

Dear Galliard Client,

With this quarterly report, we have implemented some enhancements to the performance reporting page:

Net of Inv. Mgmt. Fees calculation – this performance series now reflects all portfolio management fees impacting the portfolio, including Wells Fargo collective fund administrative fees. Prior to this quarter, this series did not include administrative fees (trustee fee, audit costs, etc.). With the implementation of the Wells Fargo trustee fee in 1Q15, we have restated performance to include all collective fund costs to the portfolio.

Additional clarification of what fees are included in each performance series – we have added footnotes at the bottom of the performance page to assist readers in understanding what fees are included in each performance series

We hope you find these updates beneficial to your client report. We are continually working on improving our information delivery to our clients and anticipate having new improvements to share with you in the future. We welcome any suggestions or recommendations you may have to improve our reporting to you. Please feel free to contact your Galliard relationship team or the client reporting team at galliardclientservice@galliard.com with any thoughts. Thank you.

Sincerely,
Galliard Capital Management

Portfolio Review For:

State of Wisconsin Deferred Compensation Program

Second Quarter 2015



Galliard Capital Management, Inc. | 800 LaSalle Avenue, Suite 1100 | Minneapolis, MN 55402-2054 | www.Galliard.com

GALLIARD
CAPITAL MANAGEMENT, INC.

Stable Value Portfolio Review - State of Wisconsin Deferred Compensation Program

Second Quarter 2015

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Stable Value Portfolio Review

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The information contained in this report is for informational purposes only. It is intended to provide a summary of portfolio performance and characteristics, and an accounting based view of transactions and holdings. This is a standardized report and is not intended to be used for compliance purposes. Individual portfolio compliance requirements may not be captured in this report.



Section I

State of Wisconsin Deferred Compensation Program

Second Quarter 2015

Galliard Inception Date	July 1, 1998	
Investment Objective	To provide safety of principal and a stable crediting rate, while generating a competitive return.	
Benchmark	5 Year Constant Maturity Treasury Yield	
Stable Value Portfolio Components	<u>Components</u>	<u>Allocation Range</u>
	Cash Equivalents & Buffer Fund	5-50%
	Managed Synthetics	50-95%
Key Portfolio Guidelines		
Portfolio Duration	3.0 Years ± 1 year	
Minimum Portfolio Quality	A (contract level)/AA- (underlying portfolio level)	
Minimum Issuer Quality	A- (contract level) at time of purchase	

Stable Value Portfolio Review - State of Wisconsin Deferred Compensation Program

Second Quarter 2015

Annualized Investment Performance*

Periods Ending June 30, 2015

	<u>2Q'15</u>	<u>YTD</u>	<u>1 Yr</u>	<u>3 Yr</u>	<u>5 Yr</u>	<u>10 Yr</u>
Portfolio (before inv. Mgmt. fees)**	0.50	0.97	1.94	2.17	2.67	3.86
Portfolio (net of inv. Mgmt. fees)***	0.45	0.88	1.76	2.00	2.49	3.68
5 Year Constant Maturity Treasury	0.38	0.74	1.57	1.30	1.32	2.39

Calendar Year Performance

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Portfolio (before inv. Mgmt. fees)**	1.91	2.27	2.81	3.31	4.13
Portfolio (net of inv. Mgmt. fees)***	1.73	2.10	2.63	3.13	3.93
5 Year Constant Maturity Treasury	1.64	1.17	0.76	1.52	1.93

Market Indices

Merrill Lynch 3 Mo. T-Bill	0.03	0.07	0.11	0.10	0.13
Consumer Price Index	0.76	1.51	1.74	2.96	1.50

* Returns for periods of less than one year are not annualized.

** Returns are net of book value contract fees only.

*** Returns are net of book value contract, Galliard investment management fees, and, if applicable, external manager fees and Wells Fargo collective fund administrative fees.

Stable Value Portfolio Review - State of Wisconsin Deferred Compensation Program

Second Quarter 2015

Portfolio Characteristics

Total Assets	\$599,422,123	Blended Yield (Before fees)*	1.97%
Average Holdings Quality**	A1/A+	Effective Duration	2.71 years
Number of Contract Issuers	5	Market/Book Value Ratio	101.27%

*Blended yield is before investment management fees and after wrap fees.

**The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the contracts and cash held by the portfolio as rated by S&P and Moody's.

Sector Distribution

<u>Portfolio Distribution</u>	<u>Contract Value (\$)</u>	<u>% of Portfolio</u> <u>06/30/2015</u>	<u>% of Portfolio</u> <u>03/31/2015</u>
Cash & Equivalents*	11,291,469	1.9	1.9
Stable Value Funds	42,882,797	7.2	7.2
Security Backed Investment Contracts	545,247,857	91.0	90.9
Short Portfolio	277,681,776	46.3	46.2
Intermediate Portfolio	267,566,080	44.6	44.7
Total	\$599,422,123	100.0%**	100.0%**

