



State of  
North Carolina

FEBRUARY 20, 2025



# State of North Carolina

## TABLE OF CONTENTS

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- Section I:** Galliard Capital Management Firm Overview
- Section II:** State of North Carolina Stable Value Portfolio Review
- Section III:** Investment Manager Performance & Positioning



# Section I

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# Who We Are

**\$80.4 B**

TOTAL AUM

**\$60.8 B**

TOTAL STABLE  
VALUE AUM

**80+**

STABLE VALUE  
SEPARATE ACCOUNTS

Galliard is one of the  
**LARGEST** managers of  
Stable Value Strategies<sup>1</sup>

**187**

INSTITUTIONAL  
CLIENTS

Our average client tenure is **14 years** with Galliard

More than **80** clients

have worked with Galliard for over **15 years**

## CLIENT TYPES

- Corporate • Public Entities •
- Taft-Hartley • Operating Funds •
- Healthcare • Insurance Reserves •
- Foundations / Endowments •

FORTUNE 100 / 500

**19** Fortune 100 clients; **44** Fortune 500 clients<sup>2</sup>

**29 YEARS**

OF EXCLUSIVE  
FOCUS ON

**Fixed Income & Stable Value**

Senior Fixed Income Investment Professionals  
Average Years of Experience:



**24 years** in investment industry

**21 years** with Galliard

 **Allspring**

A subsidiary of Allspring Global Investments



# Galliard Team

## REPORT TO GALLIARD

## REPORT TO ALLSPRING

### EXECUTIVE MANAGEMENT

<b>Mike Norman</b> President & Senior Managing Principal	<b>Ajay Mirza, CFA</b> Senior Managing Principal
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FIXED INCOME INVESTMENT

<b>Credit</b> Brandon Kanz, CFA Senior Principal <i>Sector Head</i> Rene Hoogmoed, CFA Senior Principal Matt Bentley Principal Chad Callahan Principal Robert Barrett, CFA Senior Director John Kenley, CFA Senior Director Will Moeller, CFA Director	<b>Structured Product</b> Ajay Mirza, CFA Senior Managing Principal <i>Sector Head</i> Matt Robertson, CFA Senior Principal Mike Meerovich Director Tyler Wadsworth, CFA Associate Director Jimmie Wu, CFA Associate Director David Que, CFA Senior Associate Sanhakorn Rattanacheworn Senior Associate	<b>Portfolio</b> Andrea Johnson, CFA Senior Principal Robert Crandall, CFA Senior Director Michael Amundsen Director Elizabeth Smithley Associate Director
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RELATIONSHIP MANAGEMENT

Tami Pearse Principal Paul Langanki, CFA Senior Director Alesha McAdams Senior Director Steve Moen Senior Director Conor Murphy, CFA Senior Director	Pete Schmit, CFA Senior Director Jordan Bewley Director Ryan Olsen Director Linh Buoen Associate Director
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CLIENT SUPPORT

Jennifer Hopper, CFA Associate Director Timothy Noel Associate Director <i>Lead</i> Derek Schmidt Associate Bre Richie Associate	Stable Value Fixed Income Steve Patterson Associate <i>Lead</i> Luke Olson Senior Associate
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STABLE VALUE STRATEGY/ CONTRACT

Nick Gage, CFA Senior Principal Christina Burton Director Kathryn Taguinod Associate Kendra Marquez Associate
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COMMUNICATIONS & RFP

Jacqueline Becker Senior Associate Shanna Ellefson Associate Director Kelly Lassi Associate Director Trevor Fletcher Senior Associate
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### LEGAL/COMPLIANCE ~ 120 Members

- Legal: Paula Novick
- Firm Compliance: Team of 2 dedicated to Galliard - led by Paul Felsch (CCO)
- Investment Compliance: Team of 3 dedicated to Galliard - led by Mike Danen



### OPERATIONS ~ 220 Members

- Fixed Income: Team of 5 dedicated to Galliard - led by Shannon Brown
- Stable Value: Team of 11 dedicated to Galliard - led by Carmen Rangel
- Trade Settlements: Team of 4 dedicated to Galliard - led by Andrew Moore
- Client Reporting: Team of 5 dedicated to Galliard - led by Jen Miller
- Additional Ops Support\*: Team of 9 dedicated to Galliard



### TECHNOLOGY ~ 180 Members

- Team of 8 dedicated to Galliard - led by Chris Smith & Charlie Head

### OTHER SERVICES PROVIDED BY ALLSPRING

- Human Resources
- Finance
- Risk Management/Internal Audit

As of 12/31/2024.

\*Additional operational support with Galliard-dedicated employees include fees, fund services, & performance analysis.  
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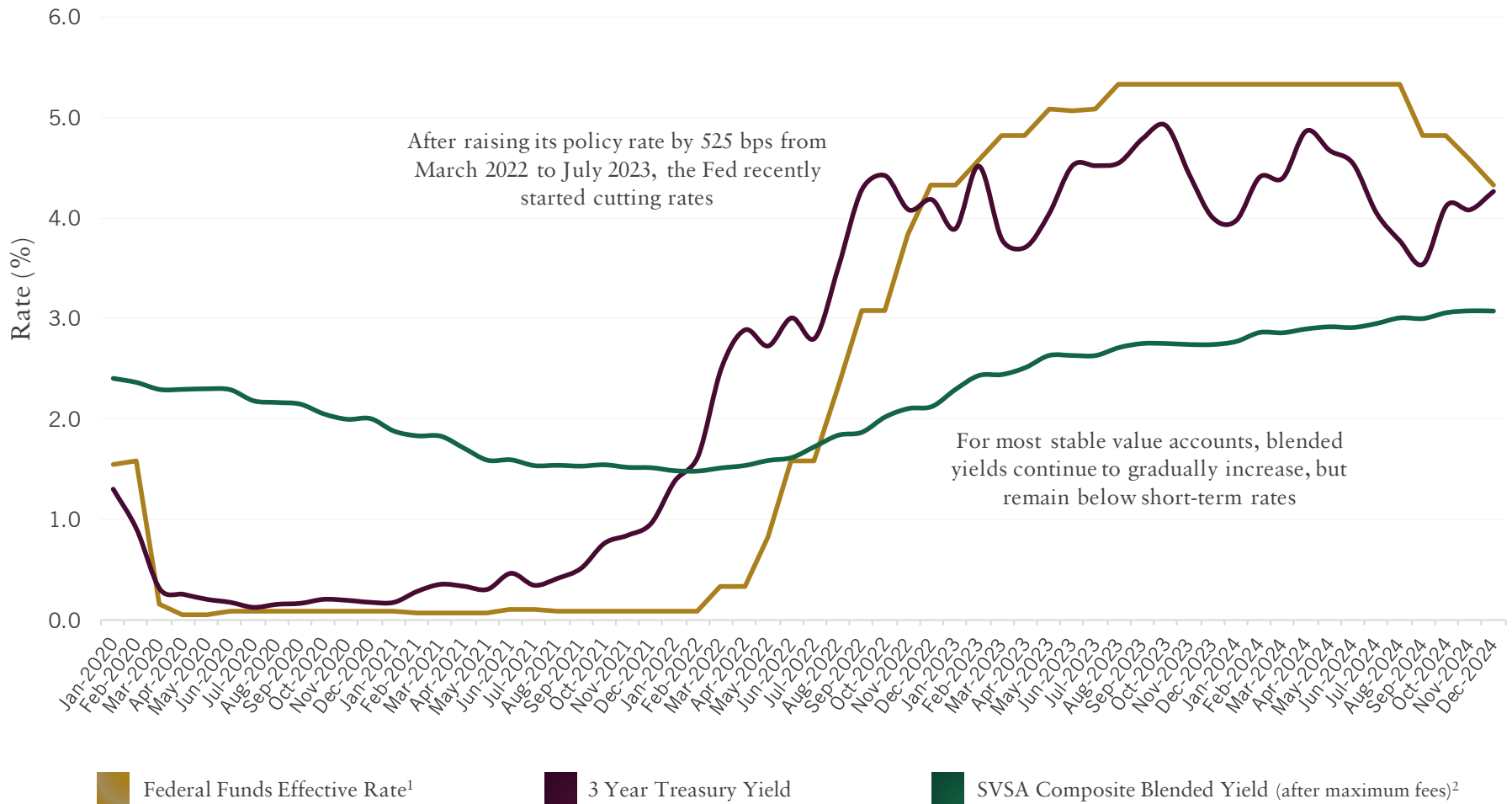
# Section II

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# Historical Rates as of December 31, 2024

Despite volatility in the market over the past three years and a backdrop of higher interest rates, stable value crediting rates have continued to deliver positive total returns to participants. Blended yields are trending higher as they follow the general direction of interest rates but with a lag.



1: Federal Funds Effective Rate sourced from the Federal Reserve. Rates are not annualized. 2: Blended yield is after all fees including the current maximum investment management fee of 0.20% which may be charged by Galliard for management of a client's account. From April 1, 2017, to June 30, 2020, Galliard's maximum fee was 0.35%. Historical amounts reflect these fee deductions on their respective dates.



