# AGENCY MBS CUSTOM COMPOSITE
THIRD QUARTER 2025

## OVERVIEW AS OF 9/30/25

### COMPOSITE FACTS

| | |
|---|---|
| **Benchmark** | Bloomberg U.S. Intermediate Government Bond Index[2] |
| **Inception Date** | January 1, 2017 |
| **Composite Assets** | $273.5 million |
| **Number of Accounts** | 1 |

### COMPOSITE ANALYTICS

| | Portfolio | Benchmark |
|---|---|---|
| **Wtd. Avg. Maturity** | 4.72 Yrs | 3.96 Yrs |
| **Yield to Maturity** | 4.49% | 3.74% |
| **Effective Duration** | 3.58 Yrs | 3.55 Yrs |
| **Wtd. Avg. Coupon** | 4.09% | 3.22% |

### SECTOR DISTRIBUTION

| | Portfolio (%) | Benchmark (%) |
|---|---|---|
| **U.S. Treasury** | 8.3 | 98.5 |
| **U.S. Agencies** | - | 1.4 |
| **Other U.S. Government** | 58.0 | 0.1 |
| **Corporate** | - | - |
| **Taxable Muni/Not for Profit** | - | <0.1 |
| **Sovereign/Supranationals** | - | - |
| **Mortgage Backed** | 33.3 | - |
| **Commercial MBS** | - | - |
| **Asset Backed** | - | - |
| **Cash & Equivalents** | 0.5 | - |

### QUALITY DISTRIBUTION[3]

| | Portfolio (%) | Benchmark (%) |
|---|---|---|
| **AAA** | 0.5 | - |
| **AA** | 99.5 | 100.0 |
| **A** | - | - |
| **BBB** | - | - |
| **<BBB** | - | - |

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## INVESTMENT OBJECTIVES

The Agency MBS Custom Composite is managed with the goal of generating income while providing safety of principal. We seek to consistently outperform the Bloomberg U.S. Intermediate Government Index over time, while also looking to outperform the Bloomberg MBS Index over a full market cycle.

## INVESTMENT STRATEGY

- Emphasizes holding U.S. Government securitizations, including Agency RMBS, Agency CMBS, SBA securitizations, and other U.S. Government backed debt securities
- Disciplined value investing process with focus on broad diversification and securities with steady cash flow profiles
- Market risk is managed to the Bloomberg U.S. Intermediate Government Index

## INVESTMENT PERFORMANCE[1]

| Annualized Performance | 3Q'25 | YTD | 1 Year | 3 Year | 5 Year | Since Inception |
|---|---|---|---|---|---|---|
| Composite (before fees) | 1.70 | 6.01 | 4.05 | 5.17 | 0.59 | 2.11 |
| Composite (after maximum fees) | 1.65 | 5.86 | 3.84 | 4.96 | 0.39 | 1.91 |
| Benchmark[2] | 1.26 | 5.28 | 3.51 | 4.35 | 0.36 | 1.75 |
| Bloomberg U.S. MBS Index | 2.43 | 6.76 | 3.39 | 5.05 | (0.14) | 1.43 |

| Calendar Year Performance | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| Composite (before fees) | 3.26 | 4.92 | (8.68) | (1.80) | 5.95 | 5.83 | 1.55 | 2.40 |
| Composite (after maximum fees) | 3.05 | 4.71 | (8.86) | (2.00) | 5.74 | 5.62 | 1.35 | 2.20 |
| Benchmark[2] | 2.44 | 4.30 | (7.73) | (1.69) | 5.73 | 5.20 | 1.43 | 1.14 |
| Bloomberg U.S. MBS Index | 1.20 | 5.05 | (11.81) | (1.04) | 3.87 | 6.35 | 0.99 | 2.47 |

1: Returns for periods less than one year are not annualized. Returns are in U.S. dollars. Returns designated as being "before fees" include all income, realized and unrealized gains and losses, and all transactional costs. Returns designated as "after maximum fees" are the "before fees" returns less the maximum investment management fee of 0.20% 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%. Returns also include the effect of compounding these fees and will be rounded to the nearest basis point. A client's return will be reduced by any fees and other expenses it may incur in the management of its account. Galliard's advisory fees are disclosed in the firm's Form ADV Part 2 which is available upon request.

2: 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 above referenced 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.

3: The quality distribution shown represents the distribution of the individual holdings' 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.

The Agency MBS Custom Composite includes all fully discretionary accounts that are principally invested in U.S. Government securitizations and debt to ensure the weighted averages Basel III Risk Weight remains at or below 20%. Investment results are measured against the Bloomberg U.S. Intermediate Government Index. **Past performance is not an indication of how the investment will perform in the future.**

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


To receive a complete list and description of Galliard composites and/or a GIPS Composite Report, please contact Galliard Client Service at 612.667.3220 or galliardclientservice@galliard.com.