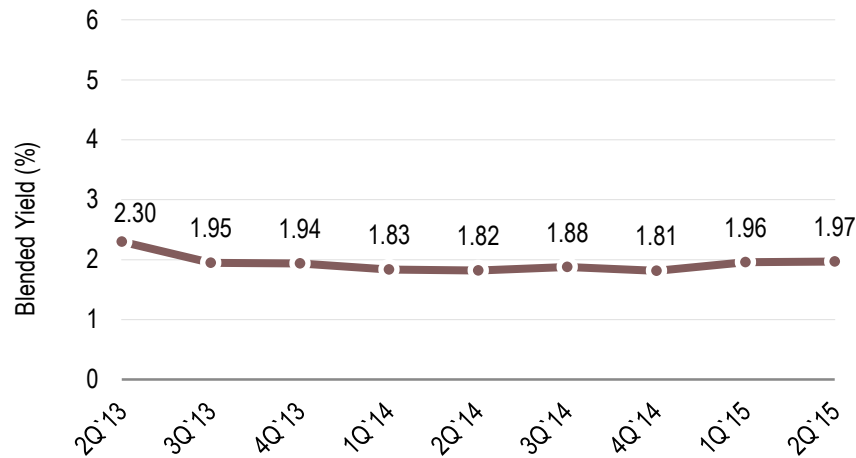
*Includes Receivables and Payables

**Total % of portfolio may not add to 100% due to rounding

Stable Value Portfolio Review - State of Wisconsin Deferred Compensation Program

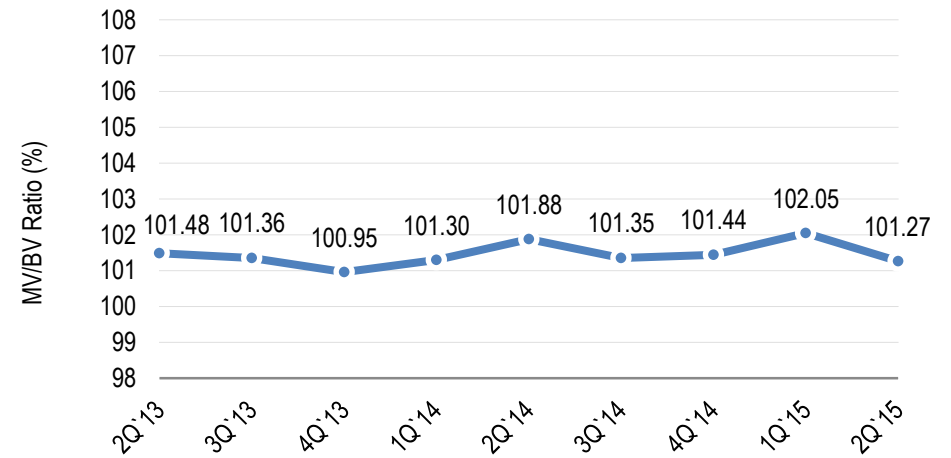
Second Quarter 2015

Historical Blended Yield*

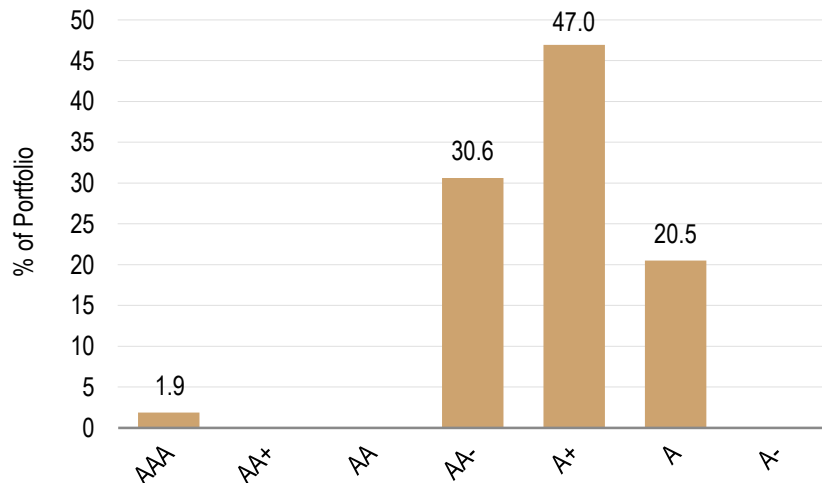


*As of quarter end. Blended yield is before investment management fees and after wrap fees.

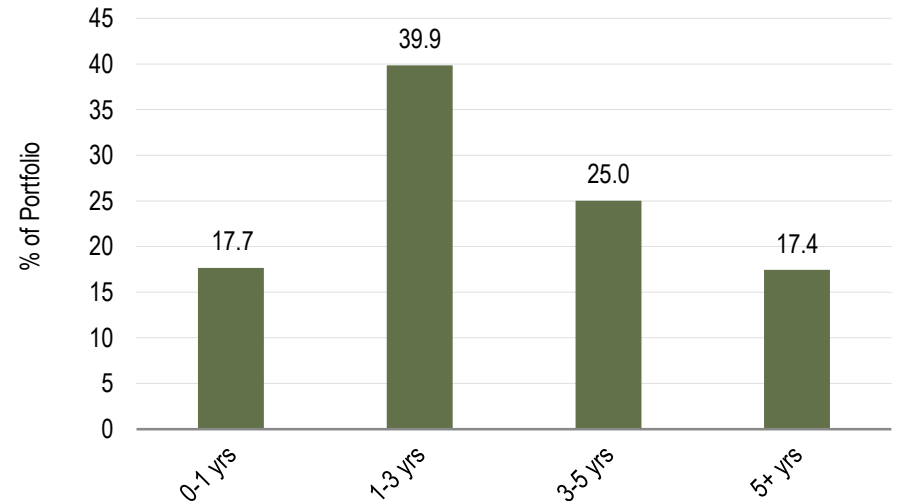
Market Value to Book Value Ratio*



Contract Quality Distribution*



Underlying Duration Distribution**



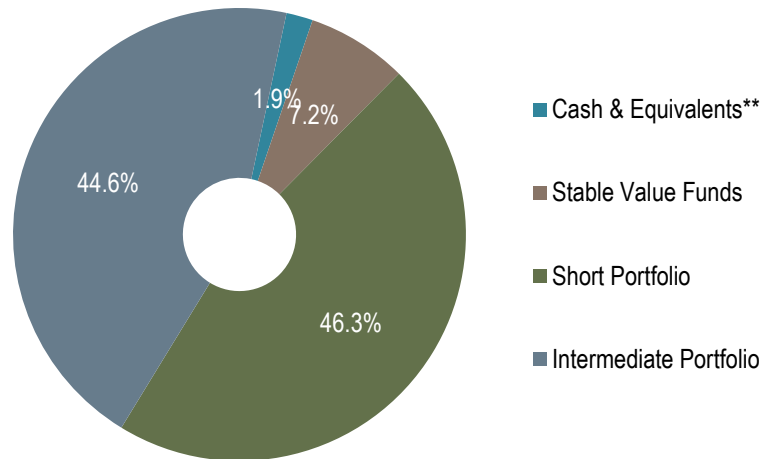
*Total % of portfolio may not add to 100% due to rounding. The quality distribution shown represents the distribution of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

