GALLIARD
Capital Management, LLC

GALLIARD MANAGED INCOME FUND CORE INVESTMENT REVIEW

Fourth Quarter 2023

GALLIARD MANAGED INCOME FUND CORE FACTS

- Fund Inception Date: January 1, 1998
- Fund Advisor: Galliard Capital Management, LLC
- Fund Trustee: SEI Trust Company
- Valuation Frequency: Daily
- Fund is 100% benefit responsive
    - Plan sponsor withdrawal with 12 month notice

INVESTMENT OBJECTIVE

The Fund seeks to provide investors with a moderate level of stable income without principal volatility. The Fund is designed for investors seeking more income than money market funds without the price fluctuation of stock or bond funds.

INVESTMENT STRATEGY

The Fund's underlying fixed income strategy is managed in a conservative style that utilizes a disciplined value investing process to build a high quality portfolio with broad diversification and an emphasis on risk control. Our core investment philosophy is to build a portfolio of realizable yield through bottom-up, fundamental research, utilizing a team-based approach to portfolio management. Galliard's fixed income portfolios emphasize high quality spread sectors, diversification across sectors and issuers to reduce risk, neutral duration positioning, and a laddered portfolio structure for ample natural liquidity. The Fund employs a multi-manager approach utilizing non-affiliated subadvisors within the underlying fixed income strategy that is designed to complement the Galliard managed allocation maintaining an emphasis on diversification and high quality.

The majority of the Fund's assets will be invested in fixed income portfolios that are wrapped by stable value contracts which allow Fund participants to transact at book value. The Fund will hold cash in order to maintain sufficient liquidity. The Fund utilizes high credit quality stable value contract issuers, with an emphasis on diversification.

INVESTMENT RISK

As is true of any form of investment, there is the risk of principal loss or underperformance relative to benchmarks or other investment options. Underperformance or principal loss may be the result of many factors. Please refer to the Fund's Disclosure Booklet for information regarding risk factors.

INVESTMENT PERFORMANCE[1] (as of 12/31/23)

Annualized Performance	4Q'23	YTD	1 Year	3 Year	5 Year	10 Year
Total Return (Before Inv. Mgmt. Fees)[2]	0.72	2.77	2.77	2.13	2.23	2.13
Total Return (After Maximum Fees)	0.65	2.51	2.51	1.88	1.98	1.88
50% FTSE 3-Mo T-Bill + 50% ICE BofA 1-3 Yr Tsy Index[3]	1.95	4.76	4.76	1.10	1.61	1.16
FTSE 3 Month Treasury Bill[4]	1.41	5.26	5.26	2.25	1.91	1.26
Value Added (Before Inv. Mgmt. Fees)[5]	(1.23)	(1.99)	(1.99)	1.03	0.62	0.97

Past performance is not an indication of how the investment will perform in the future.
1: Returns for periods less than one year are not annualized
2: Returns designated as "before investment management fees" includes all income, realized and unrealized capital gains and losses and all annual fund operating expenses. These returns also include all non-affiliated subadvisor fees, audit and valuation fees. Returns designated as "after maximum fees" are the "before investment management fees" returns less the maximum 0.25% fee which may be charged by Galliard for management of each client's account. These returns may also be impacted by the effect of compounding and will be rounded to the nearest basis point. Fees which may be charged to each client for investment management are described in Galliard Capital Management's Form ADV Part 2.
3: While it is believed that the benchmark used here represents an appropriate point of comparison for the Fund referenced above, prospective investors should be aware that the volatility of the above referenced benchmark or index may be substantially different from that of the Fund; and holdings in the Fund may differ significantly from the benchmark or index if the investment guidelines and criteria are different than the Fund.
4: Economic Index provided for informational purposes only.
5: May not add due to rounding.

