

25 years. A silver jubilee. A quarter of a century. Any way you phrase it, this is a considerable amount of time and represents the milestone Galliard just passed in providing fixed income and stable value solutions to institutional investors. There was a lot of change over the past quarter century and a lot of evolution as markets and investors adapted to new opportunities, changing regulations, and ever changing market rates. A statement on change over the past 25 years would be incomplete if we did not note what we have all been through over the most recent quarter and continue to experience today. If there is one constant in all of our lives, it is change, and it certainly seems to be here to stay.

Yet throughout all of this change, a lot has remained consistent: our investment philosophy and process, our commitment to deliver value added investment results, our location in Minneapolis, our focus on fixed income and stable value solutions, our parent company, and many of our clients (more than 15% of our clients have been with us longer than 15 years)!

Looking at our staff over the past 25 years, we have seen faces come and go, we have celebrated weddings and births, and we have mourned deaths together. As much as we would like to stop and revel in the past, we need to look towards the future and we are fortunate that we can look to our name for guidance. The Galliard name is derived from a castle that was built with a concept to blend consistency while incorporating lessons learned from change. Galliard employees work to execute that blend in their solutions sets daily. As we have evolved, we have grown in our collective knowledge and handed down the very foundations of our investment approach from generation to generation. We are now 105 people strong and we bring, collectively, more than 1600 years of industry experience and more than 850 years of experience at Galliard to our clients each day.

Thank you for being part of our history – you are what makes Galliard and we hope you are as excited as we are for the next 25 year chapter. We'll see more change for sure, but be ready for some consistency. That's what you've come to know us for and we're working hard to deliver on that each and every day.

Ajay Mirza, Mike Norman, and Andrew Owen
Senior Managing Principals

Some new research from Galliard:

Our historical performance attribution has confirmed that asset allocation is the most critical tool in our portfolio construction process. Armed with that knowledge, members of our investment team recently undertook a study to quantify the effectiveness of our portfolio construction methodology and look at the tradeoff between realized returns (excess return over treasuries) and risk (standard deviation of excess return). While some of the findings you may find surprising, the main constructs of the research we have utilized as important building blocks for our investment grade fixed income portfolios since the firm's inception. The results have been you, our clients, receiving real risk adjusted performance (alpha) and not returns driven by unnecessary risk (beta). The paper is now available on our website at www.Galliard.com under the "Our Insights" tab or click [here](#).