



**GALLIARD**  
Capital Management, Inc.

## **WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND**

FIRST QUARTER 2018 PORTFOLIO REVIEW

---

# STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2018

## TABLE OF CONTENTS

Stable Value Portfolio Review - Wisconsin Deferred Compensation Program - Stable Value Fund .....	3
Investment Performance .....	4
Portfolio Characteristics.....	5
Transactions.....	11
Holdings.....	12
Stable Value Portfolio Review - Wells Fargo Stable Value Fund W.....	13
Portfolio Characteristics.....	14
Holdings.....	17
Market Review .....	18
Appendix.....	21
Calendar Year Performance .....	22
Total Annual Fund Operating Expenses .....	23

## GALLIARD CONTACTS

### Client Portfolio Management

Laura Sell, CFA

Principal

612.667.3029

[laura.d.sell@galliard.com](mailto:laura.d.sell@galliard.com)

Mike Norman

Partner

612.667.3219

[michael.d.norman@galliard.com](mailto:michael.d.norman@galliard.com)

### Galliard Client Service

612.667.3220

[galliardclientservice@galliard.com](mailto:galliardclientservice@galliard.com)

### Stable Value Audit Support

Galliard Stable Value Audit Team

[SVAudit@galliard.com](mailto:SVAudit@galliard.com)

*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.*

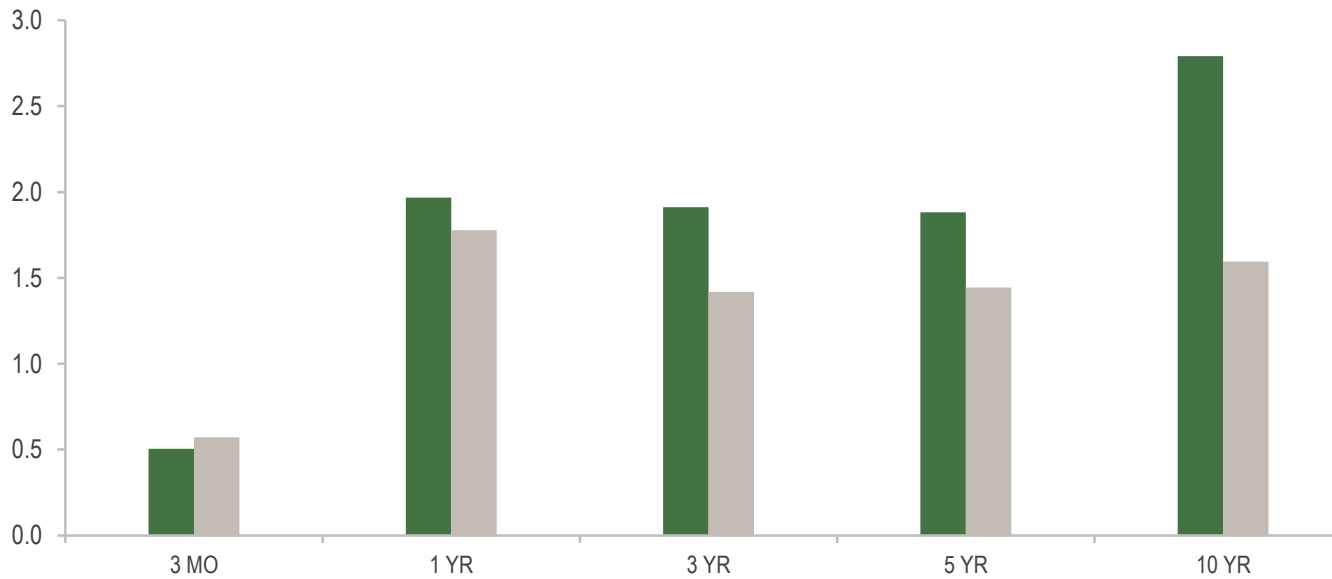
**STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND**

---

# STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2018

ANNUALIZED INVESTMENT PERFORMANCE AS OF 3/31/18<sup>1</sup>



	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
■ Portfolio (net of all fees - NAV level) <sup>2</sup>	0.50	1.97	1.91	1.88	2.79
■ Linked Benchmark <sup>3</sup>	0.57	1.78	1.42	1.44	1.60
<b>Value Added (net of all fees - NAV level)<sup>4</sup></b>	<b>(0.07)</b>	<b>0.19</b>	<b>0.49</b>	<b>0.44</b>	<b>1.20</b>

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

2: Returns are net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.

3: Linked benchmark: 3 Year Constant Maturity Treasury; Prior to 11/1/15 was the 5 Year Constant Maturity Treasury.

4: May not add due to rounding.

# STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2018

## WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

### ACCOUNT SUMMARY

<b>Benchmark</b>	3 Year Constant Maturity Treasury
<b>Galliard Inception Date</b>	July 1, 1998
<b>Net Asset Value</b>	\$663,923,449

### PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/17	Portfolio 3/31/18
<b>Average Quality - Book Value<sup>1</sup></b>	A+	A+
<b>Average Quality - Market Value<sup>2</sup></b>	AA	AA
<b>Number of Contract Issuers</b>	5	5
<b>Blended Yield (after all fees)<sup>3</sup></b>	2.03%	2.09%
<b>Yield to Maturity</b>	2.38%	2.87%
<b>Effective Duration</b>	2.88 years	2.98 years
<b>Market/Book Value Ratio</b>	99.98%	98.93%

1: Average holdings quality of the contracts and other book value assets in the portfolio. 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 individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

2: Average holdings quality of the underlying assets of the portfolio. 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 individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

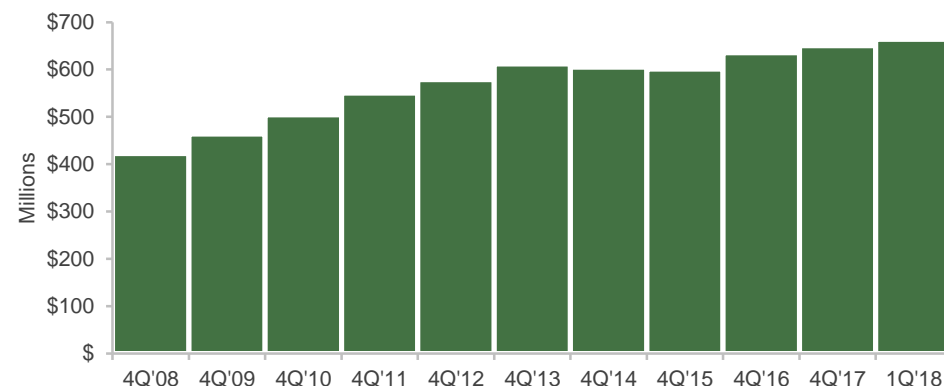
3: Blended Yield is net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.

4: Includes Receivables and Payables.

