



GALLIARD
Capital Management, Inc.

WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

FIRST QUARTER 2019 PORTFOLIO REVIEW

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

First Quarter 2019

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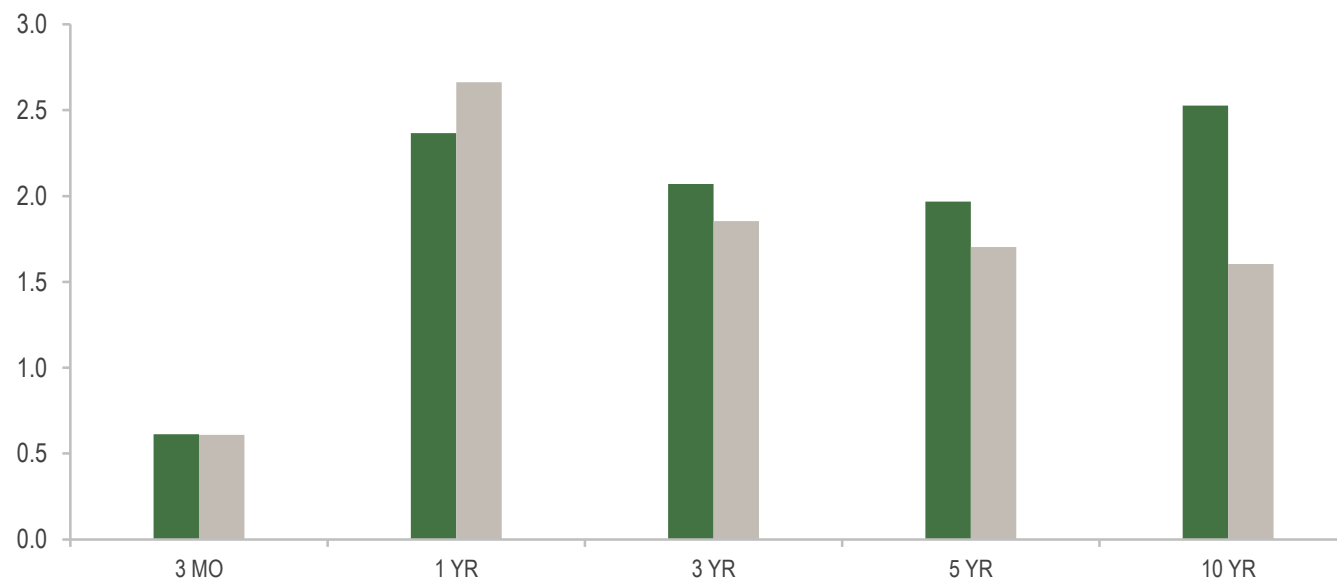
The information contained in this report is for informational purposes only. It is intended to provide a summary of portfolio performance and characteristics, and an accounting based view of transactions and holdings. This is a standardized report and is not intended to be used for compliance purposes.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

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ANNUALIZED INVESTMENT PERFORMANCE AS OF 3/31/19¹



	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
■ Portfolio (net of all fees - NAV level) ²	0.61	2.37	2.07	1.97	2.53
■ Linked Benchmark ³	0.61	2.66	1.85	1.70	1.60
Value Added (net of all fees - NAV level)⁴	0.00	(0.30)	0.22	0.26	0.92

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

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WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

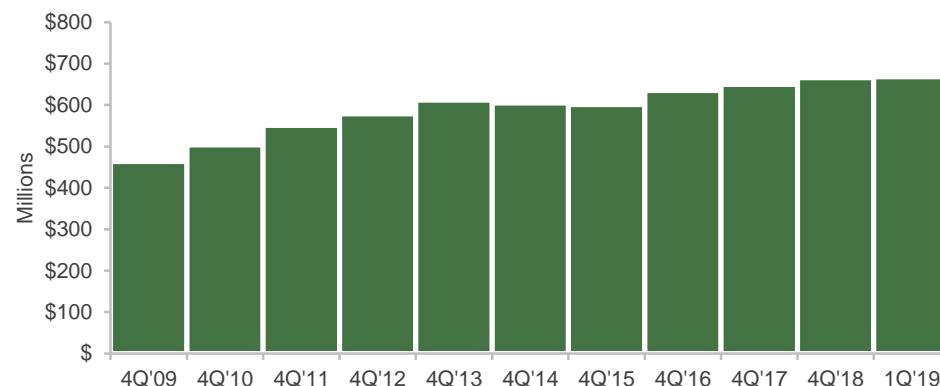
ACCOUNT SUMMARY

Benchmark	3 Year Constant Maturity Treasury
Galliard Inception Date	July 1, 1998
Net Asset Value	\$668,152,577

PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/18	Portfolio 3/31/19
Average Quality - Book Value¹	A+	A+
Average Quality - Market Value²	AA	AA
Number of Contract Issuers	5	5
Blended Yield (after all fees)³	2.48%	2.54%
Yield to Maturity	3.17%	2.81%
Effective Duration	2.98 years	2.98 years
Market/Book Value Ratio	98.82%	100.14%

HISTORICAL FUND ASSETS



PORTFOLIO DISTRIBUTION

	% Portfolio 12/31/18	% Portfolio 3/31/19
Liquidity Buffer: Cash & Equivalents⁴	1.7	1.4
Short Portfolio	40.3	40.3
Intermediate Portfolio	58.0	58.4
Total	100.0%⁵	100.0%⁵

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.

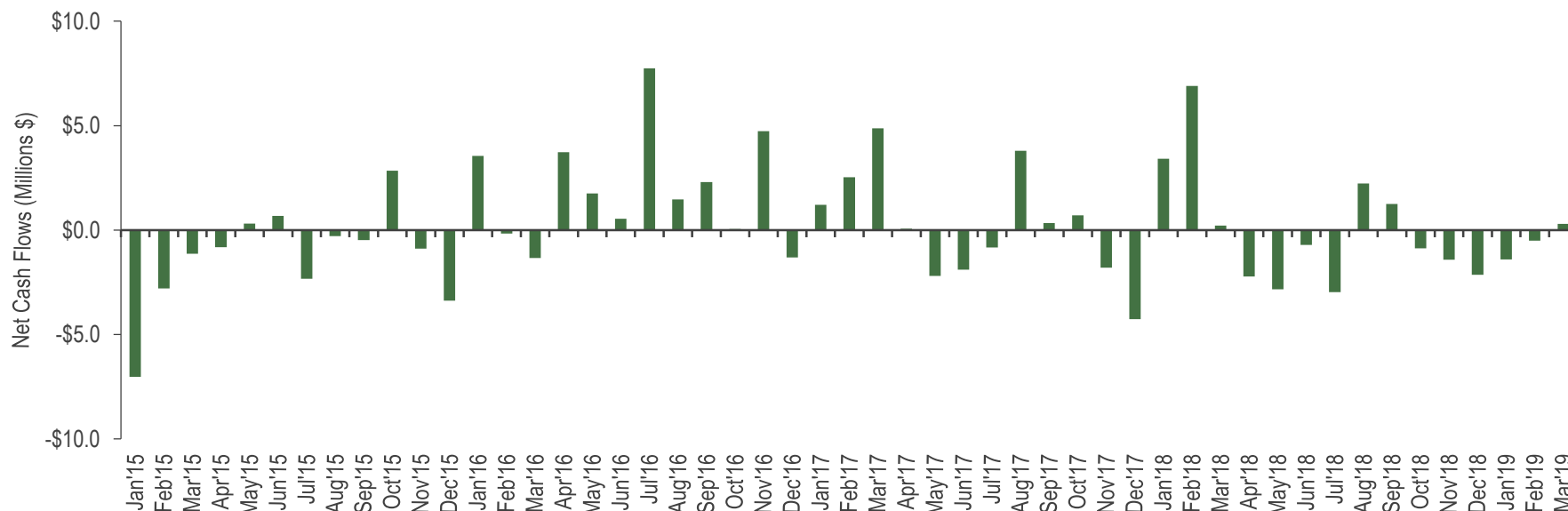
4: Includes Receivables and Payables.