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Stable Value Portfolio Review - State of Wisconsin Deferred Compensation Program

Second Quarter 2015

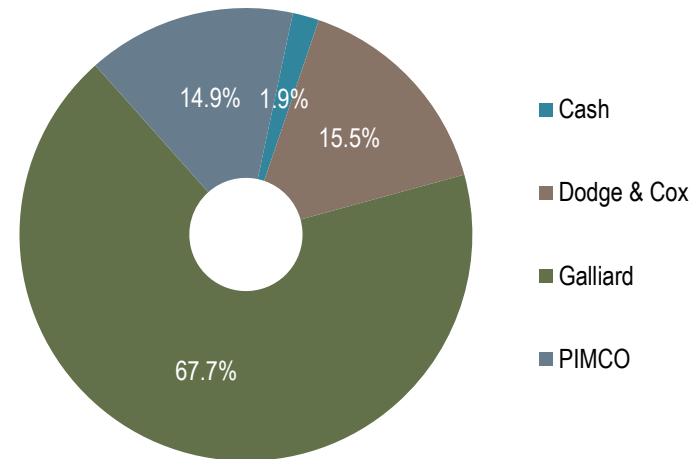
Portfolio Distribution*



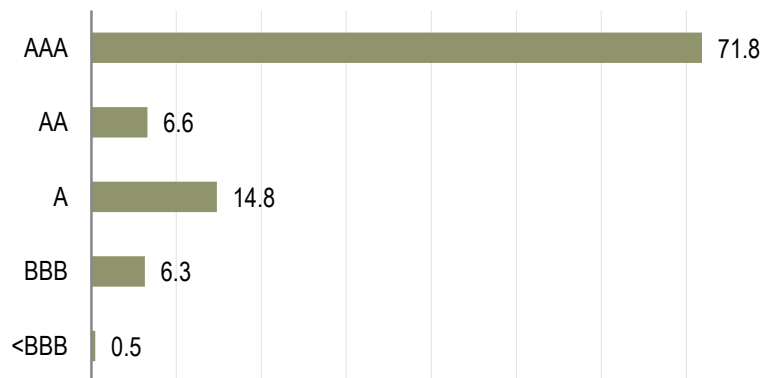
*Book value

**Includes Receivables and Payables

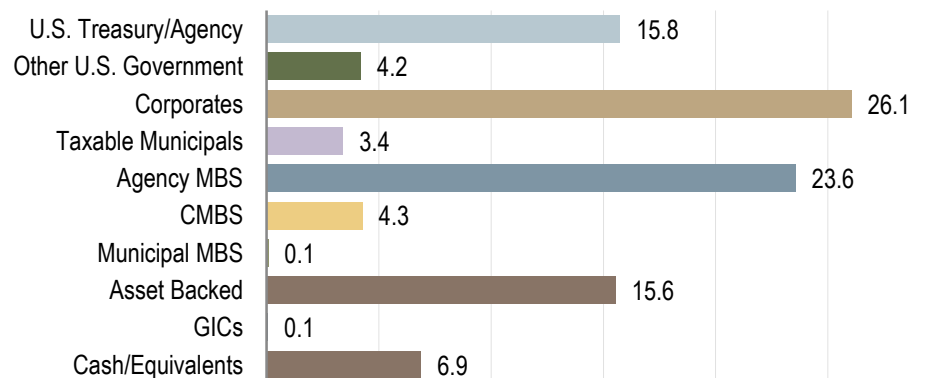
Manager Distribution*



Underlying Fixed Income Credit Quality*



Underlying Fixed Income Asset Allocation**



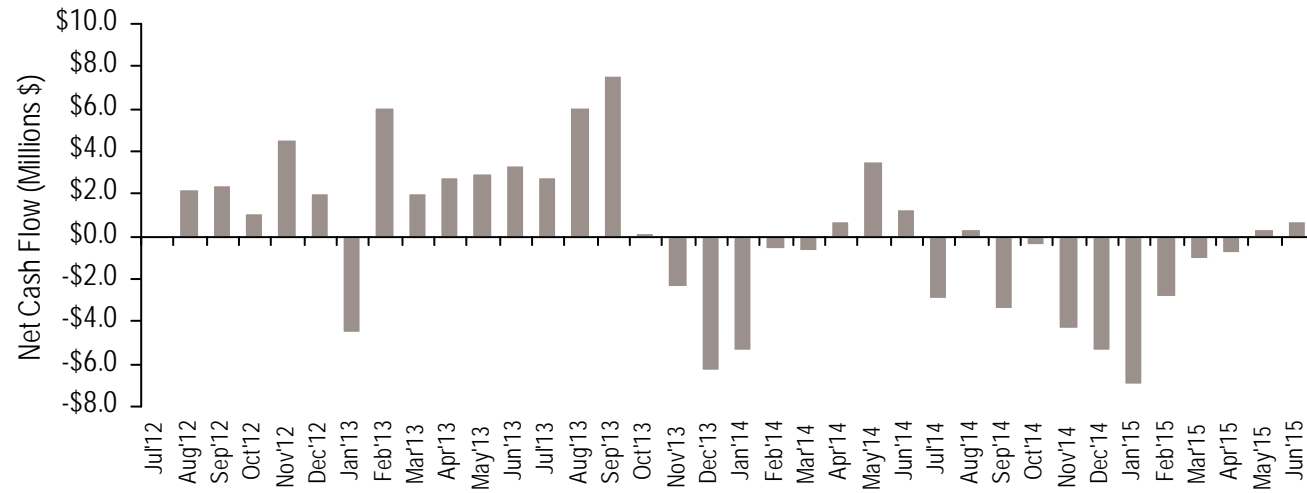
*Market value. Total % of portfolio may not add to 100% due to rounding. The quality distribution shown represents the distribution of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. Ratings shown as NR/NA are not rated or not available security ratings. The external managers provide portfolio holdings, and the securities are classified using Galliard's analytics and methodology

**Market value. Total % of portfolio may not add to 100% due to rounding. The external managers provide portfolio holdings, and the securities are classified using Galliard's analytics and methodology for maximum comparability across managers.