# Portfolio Characteristics – As of December 31, 2024

## STATE OF NORTH CAROLINA STABLE VALUE FUND

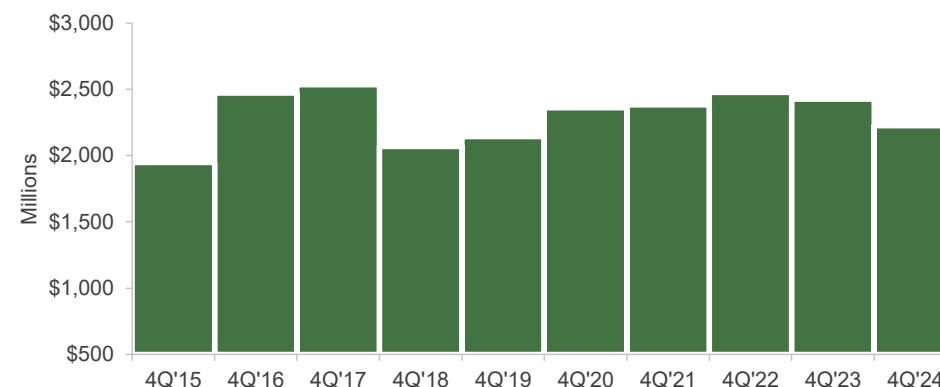
### ACCOUNT SUMMARY

<b>Benchmark</b>	ICE BofA US 3-Month Tsy Bill Index+150 bps, 3 Year Constant Maturity Treasury
<b>Galliard Inception Date</b>	December 1, 2010
<b>Net Asset Value</b>	\$2,225,596,189

### PORTFOLIO CHARACTERISTICS

	Portfolio 9/30/24	Portfolio 12/31/24
<b>Average Quality - Book Value<sup>1</sup></b>	A+	A+
<b>Average Quality - Market Value<sup>2</sup></b>	AA	AA
<b>Number of Contract Issuers</b>	5	5
<b>Blended Yield (after all fees)<sup>3</sup></b>	3.05%	3.13%
<b>Yield to Maturity</b>	4.38%	4.94%
<b>Effective Duration</b>	3.31 years	3.31 years
<b>Market/Book Value Ratio</b>	96.78%	94.77%

### HISTORICAL FUND ASSETS



### PORTFOLIO DISTRIBUTION

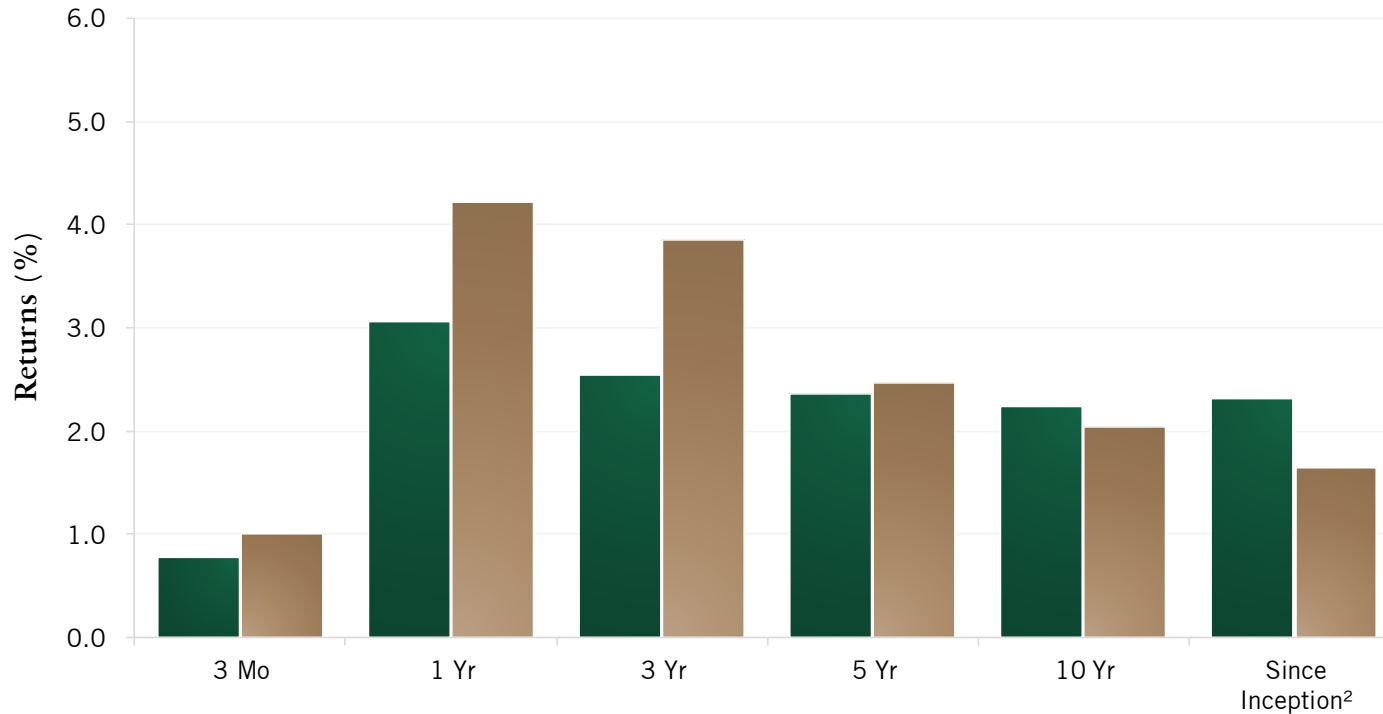
	% Portfolio 9/30/24	% Portfolio 12/31/24
<b>Liquidity Buffer: Cash &amp; Equivalents<sup>4</sup></b>	2.0	1.5
<b>Short Portfolio</b>	34.5	34.7
<b>Intermediate Portfolio</b>	63.5	63.8
<b>Total</b>	<b>100.0%<sup>5</sup></b>	<b>100.0%<sup>5</sup></b>

1: Average holdings quality of the contracts and other book value assets in the portfolio. The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. 2: Average holdings quality of the underlying assets of the portfolio. The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. 3: Blended Yield is net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, collective fund administrative fees, and plan administrative reimbursement. 4: Includes Receivables and Payables. 5: Total % of portfolio may not add to 100% due to rounding.  
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# Annualized Investment Performance – As of December 31, 2024<sup>1</sup>

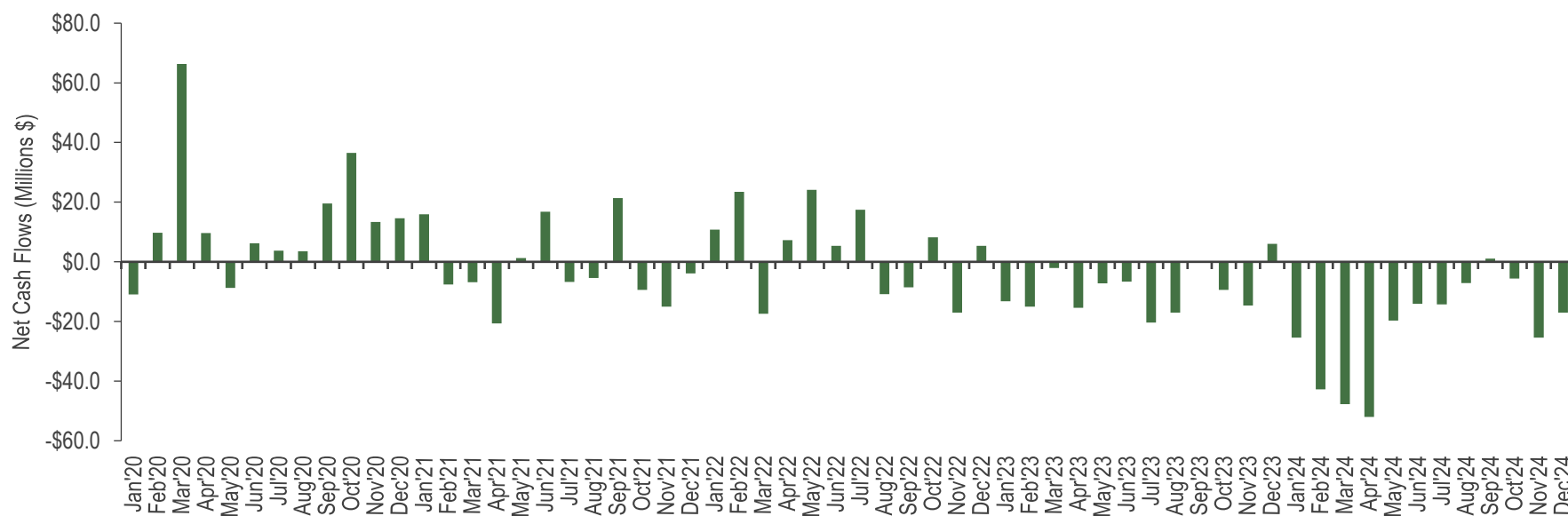


	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception <sup>2</sup>
<b>State of North Carolina Stable Value Fund (net of all fees - NAV level)<sup>3</sup></b>	0.78	3.06	2.54	2.36	2.24	2.32
<b>3 Year Constant Maturity Treasury Yield</b>	1.01	4.22	3.85	2.47	2.05	1.64
<b>Ice BofA U.S. 3-Month Treasury Bill Index + 150 bps</b>	1.55	6.83	5.46	4.01	3.30	2.80
<b>Value Added (net of all fees - NAV level)<sup>4</sup></b>	(0.23)	(1.16)	(1.31)	(0.11)	0.19	0.68

1: Returns for periods of less than one year are not annualized. 2: Returns are net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, collective fund administrative fees, and plan administrative reimbursement. 3: Performance inception: December 01, 2010. 4: May not add due to rounding.



# Historical Cashflows



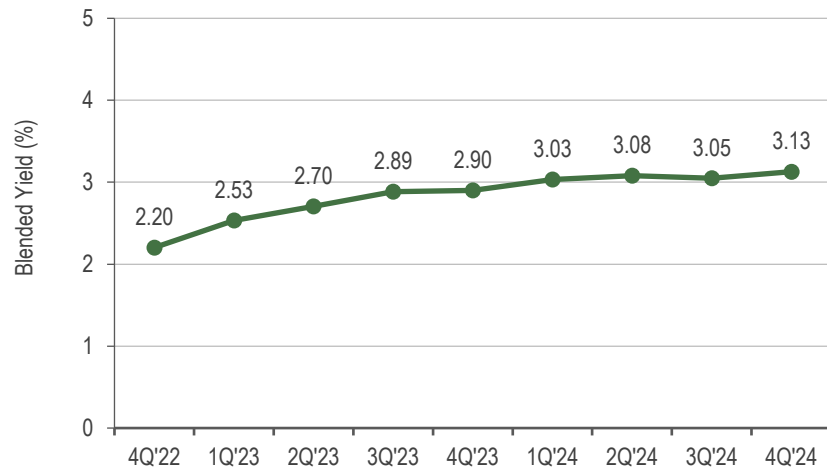
	2020	2021	2022	2023	1Q'24	2Q'24	3Q'24	4Q'24	2024 YTD
Beginning Assets	\$2,143.4	\$2,360.5	\$2,382.4	\$2,475.9	\$2,426.5	\$2,328.0	\$2,259.3	\$2,256.2	\$2,426.5
Net Cash Flow (\$)¹	\$163.5	-\$20.3	\$48.1	-\$115.4	-\$115.9	-\$85.8	-\$20.3	-\$48.1	-\$270.1
Net Cash Flow (%)	7.63%	-0.86%	2.02%	-4.66%	-4.78%	-3.68%	-0.90%	-2.13%	-11.13%
Estimated Investment Earnings	\$53.5	\$42.2	\$45.4	\$66.0	\$17.4	\$17.2	\$17.1	\$17.5	\$69.2
Ending Assets²	\$2,360.5	\$2,382.4	\$2,475.9	\$2,426.5	\$2,328.0	\$2,259.3	\$2,256.2	\$2,225.6	\$2,225.6