5: SAGIC = Separate Account GIC. SBIC = Security Backed Investment Contract.

6: Total % of portfolio may not add to 100% due to rounding.

## HISTORICAL FUND ASSETS



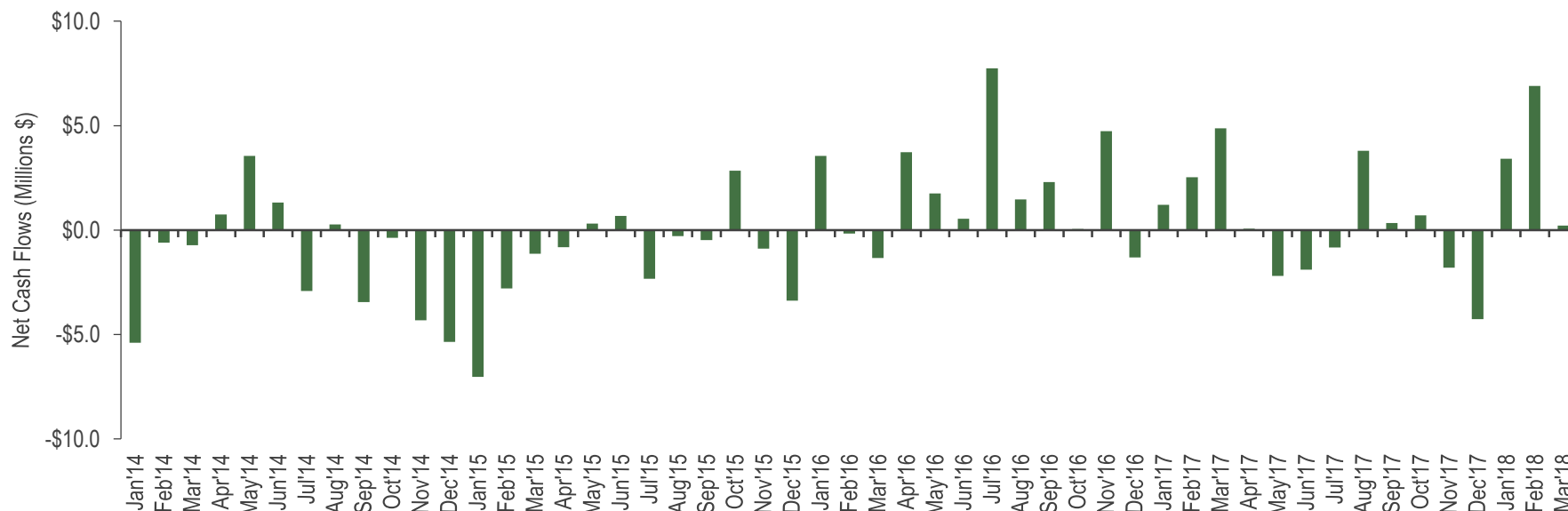
## PORTFOLIO DISTRIBUTION

	% Portfolio 12/31/17	% Portfolio 3/31/18
<b>Liquidity Buffer: Cash &amp; Equivalents<sup>4</sup></b>	0.6	1.5
<b>Liquidity Buffer: WF Stable Return Fund</b>	5.5	5.4
<b>SAGIC and SBIC Short Portfolio<sup>5</sup></b>	45.3	41.0
<b>SAGIC and SBIC Intermediate Portfolio<sup>5</sup></b>	48.6	52.0
<b>Total</b>	<b>100.0%<sup>6</sup></b>	<b>100.0%<sup>6</sup></b>

# STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2018

## HISTORICAL CASHFLOWS



	2014	2015	2016	2017	1Q'18
Beginning Assets	\$611.7	\$605.0	\$600.7	\$635.4	\$650.1
Net Cash Flow (\$) <sup>1</sup>	-\$17.2	-\$15.3	\$23.1	\$2.5	\$10.5
Net Cash Flow (%)	-2.82%	-2.53%	3.84%	0.40%	1.62%
Estimated Investment Earnings	\$10.5	\$11.0	\$11.6	\$12.2	\$3.3
Ending Assets <sup>2</sup>	\$605.0	\$600.7	\$635.4	\$650.1	\$663.9

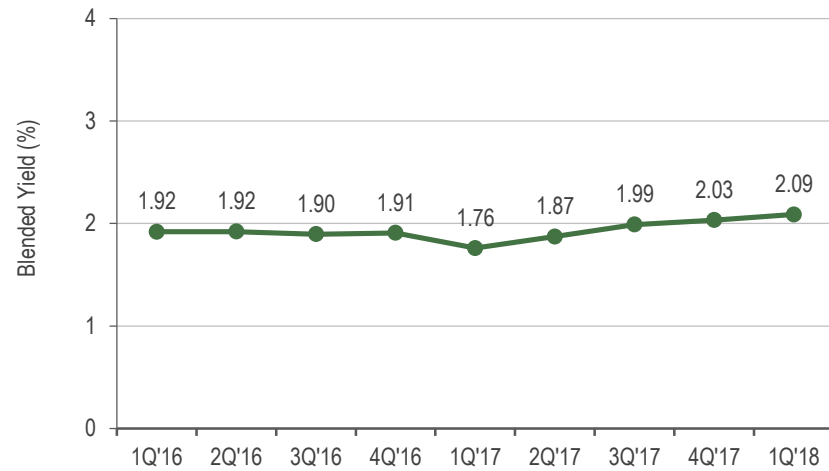
1: Contributions, Withdrawals and Investment Transfers

2: Cashflows may not net to final assets due to rounding.

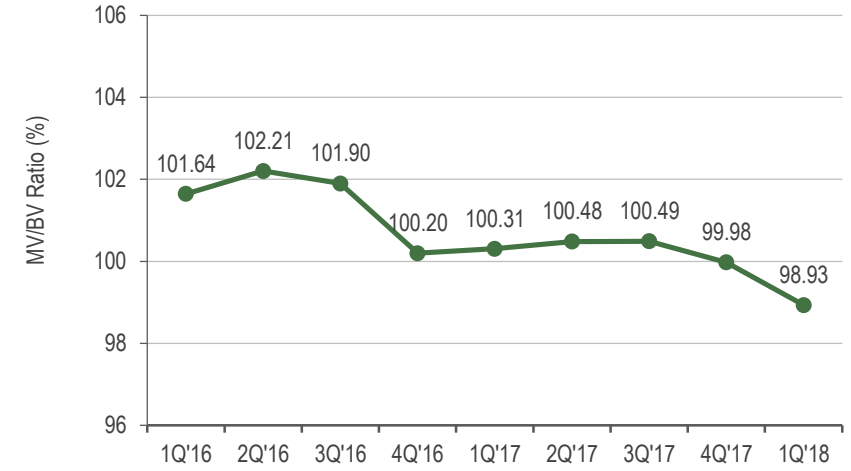
# STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2018

