



GALLIARD  
Capital Management, Inc.

# STABLE VALUE SEPARATE ACCOUNT COMPOSITE

## First Quarter 2021

MARCH 31, 2021

### COMPOSITE FACTS

Benchmark	3 Year Constant Maturity Treasury Yield
Inception date	October 1, 1995
Composite assets	\$50.0 billion
Number of accounts	81

### COMPOSITE CHARACTERISTICS

Net blended yield (before investment mgmt fees) <sup>1</sup>	2.02%
Net blended yield (after maximum fees) <sup>1</sup>	1.82%
Effective duration	3.06 Yrs
Market-to-book value ratio (MV/BV)	102.9%

### SECTOR ALLOCATION OF THE UNDERLYING FIXED INCOME PORTFOLIOS

U.S. Treasury/Agency	24.3%
Other U.S. Government	5.0%
Corporate/Taxable Muni/Not for Profit	32.3%
Mortgage Backed Securities (MBS)	18.7%
Commercial Mortgage Backed Securities (CMBS)	4.2%
Asset Backed Securities (ABS)	12.0%
Sovereign/Supranationals	0.0%
Cash/Equivalents	3.6%

### QUALITY DISTRIBUTION OF THE UNDERLYING FIXED INCOME PORTFOLIOS<sup>2</sup>

AAA	68.6%
AA	5.7%
A	13.7%
BBB	11.5%
<BBB	0.5%

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### INVESTMENT OBJECTIVE

Galliard manages stable value portfolios with the goal of consistently outperforming the benchmark while attempting to minimize crediting rate volatility.

### INVESTMENT STRATEGY

Key components to Galliard's stable value management approach:

- Stable value structure—seeks to ensure the best contract terms and minimizes fees.
- Active bond management—seeks to achieve consistent, value-added performance.

### PERFORMANCE RECAP

Annualized investment performance as of March 31, 2021

Annualized performance <sup>1</sup>	1Q'21	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year
Composite (before inv. mgmt. fees)	0.49	2.30	2.49	2.32	2.30	3.01	3.65
Composite (after maximum fees)	0.44	2.06	2.17	1.98	1.92	2.62	3.25
Benchmark	0.06	0.21	1.49	1.47	1.09	1.58	1.98

Calendar year performance <sup>1</sup>	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Composite (before inv. mgmt. fees)	2.44	2.68	2.38	2.05	2.03	1.95	1.78	2.12	2.73	3.10
Composite (after maximum fees)	2.16	2.32	2.03	1.68	1.62	1.54	1.38	1.72	2.32	2.69
Benchmark	0.43	1.94	2.63	1.58	1.01	1.03	0.90	0.54	0.38	0.75

Galliard Capital Management, Inc. (Galliard) is a registered investment adviser and a wholly-owned, independently operated subsidiary of Wells Fargo Asset Management Holdings, LLC providing fixed income and stable value investment portfolio management for institutional clients.

<sup>1</sup>The Stable Value Separate Account Composite (composite) consists of all discretionary stable value separate accounts, which are defined as those accounts that hold less than 100% of their assets in stable value pooled funds. Some accounts in the composite may use derivatives such as swaps, forward purchases, U.S. Treasury and/or Eurodollar futures or options to manage duration on a fully covered basis. No leverage is employed. The composite is managed against the 3 Year Constant Maturity Treasury or equivalent indices. The composite's underlying fixed income strategy focuses on risk control and adding value through security selection, and the composite's stable value strategy focuses on preservation of principal and consistency of returns with minimal volatility. Returns for periods less than one year are not annualized. Returns are in U.S. dollars. Returns designated as being "before investment management fees" include all income, realized and unrealized gains and losses, and all transactional costs. Returns designated as "after maximum fees" are the "before investment management fees" returns less the maximum 0.20% investment management fee which may be charged by Galliard for management of each client's account. From April 1, 2017 to June 30, 2020, the maximum fee which could be charged by Galliard was 0.35%. Prior to April 1, 2017 the maximum fee which could be charged by Galliard was 0.40%. A client's return will be reduced by any fees and other expenses it may incur in the management of its account. For example, if the maximum advisory fee of effective July 1, 2020 of 0.20%, and 0.35% from April 1, 2017 to June 30, 2020, and 0.40% prior to April 1, 2017 were deducted quarterly from each account, a ten year annualized total return of 2.30% as of March 31, 2021 would have been reduced by 0.38% to 1.92%, which includes the effect of compounding these fees and will be rounded to the nearest basis point. Galliard's advisory fees are disclosed in the firm's Form ADV Part 2A which is available upon request. The benchmark return is calculated monthly and is derived from the month-end yield published by the Federal Reserve. Benchmark returns do not include potential transaction costs or management fees. For comparison purposes the benchmark is fully invested and includes the reinvestment of income. While it is believed that the benchmark used here represents an appropriate point of comparison for the composite referenced above, prospective investors should be aware that the volatility of the above referenced benchmark or index may be substantially different from that of the composite; and holdings in the composite may differ significantly from the benchmark or index if the investment guidelines and criteria are different than the composite. **The accounts in the composite are not insured by the FDIC, Federal Reserve Bank, nor guaranteed by Wells Fargo Bank, N.A. or any affiliate, including Galliard Capital Management, and may lose value. Past performance is not an indication of how the investment will perform in the future. FOR INSTITUTIONAL INVESTOR USE ONLY.**

<sup>2</sup>The quality distribution shown represents the distribution of the individual holdings' composite ratings, as rated by S&P, Moody's, and Fitch. If Moody's, S&P, and Fitch all provide a credit rating, the composite rating is the median of the three agency ratings. If only two agencies provide ratings, the composite is the more conservative rating. If only one agency provides a rating, the composite rating reflects that agency's rating.

Galliard Capital Management claims compliance with the Global Investment Performance Standards (GIPS®)

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To receive a complete list and description of Galliard composites and/or a GIPS Composite Report, please contact Galliard Client Service at 612.667.3220 or galliardclientservice@galliard.com.