

GALLIARD PLACES JENNISON ON WATCH LIST

Your stable value portfolio at Galliard currently utilizes Jennison as part of the underlying multi-manager strategy. Please contact your Galliard client team if you have any questions regarding Jennison.

On August 29, 2019, Galliard's Stable Value Strategy Committee accepted and approved the External Manager Oversight Working Group's recommendation that Jennison Associates ("Jennison") be placed on the Watch List. Jennison's underperformance relative to their benchmark over the last year has led to longer term underperformance over a 3 year period, both on a gross and net of fees perspective. Importantly, relative performance, while negative, does not represent inconsistencies in our understanding of Jennison's investment philosophy or process. Given Jennison's strategy and positioning in the current rate environment, Galliard would expect there to be periods of underperformance. However, we believe it prudent to monitor Jennison more closely. As a result of their placement on the Watch List, Jennison will be subject to a higher level of evaluation, monitoring, and oversight, particularly as it relates to portfolio risk and performance. Jennison remains on Galliard's list of recommended external managers.

ADDITIONAL INFORMATION

Placement on the Watch List can be due to a number of reasons, including, for example, underperformance over longer term, i.e. 3 year or 5 year periods, increased incidence of trade errors, or demonstrated deficiencies in operational controls. Galliard's Recommended List includes our highest conviction managers selected based on their ability to effectively manage stable value portfolios and drive positive net-of-fees performance over a market cycle while meeting the highest standards of investment compliance and operational risk control.

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