursuant to class exemption 77-3 adopted by the Department of Labor.

Certain administrative, investment and investment advisory functions are performed by officers and employees of the Company and its subsidiaries (who may also be participants in the Plan) at no cost to the Plan. Certain of these functions are performed by unaffiliated, third parties who might have other roles with respect to the Plan. These transactions are not deemed prohibited party-in-interest transactions because they are covered by statutory and administrative exemptions from the IRC and ERISA's rules on prohibited transactions.

(7) Transfers from Other Plans

In 2017, certain employees transferred their balances between the Marsh & McLennan Companies 401(k) Savings & Investment Plan, sponsored by the Company and the Plan. The net amount transferred into the Plan and reported in the statement of changes in net assets available for benefits was \$616,311 which included transfers into the Plan of \$708,225 and transfers from the Plan of \$91,914.

(8) Federal Income Tax Status

The IRS has determined and informed the Company by a letter dated November 13, 2013 that the Plan is designed in accordance with applicable sections of the IRC. The Company and the Plan's management believe that the Plan is currently operated in compliance with the applicable requirements of the IRC and that the Plan continues to be qualified and the related trust continues to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes that all Plan years remain open to examination by the IRS.

(9) Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, each participant would become 100% vested in his or her account.

(10) SUBSEQUENT EVENTS

Plan Management has performed its evaluation of subsequent events through June 29, 2018, the date these financial statements were available to be issued, and has determined that there were no additional subsequent events requiring adjustment to or disclosure in the financial statements.

MARSH & MCLENNAN AGENCY 401(k) SAVINGS & INVESTMENT PLAN  
FORM 5500, SCHEDULE H, PART IV, LINE 4i  
SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
AS OF DECEMBER 31, 2017  
EIN #36-2668272  
Plan #006

| (b)<br>Identity of Issue, Borrower, Lessor<br>(a) or Similar Party (Share class) | (c)<br>Description of Investment, including Maturity Date,<br>Rate of Interest, Collateral, and Par or Maturity<br>Value | (e)<br>Current<br>Value |
|--|--|-------------------------|
| BLACKROCK LIFEPATH INDEX 2020 FUND (L)   | Common/Collective Trust  | 18,901,650              |
| BLACKROCK LIFEPATH INDEX 2025 FUND (L)   | Common/Collective Trust  | 24,266,323              |
| BLACKROCK LIFEPATH INDEX 2030 FUND (L)   | Common/Collective Trust  | 26,016,085              |
| BLACKROCK LIFEPATH INDEX 2035 FUND (L)   | Common/Collective Trust  | 26,940,663              |
| BLACKROCK LIFEPATH INDEX 2040 FUND (L)   | Common/Collective Trust  | 15,293,979              |
| BLACKROCK LIFEPATH INDEX 2045 FUND (L)   | Common/Collective Trust  | 17,547,582              |
| BLACKROCK LIFEPATH INDEX 2050 FUND (L)   | Common/Collective Trust  | 11,268,033              |
| BLACKROCK LIFEPATH INDEX 2055 FUND (L)   | Common/Collective Trust  | 5,089,570               |
| BLACKROCK LIFEPATH INDEX 2060 FUND (L)   | Common/Collective Trust  | 692,653                 |
| BLACKROCK LIFEPATH INDEX RETIREMENT FUND (L)                                     | Common/Collective Trust  | 13,020,849              |
| T. ROWE PRICE BLUE CHIP GROWTH TRUST (T4)  | Common/Collective Trust  | 26,049,100              |
| PUTNAM EQUITY INCOME FUND (R6)   | Registered Investment Company  | 6,460,451               |
| PIMCO INFLATION RESPONSE MULTI-ASSET FUND (Institutional)                        | Registered Investment Company  | 453,151                 |
| DODGE & COX STOCK FUND (N/A)   | Registered Investment Company  | 13,993,498              |
| GOLDMAN SACHS SMALL CAP FUND (Institutional)                                     | Registered Investment Company  | 10,762,407              |
| PIMCO TOTAL RETURN FUND (Institutional)  | Registered Investment Company  | 8,649,731               |
| T. ROWE PRICE INSTITUTIONAL MID CAP EQUITY GROWTH FUND (Institutional)           | Registered Investment Company  | 21,086,310              |
| VANGUARD SELECTED VALUE ACCOUNT FUND (Investor)                                  | Registered Investment Company  | 12,351,178              |
| AMERICAN EUROPACIFIC GROWTH FUND (R6)  | Registered Investment Company  | 15,131,658              |

|  |   |               |
|--|---|---------------|
| * MERCER EMERGING MARKETS<br>EQUITY FUND (Y-3) | Registered Investment Company   | 2,139,679     |
| VANGUARD WELLINGTON FUND<br>(Admiral)          | Registered Investment Company   | 22,220,542    |
| * VARIOUS PARTICIPANTS (N/A)                   | Participant Loans maturing through 2032 at interest<br>rates of 4.25% to 5.25%. | 9,647,234     |
|  |   | \$307,982,326 |

Note: Cost information is not required for participant-directed investments and therefore is not included.

\*Party-in-interest.