Stable Value Portfolio Review - State of Wisconsin Deferred Compensation Program

Second Quarter 2015

Historical Cashflows



	YTD	2014	2013	2012	2011
Beginning Assets	\$605.0	\$611.7	\$578.7	\$550.5	\$504.0
Net Cash Flow (\$)*	-\$10.8	-\$17.2	\$20.6	\$13.6	\$30.2
Net Cash Flow (%)	-1.79%	-2.81%	3.56%	2.47%	5.99%
Estimated Investment Earnings	\$5.2	\$10.5	\$12.4	\$14.6	\$16.3
Ending Assets**	\$599.4	\$605.0	\$611.7	\$578.7	\$550.5

* Contributions, Withdrawals and Investment Transfers
 **Cashflows may not net to final assets due to rounding

Stable Value Portfolio Review - State of Wisconsin Deferred Compensation Program

Second Quarter 2015

Issuer Rating Summary

	<u>S & P Rating</u>		<u>Moody's Rating</u>	
	<u>6/30/2015</u>	<u>3/31/2015</u>	<u>6/30/2015</u>	<u>3/31/2015</u>
American General Life Ins. Co.	A+	A+	A2	A2
Nationwide Life Ins. Co.	A+	A+	A1	A1
Prudential Ins. Co. of America	AA-	AA-	A1	A1
Transamerica Premier Life Ins. Co.	AA-	AA-	A1	A1
Voya Ret. Ins. and Annuity Co.	A	A	A2	A2

American General Life Ins. Co.

- Solid capital levels
- Group diversity is a strength as only remaining insurer with leading positions in both Life and Property & Casualty
- Leading positions in most Life and Annuity products

Nationwide Life Ins. Co.

- Part of a leading mutual group that includes a leading P&C company
- Strong history of earnings
- Significant variable annuity hedging has resulted in volatile investment earnings

Prudential Ins. Co. of America

- A leading diversified U.S. life insurer
- Capital ratios jumped to above average following a large reinsurance transaction in 1Q15
- Higher than industry average investment risk with exposure to commercial real estate, non-Agency CMOs, equities and high yield bonds

Transamerica Premier Life Ins. Co.

- Recently changed name from Monumental Life Insurance Company
- Capital levels are near average following the merger with Western Reserve Life Assurance Co. of Ohio, a sister company also owned by AEGON
- Part of a large diverse insurance group which uses significant intercompany reinsurance, resulting in operating leverage appearing higher than it is

Voya Ret. Ins. and Annuity Co.

- Recently upgraded one notch by Moody's and S&P, reflecting the stabilization of operations
- ING Groep, the former Dutch parent, has now sold all of its Voya shares
- Recently changed its name from ING Life Insurance & Annuity Company

The information contained herein reflects the views of Galliard Capital Management, Inc. & sources believed to be reliable by Galliard as of the date of publication. The views expressed here may change at any time subsequent to the date of publication. This publication is for informational purposes only. For institutional investors only.

State of Wisconsin Deferred Compensation Program Portfolio Review

Transaction Report

04/01/2015 - 06/30/2015

Asset ID	Issuer	Par Amount	Maturity*	Trade Date	Settle Date	S&P Rating	Moody's Rating
<u>Purchases</u>							
Security Backed Investment Contracts							
896994DP2	Nationwide Life Ins. Co.	13,000,000	N.S.M.	04/01/2015	04/01/2015	A+	A1
Total Security Backed Investment Contracts		13,000,000					
Total Purchases		13,000,000					
<u>Sales</u>							
Security Backed Investment Contracts							
946996EP6	American General Life Ins. Co.	1,000,000	N.S.M.	04/01/2015	04/01/2015	A+	A2
600996CC4	Transamerica Premier Life Ins. Co.	12,000,000	N.S.M.	04/01/2015	04/01/2015	AA-	A1
Total Security Backed Investment Contracts		13,000,000					
Total Sales		13,000,000					