1: Contributions, Withdrawals and Investment Transfers. 2: Cashflows may not net to final assets due to rounding.  
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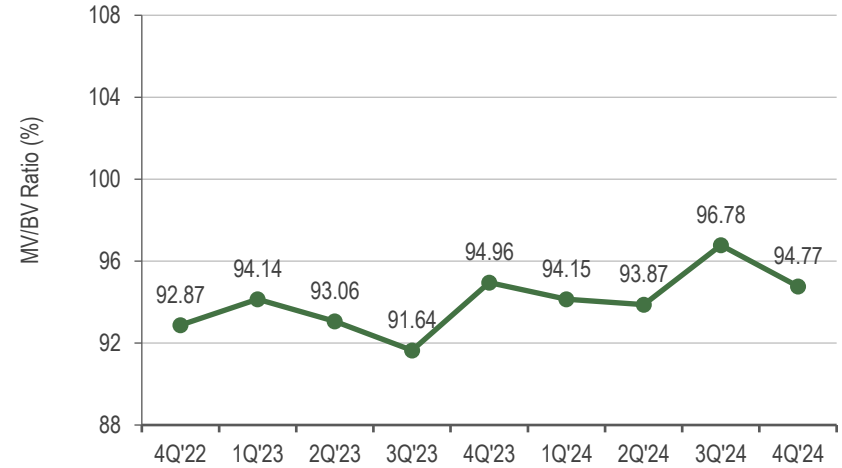


# Historical Statistics

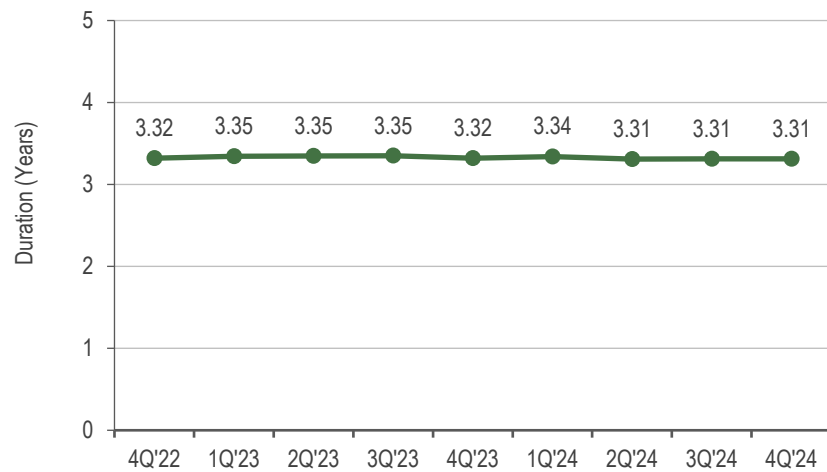
**HISTORICAL BLENDED YIELD<sup>1</sup>**



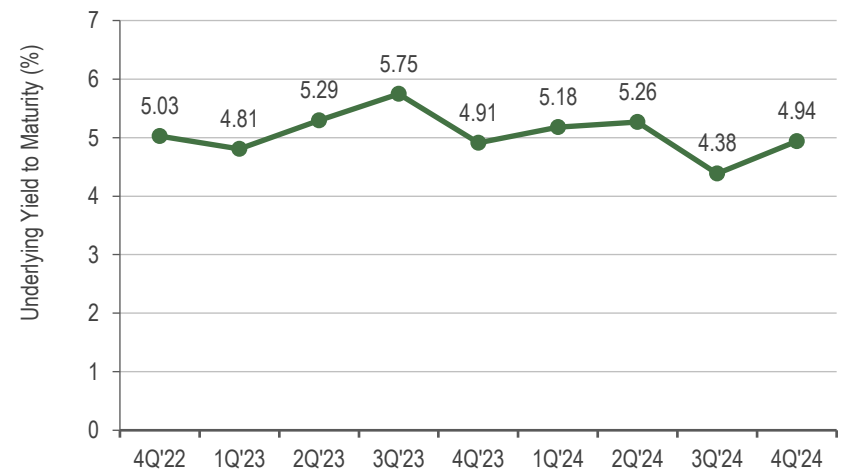
**HISTORICAL MARKET VALUE TO BOOK VALUE RATIO**



**HISTORICAL DURATION**



**HISTORICAL UNDERLYING YIELD TO MATURITY**



1: Blended Yield is net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, collective fund administrative fees, and plan administrative reimbursement.



# Contract Issuers

## CONTRACT ISSUER DISTRIBUTION & RATING SUMMARY<sup>1</sup>

	Contract Type <sup>2</sup>	% Portfolio 9/30/24	% Portfolio 12/31/24	Rating 9/30/24	Rating 12/31/24	Wrap fees (bps) 9/30/24	Wrap fees (bps) 12/31/24
American General Life Ins. Co.	SBIC	19.6	19.7	A+	A+	15	15
Metropolitan Tower Life Ins. Co.	SBIC	17.3	17.4	AA-	AA-	15	15
Nationwide Life Ins. Co.	SBIC	20.4	20.5	A+	A+	15	14
Prudential Ins. Co. of America	SBIC	21.7	21.8	AA-	AA-	15	15
Transamerica Life Ins. Co.	SBIC	19.1	19.2	A+	A+	15	15

<sup>1</sup>: The quality rating shown represents the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. Ratings shown as NR/NA are not rated or not available security ratings. <sup>2</sup>: SBIC = Security Backed Investment Contract. SAGIC = Separate Account GIC.  
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# Contract Issuer Credit Underwriting


CREDIT WORKING GROUP - Approves and oversees creditworthiness of all contract issuers

- Includes analysts, traders, and portfolio managers from Galliard’s Credit Sector and Structure Sector Teams

## ISSUER CREDIT REVIEW PROCESS

- Fundamental analysis designed to facilitate **early detection** and **avoidance** of **problematic credits**
- Maintains credit opinion for each approved issuer and an approved list of issuers
  - Monthly reviews of issuer credit quality and exposures; oversees issuer due diligence and formal credit reviews

## SAMPLE CREDIT REVIEW



**Write-up: ISSUER XYZ**  
**Sector: CORP-FIN-INS-GIC**

**FI Rec: IG1**                      **Ratings: Aaa/AA+/AAA**  
**SV Rec: Approved**

ISSUER XYZ (XYZ A3/A-/A- S/S/S) is one of the largest ins...  
operates a moderate sized asset management group. We are ex...

Analyst View		Ratings							Universe
	Year	2018	2019	2020	2021	2022	2022	2022	
Capitalization	Poor							A1	
Product Diversity	Good	Moodly's	Aa3	Aa3	Aa3	Aa3	Aa3	A1	
Product Risk	Good	S&P	AA-	AA-	AA-	AA-	AA-	AA-	
Scale	Good	Fitch	AA-	AA-	AA-	AA-	AA-	AA-	
Investment Risk	Good	ALRT	AA	AA	AA+	AA+	AA+	AA-	
Overall	Good	Composite	AA-	AA-	AA-	AA-	AA-	AA-	

Lines of Business	By Premiums					Universe - Average
Year	2018	2019	2020	2021	2022	2022
Individual Life	3%	10%	4%	5%	11%	18%
Individual Annuities	1%	1%	1%	1%	0%	18%
Group Life, A&H	49%	107%	55%	70%	48%	7%
Group Annuities	45%	79%	41%	24%	40%	47%
Other	3%	3%	0%	0%	0%	7%

Lines of Business	By Reserves					Universe - Average
Year	2018	2019	2020	2021	2022	2022
Individual Life	32%	33%	33%	33%	33%	35%
Individual Annuities	10%	10%	10%	9%	9%	23%
Group Life, A&H	14%	23%	24%	25%	26%	6%
Group Annuities	35%	34%	33%	33%	32%	36%
Other	9%	0%	0%	0%	0%	0%