FUND POSITIONING

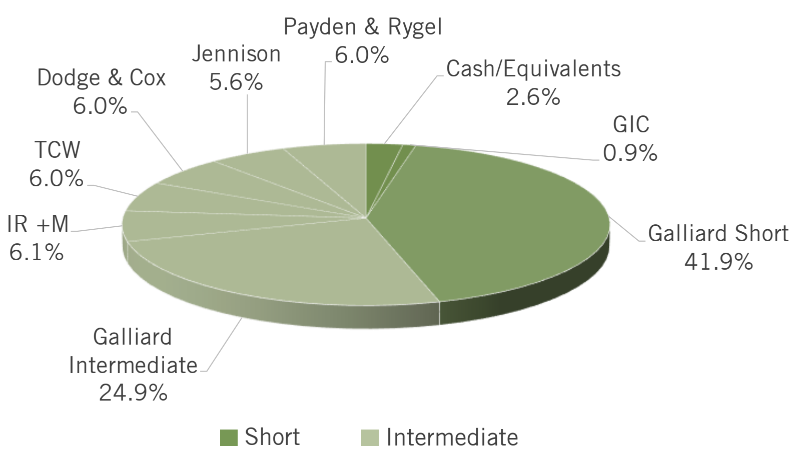
- The Fund's investment strategy remained unchanged during the quarter
- We continue to employ a multi-manager approach, emphasizing actively managed portfolios of diversified, high quality fixed income securities wrapped under security backed investment contracts
- In the current market environment, we continue to manage the Fund's duration within its target range, while maintaining an appropriate level of liquidity
- Sector allocations remain broadly diversified across the bond market
- The Fund's blended yield before investment management fees increased from the prior quarter to 2.90%

FUND CHARACTERISTICS as of December 31, 2023

Total Assets	$2,628,321,787
Blended Yield[1] (Before Inv. Mgmt. Fees)	2.87%
Blended Yield[1] (After Maximum Fees)	2.62%
Market to Book Ratio	94.9%
Effective Duration	2.93 Yrs
Number of Contract Issuers	9
Number of Underlying Issues	2,695
Annualized Turnover as of 12/31/23[2]	73.9%

1: The Fund's blended yield is the weighted average of all of the investment contracts' individual crediting rates and the yield on the cash equivalents held by the Fund as of the date reported. Blended Yield before investment management fees has been reduced by the amount of book value investment contract fees and all annual fund operating expenses. The blended yield net of Galliard investment management fees will vary by client depending on unique fee schedules. The maximum investment management fee by which the yield could be reduced is 0.25%.
2: Please refer to the Fund's Disclosure Booklet for more information regarding methodology of turnover calculation.

STRATEGY / MANAGER DISTRIBUTION[3]



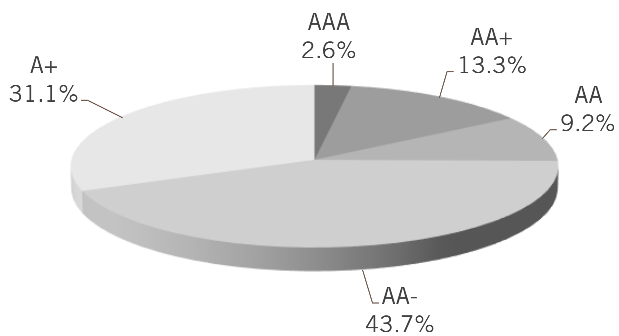
3: Totals may not add to 100% due to rounding.

GALLIARD MANAGED INCOME FUND CORE HOLDINGS

Issuer	% of Portfolio	Moody's Rating	S&P Rating	Contract Type[1]
Transamerica Life Ins. Co.	17.9%	A1	A+	SBIC
Prudential Ins. Co. of America	15.6%	Aa3	AA-	SBIC
Metropolitan Tower Life Ins. Co.	15.2%	Aa3	AA-	SBIC
American General Life Ins. Co.	12.9%	A2	A+	SBIC
Massachusetts Mutual Life Ins. Co.	12.9%	Aa3	AA+	SBIC
Pacific Life Ins. Co.	12.7%	Aa3	AA-	SBIC
State Street Bank and Trust Co.	9.2%	Aa2	AA-	SBIC
Massachusetts Mutual Life Ins. Co.	0.5%	Aa3	AA+	GIC
Principal Life Ins. Co.	0.3%	A1	A+	GIC
Metropolitan Life Ins. Co.	0.1%	Aa3	AA-	GIC
Cash/Equivalents				
Short Term Investment Fund	2.6%	Aaa	AAA	---
TOTAL	**100.0%**	**Aa3[2]**	**AA-[2]**	**---**