*N.S.M. = No Stated Maturity

State of Wisconsin Deferred Compensation Program Portfolio Review

Portfolio Holdings

June 30, 2015

Asset ID	Security Description	Manager	Contract Value (\$)	Market Value (\$)	Market/Book Value Ratio (%)	% of Portfolio	Yield (%)	Maturity*	Effective Duration (yrs)	S&P Rating	Moody's Rating	Wrap Fee (bps)
Cash & Equivalents												
FUNDAVAIL	Cash Receivable / (Payable)		-462,652	-462,652	100.0	-0.1	0.22		0.10	AAA	Aaa	
9983008\$P	WF Short Term Investment Fund S		11,754,121	11,754,121	100.0	2.0	0.22		0.10	AAA	Aaa	
Total Cash & Equivalents			11,291,469	11,291,469	100.0	1.9	0.22		0.10	AAA	Aaa	
Stable Value Funds												
949907109	Wells Fargo Stable Return Fund G		42,882,797	42,882,797	100.0	7.2	1.77		2.54	AA-	Aa3	
Total Stable Value Funds			42,882,797	42,882,797	100.0	7.2	1.77		2.54	AA-	Aa3	
Security Backed Investment Contracts												
Short Portfolio												
946996EP6	American General Life Ins. Co.	Galliard	72,269,983	72,921,990	100.9	12.1	1.68	N.S.M.	1.95	A+	A2	25.0
896994DP2	Nationwide Life Ins. Co.	Galliard	32,954,956	33,116,491	100.5	5.5	1.61	N.S.M.	1.95	A+	A1	21.0
744999ZU0	Prudential Ins. Co. of America	Galliard	59,717,846	60,739,351	101.7	10.0	2.20	N.S.M.	1.95	AA-	A1	20.0
600996CC4	Transamerica Premier Life Ins. Co.	Galliard	50,429,867	51,736,795	102.6	8.4	2.57	N.S.M.	1.95	AA-	A1	20.0
75999UNG9	Voya Ret. Ins. and Annuity Co.	Galliard	62,309,123	62,744,981	100.7	10.4	1.79	N.S.M.	1.95	A	A2	20.0
Total Short Portfolio			277,681,776	281,259,607	101.3	46.3	1.97		1.95	A+	A1	
Intermediate Portfolio												
946996EP6	American General Life Ins. Co.	Galliard	44,342,307	44,742,356	100.9	7.4	1.68	N.S.M.	3.93	A+	A2	25.0
896994DP2	Nationwide Life Ins. Co.	Dodge & Cox	31,418,672	31,572,676	100.5	5.2	1.61	N.S.M.	3.58	A+	A1	21.0
744999ZU0	Prudential Ins. Co. of America	Galliard	40,766,121	41,463,446	101.7	6.8	2.20	N.S.M.	3.93	AA-	A1	20.0
600996CC4	Transamerica Premier Life Ins. Co.	Dodge & Cox	61,644,716	63,242,284	102.6	10.3	2.57	N.S.M.	3.58	AA-	A1	20.0
600996CC4	Transamerica Premier Life Ins. Co.	PIMCO	28,687,986	29,431,456	102.6	4.8	2.57	N.S.M.	3.40	AA-	A1	20.0
75999UNG9	Voya Ret. Ins. and Annuity Co.	PIMCO	60,706,279	61,130,925	100.7	10.1	1.79	N.S.M.	3.40	A	A2	20.0
Total Intermediate Portfolio			267,566,080	271,583,143	101.5	44.6	2.08		3.63	A+	A1	
Total Security Backed Investment Contracts			545,247,857	552,842,750	101.4	91.0	2.02		2.78	A+	A1	
Total Fund			599,422,123	607,017,016	101.3	100.0	1.97		2.71	A+	A1	

*N.S.M. = No Stated Maturity



Section II

Stable Value Portfolio Review - Wells Fargo Stable Return Fund G

Second Quarter 2015

Portfolio Characteristics

Total Assets	\$27,761,021,179	Blended Yield (Before fees)*	1.77%
Average Holdings Quality**	Aa3/AA-	Effective Duration	2.54 years
Number of Contract Issuers	12	Market/Book Value Ratio	101.21%

*Blended yield is before investment management fees and after wrap fees.

**The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the contracts and cash held by the portfolio as rated by S&P and Moody's.

Sector Distribution

<u>Portfolio Distribution</u>	<u>Contract Value (\$)</u>	<u>% of Portfolio</u> <u>06/30/2015</u>	<u>% of Portfolio</u> <u>03/31/2015</u>
Cash & Equivalents*	2,695,910,266	9.7	10.9
Guaranteed Investment Contracts (GICs)	307,060,781	1.1	1.3
Separate Account GICs	6,182,931,603	22.3	21.9
Security Backed Investment Contracts	18,575,118,529	66.9	65.9
Total	\$27,761,021,179	100.0%**	100.0%**