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

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

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HISTORICAL CASHFLOWS



	2015	2016	2017	2018	1Q'19
Beginning Assets	\$605.0	\$600.7	\$635.4	\$650.1	\$665.7
Net Cash Flow (\$)¹	-\$15.3	\$23.1	\$2.5	\$0.9	-\$1.6
Net Cash Flow (%)	-2.53%	3.84%	0.40%	0.13%	-0.24%
Estimated Investment Earnings	\$11.0	\$11.6	\$12.2	\$14.8	\$4.1
Ending Assets²	\$600.7	\$635.4	\$650.1	\$665.7	\$668.2

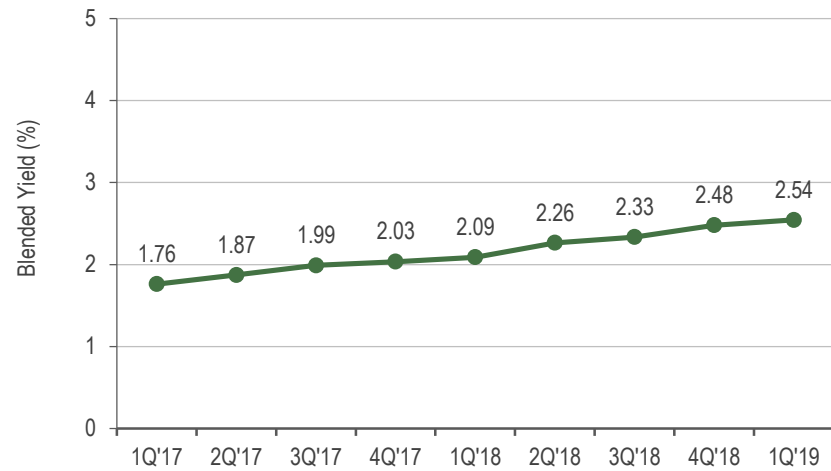
1: Contributions, Withdrawals and Investment Transfers

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

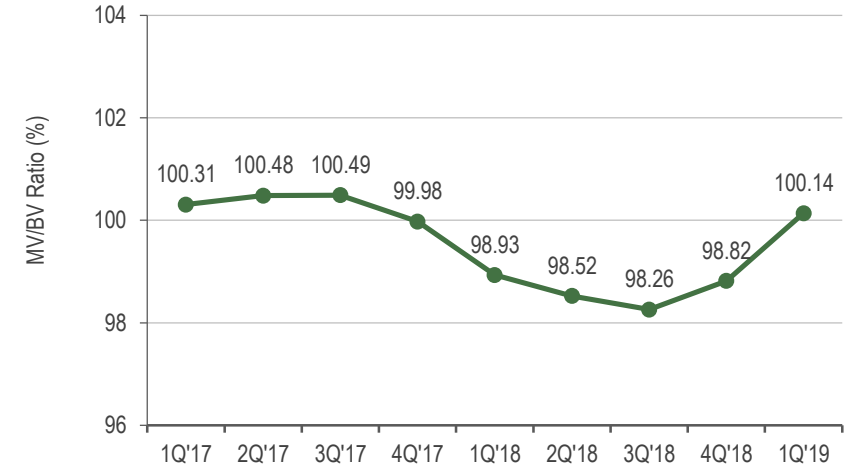
STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

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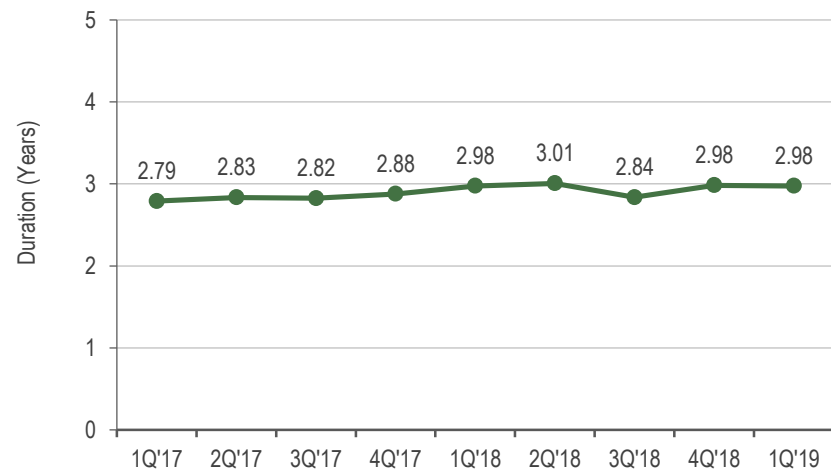
HISTORICAL BLENDED YIELD¹