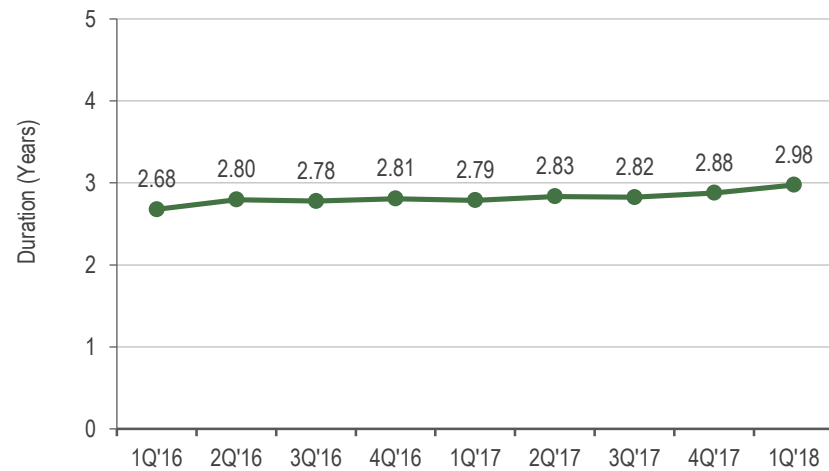
### HISTORICAL BLENDED YIELD<sup>1</sup>



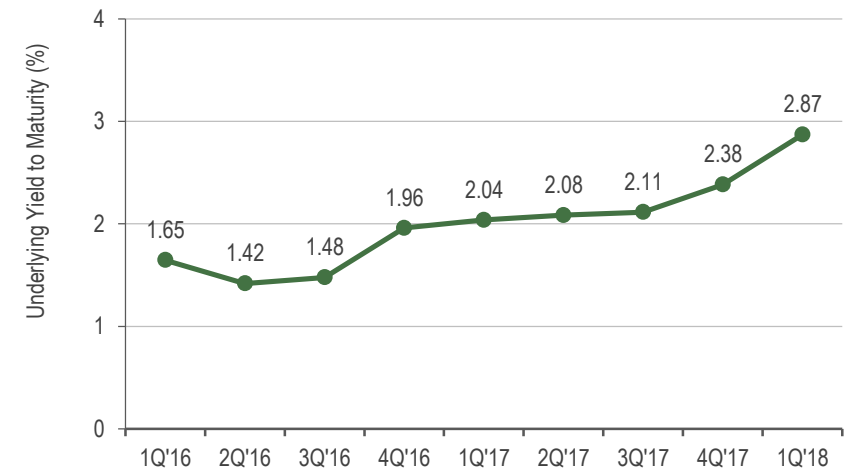
### HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



### HISTORICAL DURATION



### HISTORICAL UNDERLYING YIELD TO MATURITY



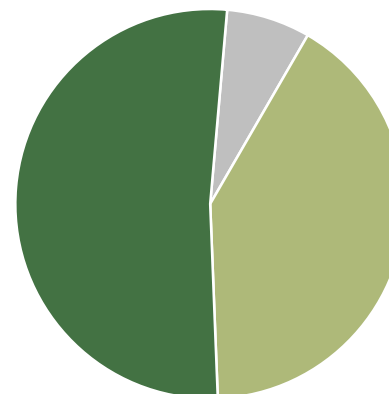
<sup>1</sup>: Blended Yield is net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.

# STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2018

## STRATEGY DISTRIBUTION<sup>1</sup>

	Portfolio 12/31/17	Portfolio 3/31/18
■ Liquidity Buffer <sup>2</sup>	6.1	7.0
■ Short	45.3	41.0
■ Intermediate	48.6	52.0



## CONTRACT ISSUER DISTRIBUTION & RATING SUMMARY<sup>3</sup>

	% Portfolio 12/31/17	% Portfolio 3/31/18	Rating 12/31/17	Rating 3/31/18
American General Life Ins. Co.	20.1	19.8	A+	A+
Nationwide Life Ins. Co.	11.1	11.1	A+	A+
Prudential Ins. Co. of America	20.4	20.2	AA-	AA-
Transamerica Premier Life Ins. Co.	23.5	23.3	A+	A+
Voya Ret. Ins. and Annuity Co.	18.7	18.6	A	A

1: Book Value.

2: Includes Receivables and Payables.

3: The quality rating shown represents 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.

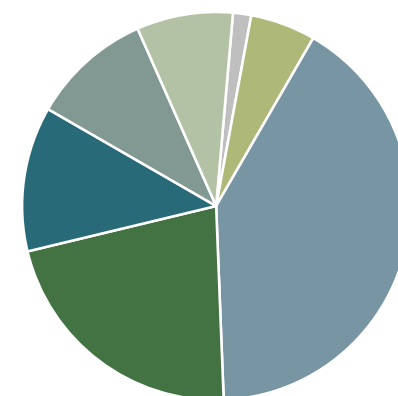


# STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2018

## MANAGER DISTRIBUTION

	Strategy	Benchmark	% of Portfolio 12/31/17	% of Portfolio 3/31/18
Liquidity Buffer: Cash & Equivalents	STIF/Money Market		0.6	1.5
Liquidity Buffer: Stable Value Funds	Stable Value Fund	50% Citigroup 3 Mon T-Bill, 50% BofAML 1-3 Year Treasury	5.5	5.4
Galliard	Short	Targeted Duration Portfolio	45.3	41.0
Galliard	Intermediate	Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index	18.1	21.9
Dodge & Cox	Intermediate	Bloomberg Barclays U.S. Intermediate Aggregate Bond Index	12.2	12.1
Jennison Assoc.	Intermediate	Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index	10.1	10.0
TCW	Intermediate	Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index	8.1	8.0
Total			100% <sup>1</sup>	100% <sup>1</sup>