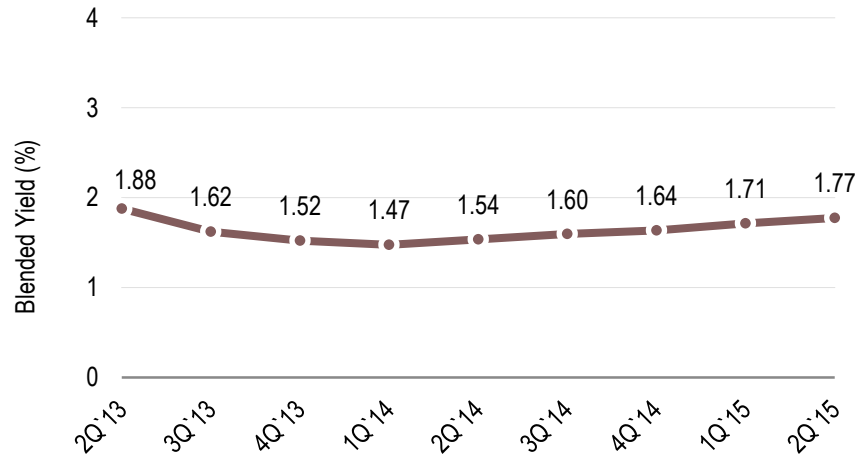
*Includes Receivables and Payables

**Total % of portfolio may not add to 100% due to rounding

Stable Value Portfolio Review - Wells Fargo Stable Return Fund G

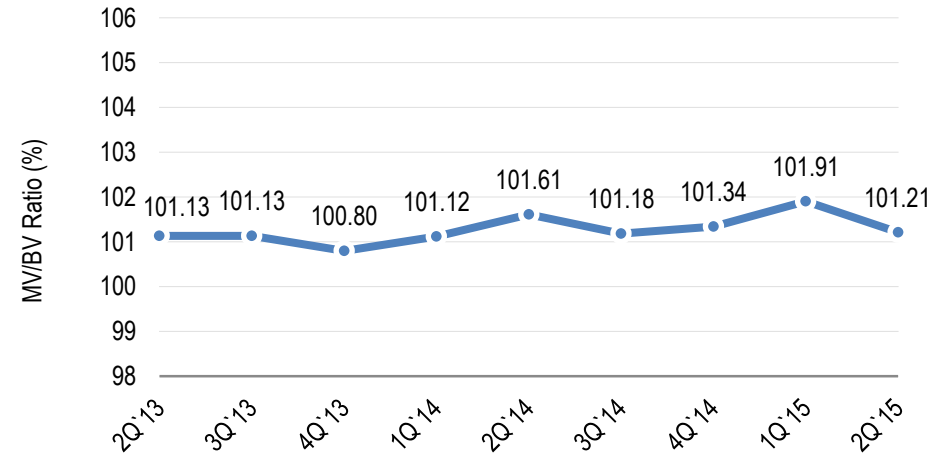
Second Quarter 2015

Historical Blended Yield*

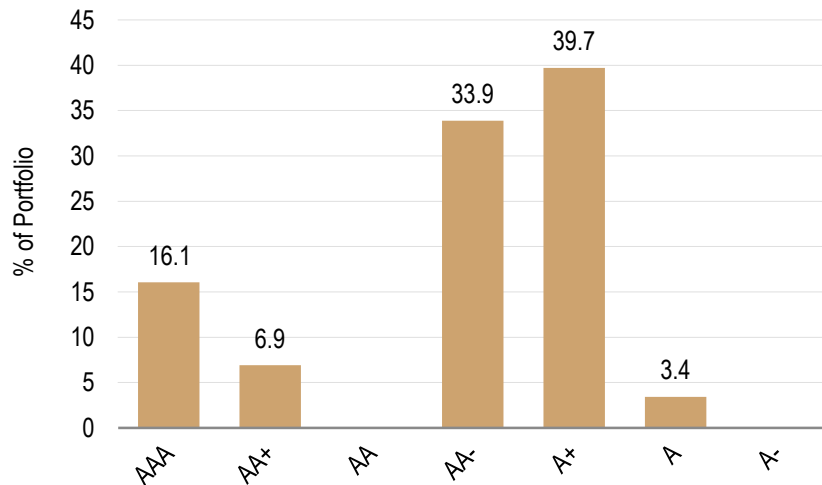


*As of quarter end. Blended yield is before investment management fees and after wrap fees.

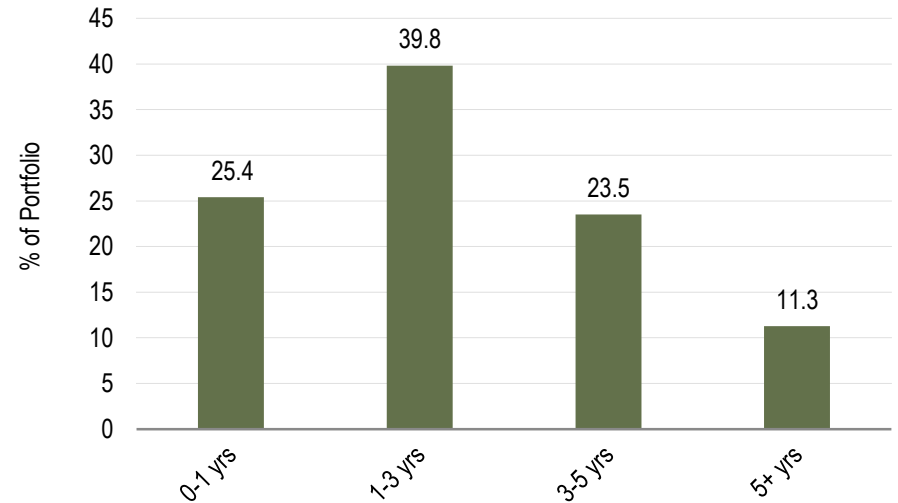
Market Value to Book Value Ratio*



Contract Quality Distribution*



Underlying Duration Distribution**



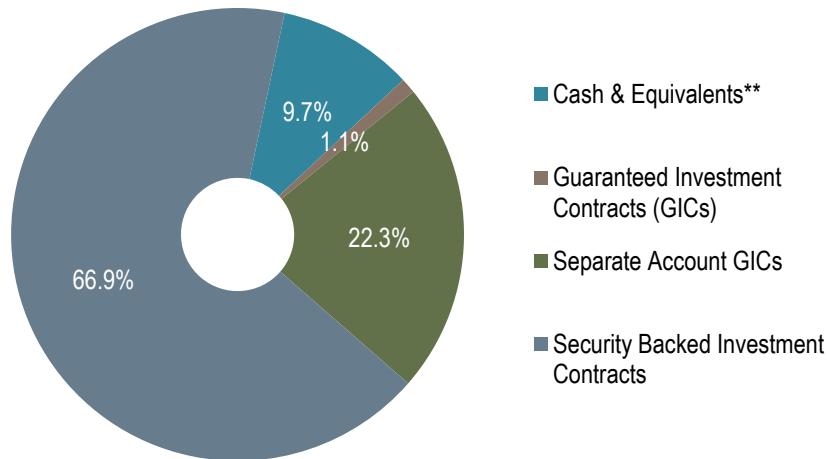
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Stable Value Portfolio Review - Wells Fargo Stable Return Fund G

