

QUARTERLY PERFORMANCE ATTRIBUTION

INTERMEDIATE GOVERNMENT/CREDIT COMPOSITE

THIRD QUARTER 2023



INVESTMENT PERFORMANCE¹

as of September 30, 2023

Performance ¹	3Q'23	1 Yr	3 Yr	5 Yr	10 Yr
Intermediate Gov't/Credit (before inv. mgmt. fees)	(0.78)	2.82	(2.76)	1.30	1.67
Intermediate Gov't/Credit (after max. fees)	(0.85)	2.56	(3.01)	1.03	1.38
Bloomberg U.S. Intermediate Gov't/Credit Bond Index	(0.83)	2.20	(2.93)	1.02	1.27
Value Added (before inv. mgmt. fees)	+0.05	+0.62	+0.17	+0.29	+0.40

PERFORMANCE RECAP

Galliard's Intermediate Government/Credit Composite (composite) outperformed its benchmark, the Bloomberg U.S. Intermediate Government/Credit Bond Index (index), during the third quarter (Q3). The composite returned -0.78%, while the index returned -0.83%. A general overweight to the spread sectors proved beneficial, while yield curve positioning detracted.

PERFORMANCE ATTRIBUTION (before inv. mgmt. fees)¹

as of September 30, 2023

	3Q'23 Attribution (basis points)
Sector Allocation	+13
Security Selection	+6
Yield Curve/Duration	(16)
Residual Impact ³	+2
Total Attribution	+5

COMMENTARY ON PERFORMANCE ATTRIBUTION

- Sector positioning drove performance over the period as overweight allocations to Taxable Municipals, CMBS and ABS proved beneficial. However, an allocation to Agency MBS detracted, partially offsetting other spread sector positive contributions to relative returns.
- A higher quality bias in Corporate issue selection was positive for the period.
- Yield curve positioning, with an overweight to intermediate maturities, was negative. Neutral duration positioning did not materially impact performance.

¹ Benchmark returns are not available net of fees. For comparative purposes, Galliard Composite excess returns are shown gross of investment management fees and include all income, realized and unrealized gains and losses and all transactional costs. See further disclosures on reverse side of this page.

² The Weighted Average Quality shown has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents the individual holding's composite ratings, as rated by S&P, Moody's, and Fitch. If S&P, Moody's, 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.

³ Includes trading, cash flows and other residual impacts.

COMPOSITE CHARACTERISTICS

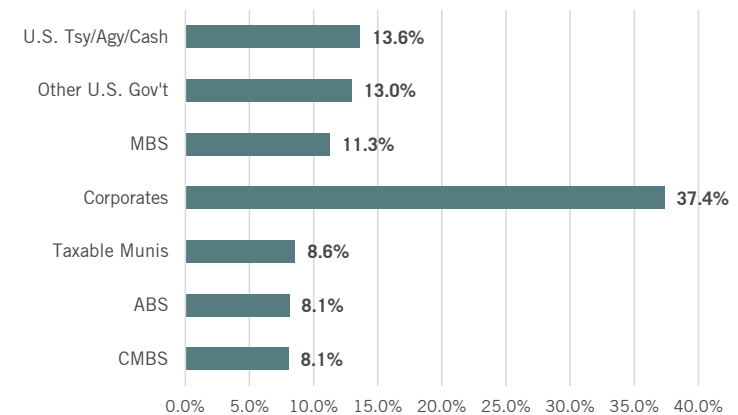
as of September 30, 2023

	Intermediate Gov't/Credit Composite	Bloomberg U.S. Intermediate Gov't/Credit Bond Index
Weighted Average Quality ²	AA-	AA-
Yield to Maturity	5.77%	5.24%
Effective Duration	3.74 Yrs	3.70 Yrs

SECTOR ALLOCATION

as of September 30, 2023

Duration/Yield Curve	U.S. Tsy/Agy	Other U.S. Gov't	Corp/Muni	MBS	CMBS/ABS
Neutral/Overweight Intermediate maturities	Underweight	Overweight	Overweight	Overweight	Overweight



CURRENT STRATEGY & OUTLOOK

- Portfolios are fully invested, generally speaking, and we remain comfortable with overall positioning.
- High quality spread assets look fairly priced, by and large, but there are some limited opportunities across specific sectors.
- We will continue to emphasize high quality, diversification and liquidity in all new purchases as we look to maintain overall defensive positioning to protect against downside risks and elevated levels of uncertainty.
- Duration positioning will continue to be broadly neutral versus benchmarks.