1: GIC = Guaranteed Investment Contract. SBIC = Security Backed Investment Contract. Security Backed Investment Contract (SBIC) or Separate Account GIC (SAGIC)
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 contracts and cash held by the portfolio as rated by S&P and Moody's.

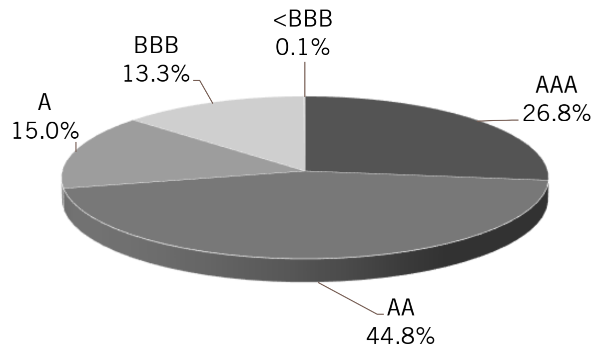
CONTRACT QUALITY DISTRIBUTION[3]



3: The quality distribution shown represents the distribution of the contract issuers' Composite Ratings, as rated by S&P, Moody's and Fitch. If Moody's, S&P and Fitch all provide a credit rating, the composite rating is the median of the three agency ratings. If only two agencies provide ratings, the composite is the more conservative rating. If only one agency provides a rating, the composite rating reflects that agency's rating.

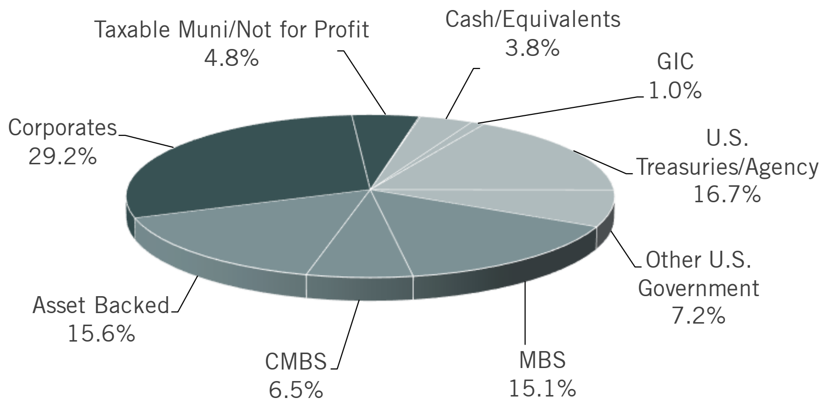
Totals may not add to 100% due to rounding.

UNDERLYING FIXED INCOME CREDIT QUALITY[1]

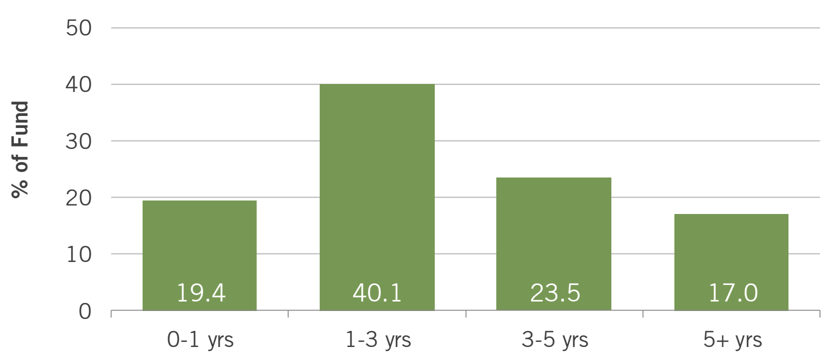


1: The quality distribution shown represents the distribution of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. If Moody's, S&P and Fitch all provide a credit rating, the composite rating is the median of the three agency ratings. If only two agencies provide ratings, the composite is the more conservative rating. If only one agency provides a rating, the composite rating reflects that agency's rating.