Investment Exposure (Excludes Affiliates)	Universe - Average

ALIRT Sc	
Unit	201
Universe (Avg)	3
Index	8

Rt	
Unit	201
Universe - Median	355
	4511

Pl	
Unit	201
Universe - Median	5.9
	9.3

Su	
Unit	201
Universe (Avg)	14,152
%Notes	6,521
Universe (Avg)	10

Genera	



# Holdings

Asset ID	Security Description	Manager	Book Value (\$)	Market Value (\$)	Market/Book Value Ratio (%)	% of Portfolio	Crediting Rate (%) <sup>1</sup>	UCA Yield (%)	Effective Duration (yrs)	Galliard Composite Rating	Wrap Fees (bps)
<b>LIQUIDITY BUFFER</b>											
	Cash Receivable / (Payable)		-1,465,675	-1,465,675	100.0	-0.1	4.56	4.56	0.10	AAA	
01988T803	Short-Term Investment Fund II		34,419,008	34,419,008	100.0	1.5	4.56	4.56	0.10	AAA	
<b>TOTAL LIQUIDITY BUFFER</b>			32,953,333	32,953,333	100.0	1.5	4.56	4.56	0.10	AAA	
<b>SHORT PORTFOLIO</b>											
946996EE1	American General Life Ins. Co.	Galliard	154,003,744	145,783,547	94.7	6.9	3.23	4.81	1.84	A+	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Galliard	136,758,337	128,929,191	94.3	6.1	2.91	4.81	1.84	AA-	15.0
896994GW4	Nationwide Life Ins. Co.	Galliard	160,284,725	151,486,906	94.5	7.2	3.20	4.81	1.84	A+	14.0
744999CV3	Prudential Ins. Co. of America	Galliard	170,904,794	162,566,243	95.1	7.7	3.40	4.81	1.84	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	Galliard	150,323,625	142,480,709	94.8	6.8	3.27	4.81	1.84	A+	15.0
<b>TOTAL SHORT PORTFOLIO</b>			772,275,224	731,246,597	94.7	34.7	3.21	4.81	1.84	A+	
<b>INTERMEDIATE PORTFOLIO</b>											
946996EE1	American General Life Ins. Co.	Payden & Rygel	42,977,081	40,683,111	94.7	1.9	3.23	5.02	4.41	A+	15.0
946996EE1	American General Life Ins. Co.	PGIM	43,716,194	41,382,772	94.7	2.0	3.23	5.15	4.32	A+	15.0
946996EE1	American General Life Ins. Co.	TCW	43,022,401	40,726,011	94.7	1.9	3.23	4.76	4.17	A+	15.0
946996EE1	American General Life Ins. Co.	Dodge & Cox	46,270,625	43,800,856	94.7	2.1	3.23	5.09	4.36	A+	15.0
946996EE1	American General Life Ins. Co.	Galliard	64,256,158	60,826,382	94.7	2.9	3.23	5.12	4.22	A+	15.0
946996EE1	American General Life Ins. Co.	IR+M	43,372,027	41,056,975	94.7	1.9	3.23	4.86	3.66	A+	15.0
589899J61	Metropolitan Tower Life Ins. Co.	PGIM	39,135,633	36,895,195	94.3	1.8	2.91	5.15	4.32	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	TCW	38,201,570	36,014,605	94.3	1.7	2.91	4.76	4.17	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Dodge & Cox	39,230,652	36,984,774	94.3	1.8	2.91	5.09	4.36	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Galliard	56,744,219	53,495,724	94.3	2.5	2.91	5.12	4.22	AA-	15.0

1: Crediting rates are net of wrap fees and any other fees being netted out of the rates.  
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# Holdings

Asset ID	Security Description	Manager	Book Value (\$)	Market Value (\$)	Market/Book Value Ratio (%)	% of Portfolio	Crediting Rate (%) <sup>1</sup>	UCA Yield (%)	Effective Duration (yrs)	Galliard Composite Rating	Wrap Fees (bps)
589899J61	Metropolitan Tower Life Ins. Co.	IR+M	38,513,283	36,308,473	94.3	1.7	2.91	4.86	3.66	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Payden & Rygel	38,155,029	35,970,729	94.3	1.7	2.91	5.02	4.41	AA-	15.0
896994GW4	Nationwide Life Ins. Co.	Dodge & Cox	48,160,575	45,517,104	94.5	2.2	3.20	5.09	4.36	A+	14.0
896994GW4	Nationwide Life Ins. Co.	IR+M	45,146,532	42,668,498	94.5	2.0	3.20	4.86	3.66	A+	14.0
896994GW4	Nationwide Life Ins. Co.	Galliard	66,140,895	62,510,508	94.5	3.0	3.20	5.12	4.22	A+	14.0
896994GW4	Nationwide Life Ins. Co.	Payden & Rygel	44,717,827	42,263,324	94.5	2.0	3.20	5.02	4.41	A+	14.0
896994GW4	Nationwide Life Ins. Co.	PGIM	46,241,925	43,703,766	94.5	2.1	3.20	5.15	4.32	A+	14.0
896994GW4	Nationwide Life Ins. Co.	TCW	44,779,542	42,321,652	94.5	2.0	3.20	4.76	4.17	A+	14.0
744999CV3	Prudential Ins. Co. of America	Dodge & Cox	51,352,792	48,847,257	95.1	2.3	3.40	5.09	4.36	AA-	15.0
744999CV3	Prudential Ins. Co. of America	IR+M	48,143,958	45,794,985	95.1	2.2	3.40	4.86	3.66	AA-	15.0
744999CV3	Prudential Ins. Co. of America	Galliard	70,976,971	67,513,960	95.1	3.2	3.40	5.12	4.22	AA-	15.0
744999CV3	Prudential Ins. Co. of America	Payden & Rygel	47,683,256	45,356,760	95.1	2.1	3.40	5.02	4.41	AA-	15.0
744999CV3	Prudential Ins. Co. of America	PGIM	48,859,945	46,476,038	95.1	2.2	3.40	5.15	4.32	AA-	15.0
744999CV3	Prudential Ins. Co. of America	TCW	47,730,016	45,401,239	95.1	2.1	3.40	4.76	4.17	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	IR+M	42,341,686	40,132,570	94.8	1.9	3.27	4.86	3.66	A+	15.0
600996QF2	Transamerica Life Ins. Co.	Dodge & Cox	45,164,412	42,808,024	94.8	2.0	3.27	5.09	4.36	A+	15.0
600996QF2	Transamerica Life Ins. Co.	Galliard	62,344,314	59,091,590	94.8	2.8	3.27	5.12	4.22	A+	15.0
600996QF2	Transamerica Life Ins. Co.	Payden & Rygel	41,942,837	39,754,531	94.8	1.9	3.27	5.02	4.41	A+	15.0
600996QF2	Transamerica Life Ins. Co.	PGIM	43,043,555	40,797,821	94.8	1.9	3.27	5.15	4.32	A+	15.0
600996QF2	Transamerica Life Ins. Co.	TCW	42,001,722	39,810,343	94.8	1.9	3.27	4.76	4.17	A+	15.0
<b>TOTAL INTERMEDIATE PORTFOLIO</b>			1,420,367,631	1,344,915,580	94.7	63.8	3.21	5.01	4.19	A+	
<b>TOTAL PORTFOLIO</b>			<b>2,225,596,189</b>	<b>2,109,115,509</b>	<b>94.8</b>	<b>100.0</b>	<b>3.23</b>	<b>4.94</b>	<b>3.31</b>	<b>A+</b>	

<sup>1</sup>: Crediting rates are net of wrap fees and any other fees being netted out of the rates.  
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# Expenses

## TOTAL ANNUAL FUND OPERATING EXPENSES

Total Annual Operating Expenses are deducted directly from the Fund's net asset value and reduce the investment option's rate of return.

Expense	Expense Ratio 9/30/24	Expense Ratio 12/31/24
Investment Management Fees paid to Galliard	0.055%	0.055%
Investment Management fees paid to Non-Affiliated Investment Advisors	0.054%	0.048%
Investment Contract Fees* <sup>1</sup>	0.147%	0.146%
Acquired Fund Fees <sup>2</sup>	0.002%	0.001%
-Investment Contract Fees	None	None
-Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors <sup>3</sup>	0.002%	0.001%
12b-1 Distribution Fee	None	None
Other Expenses	0.002%	0.002%
<b>Total Annual Fund Operating Expenses<sup>4</sup></b>	<b>0.259%</b>	<b>0.252%</b>

\*Changes have occurred to the fee schedule structure since the prior period. Please contact your Galliard representative if you have additional questions.

<sup>1</sup>: These are fees paid to create and maintain the investments used by a stable value fund. <sup>2</sup>: These are fees borne indirectly by the Fund when it acquires an interest in another fund which pays its own separate fees.

<sup>3</sup>: Includes audit fees for the cost of producing a report by a qualified auditor. <sup>4</sup>: Total Annual Fund Operating Expenses are reflected daily in the Fund's net asset value (NAV).

Excluding STIF or money market allocations, non-affiliated investment advisors include Dodge & Cox, IR+M, Payden & Rygel, PGIM, TCW.

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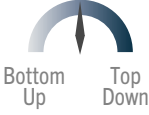


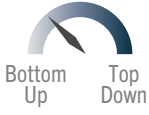



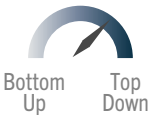



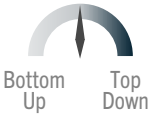

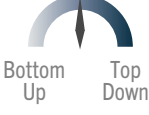




# Section III

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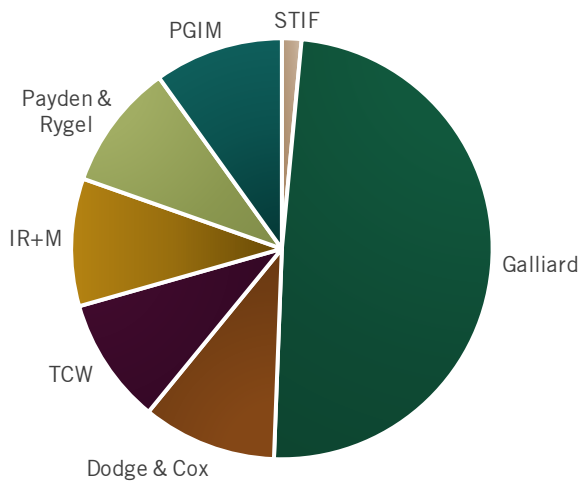
# External Manager Styles Summarized

	Investment Approach	Sector Rotation	Active Duration/ Yield Curve Mgmt.	Issue Selection	Sector Emphasis
GALLIARD					Diversified high quality spread sector emphasis, multi-sector relative value
DODGE & COX					Corporate credit, Agency MBS
IR + M					Credit, structured government, multi-sector relative value
PAYDEN & RYGEL					Corporate credit, structured credit, multi-sector relative value
PGIM					Multi-sector relative value, Agency MBS, global focus
TCW					Duration, multi-sector relative value