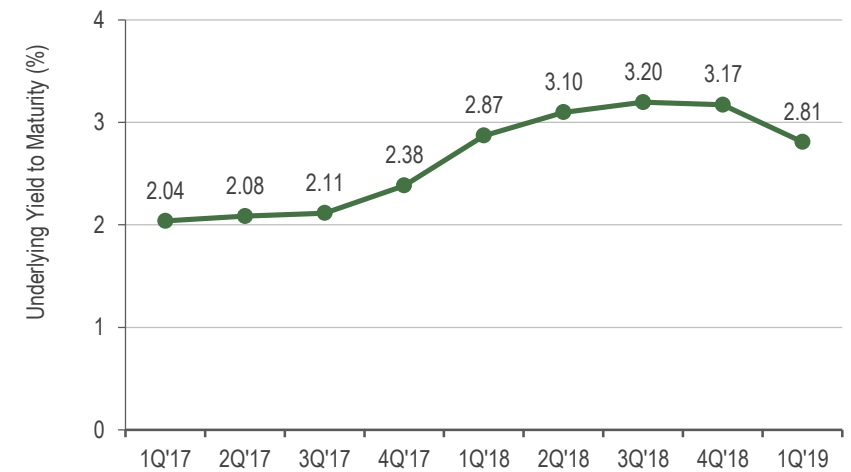
HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



HISTORICAL DURATION



HISTORICAL UNDERLYING YIELD TO MATURITY



¹: 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

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CONTRACT ISSUER DISTRIBUTION & RATING SUMMARY¹

	% Portfolio 12/31/18	% Portfolio 3/31/19	Rating 12/31/18	Rating 3/31/19
American General Life Ins. Co.	20.2	20.2	A+	A+
Nationwide Life Ins. Co.	14.9	15.0	A+	A+
Prudential Ins. Co. of America	20.5	20.6	AA-	AA-
Transamerica Premier Life Ins. Co.	23.8	23.9	A+	A+
Voya Ret. Ins. and Annuity Co.	18.9	19.0	A	A

¹: 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 2019

MANAGER DISTRIBUTION

	Strategy	Benchmark	% of Portfolio 12/31/18	% of Portfolio 3/31/19
Liquidity Buffer: Cash & Equivalents	STIF/Money Market		1.7	1.4
Galliard	Short	Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index ¹	-	40.3
Galliard	Short	Targeted Duration Portfolio ¹	40.3	-
Galliard	Intermediate	Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index	27.5	27.7
Dodge & Cox	Intermediate	Bloomberg Barclays U.S. Intermediate Aggregate Bond Index	10.1	10.2
Jennison Assoc.	Intermediate	Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index	10.2	10.3
TCW	Intermediate	Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index	10.1	10.2
Total			100% ²	100% ²

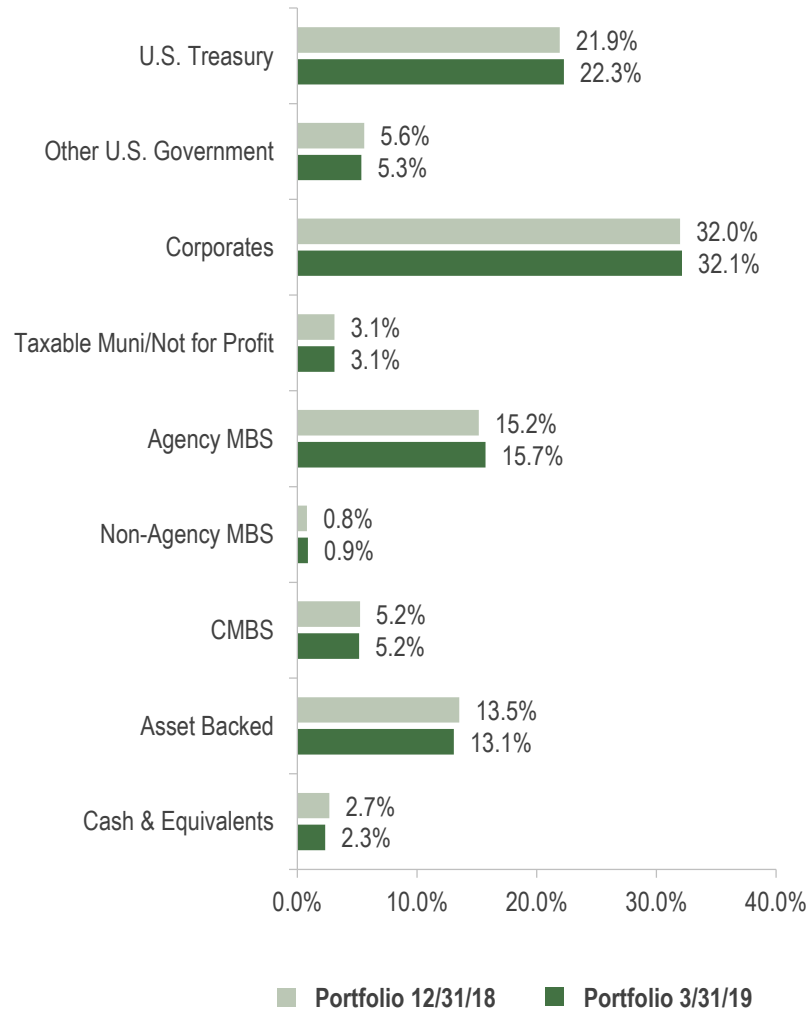
1: On 1/1/19 the benchmark for the Galliard managed short portfolio transitioned to Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index, previously a targeted duration portfolio.