UNDERLYING FIXED INCOME ASSET ALLOCATION



UNDERLYING DURATION DISTRIBUTION



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GALLIARD MANAGED INCOME FUND CORE INVESTMENT PERFORMANCE HISTORY

Fourth Quarter 2023

ANNUAL PERFORMANCE[1]

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Managed Income Fund (Before Inv. Mgmt. Fees)	2.77	1.91	1.71	2.25	2.51	2.31	1.97	1.91	1.99	1.97
Managed Income Fund (After Maximum Fees)	2.51	1.66	1.46	1.99	2.26	2.05	1.72	1.65	1.74	1.72
50% FTSE 3-Mo T-Bill + 50% ICE BofA 1-3 Yr Tsy Index[2]	4.76	(1.10)	(0.25)	1.84	2.90	1.72	0.63	0.58	0.29	0.33
Consumer Price Index[3]	3.56	6.84	7.04	1.36	2.29	1.67	2.11	2.07	0.73	0.76
FTSE 3 Month Treasury Bill[3]	5.26	1.50	0.05	0.58	2.25	1.86	0.84	0.27	0.03	0.03

QUARTERLY PERFORMANCE[1]

	FIRST QUARTER		SECOND QUARTER		THIRD QUARTER		FOURTH QUARTER	
YEAR	Before Inv. Mgt. Fees	After Max. Fees	Before Inv. Mgt. Fees	After Max. Fees	Before Inv. Mgt. Fees	After Max. Fees	Before Inv. Mgt. Fees	After Max. Fees
2013	0.60	0.54	0.60	0.54	0.56	0.50	0.53	0.47
2014	0.48	0.42	0.48	0.42	0.48	0.42	0.51	0.45
2015	0.50	0.44	0.51	0.45	0.48	0.42	0.48	0.42
2016	0.46	0.40	0.47	0.41	0.48	0.42	0.48	0.42
2017	0.45	0.39	0.48	0.41	0.50	0.44	0.52	0.46
2018	0.53	0.46	0.56	0.50	0.59	0.52	0.61	0.55
2019	0.59	0.53	0.63	0.56	0.64	0.58	0.63	0.57
2020	0.59	0.53	0.57	0.51	0.54	0.48	0.52	0.46
2021	0.45	0.38	0.42	0.36	0.41	0.35	0.42	0.36
2022	0.40	0.33	0.43	0.37	0.51	0.45	0.56	0.50
2023	0.62	0.56	0.68	0.62	0.72	0.65	0.72	0.65

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3: Consumer Price Index as reported on 1/2/24. Economic Indices provided for informational purposes only.

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FOR INSTITUTIONAL INVESTOR USE ONLY

SEI Trust Company (the "Trustee") serves as the Trustee of the Fund and maintains ultimate fiduciary authority over the management of, and the investments made, in the Fund. The Fund is part of a Collective Investment Trust (the "Trust") operated by the Trustee. The Trustee is a trust company organized under the laws of the Commonwealth of Pennsylvania and wholly owned subsidiary of SEI Investments Company (SEI). The Trust is not a mutual fund, as defined under the investment company act of 1940, as amended.

A collective investment trust fund (CIT) is a pooled investment vehicle that is exempt from SEC registration as an investment company under Section 3(c)(11) of the Investment Company Act of 1940 and maintained by a bank or trust company for the collective investment of qualified retirement plans. The Fund is managed by SEI Trust Company, the trustee, based on the investment advice of Galliard Capital Management.

Galliard Investment Management Fees
The Galliard Managed Income Fund Core offered for direct investment by certain institutions such as retirement plans and employee benefit trusts. The Fund itself does not accrue an investment management fee. A series of other stable value collective investment funds managed by Galliard and trusteed by SEI Trust Company purchase interests in the Fund and may accrue investment management fees. The Fund may also be offered through certain financial intermediaries that may charge their customers other fees.