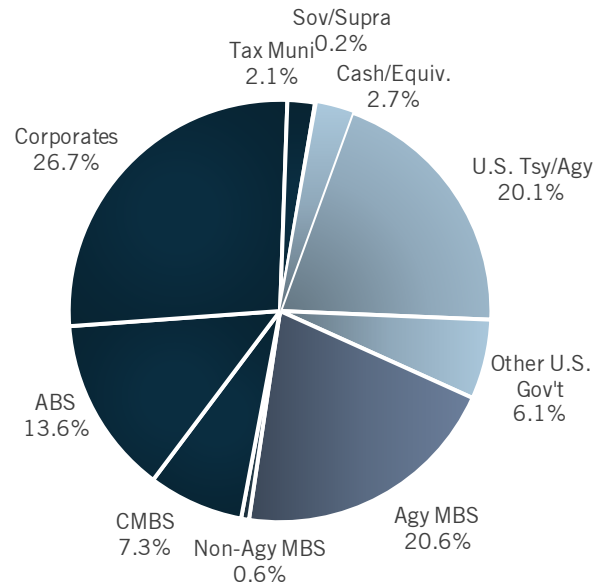
# Portfolio – As of December 31, 2024

## MANAGER ALLOCATION



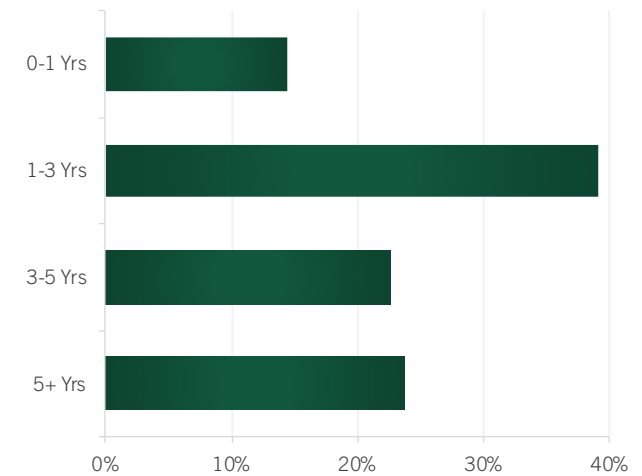
STIF	1.5%
Galliard	49.1%
Dodge & Cox	10.3%
TCW	9.7%
IR+M	9.8%
Payden & Rygel	9.7%
PGIM	9.9%
<b>Total Ext. Manager</b>	<b>49.4%</b>
<b>Total Portfolio</b>	<b>100.0%</b>

## UNDERLYING FIXED INCOME SECTOR ALLOCATION



U.S. Tsy/Agy	20.1%
Other U.S. Gov't	6.1%
Agy MBS	20.6%
Non-Agy MBS	0.6%
CMBS	7.3%
ABS	13.6%
Corporates	26.7%
Tax Muni	2.1%
Sov/Supra	0.2%
Cash/Equiv.	2.7%

## UNDERLYING DURATION DISTRIBUTION



0-1 Yrs	14.5%
1-3 Yrs	39.2%
3-5 Yrs	22.6%
5+ Yrs	23.7%



# Market Value Performance – As of December 31, 2024

## UNDERLYING PORTFOLIOS MARKET VALUE PERFORMANCE

Period Ending December 31, 2024

	1 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Liquidity Buffer</b>					
Short Term Investment Fund II	0.40	5.46	4.16	2.62	1.94
ICE BofA US Treasury Bill 3 Mon	0.40	5.25	3.89	2.46	1.77
<b>Value Added</b>	(0.00)	0.21	0.26	0.16	0.18
<b>Short Portfolio</b>					
Galliard Short	0.18	5.24	2.30	2.14	-
Bloomberg U.S. 1-3 Year Government/Credit Bond Index	0.21	4.36	1.69	1.58	-
<b>Value Added</b>	(0.04)	0.89	0.62	0.56	-
<b>Intermediate Portfolio</b>					
Galliard Intermediate	(1.04)	3.32	(0.31)	0.88	-
Bloomberg U.S. Intermediate Aggregate Bond Index	(0.93)	2.47	(0.83)	0.33	-
<b>Value Added</b>	(0.11)	0.85	0.52	0.55	-
Dodge & Cox <sup>1</sup>	(1.02)	3.49	0.10	1.22	-
Bloomberg U.S. Intermediate Aggregate Bond Index	(0.93)	2.47	(0.83)	0.33	-
<b>Value Added</b>	(0.09)	1.03	0.93	0.89	-
IR+M	(0.60)	-	-	-	-
Bloomberg U.S. Intermediate Government/Credit Bond Index	(0.62)	-	-	-	-
<b>Value Added</b>	0.02	-	-	-	-
Payden & Rygel	(1.06)	2.74	(0.38)	0.85	1.64
Linked Benchmark <sup>2</sup>	(0.93)	2.47	(0.83)	0.33	1.29
<b>Value Added</b>	(0.13)	0.27	0.45	0.52	0.35
PGIM	(0.93)	3.16	(0.37)	0.75	-
Bloomberg U.S. Intermediate Aggregate Bond Index	(0.93)	2.47	(0.83)	0.33	-
<b>Value Added</b>	(0.00)	0.69	0.46	0.41	-
TCW	(0.80)	2.63	(0.31)	1.06	-
Bloomberg U.S. Intermediate Government/Credit Bond Index	(0.62)	3.00	(0.18)	0.86	-
<b>Value Added</b>	(0.18)	(0.37)	(0.13)	0.20	-
<b>Market Value Composite Portfolio (before inv. mgmt. fees)</b>	<b>(0.51)</b>	<b>3.90</b>	<b>0.74</b>	<b>1.42</b>	<b>2.01</b>
<b>Market Value Composite Portfolio (net of all fees)</b>	<b>(0.52)</b>	<b>3.84</b>	<b>0.69</b>	<b>1.37</b>	<b>1.95</b>
<b>Market Value Composite Benchmark</b>	<b>(0.45)</b>	<b>3.28</b>	<b>0.26</b>	<b>0.91</b>	<b>1.54</b>

Returns shown are before investment management fees, with the exception of Liquidity Buffer which is net of all fund fees. 1: Prior to June 1, 2023, returns are linked to Dodge & Cox MetLife commingled Fund.

2: Bloomberg U.S. Intermediate Aggregate Bond Index. Prior to June 1, 2018 benchmark was Bloomberg U.S. 1-3 Year Government/Credit Bond Index.

Past performance is not an indication of how the investment will perform in the future. FOR INSTITUTIONAL INVESTOR USE ONLY.



# Performance Commentary – Excess Return

## Galliard Short (+24 Q4 2024)

- Overweight to the spreads sectors drove outperformance
- Security selection in corporates continued to be additive
- Yield curve positioning detracted modestly

## Galliard Intermediate (-2 Q4 2024)

- Security selection in Agency RMBS was the primary detractor
- Overweight to the spreads sectors, and the securitized sectors in particular, proved beneficial
- Yield curve positioning didn't impact returns materially

## Dodge & Cox (+11 Q4 2024)

- The overweight to Corporates and ABS contributed positively to relative performance
- Security selection within Agency MBS detracted over the quarter
- Duration and yield curve positioning marginally detracted over the quarter

## Jennison / IR+M (+2 Q4 2024)

- The State of North Carolina's separate account managed by Jennison was transitioned to Income Research + Management on November 1, 2024. A full quarter of attribution is not available at this time. Commentary will be included on the Q1 2025 report.

## Payden & Rygel (-2 Q4 2024)

- Duration positioning was the primary driver of underperformance relative to the index
- The overweight to Corporates benefited relative performance
- The impact from security selection within Agency MBS was negative over the quarter

## PGIM (+18 Q4 2024)

- The portfolio's overweight to spread sectors contributed positively to relative performance over the quarter
- The portfolio's overweight to CMBS benefited relative performance
- Although security selection within Agency MBS marginally detracted, the impact of security selection within Corporates and CMBS was additive to relative performance

## TCW (-37 Q4 2024)

- Long benchmark relative duration positioning was the primary driver of underperformance
- The underweight to Corporates detracted from relative performance while security selection in the sector added marginally
- The out-of-benchmark allocation to Agency MBS and CMBS were additive to relative performance



# Underlying Fixed Income Portfolio – Galliard Short

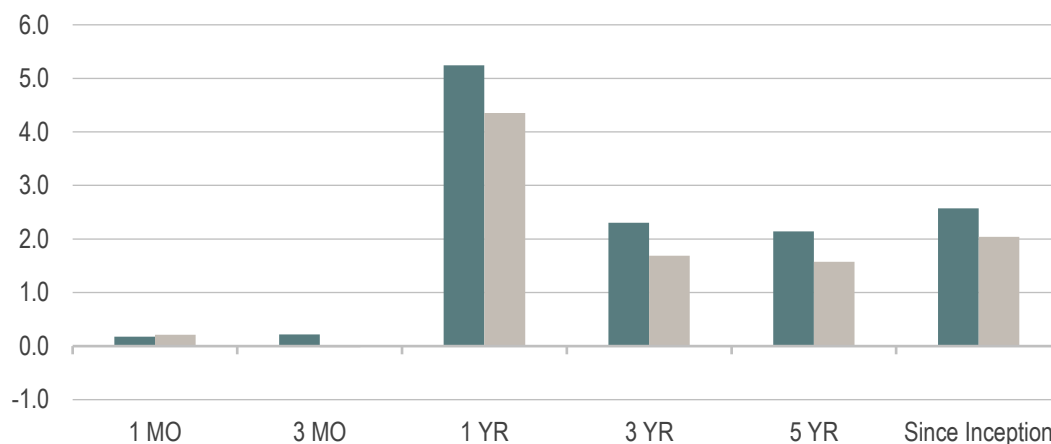
## PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
Weighted Average Quality <sup>2</sup>	AA	AA
Yield to Maturity	4.81%	4.40%
Weighted Average Maturity	2.25 Yrs	1.87 Yrs
Effective Duration	1.84 Yrs	1.77 Yrs

## SECTOR DISTRIBUTION<sup>3</sup>

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
U.S. Treasury	16.5%	70.1%
U.S. Agency	0.0%	1.6%
Other U.S. Government	7.7%	<0.1%
Corporates	25.6%	23.7%
Taxable Muni/Not for Profit	2.8%	0.5%
Agency MBS	8.9%	0.0%
Non-Agency MBS	0.4%	0.0%
CMBS	9.1%	0.0%
Asset Backed	28.2%	0.0%
Sovereign / Supranationals	0.0%	4.2%
Cash & Equivalents	0.8%	0.0%
<b>Total</b>	<b>100.0%<sup>6</sup></b>	<b>100.0%<sup>6</sup></b>

## ANNUALIZED INVESTMENT PERFORMANCE<sup>4</sup>



	1 Mo.	3 Mo.	1 Yr.	3 Yr.	5 Yr.	Since Inception <sup>5</sup>
Portfolio (before fees)	0.18	0.22	5.24	2.30	2.14	2.57
Benchmark <sup>1</sup>	0.21	(0.02)	4.36	1.69	1.58	2.04
<b>Value Added (before fees)<sup>6</sup></b>	<b>(0.04)</b>	<b>0.24</b>	<b>0.89</b>	<b>0.62</b>	<b>0.56</b>	<b>0.53</b>

1: Bloomberg U.S. 1-3 Year Government/Credit Bond Index. 2: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. 3: Market value. Total % of portfolio may not add due to rounding. 4: Returns for periods of less than one year are not annualized. 5: Performance inception: June 1, 2018. 6: May not add due to rounding.