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

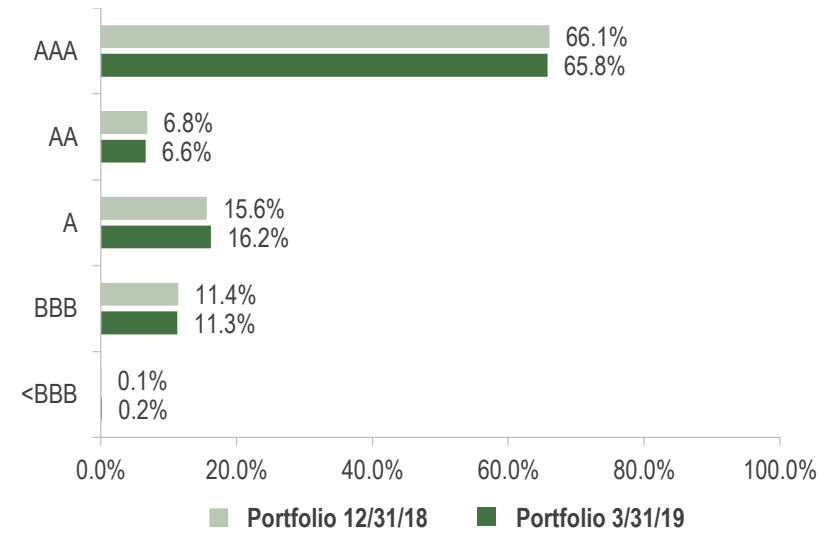
STABLE VALUE PORTFOLIO REVIEW - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2019

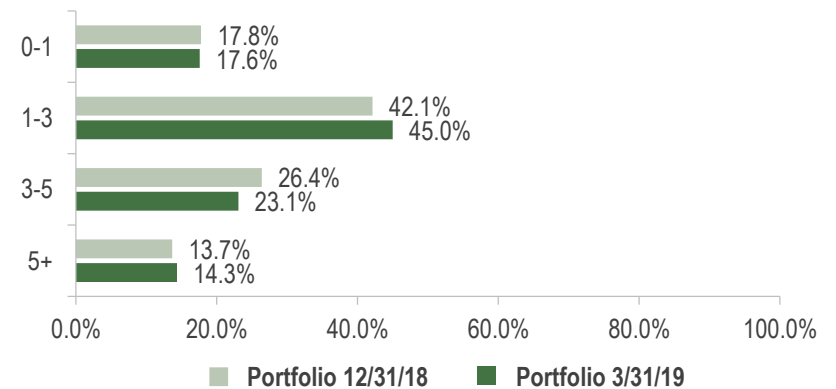
UNDERLYING FIXED INCOME ASSET ALLOCATION¹