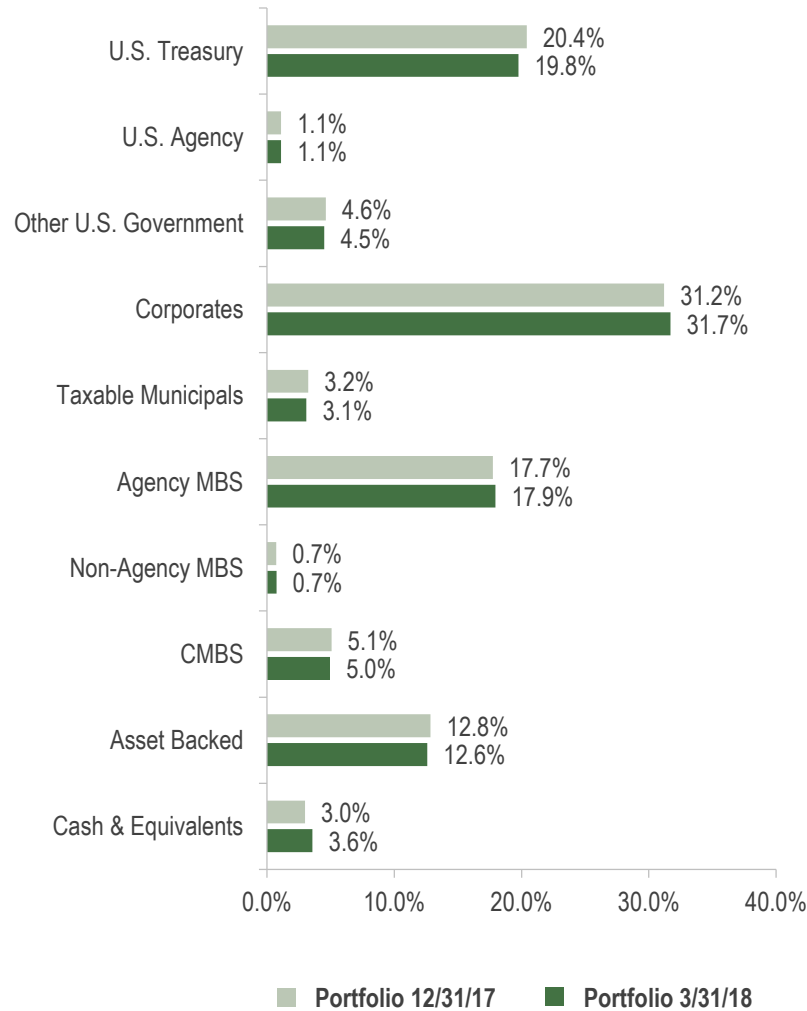


<sup>1</sup>: Total % of portfolio may not add to 100% due to rounding.

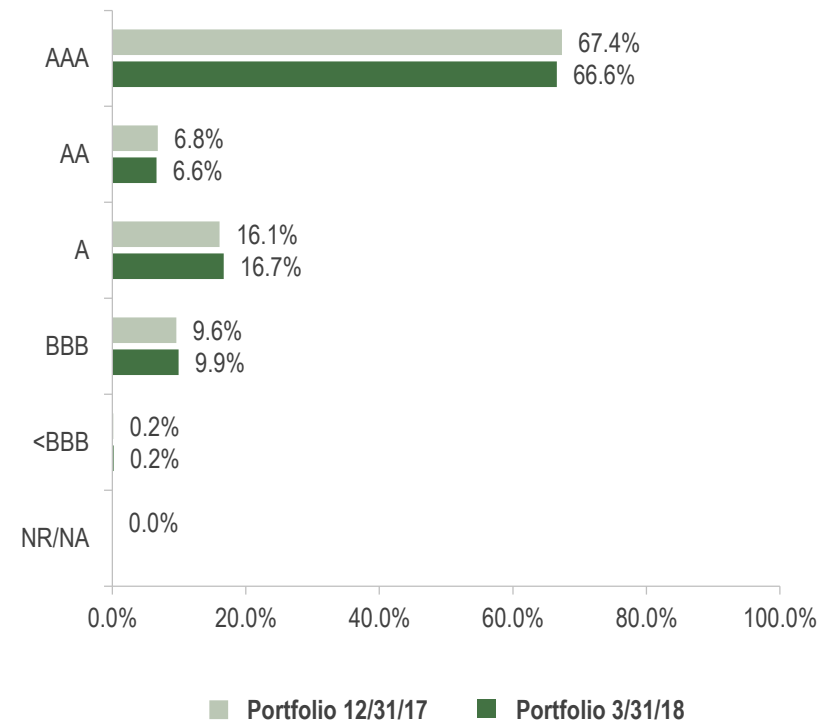
# STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2018

## UNDERLYING FIXED INCOME ASSET ALLOCATION<sup>1</sup>



## UNDERLYING QUALITY DISTRIBUTION<sup>1</sup>



1: Market Value. Total % of portfolio may not add to 100% due to rounding. The external managers provide holdings and the securities are classified using Galliard's analytics methodology for maximum comparability across managers. 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. Distributions represent the portfolio positions for reporting purposes only. Investment guideline compliance is reported in your quarterly portfolio commentary or separately through your Galliard relationship manager.

## WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND PORTFOLIO TRANSACTIONS

Period: 1/1/2018 - 3/31/2018

Asset ID	Security Description	Par Amount	Trade Date	Settle Date	Galliard Composite Rating
<b>PURCHASES</b>					
896994DP2	Nationwide Life Ins. Co.	620,000	3/5/2018	3/5/2018	A+
744999ZU0	Prudential Ins. Co. of America	1,120,000	3/5/2018	3/5/2018	AA-
600996CC4	Transamerica Premier Life Ins. Co.	1,300,000	3/5/2018	3/5/2018	A+
75999UNG9	Voya Ret. Ins. and Annuity Co.	1,030,000	3/5/2018	3/5/2018	A
<b>TOTAL PURCHASES</b>		<b>4,070,000</b>			
<b>SALES</b>					
9983008\$P	WF/BlackRock Short Term Investment Fund S	4,070,000	3/5/2018	3/5/2018	AAA
<b>TOTAL SALES</b>		<b>4,070,000</b>			

# WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND PORTFOLIO HOLDINGS

March 31, 2018

Asset ID	Security Description	Contract Type	Manager	Contract Value (\$)	Market Value (\$)	Market/Book Value Ratio (%)	% of Portfolio	Crediting Rate (%) <sup>1</sup>	UCA Yield (%)	Maturity <sup>2</sup>	Effective Duration (yrs)	Galliard Composite Rating	Wrap Fees (bps)
<b>LIQUIDITY BUFFER</b>													
	Cash Receivable / (Payable)			-446,687	-446,687	100.0	-0.1	1.82	1.82		0.10	AAA	
9983008\$P	WF/BlackRock Short Term Investment Fund S			10,505,384	10,505,384	100.0	1.6	1.82	1.82		0.10	AAA	
94988K104	Wells Fargo Stable Value Fund W		Galliard	36,142,314	36,142,314	100.0	5.4	2.17	2.17		2.61	AA-	
<b>TOTAL LIQUIDITY BUFFER</b>				46,201,011	46,201,011	100.0	7.0	2.09	2.09		2.07	AA	
<b>SHORT PORTFOLIO</b>													
946996EP6	American General Life Ins. Co.	SBIC	Galliard	56,969,633	56,262,546	98.8	8.6	2.14	2.79	N.S.M.	1.87	A+	20.0
896994DP2	Nationwide Life Ins. Co.	SBIC	Galliard	30,685,383	30,264,227	98.6	4.6	2.12	2.79	N.S.M.	1.87	A+	21.0
744999ZU0	Prudential Ins. Co. of America	SBIC	Galliard	67,493,079	66,839,485	99.0	10.2	2.15	2.79	N.S.M.	1.87	AA-	18.0
600996CC4	Transamerica Premier Life Ins. Co.	SBIC	Galliard	46,983,220	46,582,652	99.1	7.1	2.47	2.79	N.S.M.	1.87	A+	20.0
75999UNG9	Voya Ret. Ins. and Annuity Co.	SBIC	Galliard	70,272,612	69,231,508	98.5	10.6	1.94	2.79	N.S.M.	1.87	A	20.0
<b>TOTAL SHORT PORTFOLIO</b>				272,403,927	269,180,417	98.8	41.0	2.15	2.79		1.87	A+	
<b>INTERMEDIATE PORTFOLIO</b>													
946996EP6	American General Life Ins. Co.	SBIC	Galliard	74,661,516	73,734,844	98.8	11.2	2.14	3.07	N.S.M.	3.87	A+	20.0
896994DP2	Nationwide Life Ins. Co.	SBIC	Galliard	42,683,682	42,097,850	98.6	6.4	2.12	3.07	N.S.M.	3.87	A+	21.0
744999ZU0	Prudential Ins. Co. of America	SBIC	Jennison Assoc.	66,681,577	66,035,841	99.0	10.0	2.15	2.78	N.S.M.	4.13	AA-	18.0
600996CC4	Transamerica Premier Life Ins. Co.	SBIC	Dodge & Cox	80,221,170	79,537,222	99.1	12.1	2.47	3.19	N.S.M.	3.95	A+	20.0
600996CC4	Transamerica Premier Life Ins. Co.	SBIC	Galliard	27,798,118	27,561,117	99.1	4.2	2.47	3.07	N.S.M.	3.87	A+	20.0
75999UNG9	Voya Ret. Ins. and Annuity Co.	SBIC	TCW	53,272,450	52,483,207	98.5	8.0	1.94	3.04	N.S.M.	4.08	A	20.0
<b>TOTAL INTERMEDIATE PORTFOLIO</b>				345,318,512	341,450,081	98.9	52.0	2.21	3.04		3.97	A+	
<b>TOTAL PORTFOLIO</b>				663,923,449	656,831,508	98.9	100.0	2.18	2.87		2.98	A+	

1: Crediting rates are net of wrap fees and any other fees being netted out of the rates.

2: N.S.M. = No Stated Maturity

**STABLE VALUE PORTFOLIO REVIEW - WELLS FARGO STABLE VALUE FUND W**

---

# STABLE VALUE PORTFOLIO REVIEW - WELLS FARGO STABLE VALUE FUND W

First Quarter 2018

## WELLS FARGO STABLE VALUE FUND W

### ACCOUNT SUMMARY

<b>Benchmark</b>	Citigroup 3-Mo T-Bill (50), ML 1-3 Yr T Index (50)
<b>Galliard Inception Date</b>	October 1, 1985
<b>Net Asset Value</b>	\$27,221,056,901

### PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/17	Portfolio 3/31/18
<b>Average Quality - Book Value<sup>1</sup></b>	AA-	AA-
<b>Average Quality - Market Value<sup>2</sup></b>	AA+	AA+
<b>Number of Contract Issuers</b>	11	11
<b>Blended Yield (before inv. mgmt. fees)<sup>3</sup></b>	2.11%	2.17%
<b>Yield to Maturity</b>	2.36%	2.81%
<b>Effective Duration</b>	2.64 years	2.61 years
<b>Market/Book Value Ratio</b>	99.99%	98.94%
<b>Number of Underlying Issues</b>	4,319	3,826
<b>Annualized Turnover Rate<sup>4</sup></b>	32.22%	32.22%

1: Average holdings quality of the contracts and other book value assets in the portfolio. 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 individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

2: Average holdings quality of the underlying assets of the portfolio. 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 individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

3: Blended Yield is net of book value contract fees.

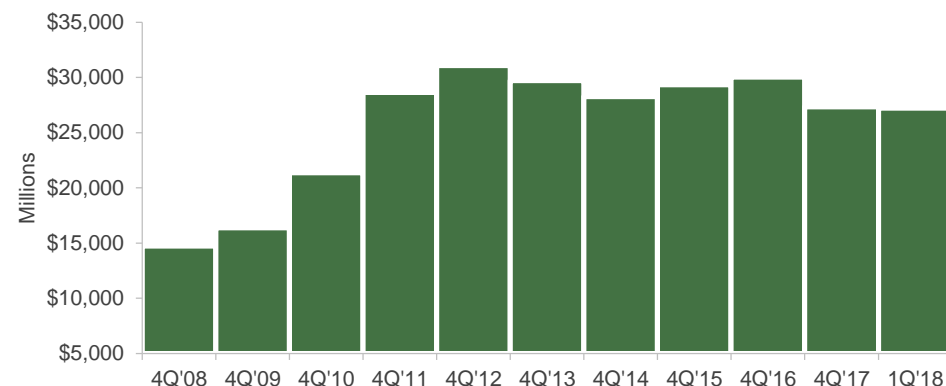
4: Please refer to the Fund's Disclosure Booklet for information regarding methodology of turnover calculation.

5: Includes Receivables and Payables.

6: SAGIC = Separate Account GIC. SBIC = Security Backed Investment Contract.

7: Total % of portfolio may not add to 100% due to rounding.

## HISTORICAL FUND ASSETS



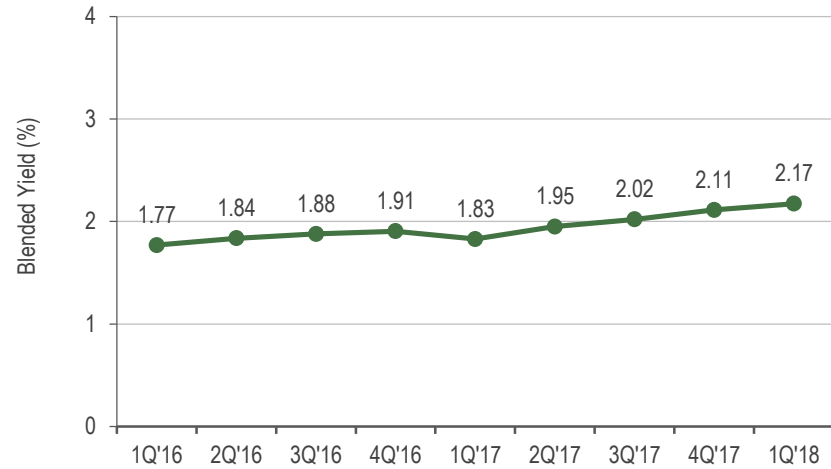
## PORTFOLIO DISTRIBUTION

	% Portfolio 12/31/17	% Portfolio 3/31/18
<b>Liquidity Buffer: Cash &amp; Equivalents<sup>5</sup></b>	6.1	8.3
<b>SAGIC and SBIC Short Portfolio<sup>6</sup></b>	39.6	38.8
<b>SAGIC and SBIC Short / Intermediate Portfolio<sup>6</sup></b>	21.6	21.2
<b>SAGIC and SBIC Intermediate Portfolio<sup>6</sup></b>	32.8	31.6
<b>Total</b>	<b>100.0%<sup>7</sup></b>	<b>100.0%<sup>7</sup></b>