# Underlying Fixed Income Portfolio – Galliard Intermediate

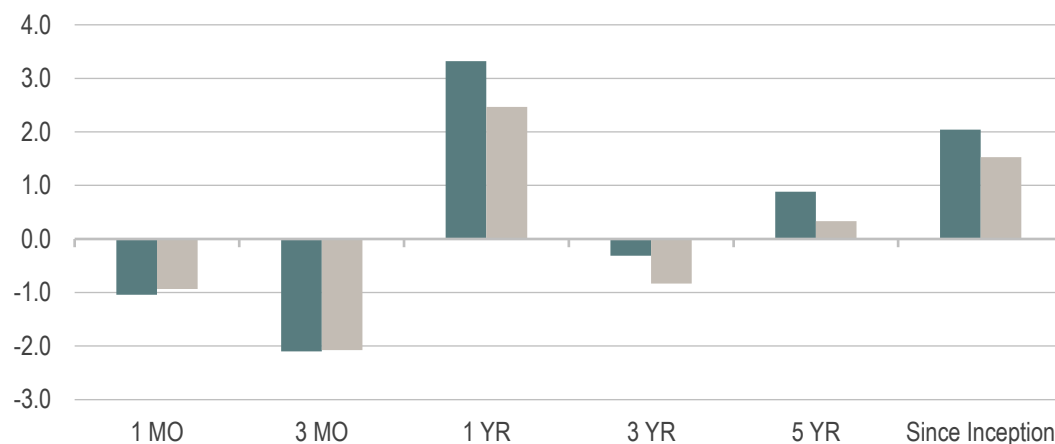
## PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
Weighted Average Quality <sup>2</sup>	AA	AA
Yield to Maturity	5.12%	4.81%
Weighted Average Maturity	5.52 Yrs	5.30 Yrs
Effective Duration	4.22 Yrs	4.44 Yrs

## SECTOR DISTRIBUTION<sup>3</sup>

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
U.S. Treasury	9.9%	43.0%
U.S. Agency	0.0%	0.8%
Other U.S. Government	16.8%	1.0%
Corporates	23.2%	20.0%
Taxable Muni/Not for Profit	4.3%	0.5%
Agency MBS	28.6%	30.5%
Non-Agency MBS	0.7%	0.0%
CMBS	7.8%	0.9%
Asset Backed	7.4%	0.5%
Sovereign / Supranationals	0.0%	2.9%
Cash & Equivalents	1.3%	0.0%
<b>Total</b>	<b>100.0%<sup>6</sup></b>	<b>100.0%<sup>6</sup></b>

## ANNUALIZED INVESTMENT PERFORMANCE<sup>4</sup>



	1 Mo.	3 Mo.	1 Yr.	3 Yr.	5 Yr.	Since Inception <sup>5</sup>
Portfolio (before fees)	(1.04)	(2.10)	3.32	(0.31)	0.88	2.04
Benchmark <sup>1</sup>	(0.93)	(2.07)	2.47	(0.83)	0.33	1.53
<b>Value Added (before fees)<sup>6</sup></b>	<b>(0.11)</b>	<b>(0.02)</b>	<b>0.85</b>	<b>0.52</b>	<b>0.55</b>	<b>0.52</b>

1: Bloomberg U.S. Intermediate Aggregate Bond Index. 2: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. 3: Market value. Total % of portfolio may not add due to rounding. 4: Returns for periods of less than one year are not annualized. 5: Performance inception: June 1, 2018. 6: May not add due to rounding.



# Underlying Fixed Income Portfolio – Dodge & Cox

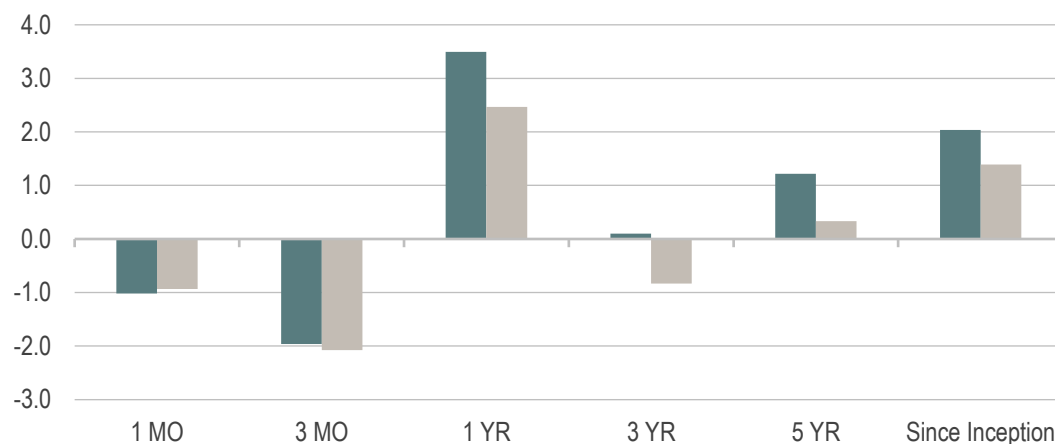
## PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
Weighted Average Quality <sup>2</sup>	AA-	AA
Yield to Maturity	5.09%	4.81%
Weighted Average Maturity	6.00 Yrs	5.30 Yrs
Effective Duration	4.36 Yrs	4.44 Yrs

## SECTOR DISTRIBUTION<sup>3</sup>

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
U.S. Treasury	11.9%	43.0%
U.S. Agency	0.0%	0.8%
Other U.S. Government	0.0%	1.0%
Corporates	34.9%	20.0%
Taxable Muni/Not for Profit	0.7%	0.5%
Agency MBS	41.9%	30.5%
CMBS	0.0%	0.9%
Asset Backed	9.5%	0.5%
Sovereign / Supranationals	0.0%	2.9%
Cash & Equivalents	1.2%	0.0%
<b>Total</b>	<b>100.0%<sup>6</sup></b>	<b>100.0%<sup>6</sup></b>

## ANNUALIZED INVESTMENT PERFORMANCE<sup>4</sup>



	1 Mo.	3 Mo.	1 Yr.	3 Yr.	5 Yr.	Since Inception <sup>5</sup>
Portfolio (before fees) <sup>7</sup>	(1.02)	(1.96)	3.49	0.10	1.22	2.04
Benchmark <sup>1</sup>	(0.93)	(2.07)	2.47	(0.83)	0.33	1.39
<b>Value Added (before fees)<sup>6</sup></b>	<b>(0.09)</b>	<b>0.11</b>	<b>1.03</b>	<b>0.93</b>	<b>0.89</b>	<b>0.65</b>

1: Bloomberg U.S. Intermediate Aggregate Bond Index. 2: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. 3: Market value. Total % of portfolio may not add due to rounding. The external managers provide portfolio holdings and the securities are classified using Galliard's analytics methodology for comparability across managers. 4: Returns for periods of less than one year are not annualized. 5: Performance inception: March 1, 2015. 6: May not add due to rounding. 7: Returns prior to 6/1/23 are linked to the former MetLife Dodge & Cox managed account.





# Underlying Fixed Income Portfolio – IR+M

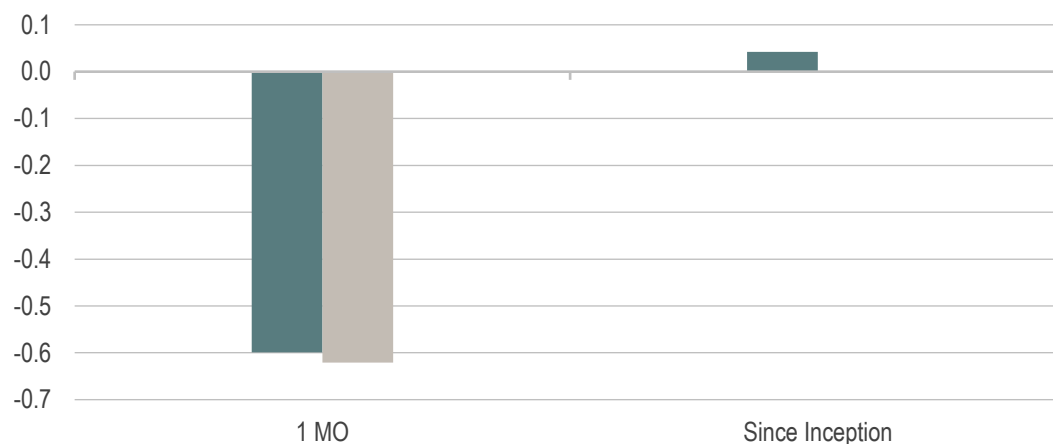
## PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
Weighted Average Quality <sup>2</sup>	AA	AA-
Yield to Maturity	4.86%	4.60%
Weighted Average Maturity	4.44 Yrs	4.17 Yrs
Effective Duration	3.66 Yrs	3.68 Yrs

## SECTOR DISTRIBUTION<sup>3</sup>

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
U.S. Treasury	22.4%	64.1%
U.S. Agency	0.6%	1.1%
Other U.S. Government	7.3%	<0.1%
Corporates	34.7%	29.7%
Taxable Muni/Not for Profit	0.0%	0.7%
Agency MBS	9.1%	0.0%
CMBS	12.6%	0.0%
Asset Backed	13.0%	0.0%
Sovereign / Supranationals	0.0%	4.3%
Cash & Equivalents	0.3%	0.0%
<b>Total</b>	<b>100.0%<sup>6</sup></b>	<b>100.0%<sup>6</sup></b>

## ANNUALIZED INVESTMENT PERFORMANCE<sup>4</sup>



	1 Mo.	Since Inception <sup>5</sup>
Portfolio (before fees)	(0.60)	0.04
Benchmark <sup>1</sup>	(0.62)	0.00
<b>Value Added (before fees)<sup>6</sup></b>	<b>0.02</b>	<b>0.04</b>

1: Bloomberg U.S. Intermediate Government/Credit Bond Index. 2: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. 3: Market value. Total % of portfolio may not add due to rounding. The external managers provide portfolio holdings and the securities are classified using Galliard's analytics methodology for comparability across managers. 4: Returns for periods of less than one year are not annualized. 5: Performance inception: November 1, 2024. 6: May not add due to rounding.



