

4th Quarter 2020

2020 was hard on all of us at every level – emotionally, mentally, and physically. Nonetheless, despite everything the year threw at us, our Galliard team responded with strength and fortitude and we are proud of our accomplishments. So, as we look to put 2020 behind us, we will also remember it for what we were able to achieve. As your fixed income or stable value provider of choice, we realize much of what we do happens behind the scenes, and we’re happy to work that way. We’re pleased to report that the firm was very busy with our teams completing major projects, successfully validating processes via a multitude of scheduled internal audits, and volunteering in the community, while facilitating the firm reaching the highest assets under management level in our 25 years of operation. It was also a big year on the investment side as we delivered some of the strongest benchmark relative excess returns performance in Galliard’s history.

Granted, the market helped on a number of fronts, but its unpredictability during the year gave new meaning to being an “active” manager. Rates and spreads moved in unforeseen ways throughout 2020 and we witnessed some historic issuance volumes in various bond sectors. In many accounts we saw cash flows go both ways as rebalancing targets triggered in different directions as the markets moved up and down during the year. Through it all, our team focused and pushed on – from kitchen tables, living room couches, and nurseries turned into home offices.

We acknowledge that working from home presents its own challenges, yet we believe a lot of our success is rooted in our culture, and particularly in our Galliard value set of: Integrity, Communication, Teamwork, Professionalism, and Client Focus. 2020 really showed us that we have a strong and dedicated team, focused on our clients and ready to act regardless of what the world throws at us. We hope that you, our clients, take some comfort in knowing that we continue to focus on the task at hand just as we have over the last two and a half decades.

Now we shift our focus to 2021. It certainly seems there may be more surprises ahead and more volatility in the markets and the world in general in the months to come. Nevertheless, the horizon seems brighter, and we look forward to the day in the (hopefully) not too distant future where we can welcome our coworkers and all of you back to our offices and see each other in person. Until then, the phone and Zoom will have to do, but rest assured we will continue to focus on your portfolios, as well as the health and wellness of our staff, regardless of what comes our way. 2020 brought hardship and loss to many, but we were impressed time and time again by the resilience of our team. It was a hard year but the experience energized us for what lies ahead. We hope the year is starting out as well for you.

Ajay Mirza, Mike Norman, and Andrew Owen

Senior Managing Principals