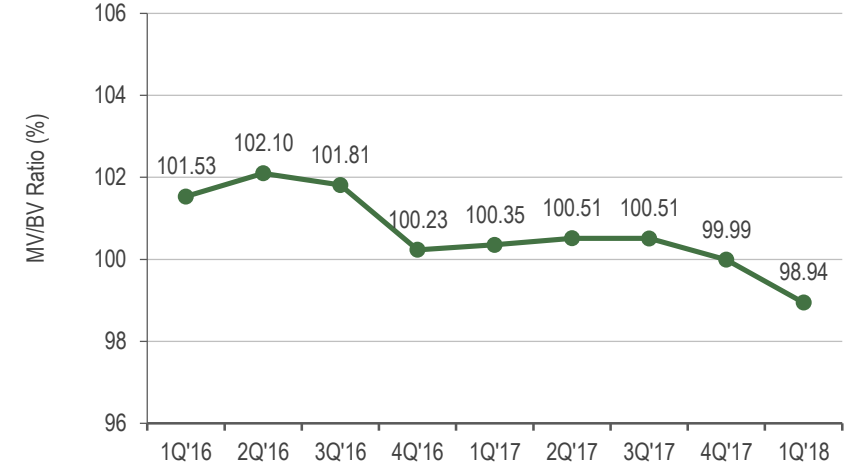
# STABLE VALUE PORTFOLIO REVIEW - WELLS FARGO STABLE VALUE FUND W

First Quarter 2018

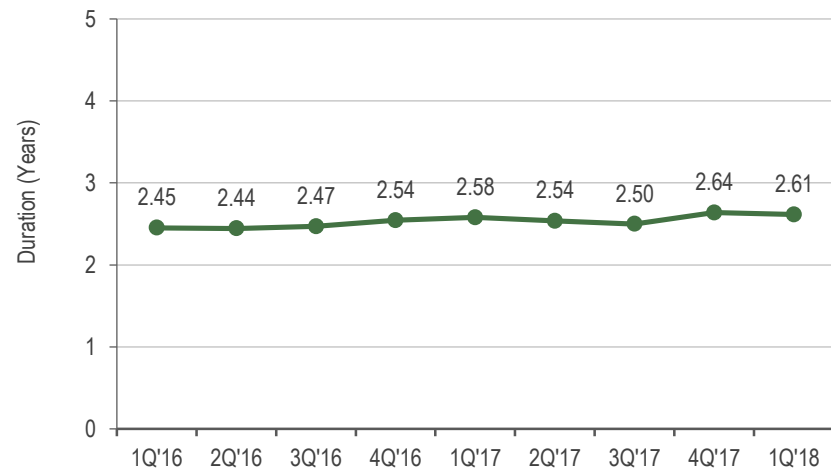
### HISTORICAL BLENDED YIELD<sup>1</sup>



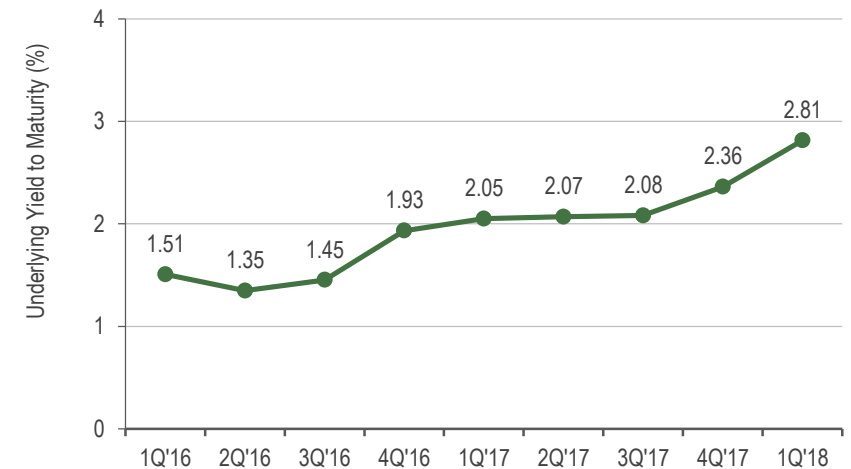
### HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



### HISTORICAL DURATION



### HISTORICAL UNDERLYING YIELD TO MATURITY

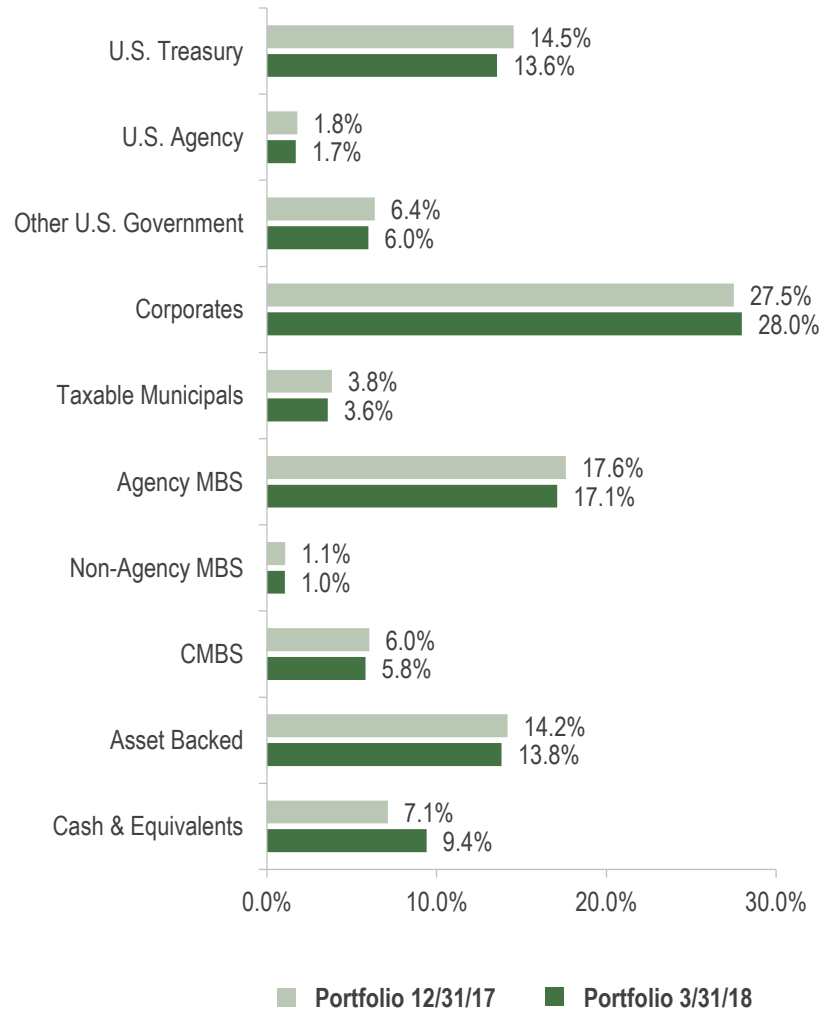


1: Blended Yield is net of book value contract fees.