# Underlying Fixed Income Portfolio – Payden & Rygel

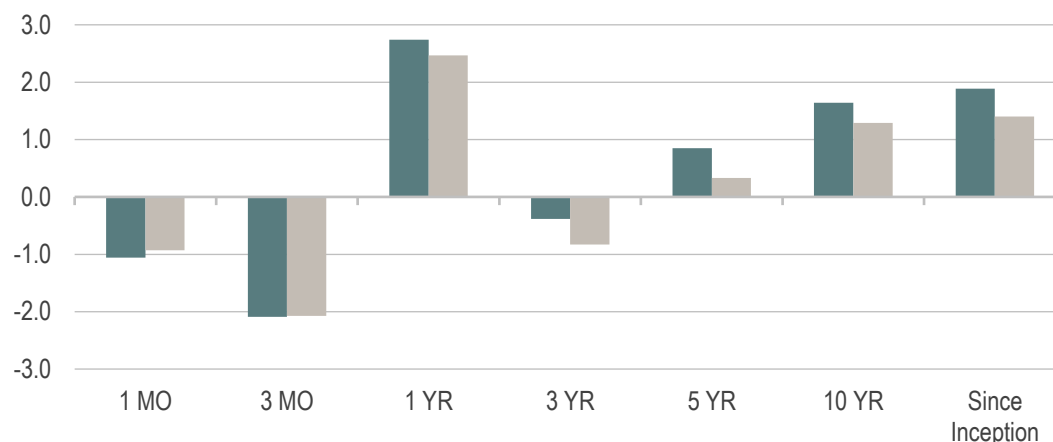
## PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
Weighted Average Quality <sup>2</sup>	AA-	AA
Yield to Maturity	5.02%	4.81%
Weighted Average Maturity	5.77 Yrs	5.30 Yrs
Effective Duration	4.41 Yrs	4.44 Yrs

## SECTOR DISTRIBUTION<sup>3</sup>

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
U.S. Treasury	23.2%	43.0%
U.S. Agency	0.0%	0.8%
Other U.S. Government	2.7%	1.0%
Corporates	29.7%	20.0%
Taxable Muni/Not for Profit	3.3%	0.5%
Agency MBS	34.2%	30.5%
CMBS	3.1%	0.9%
Asset Backed	0.0%	0.5%
Sovereign / Supranationals	2.1%	2.9%
Cash & Equivalents	1.7%	0.0%
<b>Total</b>	<b>100.0%<sup>6</sup></b>	<b>100.0%<sup>6</sup></b>

## ANNUALIZED INVESTMENT PERFORMANCE<sup>4</sup>



	1 Mo.	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception <sup>5</sup>
Portfolio (before fees)	(1.06)	(2.09)	2.74	(0.38)	0.85	1.64	1.89
Linked Benchmark <sup>1</sup>	(0.93)	(2.07)	2.47	(0.83)	0.33	1.29	1.40
<b>Value Added (before fees)<sup>6</sup></b>	<b>(0.13)</b>	<b>(0.02)</b>	<b>0.27</b>	<b>0.45</b>	<b>0.52</b>	<b>0.35</b>	<b>0.49</b>

1: Linked Benchmark: Bloomberg U.S. Intermediate Aggregate Bond Index. Prior to June 1, 2018 benchmark was Bloomberg U.S. 1-3 Year Government/Credit Bond Index. 2: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. 3: Market value. Total % of portfolio may not add due to rounding. The external managers provide portfolio holdings and the securities are classified using Galliard's analytics methodology for comparability across managers. 4: Returns for periods of less than one year are not annualized. 5: Performance inception: July 1, 2009. 6: May not add due to rounding.



# Underlying Fixed Income Portfolio – PGIM

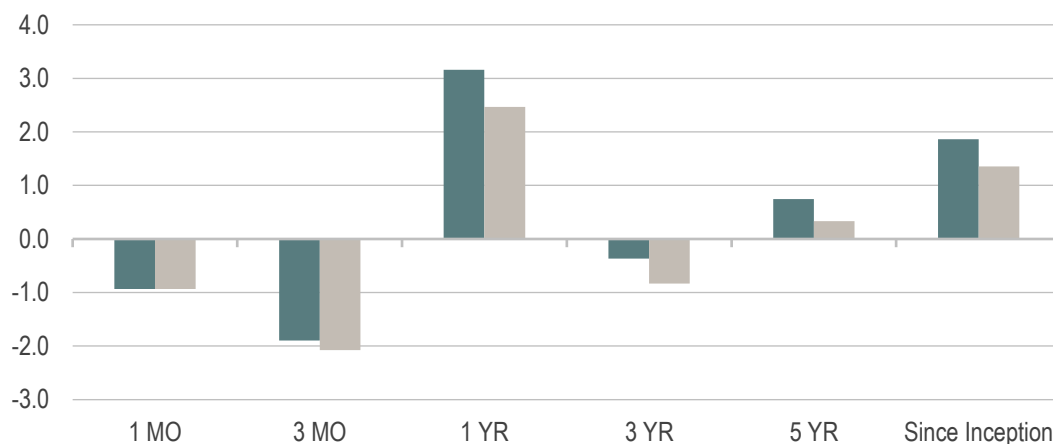
## PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
Weighted Average Quality <sup>2</sup>	AA-	AA
Yield to Maturity	5.15%	4.81%
Weighted Average Maturity	5.62 Yrs	5.30 Yrs
Effective Duration	4.32 Yrs	4.44 Yrs

## SECTOR DISTRIBUTION<sup>3</sup>

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
U.S. Treasury	16.5%	43.0%
U.S. Agency	0.2%	0.8%
Other U.S. Government	0.1%	1.0%
Corporates	30.4%	20.0%
Taxable Muni/Not for Profit	0.6%	0.5%
Agency MBS	34.6%	30.5%
CMBS	13.0%	0.9%
Asset Backed	4.1%	0.5%
Sovereign / Supranationals	0.1%	2.9%
Futures and Derivatives	<0.1%	0.0%
Cash & Equivalents	0.5%	0.0%
<b>Total</b>	<b>100.0%<sup>6</sup></b>	<b>100.0%<sup>6</sup></b>

## ANNUALIZED INVESTMENT PERFORMANCE<sup>4</sup>



	1 Mo.	3 Mo.	1 Yr.	3 Yr.	5 Yr.	Since Inception <sup>5</sup>
Portfolio (before fees)	(0.93)	(1.89)	3.16	(0.37)	0.75	1.87
Benchmark <sup>1</sup>	(0.93)	(2.07)	2.47	(0.83)	0.33	1.35
<b>Value Added (before fees)<sup>6</sup></b>	<b>0.00</b>	<b>0.18</b>	<b>0.69</b>	<b>0.46</b>	<b>0.41</b>	<b>0.51</b>

1: Bloomberg U.S. Intermediate Aggregate Bond Index. 2: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. 3: Market value. Total % of portfolio may not add due to rounding. The external managers provide portfolio holdings and the securities are classified using Galliard's analytics methodology for comparability across managers. 4: Returns for periods of less than one year are not annualized. 5: Performance inception: February 1, 2016. 6: May not add due to rounding.



# Underlying Fixed Income Portfolio – TCW

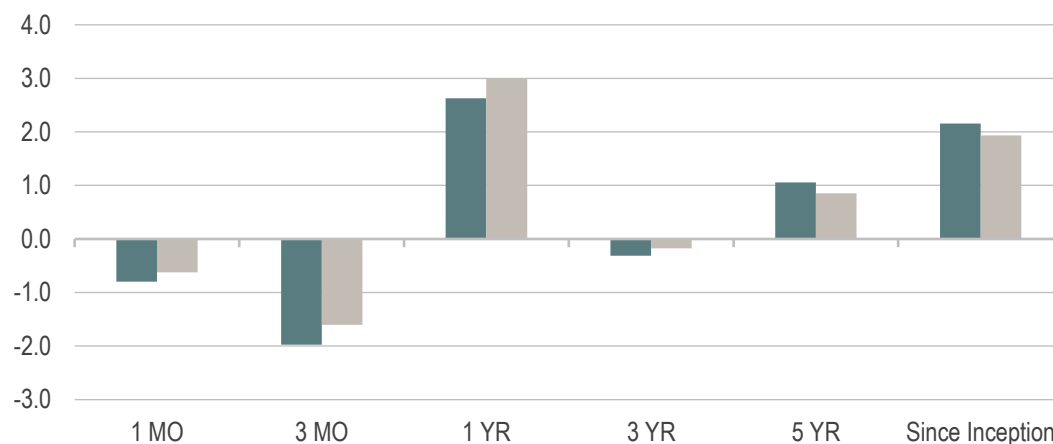
## PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
Weighted Average Quality <sup>2</sup>	AA	AA-
Yield to Maturity	4.76%	4.60%
Weighted Average Maturity	4.91 Yrs	4.17 Yrs
Effective Duration	4.17 Yrs	3.68 Yrs

## SECTOR DISTRIBUTION<sup>3</sup>

	Portfolio 12/31/24	Benchmark <sup>1</sup> 12/31/24
U.S. Treasury	57.0%	64.1%
U.S. Agency	0.0%	1.1%
Other U.S. Government	0.5%	<0.1%
Corporates	16.5%	29.7%
Taxable Muni/Not for Profit	0.6%	0.7%
Agency MBS	15.2%	0.0%
Non-Agency MBS	3.5%	0.0%
CMBS	2.2%	0.0%
Asset Backed	1.0%	0.0%
Sovereign / Supranationals	0.0%	4.3%
Cash & Equivalents	3.5%	0.0%
<b>Total</b>	<b>100.0%<sup>6</sup></b>	<b>100.0%<sup>6</sup></b>