UNDERLYING QUALITY DISTRIBUTION¹



UNDERLYING DURATION DISTRIBUTION



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 HOLDINGS

March 31, 2019

Asset ID	Security Description	Manager	Contract Value (\$)	Market Value (\$)	Market/Book Value Ratio (%)	% of Portfolio	Crediting Rate (%) ¹	UCA Yield (%)	Effective Duration (yrs)	Galliard Composite Rating	Wrap Fees (bps)
LIQUIDITY BUFFER											
	Cash Receivable / (Payable)		-418,230	-418,230	100.0	-0.1	2.63	2.63	0.10	AAA	
9983008\$P	WF/BlackRock Short Term Investment Fund S		9,558,720	9,558,720	100.0	1.4	2.63	2.63	0.10	AAA	
TOTAL LIQUIDITY BUFFER			9,140,491	9,140,491	100.0	1.4	2.63	2.63	0.10	AAA	
SHORT PORTFOLIO											
946996EP6	American General Life Ins. Co.	Galliard	44,729,699	44,823,489	100.2	6.7	2.60	2.71	1.82	A+	18.0
896994DP2	Nationwide Life Ins. Co.	Galliard	31,094,169	31,287,320	100.6	4.7	2.83	2.71	1.82	A+	17.0
744999ZU0	Prudential Ins. Co. of America	Galliard	69,111,628	69,089,536	100.0	10.3	2.50	2.71	1.82	AA-	18.0
600996CC4	Transamerica Premier Life Ins. Co.	Galliard	65,573,809	65,654,941	100.1	9.8	2.75	2.71	1.82	A+	17.0
75999UNG9	Voya Ret. Ins. and Annuity Co.	Galliard	58,443,972	58,386,514	99.9	8.7	2.50	2.71	1.82	A	18.0
TOTAL SHORT PORTFOLIO			268,953,277	269,241,800	100.1	40.3	2.62	2.71	1.82	A+	
INTERMEDIATE PORTFOLIO											
946996EP6	American General Life Ins. Co.	Galliard	90,366,725	90,556,209	100.2	13.5	2.60	2.96	3.85	A+	18.0
896994DP2	Nationwide Life Ins. Co.	Galliard	69,021,915	69,450,664	100.6	10.3	2.83	2.96	3.85	A+	17.0
744999ZU0	Prudential Ins. Co. of America	Jennison Assoc.	68,561,579	68,539,663	100.0	10.3	2.50	2.70	4.04	AA-	18.0
600996CC4	Transamerica Premier Life Ins. Co.	Dodge & Cox	68,195,551	68,279,926	100.1	10.2	2.75	3.05	3.46	A+	17.0
600996CC4	Transamerica Premier Life Ins. Co.	Galliard	25,694,842	25,726,633	100.1	3.8	2.75	2.96	3.85	A+	17.0
75999UNG9	Voya Ret. Ins. and Annuity Co.	TCW	68,218,199	68,151,132	99.9	10.2	2.50	2.68	4.01	A	18.0
TOTAL INTERMEDIATE PORTFOLIO			390,058,810	390,704,227	100.2	58.4	2.64	2.88	3.84	A+	
TOTAL PORTFOLIO			668,152,577	669,086,517	100.1	100.0	2.63	2.81	2.98	A+	

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

MARKET REVIEW

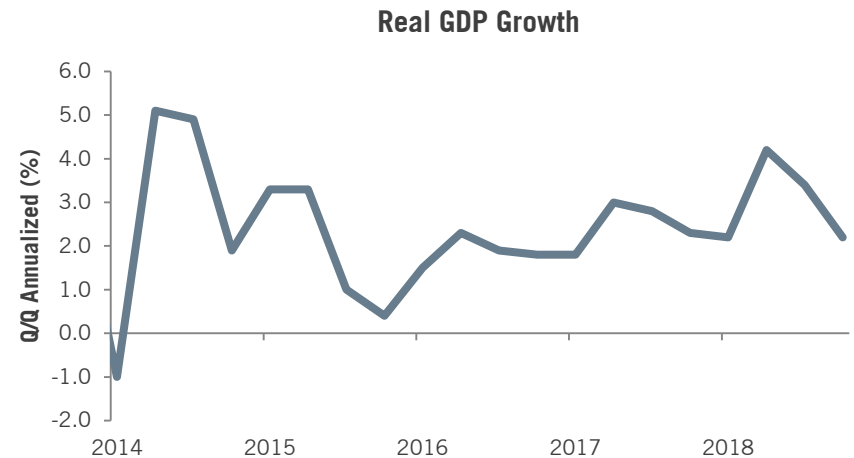
FIRST QUARTER 2019

ECONOMIC MOMENTUM SLOWS IN 4Q...

