

Quarterly Performance Attribution

INTERMEDIATE GOVERNMENT/CREDIT COMPOSITE

FOURTH QUARTER 2024

INVESTMENT PERFORMANCE¹

as of December 31, 2024

	4Q'24	1 Yr	3 Yr	5 Yr	10 Yr
Intermediate Gov't/Credit (before fees)	(1.51)	3.98	0.33	1.34	2.16
Intermediate Gov't/Credit (after fees)	(1.57)	3.72	0.08	1.08	1.87
Bloomberg U.S. Intermediate Gov't/Credit Bond Index	(1.60)	3.00	(0.18)	0.86	1.71
Value Added (before fees)	+0.09	+0.98	+0.50	+0.49	+0.45

COMPOSITE CHARACTERISTICS

as of December 31, 2024

	Composite	Bloomberg U.S. Int. Gov't./Credit Bond Index
Weighted Average Quality ²	AA-	AA-
Yield to Maturity	5.03%	4.60%
Effective Duration	3.68 Yrs	3.68 Yrs

PERFORMANCE RECAP

Galliard's Intermediate Government/Credit Composite (composite) outperformed its benchmark, the Bloomberg U.S. Intermediate Government/Credit Bond Index (index), during the fourth quarter (Q4). The composite returned (1.51)% versus the index return of (1.60)%. An overweight to spread assets continued to drive outperformance.

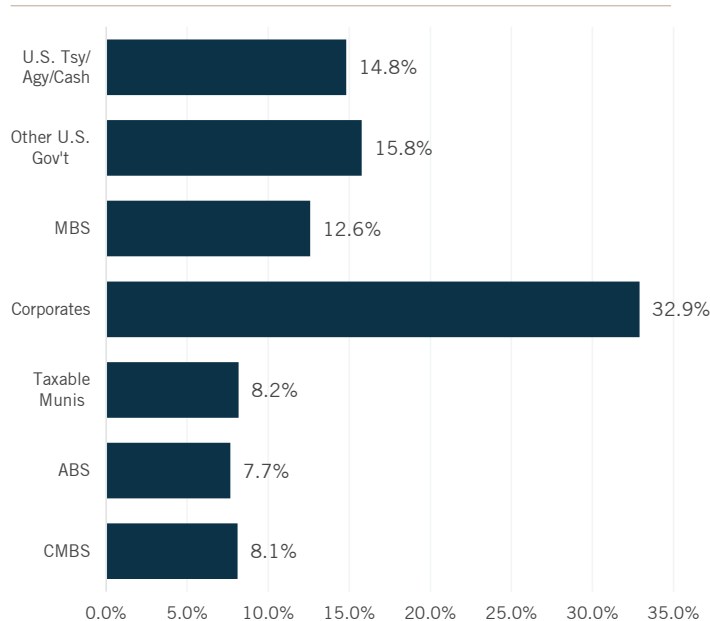
PERFORMANCE ATTRIBUTION (before fees)¹

as of December 31, 2024

	Attribution (basis points)
Sector Allocation	+11
Security Selection	+0
Yield Curve/Duration	-2
Residual Impact ³	+0
Total Attribution	+9

SECTOR ALLOCATION

as of December 31, 2024



COMMENTARY ON ATTRIBUTION

- Sector positioning drove performance over the period. Allocations to CMBS and ABS along with an overweight to Corporates and Taxable Municipals each benefited relative returns. An allocation to Agency RMBS detracted
- Issue selection had no material impact on performance
- Yield curve positioning detracted modestly

CURRENT STRATEGY & OUTLOOK

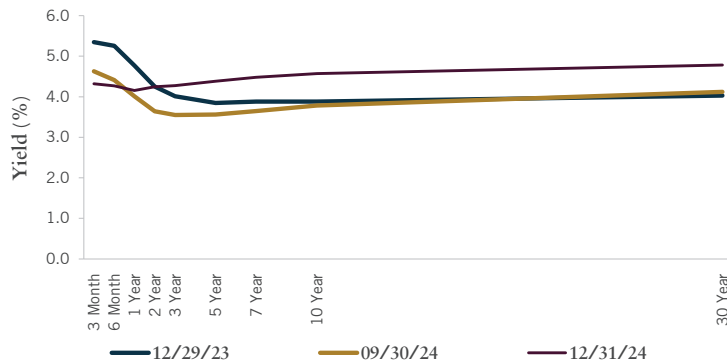
- Portfolios are fully invested, generally speaking, and we remain comfortable with overall positioning
- High quality spread assets continue to look fair to rich, but select opportunities remain across specific sectors
- We remain mindful of downside risks and potential headwinds that may impact our portfolio allocation and positioning decisions

1: 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 the following 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.

