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May 11, 2020

Ms. Shelly Schueller  
Wisconsin Department of Employee Trust Funds  
Via email

RE: Galliard firm update

Dear Shelly:

Thank you for your recent request for an update on the status of the firm post our announcement over a year ago on various scheduled retirements. I'm happy to report that all staff updates at Galliard have been accomplished according to plan, and even some ahead of schedule. Let me give a few more details:

1. The continuing succession plan implementation to allow the two remaining founders to retire was completed ahead of schedule by mid 4<sup>th</sup> quarter. That allowed Richard Merriam to retire on schedule at 12/31 and Karl Tourville to begin his next chapter at the end of January. All day-to-day operations have been proceeding as planned with Ajay Mirza overseeing the investment teams, Andrew Owen overseeing the operations teams, and me overseeing all front office teams. Andrew and I also became Co-Presidents, responsible for day-to-day firm operations, effective the end of 4<sup>th</sup> quarter.
2. We have had no material departures to the investment team since our retirement announcements in April of 2019. As we discussed previously, no change to the investment philosophy or process as a result of the retirements of the founders.
3. The only blip we had last year was the departure of two of our client service team who were lured over to a competitor in late summer. We are now fully staffed on the client team front with the addition of three new senior relationship managers that joined Galliard at the end of 2019 and early 2020. I'm pleased with the new crew, who bring deep relationship management experience with defined contribution plans, the history of a former consultant from a major firm that was responsible for the stable value research effort, and a gentleman that we have known for years at a competing shop here in Minneapolis, that is working with our core fixed income clients. In addition, I have also restructured our client facing teams and have transitioned other staff to take on a more client facing role. One of those people is Tami Pearse. Tami has been with Galliard since 2011, acting as one of our relationship managers for the book value contract providers. Tami has been involved in the stable value business for as long as I have and brings decades of experience to work every day. You will see Tami's name more as we work to transition her into your relationship along with me, Laura, and Jeff whom you've known over the years.
4. Also on our list for last year was to work with our technology and compliance teams to have them get a direct reporting line to their counterparts at our parent, Wells Fargo. Both updates happened as planned at the tail end of 2019. With both teams, they still remain at Galliard and dedicated to Galliard. These teams continue to do the same work they always have for us, but now with an

additional direct reporting tie back to their Wells Fargo counterparts, which has allowed both groups to tap additional resources, as necessary.

5. We've received favorable feedback from the consulting firms and clients that put us on watch last spring (it's now been over a year since we rolled out the retirement news) that we are doing everything we need to show it's business as usual. On that front, looking at some of your peers in the public space, there has been a lot of positive news –our contract term came up with one of our public clients and they undertook the required search, per their procurement rules. We were reaffirmed and they just recently relayed that we've been selected for another 5 year term. We had another large public client just extend our contract term for another 18 months and a third is working to change their procurement policy to be more like yours – dropping the term limits and changing the stable value option to an evergreen contract. So we're very pleased with the reaffirmation of all the clients there.

One more positive note at the firm level - thanks to inflows we saw across our stable value client base during the pandemic onset, we hit a new firm high of Assets Under Management, hitting \$96.1 Billion as of 3/31. We anticipate that we will see some outflows over the course of this year as participants leg back into the market post COVID downturn, but nonetheless, a great milestone – especially as we come into our 25<sup>th</sup> year anniversary in July!

Mike Norman  
Senior Managing Principal/Co-President