## ANNUALIZED INVESTMENT PERFORMANCE<sup>4</sup>



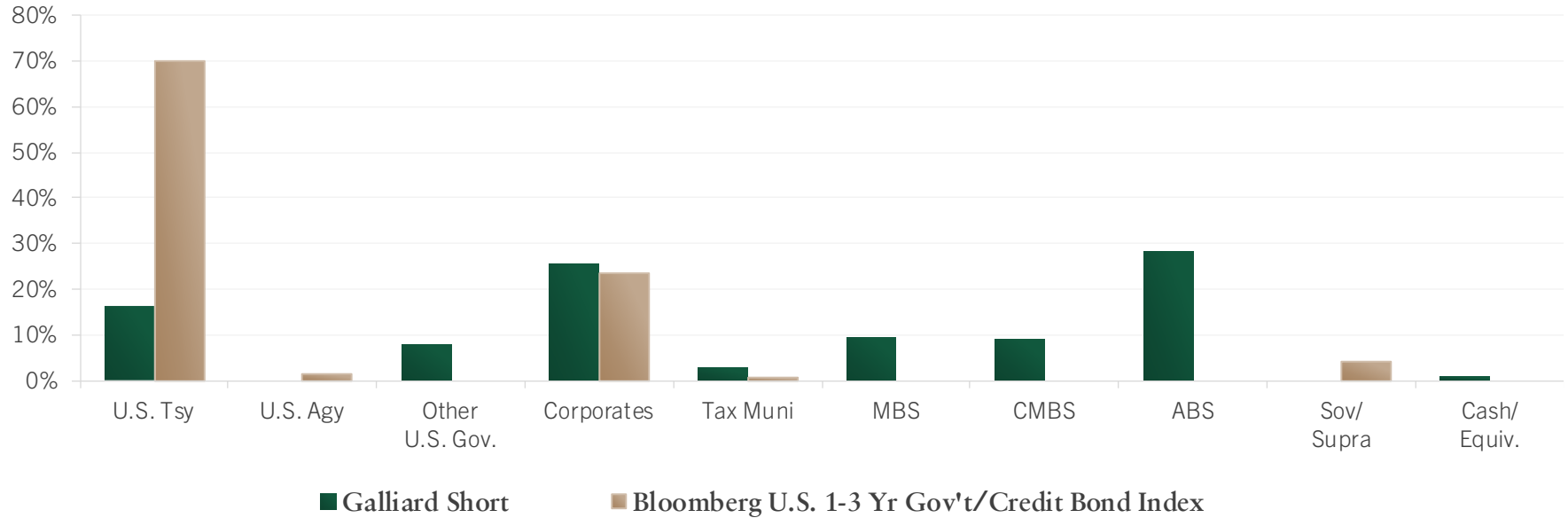
	1 Mo.	3 Mo.	1 Yr.	3 Yr.	5 Yr.	Since Inception <sup>5</sup>
Portfolio (before fees)	(0.80)	(1.97)	2.63	(0.31)	1.06	2.16
Benchmark <sup>1</sup>	(0.62)	(1.60)	3.00	(0.18)	0.86	1.94
<b>Value Added (before fees)<sup>6</sup></b>	<b>(0.18)</b>	<b>(0.37)</b>	<b>(0.37)</b>	<b>(0.13)</b>	<b>0.20</b>	<b>0.22</b>

1: Bloomberg U.S. Intermediate Government/Credit Bond Index. 2: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. 3: Market value. Total % of portfolio may not add due to rounding. The external managers provide portfolio holdings and the securities are classified using Galliard's analytics methodology for comparability across managers. 4: Returns for periods of less than one year are not annualized. 5: Performance inception: June 1, 2018. 6: May not add due to rounding.



# Short Duration Portfolio – As of December 31, 2024

## BLOOMBERG U.S. 1-3 YEAR GOVERNMENT/CREDIT BOND INDEX



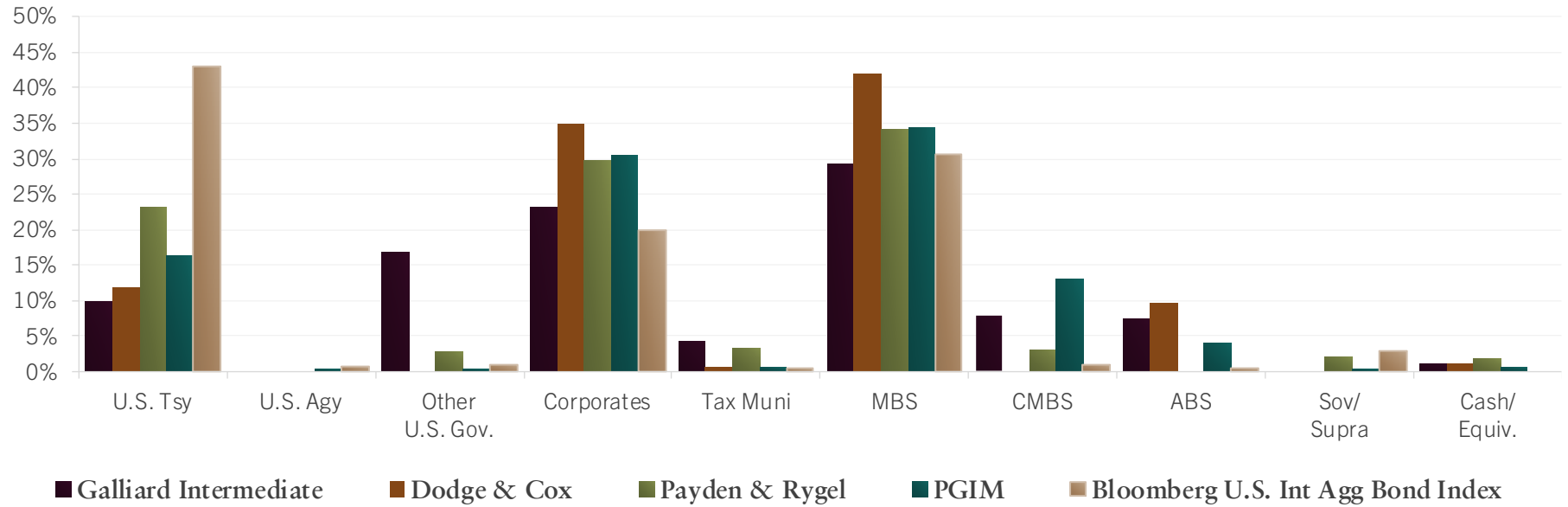
	Galliard Short	Bloomberg U.S. 1-3 Yr Gov't/Credit Bond Index
Weighted Average Quality <sup>1</sup>	AA	AA
Effective Duration	1.84 Yrs	1.77 Yrs
Yield to Maturity	4.81%	4.40%

1: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. Past performance is not an indication of how the investment will perform in the future. FOR INSTITUTIONAL INVESTOR USE ONLY.



# Intermediate Duration Portfolios – As of December 31, 2024

## BLOOMBERG U.S. INTERMEDIATE AGGREGATE BOND INDEX



	Galliard Intermediate	Dodge & Cox	Payden & Rygel	PGIM	Bloomberg U.S. Int Agg Bond Index
Weighted Average Quality <sup>1</sup>	AA	AA-	AA-	AA-	AA
Effective Duration	4.22 Yrs	4.36 Yrs	4.41 Yrs	4.32 Yrs	4.44 Yrs
Yield to Maturity	5.12%	5.09%	5.02%	5.15%	4.81%

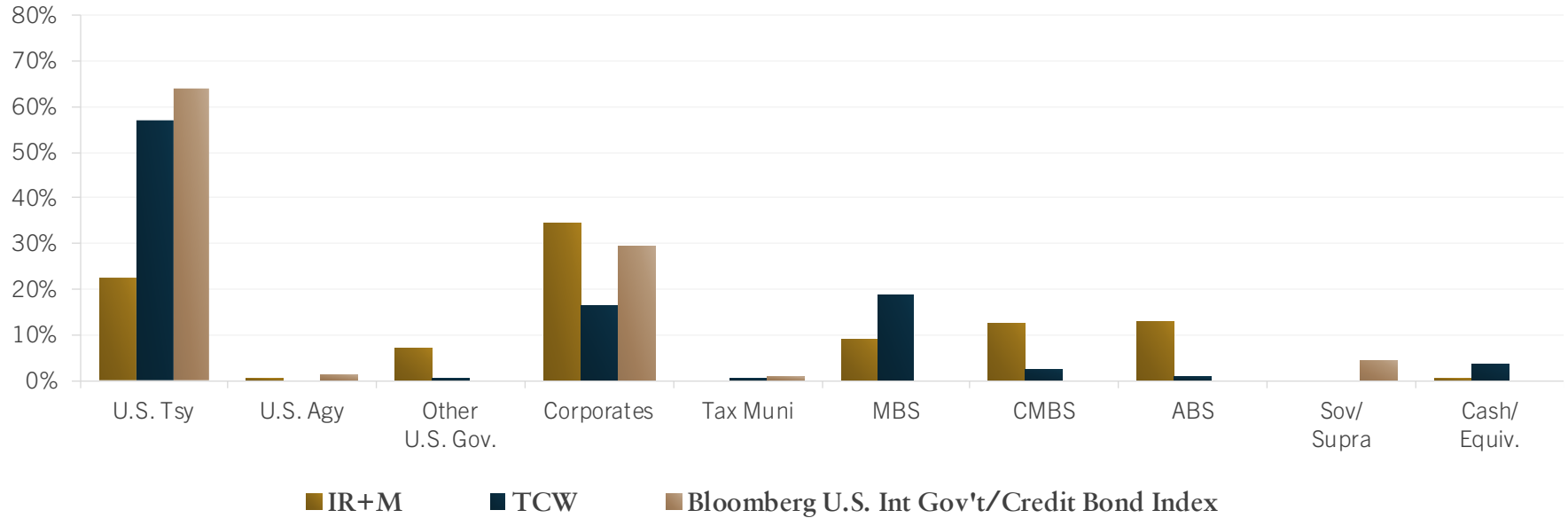
1: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

Past performance is not an indication of how the investment will perform in the future. FOR INSTITUTIONAL INVESTOR USE ONLY.



# Intermediate Duration Portfolios – As of December 31, 2024

## BLOOMBERG U.S. INTERMEDIATE GOVERNMENT/CREDIT BOND INDEX



	IR+M	TCW	Bloomberg U.S. Int Gov't/Credit Bond Index
Weighted Average Quality <sup>1</sup>	AA	AA	AA-
Effective Duration	3.66 Yrs	4.17 Yrs	3.68 Yrs
Yield to Maturity	4.86%	4.76%	4.60%

<sup>1</sup>: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

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