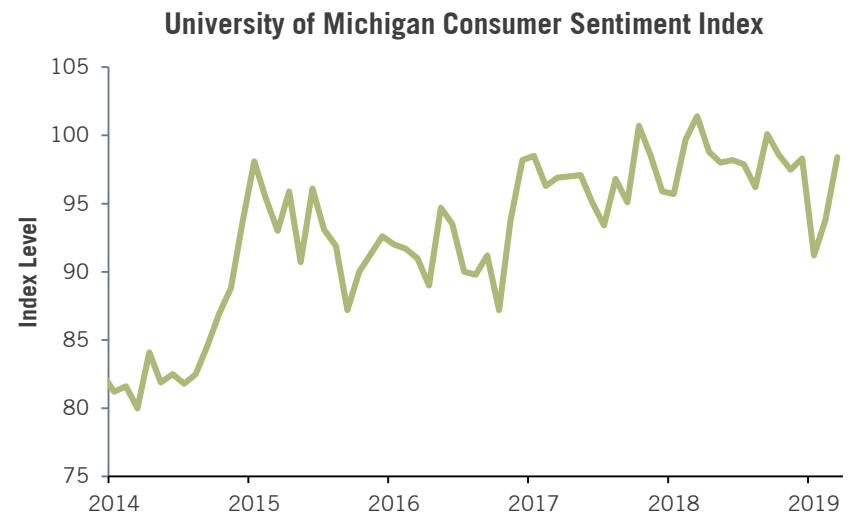
- The U.S. economy grew at a q/q annualized pace of 2.2% in the fourth quarter, losing momentum after strong second and third quarter growth.
- Notably, personal consumption growth slowed to 2.5% in the last quarter of the year, from 3.5% and 3.8% in the third and second quarter respectively.
- On the other hand, business activity continues to expand, albeit at a slightly slower pace: the ISM Manufacturing Index has bounced around 54-56 in the first quarter, still in expansionary territory but lower than the 58-60 readings throughout most of 2018.
- Market consensus is currently calling for continued slowing growth in the first quarter, in the range of 1.3% to 1.7%.

...TREND EXPECTED TO CONTINUE IN 1Q

- In addition to the slowing trends in consumer spending and business output, the economy also dealt with a number of disruptive events in the first quarter: the longest Government shutdown in U.S. history, continued trade wars, and extreme cold weather are all expected to weigh on growth.
- While estimates of the economic impact of these factors is relatively muted at present, the more important impact may have been psychological – the University of Michigan Consumer Sentiment Index fell sharply in January, to the lowest level in several years, although it has since rebounded.
- Market reaction has been mixed, with the S&P 500 once again near all-time highs by the end of March and corporate credit spreads retracing the widening seen at the end of the year; meanwhile, the Treasury market has rallied considerably with the 3-month to 10-year part of the yield curve inverting for a short time, the first time this has happened since 2007.



Source: Bloomberg



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.

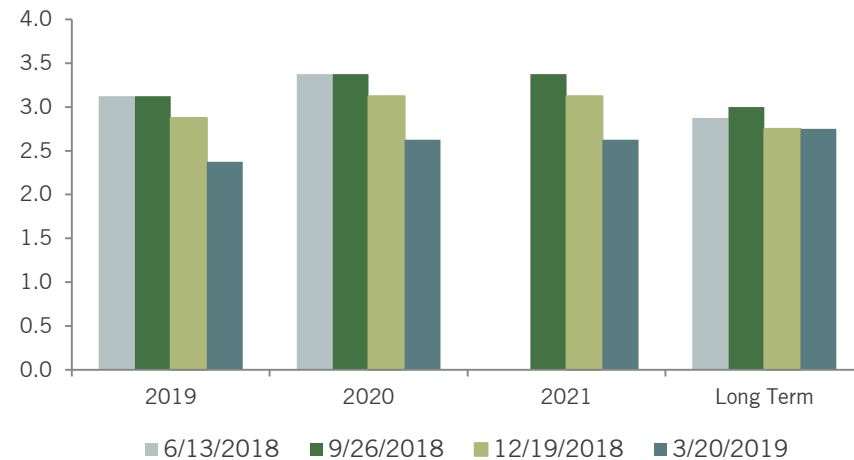
MARKET REVIEW

FIRST QUARTER 2019

FED CALMS MARKETS WITH PATIENT APPROACH...

