

### 3<sup>rd</sup> Quarter 2021

A handful of the Galliard team had the chance recently to catch up with a long-tenured client of Galliard. During the course of the portfolio review, the client at one point stopped us and said, “Wow, I didn’t know that!” That led to an interesting discussion around all things Galliard. So, in that spirit of keeping you all in the know, here are a couple of facts from around Galliard:

- Galliard manages fixed income portfolios to a wide variety of duration targets – from Ultra-short mandates all the way out to custom-matched LDI long duration strategies
- In fact, the firm recently hit a high water mark of \$17 billion in non-stable value fixed income mandates – an all-time high for the firm!
- Performance has been strong across our fixed income and stable value clients. A good example is that our main stable value pooled fund, the Wells Fargo Stable Return Fund, has one of the highest blended yields and market/book ratios in its stable value peer group in Morningstar\* as of 6/30/21
- We are fortunate to have multi-billion dollar client portfolios on both our core fixed income and stable value sides of the business
- We’ve had some significant wins both from new clients as well as existing clients thus far this year. Firm AUM is strong at above \$93 billion!
- We’re hiring! Adding to our already deep team (did you know the average tenure of the 100+ of us is more than 9 years at Galliard?) we’ve added a number of new positions across the firm already this year and have more openings outstanding

We’ve also had the chance to talk with many of you about how the transition to the new owners is coming. Here’s some new trivia from the broader Wells Fargo Asset Management (soon to be renamed Allspring Global Investments at the close of the sale) and here at Galliard on that front:

- Major progress is being made across the teams and we’re still on track to close on the sale before the end of this year
- The Galliard team has received new technology and have enrolled in benefit plans that will go into effect once the deal closes
- Our current offices in Minneapolis will continue to be our on-going base for operation post sale close – as many of you know, we like consistency here – people, process and place!
- Countless hours of testing and planning have been accomplished to assure all systems, processes, and procedures have a smooth transition to the new operating model at deal close

Outside of ownership transition news, lots of work is being done on all fronts as we continue to navigate the markets for you. As we write this, the markets are responding to the upcoming debt ceiling deadline and we are sure to see some additional interim volatility as we get deeper into October. Our investment team continues to position the portfolios thoughtfully. Thank you for the opportunity to continue to do that for your portfolios.

Ajay Mirza, Mike Norman, and Andrew Owen

*Senior Managing Principals*

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\*Source: Morningstar Direct; 6/30/2021 Comparative Report - Stable Value Funds