Second Quarter 2015

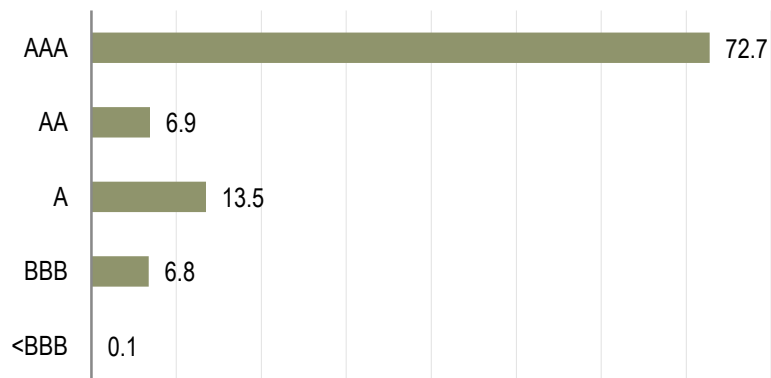
Portfolio Distribution*



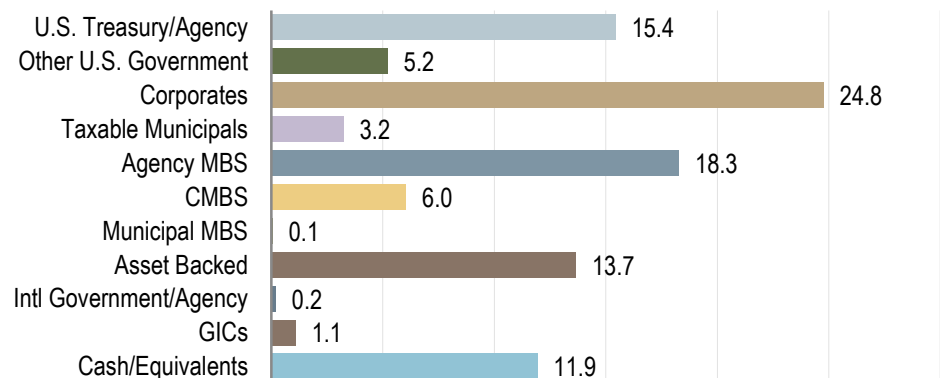
*Book value

**Includes Receivables and Payables

Underlying Fixed Income Credit Quality*



Underlying Fixed Income Asset Allocation**



*Market value. Total % of portfolio may not add to 100% due to rounding. The quality distribution shown represents the distribution of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. Ratings shown as NR/NA are not rated or not available security ratings. The external managers provide portfolio holdings, and the securities are classified using Galliard's analytics and methodology

**Market value. Total % of portfolio may not add to 100% due to rounding. The external managers provide portfolio holdings, and the securities are classified using Galliard's analytics and methodology for maximum comparability across managers.

Stable Value Portfolio Review – Wells Fargo Stable Return Fund

Second Quarter 2015

Portfolio Holdings

Security Backed Investment Contracts

Issuer	% of Portfolio	Moody's Rating	S&P Rating
American General Life Ins. Co.	15.41%	A2	A+
Nationwide Life Ins. Co.	1.82%	A1	A+
New York Life Ins. Co.	5.63%	Aaa	AA+
Pacific Life Ins. Co.	6.44%	A1	A+
Prudential Ins. Co. of America	15.84%	A1	AA-
Royal Bank of Canada	6.80%	Aa3	AA-
State Street Bank and Trust Co.	3.52%	A1	AA-
Transamerica Premier Life Ins. Co.	8.01%	A1	AA-
Voya Ins. And Annuity Co.	3.43%	A2	A
Total Security Backed Investment Contracts	66.91%	A1	AA-

Cash/Equivalents

	% of Portfolio	Moody's Rating	S&P Rating
Short Term Investment Fund	9.71%	Aaa	AAA
Total Cash/Equivalents	9.71%	Aaa	AAA

Guaranteed Investment Contracts (GICs)

Issuer	% of Portfolio	Moody's Rating	S&P Rating
Metropolitan Life Ins. Co.	0.20%	Aa3	AA-
New York Life Ins. Co.	0.73%	Aaa	AA+
Prudential Ins. Co. of America	0.18%	A1	AA-
Total Guaranteed Investment Contracts	1.11%	Aa1	AA

Separate Account GICs

Issuer	% of Portfolio	Moody's Rating	S&P Rating
Massachusetts Mutual Life Ins. Co.	3.77%	Aa2	AA+
Metropolitan Life Ins. Co.	15.37%	Aa3	AA-
TIAA-CREF Life Ins. Co.	3.13%	Aa1	AA+
Total Separate Account GICs	22.27%	Aa3	AA



Section III

Market Review

Second Quarter 2015

U.S. Economy Picks Up Steam

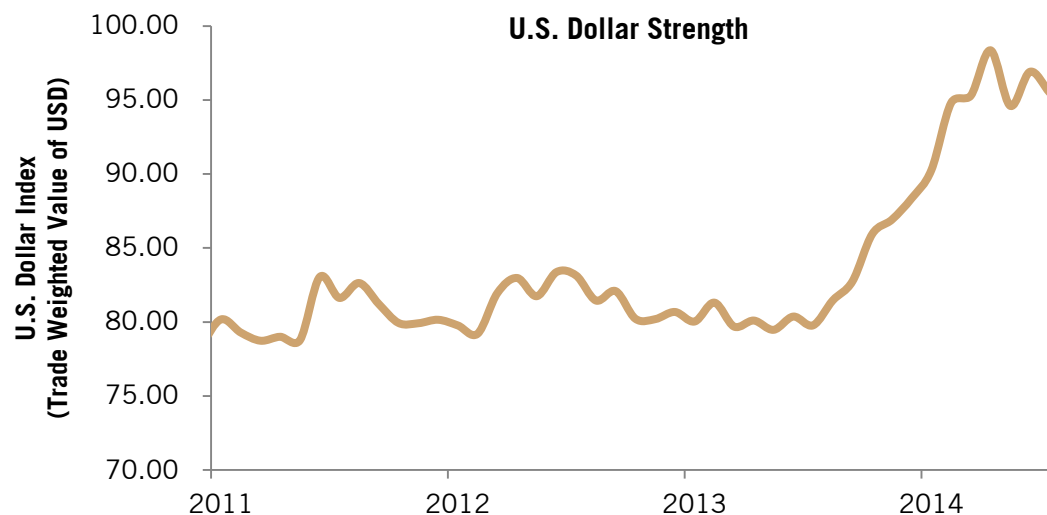
- | As employment, wage growth, and housing continue to gather positive momentum, the consensus GDP forecast is trending back up to the 2.3% - 2.7% range for the year.
- | Home sales continue to impress, with new home sales coming in above estimates by a percentage point at 546k (monthly) units during May, and existing home sales rising 5.1% to 5.35M annualized units.
- | Consumer confidence levels continue to rise as consumers are upbeat on employment, business conditions, and short-term economic outlook, as indicated by the Conference Board's Consumer Confidence Index reading of 101.4 (vs. prior month's reading of 94.6), which exceeded expectations.

Global Economy Remains Mixed

- | Ex-U.S., the global economy saw only a soft expansion during the second quarter. The JP Morgan Global Manufacturing PMI came in at 51.0 in June, slightly lower than May's reading of 51.3.
- | The Eurozone economy held fairly steady despite Grexit drama, led by France and Germany. Markit's Eurozone Manufacturing PMI remained unchanged at 52.5 in June.
- | China's manufacturing sector continued to contract, posting a 49.4 reading in June. Adding to its woes, the Shanghai Stock Exchange Composite Index entered bear market territory compelling China's central bank to intervene quickly and cut another 25 bps off its key interest rate, to 4.85%.
- | Low oil prices and a declining manufacturing sector have placed Canada on the brink of a recession as its economy has contracted for four consecutive months.