An investment management fee may be paid at the Fund level or directly at the Plan level or by the Plan Sponsor. The maximum 0.25% fee which may be charged by Galliard for the management of each client's account is reflected on the prior page. Fees which may be charged to each client for investment management are described in Galliard Capital Management's Form ADV Part 2.

Please refer to your plan administrator for specific information on the fee arrangement with Galliard for your Plan.

FED PIVOT IN DECEMBER = WHAT'S IN STORE FOR 2024?

The precipitous selloff in interest rates that started in late summer continued through the first part of the fourth quarter. Despite the Federal Reserve (Fed) being on hold, interest rates sold off fairly dramatically in the third quarter for a host of speculated reasons, including the Fed's "higher for longer" mantra taking hold, upward revisions to economic growth forecasts leading to a higher neutral policy rate, budget deficits requiring larger Treasury issuance colliding with reduced investor demand, dysfunctional Government leading to continued U.S. sovereign credit rating downgrades, Bank of Japan yield curve control tweaks, and the Fed signaling that QT could extend beyond the timing of the first rate cut. Most likely due to a combination of these narratives, the yield curve experienced a dramatic bear steepening that reached a crescendo in late October. Between the end of June and the end of October, the 10-year Treasury yield increased by 109 bps (1.09%) reaching almost 5%, while the 2s vs. 10s curve steepened by 90 bps, reducing the inversion to only 16 bps.

It felt counterintuitive that simultaneous with the Fed nearing the end of a tightening cycle, rates were selling off in such dramatic fashion. Historically, rates tend to go the other way when the Fed signals the end of rate hikes. Indeed, by the time the ink was dry on the Fed's November FOMC statement, interest rates had reversed course, rallying hard consistent with what history has shown. The Fed pivot in December added fuel to the fire and confirmed what the market had already sniffed out: policy rate cuts are on the horizon. Since the end of October, the 2-year Treasury has rallied 84 bps (prices higher, yields lower), while the 10-year Treasury rallied 105 bps, leaving the curve inverted by 37 bps. This is substantially similar to where it was at the end of the third quarter. In fact, the curve was largely unchanged year-over-year in 2023. We find this rather remarkable considering the large swings in curve reshaping that happened throughout the year.

This leaves us wondering, what is being signaled now for 2024: a soft landing or a recession? Fed Funds futures markets are pricing in nearly seven cuts through January 2025 and the continued yield curve inversion is suspicious. This hardly seems consistent with a soft landing. Over the last 30+ years, the Fed has never cut rates by 150 bps for any reason other than a recession. Still, risk assets are partying like it's 1999. The S&P 500 is up another 14% since October, while the Nasdaq is up another 17%. So, the big question remains: can the Fed tighten monetary policy as much as it has without breaking the economy?

For now, the economic outlook is remarkably sanguine. 3Q GDP growth measured 4.9% q/q annualized, with 3.1% q/q annualized personal consumption and gross private investment that jumped up to 10.0% q/q annualized on strong residential fixed investment and inventory building. Overall, these numbers indicate the economy continues to outperform expectations despite restrictive monetary policy. Furthermore, inflation expectations have been stable with 5-year breakeven, 10-year breakeven, and 5Y-5Y forward breakeven rates all in the 2.15% range. While recession probabilities remain elevated at 50% according to Bloomberg, primarily due to the shape of the curve, forecasts calling for near-term recession have been virtually eliminated from the estimates we track.