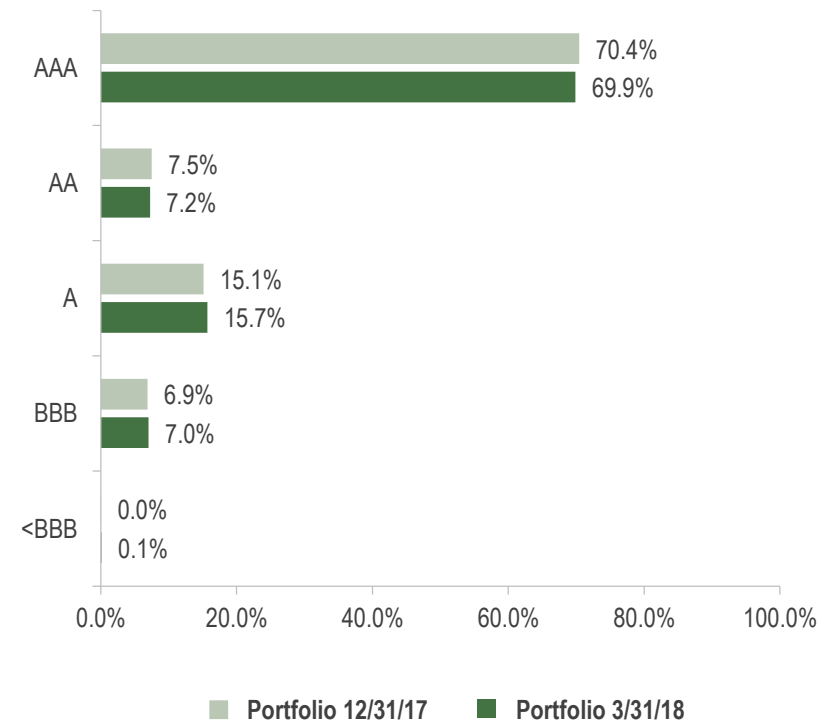
# STABLE VALUE PORTFOLIO REVIEW - WELLS FARGO STABLE VALUE FUND W

First Quarter 2018

## UNDERLYING FIXED INCOME ASSET ALLOCATION<sup>1</sup>



## UNDERLYING QUALITY DISTRIBUTION<sup>1</sup>



1: Market Value. Total % of portfolio may not add to 100% due to rounding. The external managers provide holdings and the securities are classified using Galliard's analytics methodology for maximum comparability across managers. 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. Distributions represent the portfolio positions for reporting purposes only. Investment guideline compliance is reported in your quarterly portfolio commentary or separately through your Galliard relationship manager.



# WELLS FARGO STABLE VALUE FUND W PORTFOLIO HOLDINGS

March 31, 2018

## Portfolio Holdings<sup>1</sup>

Issuer	% of Portfolio	Composite Rating	Contract Type
Prudential Ins. Co. of America	14.7%	AA-	SBIC
Transamerica Premier Life Ins. Co.	14.2%	A+	SBIC
American General Life Ins. Co.	12.5%	A+	SBIC
Royal Bank of Canada	11.9%	AA-	SBIC
Metropolitan Life Ins. Co.	11.1%	AA-	SAGIC
Pacific Life Ins. Co.	8.6%	A+	SBIC
Massachusetts Mutual Life Ins. Co.	6.1%	AA+	SBIC
New York Life Ins. Co.	4.1%	AAA	SBIC
State Street Bank and Trust Co.	4.0%	AA-	SBIC
Voya Ret. Ins. and Annuity Co.	2.6%	A	SBIC
Nationwide Life Ins. Co.	1.8%	A+	SBIC
<b>Cash/Equivalents</b>			
Short Term Investment Fund	8.3%	AAA	---
<b>TOTAL</b>	<b>100.0%</b>	<b>AA-</b>	<b>---</b>

1: Total % of portfolio may not add to 100% due to rounding.



# MARKET REVIEW

## FIRST QUARTER 2018

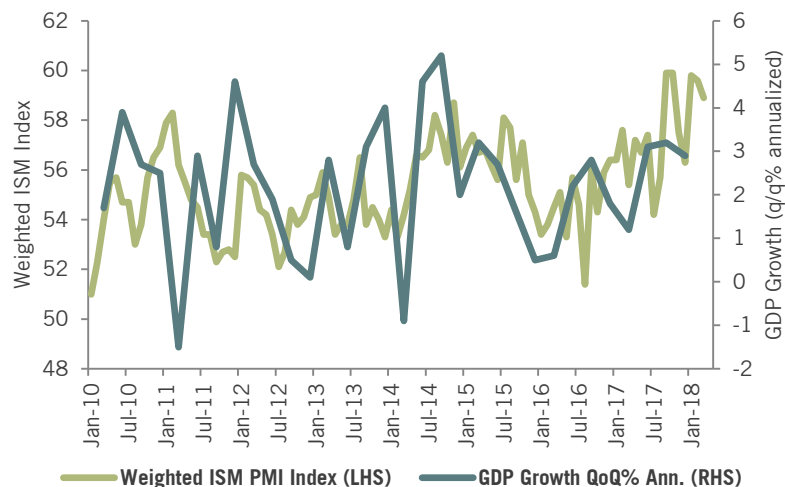
### U.S. GROWTH FINISHES 2017 ON A SOLID FOOTING

- The U.S. economy grew at solid pace in the fourth quarter, advancing +2.9% over the prior quarter on an annualized basis. For the full year, GDP growth measured +2.3%.
- GDP growth in Q4 was driven by solid personal consumption (+4.0 %q/q annualized) and business investment (+6.8%). On the negative side, inventories and net imports were drags on growth.
- The Institute for Supply Management's (ISM) survey of manufacturing activity finished the quarter at 59.3, in-line with December's reading. The ISM services index meanwhile rose to 58.8 in March from 56.0 in December. Both figures are consistent with annualized GDP growth above 3.0%.