- The Fed left interest rates unchanged during the first quarter as expected. In stark contrast to the policy signal sent in December, the message from the Fed at the January meeting stressed patience going forward.
- This pivot instilled the markets with renewed confidence, triggering a rally in risk assets throughout the quarter. Nevertheless, concerns about slowing global growth continue to weigh heavily on market expectations.
- At the March FOMC meeting, the Fed maintained its dovish stance as it adjusted its expectation for future rate hikes from two to zero in 2019, and announced the end of its balance sheet run-off in the fall; markets are now pricing in the possibility of a rate cut later this year.

FOMC Median Fed Funds Rate Projections (%)

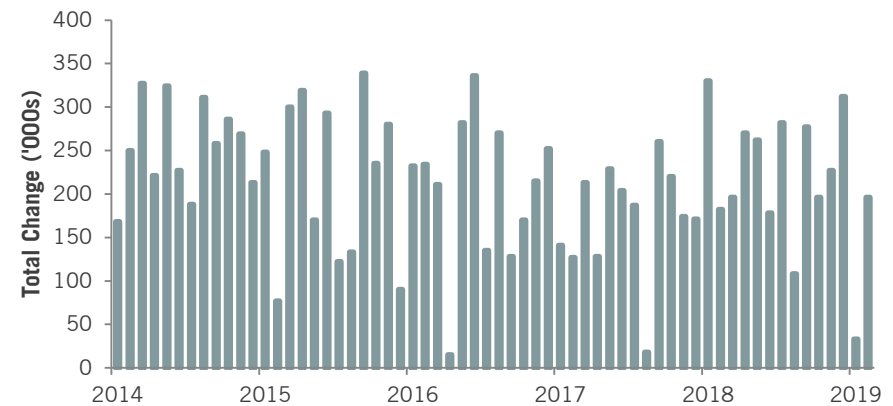


Source: Federal Reserve, Bloomberg

...AMID CONTINUED MUTED INFLATION AND SLOWING JOB GROWTH

- Inflation readings remain muted with the Consumer Price Index falling to 1.5% in February. Core CPI continues to hover at 2.2%, but more importantly Core PCE, the Fed's preferred measure of inflation, remains at around 1.8%.
- Job creation stumbled in February, with only 33k jobs added, but this could be an anomaly with more solid jobs numbers of 227k, 312k, and 196k in December, January, and March respectively. Leading indicators such as Initial Jobless Claims and Continuing Jobless Claims have recently improved, suggesting job creation remains intact.
- Average Hourly Earnings increased by 3.2% to 3.4% in each month of the quarter, continuing a trend that started in late 2017. The unemployment rate ended the quarter at 3.8% after rising to 4% in January due to the Government shutdown.

Non-Farm Payrolls



Source: Bloomberg

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APPENDIX - WISCONSIN DEFERRED COMPENSATION PROGRAM - STABLE VALUE FUND

First Quarter 2019

CALENDAR YEAR INVESTMENT PERFORMANCE

	2014	2015	2016	2017	2018
Portfolio (net of all fees - NAV level) ¹	1.73	1.85	1.90	1.90	2.26
Linked Benchmark ²	1.64	1.45	1.01	1.58	2.63
Value Added (net of all fees – NAV level)³	0.09	0.40	0.90	0.32	(0.37)

MARKET INDICES

ICE BofAML U.S. 3 Month Treasury Bill	0.03	0.05	0.33	0.86	1.87
Consumer Price Index	0.76	0.73	2.07	2.11	1.67

GUIDELINE COMPLIANCE

We have not become aware of any investment guideline compliance issues occurring in the portfolio during the quarter.

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 2019

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 3/31/19	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 ¹	0.174%	\$1.74
Acquired Fund Fees ²	0.059%	\$0.59
-Investment Contract Fees	None	None
-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	0.320%	\$3.20

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.