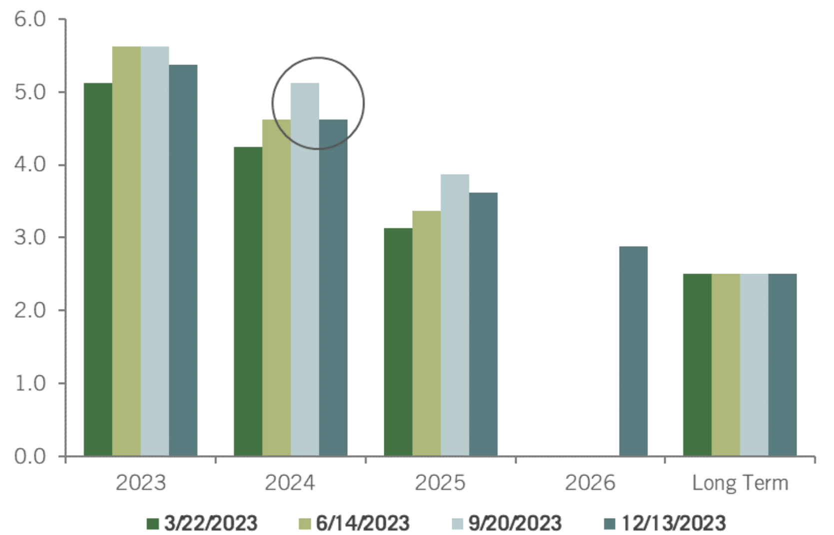
FED TO BEGIN EASING, BUT BY HOW MUCH?

The words "pivot" and "soft landing" became firmly entrenched in the lexicon of monetary policy this fall. While there was debate about one more hike at the November meeting, the FOMC stayed on hold, buffering arguments that a pivot was at hand. Indeed, Chair Powell's mention of "tight financial conditions" was perceived as dovish. Nevertheless, he did his best to walk it back by proclaiming that restrictive monetary policy "may be necessary for an extended period of time and that a period of below trend growth may be required to bring inflation down to target."

By the December meeting, the market had fully priced in a Fed pivot to come through in messaging alongside a continued pause in rate hikes. The gap between Fed expectations (using the September SEP) and market pricing of the year-end 2024 Fed Funds rate had grown to a historically wide proportion. The market desired capitulation from the Fed. As anticipated, the Fed stayed on hold and provided a dovish message, indicating that interest rate cuts are forthcoming. The official FOMC statement acknowledged that economic activity is slowing and that inflation has eased over the past year

Perhaps the biggest message came through in the updated Summary of Economic Projections (SEP). The previous SEP published in September showed a median yearend 2024 Fed Funds rate at 5.125% and the distribution included several dots that were above 5.50%, indicating that some FOMC members projected additional hikes. In contrast, the updated December SEP median year-end 2024 Fed Funds rate was only 4.625%, suggesting that the Fed will likely cut rates over the next year (Figure 1). Furthermore, in the distribution of the dots, not a single FOMC member projected Fed Funds higher than where it is today, 5.375%. The Fed is signaling that it will begin cutting rates and easing monetary policy in 2024, commensurate with falling inflation, but it does not believe a recession is on the horizon. Meanwhile, the market continues to price in more aggressive rate cuts than the Fed. Personal consumption expenditures (PCE) are downshifting after increasing nicely during the early summer months. Nominal PCE growth slipped back to 0.4% m/m in August after increasing 0.9% m/m in July, whereas PCE core dropped back to 0.1% m/m in August following

FIGURE 1: FOMC MEDIAN FED FUNDS RATE PROJECTIONS(%)[1]