### JOB MARKET GAINS SEEN PUSHING WAGES HIGHER

- Despite a weaker than expected payrolls number in March, employers still added an average of 202,000 jobs per month over the quarter. The unemployment rate stands at +4.1%, while the broader "U-6" underemployment rate fell to 8.0% in March.
- As a measure of just how much the job market has strengthened since the beginning of the expansion, the measure of unemployed job seekers per job opening fell to just 1.1 workers per opening in January, from a cycle-high of nearly 6.6 workers per opening in July 2009.
- Average hourly earnings rose 2.7% y/y in March, and the Atlanta Fed's Wage Growth Tracker showed median wage growth advanced at a 2.9% pace (q/q annualized) in February.

**GDP Growth and Weighted ISM Indices**



Source: St. Louis Federal Reserve FRED database, Bureau of Economic Analysis, Institute for Supply Management

**U.S. Unemployed Job Seekers Per Job Opening**



Source: St. Louis Federal Reserve FRED database, Bureau of Labor Statistics

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 investor use only.

# MARKET REVIEW

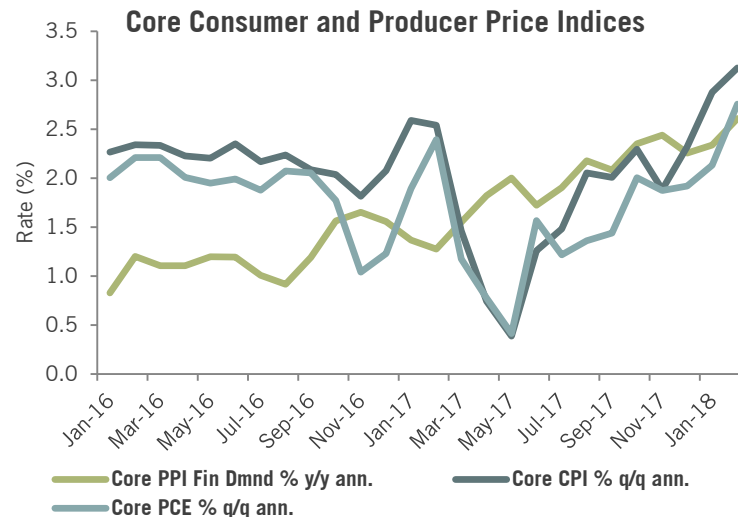
## FIRST QUARTER 2018

### FED RAISES POLICY RATE IN MARCH, TWEAKS DOT PLOT HIGHER

- The Fed raised its policy rate by 25 bps at its March meeting, to a range of 1.50% and 1.75%. Consistent with prior forecasts, policymakers signaled they expected a total of three hikes in 2018.
- Meanwhile, policymakers raised their expectations for the pace of hikes in 2019 and 2020, raising the median projection for end-2020 Fed Funds to 3.4%, from December's forecast of 3.1%.
- FOMC participants also raised their median forecasts for GDP growth, core inflation, and labor market gains (lower unemployment rate) for the next several years.

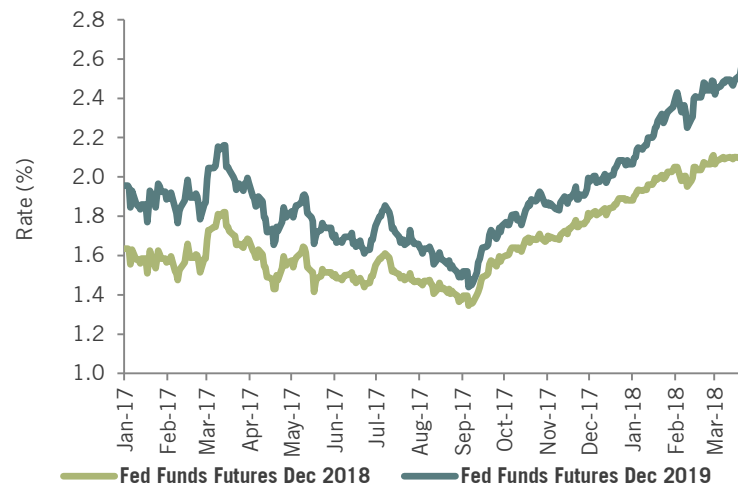
### CORE INFLATION MEASURES REBOUNDED SO FAR IN 2018

- While year-over-year measures of core price inflation have risen only modestly since late-2017, quarter-over-quarter figures show a marked advance in both core CPI and core PCE.
- With weak inflation prints from March-May 2017 are set to roll out of the annual numbers, we could see a pop in year-on-year inflation figures over the next several months.
- The breakeven inflation level priced into 10-year TIPS rose modestly during the quarter, reaching 2.06% at the end of March.



Source: St. Louis Federal Reserve FRED database, Bureau of Economic Analysis, Bureau of Labor Statistics

### Fed Funds Futures – December 2018 and 2019 Contracts



Source: Bloomberg

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 investor use only.



# STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2018

## CALENDAR YEAR INVESTMENT PERFORMANCE

	2013	2014	2015	2016	2017
Portfolio (net of all fees - NAV level) <sup>1</sup>	2.10	1.73	1.85	1.90	1.90
Linked Benchmark <sup>2</sup>	1.17	1.64	1.45	1.01	1.58
<b>Value Added (net of all fees – NAV level)<sup>3</sup></b>	<b>0.93</b>	<b>0.09</b>	<b>0.40</b>	<b>0.90</b>	<b>0.32</b>

## MARKET INDICES

BofAML US 3-Mon T-Bill	0.07	0.03	0.05	0.33	0.86
Consumer Price Index	1.51	0.76	0.73	2.07	2.11

1: Returns are net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, and plan administrative reimbursement.

2: Linked benchmark: 3 Year Constant Maturity Treasury; Prior to 11/1/15 was the 5 Year Constant Maturity Treasury.

3: May not add due to rounding.

## APPENDIX - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2018

### 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 3/31/18	Per \$1000
Investment Management Fees paid to Galliard	0.088%	\$0.88
Investment Management fees paid to Non-Affiliated Investment Advisors	None	None
Investment Contract Fees* <sup>1</sup>	0.183%	\$1.83
Acquired Fund Fees <sup>2</sup>	0.070%	\$0.70
-Investment Contract Fees	0.010%	\$0.10
-Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors <sup>3</sup>	0.060%	\$0.60
12b-1 Distribution Fee	None	None
Other Expenses	None	None
<b>Total Annual Fund Operating Expenses<sup>4</sup></b>	<b>0.341%</b>	<b>\$3.41</b>

\*Changes have occurred to the fee schedule structure since the prior period. Please contact your Galliard representative if you have additional questions.

- 1: These are fees paid to create and maintain the investments used by a stable value fund.
- 2: These are fees borne indirectly by the Fund when it acquires an interest in another fund which pays its own separate fees.
- 3: Includes audit fees for the cost of producing a report by a qualified auditor.
- 4: Total Annual Fund Operating Expenses are reflected daily in the Fund's net asset value (NAV).

Excluding STIF or money market allocations, non-affiliated investment advisors include Dodge & Cox , Jennison Assoc., TCW.