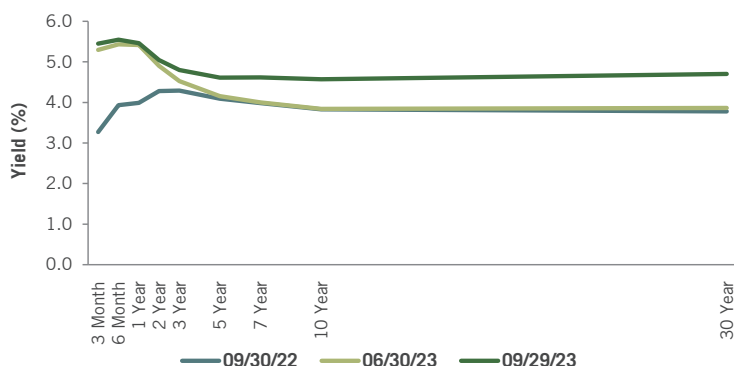
INTERMEDIATE GOVERNMENT/CREDIT COMPOSITE

THIRD QUARTER

Interest Rates Moved Materially Higher; Credit Spreads Generally Tightened

CHANGES IN U.S. TREASURY RATES

Yield Curve Steepened Over the Quarter, But Remains Inverted



Source: Bloomberg

CORPORATE CREDIT SPREADS

Long Corporate Spreads Edged Lower; Shorter Spreads Widened Modestly



Source: Bloomberg

The Intermediate Government/Credit Composite (composite) consists of all fully discretionary separate accounts that do not use derivatives and are managed against the Bloomberg U.S. Intermediate Gov't/Credit Bond Index or equivalent indices. Prior to July 1, 2018, the Intermediate Government/Credit Composite was named the Intermediate Core Composite. The composite strategy focuses on risk control and adding value through security selection. Returns for periods less than one year are not annualized. Returns designated as being "before investment management fees" include all income, realized and unrealized gains and losses, and all transactional costs. Returns designated as "after maximum fees" are the "before investment management fees" returns less the maximum investment management fee of 0.25% which may be charged by Galliard for management of each client's account. Prior to April 1, 2021 the maximum fee which could be charged by Galliard was 0.30%. Historical composite returns shown as after maximum fees reflect this fee reduction on the respective date. These returns may also be impacted by the effect of compounding and will be rounded to the nearest basis point. Galliard's advisory fees are disclosed in the firm's Form ADV Part 2 which is available upon request. Benchmark returns do not include potential transaction costs or management fees. For comparison purposes the benchmark is fully invested and includes the reinvestment of income. While it is believed that the benchmark used here represents an appropriate point of comparison for the composite referenced above, prospective investors should be aware that the volatility of the benchmark or index may be substantially different from that of the composite; and holdings in the composite may differ significantly from the benchmark or index if the investment guidelines and criteria are different than the composite. **Past performance is not an indication of how the investment will perform in the future.**

Galliard Capital Management, LLC ("Galliard") is a registered investment adviser and a wholly-owned, independently operated subsidiary of Allspring Global Investments Holdings, LLC providing fixed income and stable value investment portfolio management for institutional clients.

Galliard Capital Management claims compliance with the Global Investment Performance Standards (GIPS®).

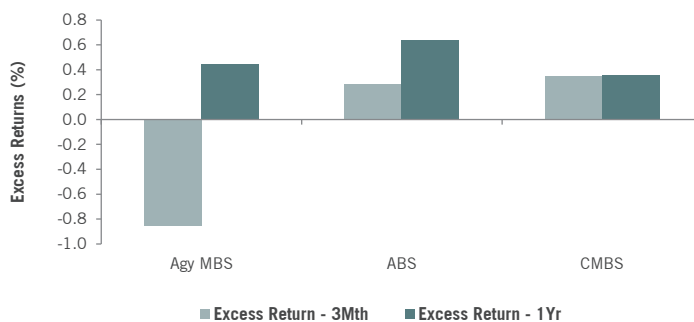
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QUARTERLY MARKET COMMENTARY

- Perhaps the biggest story of the quarter is the precipitous selloff in interest rates that started right around the Fed meeting in July. It feels counterintuitive that rates are selling off in such a fashion along with the Fed nearing the end of a tightening cycle. Although recession probabilities remain elevated, primarily due to the shape of the yield curve, forecasts calling for near-term recession have been virtually eliminated.
- The Fed is signaling that it will likely hike another 25 bps before year end and then keep rates elevated through next year with perhaps a couple of cuts along the way as inflation normalizes. The market is pricing in one more hike in November but then an extra cut or even two in addition to what the Fed is projecting as the economy cools and inflation fades.
- Broadly speaking, inflation measures continue to trend lower after peaking in 2022. Inflation expectations are largely unchanged since the end of the second quarter. In our view, the stability of inflation expectations is consistent with the market view that the Fed is almost done with monetary policy tightening.
- The labor market remained strong throughout the quarter; however, there are early signs of a correction taking place and measures of consumer sentiment are struggling to break out. Some believe the resumption of Federal student loan payments will push consumers over the edge. At a minimum, it will be a jolt to budgets that have become accustomed to not making payments.
- Meanwhile, the deterioration in businesses activity seems to have bottomed out. The ISM Manufacturing PMI has been in contractionary territory since November 2022, but has improved recently. The ISM Services PMI has been a bright spot in business activity, generally hovering around 55 for most of the past year.

STRUCTURED PRODUCT

ABS and CMBS Continue to Outperform, While MBS Lagged



Source: Bloomberg