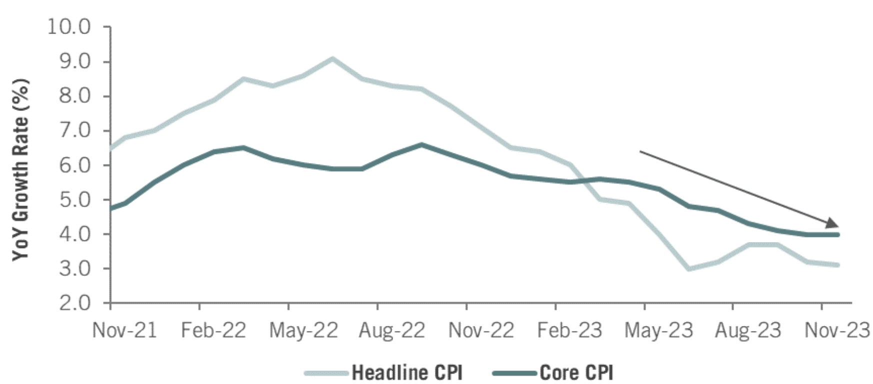


FALLING INFLATION SUPPORTS RATE CUTS

Headline CPI fell back to just 3.2% y/y in October and 3.1% y/y in November after accelerating to 3.7% y/y in both August and September. Core CPI has also continued to trend lower, increasing by only 4.0% y/y in both October and November (Figure 2). On a month-over-month basis, headline CPI measured 0.0% in October and 0.1% in November. Core CPI, on the other hand, has proven more stubborn, increasing by 0.2% m/m and 0.3% m/m in October and November, respectively. This continues a long string of 0.2%-0.3% m/m core inflation readings going back to early summer. On a rolling 3-month basis, headline CPI has fallen to 0.2% in November, whereas core CPI is holding firm at 0.3%. These rolling averages imply an annualized run rate of approximately 2.5% to 3.5%; still slightly higher than the Fed's target, but considerably lower than the 6.0%-7.0% annualized run rate in late 2022.

The PCE inflation numbers show an almost identical pattern with CPI. Headline PCE fell to 2.9% y/y and 2.6% y/y in October and November, respectively. Measured month-over-month, headline PCE fell to 0.0% in October and -0.1% in November after several months at 0.4%. Core PCE continued to trend lower as well, coming in at 3.4% y/y and 0.1% m/m in October followed by 3.2% y/y and 0.1% m/m prints in November. Rinse and repeat for producer prices: headline numbers fell again after bouncing higher into the fall while core numbers consistently trended downward. On a year-over-year basis, core PPI is down to 2.0% in November while headline PPI has fallen to only 0.9%.

FIGURE 2: HEADLINE CPI VS CORE CPI[2]



1: Source: Federal Reserve
2: Source: Bloomberg

When the aggregate inflation numbers are picked apart into subcomponents, many forecasters find underlying trends pointing to a favorable drop in inflation that is expected to continue. We note some concern about a re-acceleration of inflation: the sizable rally in rates and the runup in equity prices has led to an easing of financial conditions, perhaps prematurely, risking a reigniting of underlying inflationary forces. Notably, this is not without precedent. Still, 2-year breakeven inflation rates were largely unchanged at 2.02%, the 5-year breakeven drifted down to 2.15%, and the 10-year breakeven rate fell to 2.17%. In our view, the stability of inflation expectations is consistent with the market view that the Fed is done with monetary policy tightening and that rate cuts are on deck with falling inflation in 2024.

ECONOMY STILL HOLDING ITS OWN

In general, the labor market remained relatively strong heading into year end; however, there continue to be signs of a healthy correction taking place. More workers are joining the labor force and finding employment. Job creation has slowed but the unemployment rate remains low, as do jobless claims. In combination, these numbers indicate a healthier balance in the supply and demand for labor is taking shape that should ease wage pressure, which is an important component in the ongoing inflation fight.

There were only 150,000 and 199,000 jobs added in October and November, bringing the 3-month average down to ~200,000. Putting that in perspective, the 3-month average during the first quarter of 2023 was over 300,000. Furthermore, every single monthly jobs number this year, except for July, has been revised downward the following month. The unemployment rate fell back down to only 3.7% in November after inching higher to 3.8% and 3.9% in September and October, respectively. Over the previous 12-months, 3.7 million workers have rejoined the labor force, increasing the labor force participation rate to 62.8%, just slightly short of pre-pandemic trend. Job openings have come down to only 8.8 million jobs in November from a peak of over 12 million in early 2022. Meanwhile, the quits rate has retreated to only 2.2%. The ratio of job openings to unemployed workers is now 1.4, marking the lowest measurement since fall of 2021.