Source: Bloomberg



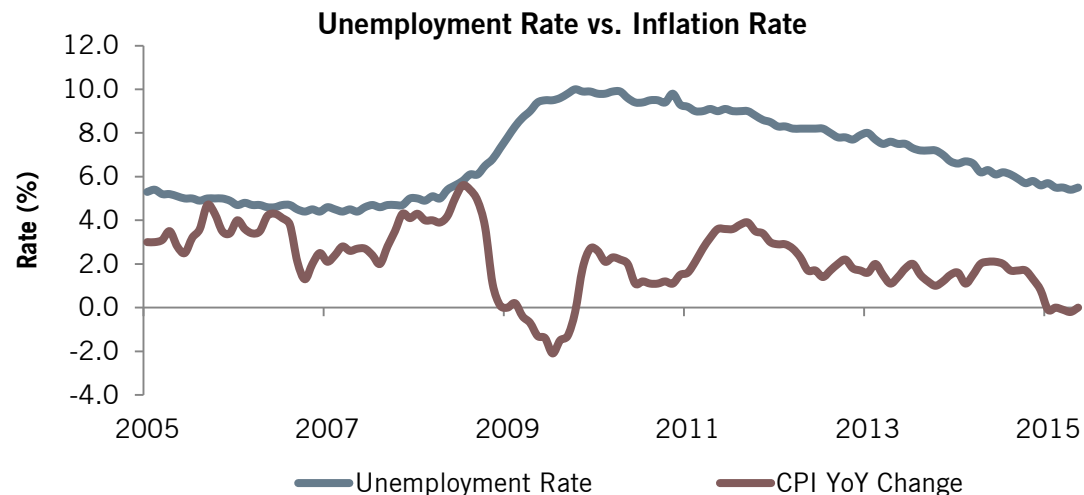
Source: Bloomberg

Market Review

Second Quarter 2015

September Liftoff Likely

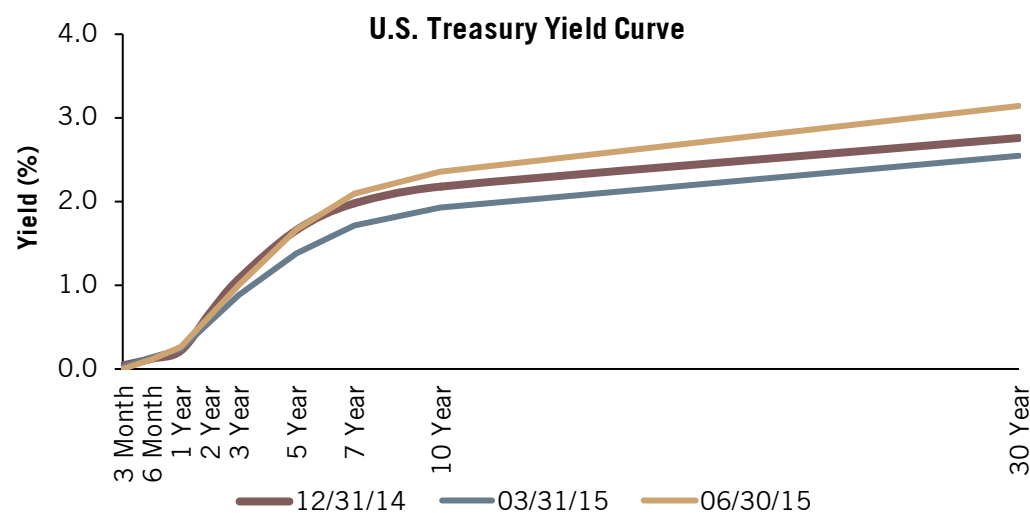
- | We continue to believe a September rate increase remains the most probable outcome as the Fed continues to assess the health of the economy and its ability to withstand higher rates.
- | Wages improved slightly (+0.2% in June) and the unemployment rate declined to 5.3% after private payrolls added 223k jobs in June.
- | Deflationary pressures eased as gasoline prices increased sharply in May. Headline CPI increased 0.4% m/o/m but remained unchanged y/o/y.
- | There is some concern that a softer global growth picture may cause an economic drag in the U.S. – this would likely affect the pace of Fed tightening more than the timing of initial liftoff.



Source: Bloomberg

Treasuries Reverse Course

- | The U.S. Treasury yield curve moved higher during the second quarter, erasing gains from the previous quarter in the longer (10+ year) part of the curve.
- | Despite the selloff, yields on the short and intermediate segments of the curve (maturities from 1-7 years) are within 5-10 basis points of where they started the year.
- | Longer dated U.S. Treasury bonds (10+ years) are now near their peak for the year as building sentiment for a September Fed rate hike and higher inflation expectations pushed yields higher.



Source: Bloomberg



Appendix

Appendix - State of Wisconsin Deferred Compensation Program

Second Quarter 2015

Total Annual Fund Operating Expenses

Total Annual Operating Expenses are deducted directly from the Fund's net asset value and reduce the investment option's rate of return.

Expense	Expense Ratio 6/30/15	Per \$1000
Investment Management Fees paid to Galliard	0.126%	\$1.26
Investment Management fees paid to Non-Affiliated Investment Advisors	None	None
Investment Contract Fees ¹	0.193%	\$1.93
Acquired Fund Fees ²	0.074%	\$0.74
-Investment Contract Fees	0.014%	\$0.14
-Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors ³	0.059%	\$0.59
12b-1 Distribution Fee	None	None
Other Expenses	None	None
Total Annual Fund Operating Expenses⁴	0.393%	\$3.93

¹These are fees paid to create and maintain the investments used by a stable value fund

²These are fees borne indirectly by the Fund when it acquires an interest in another fund which pays its own separate fees

³Includes audit fees for the cost of producing a report by a qualified auditor

⁴Total Annual Fund Operating Expenses are reflected daily in the Fund's net asset value (NAV)