The University of Michigan Consumer Sentiment Index registered 69.7 in December after bouncing around between 60 and 70 for the past year. As we have highlighted previously, measures of consumer sentiment are considerably lower than they were in the years leading up to the pandemic, and it is getting harder to synch consumer sentiment readings with actual consumer spending behavior and economic output. Adjusted retail sales dipped to -0.2% m/m in October after a robust string of monthly readings through the summer and early fall, but then bounced back to 0.3% m/m in November, handily beating expectations. Personal consumption expenditures followed a similar pattern and 3Q GDP personal consumption jumped up to 3.1% q/q annualized reflecting continued consumer strength through the fall season.

Personal income growth measured 4.3% y/y and 4.6% y/y in October and November, respectively. While still robust, this is slightly slower growth than the 5.5%-5.8% y/y measurements in the first half of the year. Notably, the monthly average going back to 1990 is ~4.8% y/y. Measured year-over-year, nominal hourly earnings growth has mirrored personal income growth, slowly coming down to 4.0% where it has remained for several months heading into year end. With inflation trending lower, nominal wage gains are translating into real wage gains. Year-over-year real hourly earnings have been positive now in every month since May, most recently measuring 0.8% in both October and November. After increasing in the first half of the year to over 5.0%, the personal savings rate measured as a percentage of disposable income has fallen back down to 4.0% in October and 4.1% in November. This measurement suggests that consumers in the aggregate are not able to save as much as a percentage of their disposable income, most likely due to inflation.

The ISM Manufacturing PMI has been in contractionary territory since November 2022, with recent readings coming in at 46.7, 46.7, and 47.4 in October, November, and December, respectively. The fall in manufacturing has been precipitous since the beginning of 2022, and 2023 was a rare calendar year with every reading coming in below 50. That said, the descent in the ISM index seems to have slowed. Construction spending has been picking up steam, expanding at a healthy pace of 0.4% m/m, 1.2% m/m, and 0.4% m/m in September, October, and November, respectively. The ISM Services PMI continues to be the bright spot in business activity, generally hovering around 50-55 for the past year and recently registering 51.8 in October and 52.7 in November.

Mortgage rates, as measured by the Freddie Mac 30-year weekly survey rate, fell sharply alongside Treasury rates to end the quarter at ~6.4%. Although this marks the lowest mortgage rate since last spring, it remains elevated relative to rates over the last decade. As a result, housing activity remains muted. Existing home sales volume is meager, measuring only a 3.8 million unit annualized pace in both October and November, marking the lowest level since the fall of 2010 in the aftermath of the GFC. New home sales have also slipped to only 590,000 units annualized in November from a 700,000 unit annualized pace in September; however, this is not far off the pre-pandemic trend that was in the 600,000 to 650,000 range.

Despite transaction volumes plummeting, existing home supply remains very low at ~4 months. Many argue that the low level of existing home supply is evidence of a strong lock-in effect, whereby existing homeowners with low mortgage rates are unwilling to move because they have "locked-in" extremely low financing. The supply of new homes on the other hand, remains elevated at ~9 months of supply, well above pre-pandemic levels.

LOOKING AHEAD

The economy and financial markets tolerated massive policy tightening and high inflation much better than expected in 2023. The yield curve rallied and reshaped considerably into year end as the Fed pivoted to expectations of policy easing in the not-to-distant future. Benign forecasts reflecting continued economic resilience and the avoidance of a recession have been somewhat puzzling. While always respectful of the market's clairvoyance, we find the amount of policy easing currently priced in over the next year tough to square with a soft-landing scenario and with the Fed's guidance.

Vigilance is called for, in our view, as we are reminded that central bankers more often ease monetary policy because of a pending recession, not because they have the luxury of doing so. On the other hand, the economy is not totally immune to a resurgence in inflation that would throw a wrench in the Fed's policy easing plans. Although rate hikes are most likely over, an extended period of restrictive monetary policy means liquidity will continue to be a concern and volatility in risk assets could return, reflecting fatter tails and the risk of unintended consequences.

Generally speaking, portfolios are fully invested and we are comfortable with positioning given the market environment. Going forward, we will continue to opportunistically add value where yields and spreads look relatively attractive. However, we remain mindful of downside risks and potential headwinds that may impact our portfolio allocation and positioning decisions.