Interest Rates Rose Materially Post Election; Credit Spreads Tightened Further

CHANGES IN U.S. TREASURY RATES

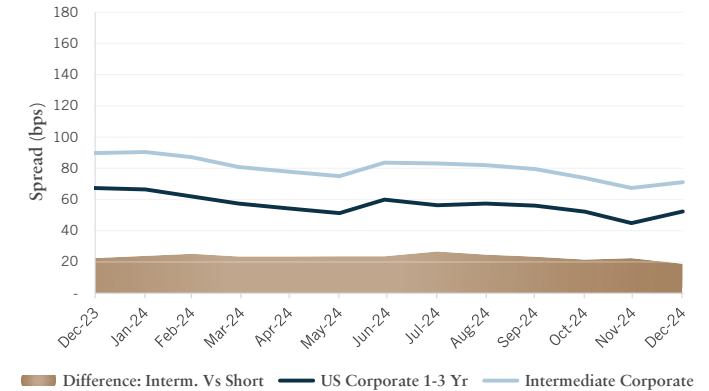
Treasury Yields Jumped on Revised Growth and Inflation Expectations



Source: Bloomberg

CORPORATE CREDIT SPREADS

Corporate Spreads Continued to March Lower



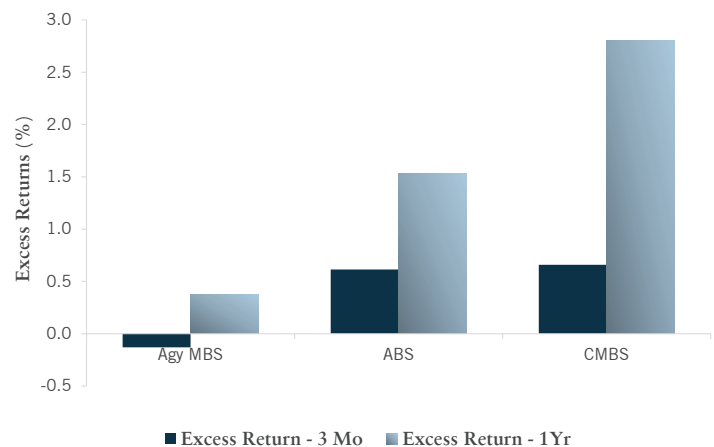
Source: Bloomberg

QUARTERLY MARKET COMMENTARY

- 3Q GDP growth was revised up to 3.1% q/q annualized after an initial estimate of 2.8%. 4Q GDP growth is expected to remain strong at 2.0-3.3% q/q annualized. Full year growth for 2024 is now projected to be ~2.7%.
- The Fed delivered another “hawkish cut” of 25 bps. The FOMC official statement was virtually unchanged; however, the updated Summary of Economic Projections and Powell’s press conference comments leaned more hawkish. The market expects only a few controlled rate cuts through 2025.
- Progress on inflation has stalled out, with most measures of inflation bottoming out and some even trending higher through the fall and the end of the year. First noted at the end of the third quarter, core inflation numbers appeared to have increased modestly month-over-month and year-over-year. The trend continued in the fourth quarter.
- After a weaker tone through the summer, the labor market regained some strength into year-end and consumer spending remained solid. Annual adjustments to gross domestic income (GDI), suggest that income growth and saving have been slightly stronger than previously thought, perhaps explaining the surprising resilience of consumer spending despite restrictive monetary policy over the past several years.
- Business activity is rebounding consistent with other broad measures of economic activity. Manufacturing and business new orders are trending upward, while services activity continues to be a bright spot. Despite mortgage rates still hovering near decade highs, prices remain elevated.

STRUCTURED PRODUCT

CMBS and ABS Outperformed, While Agency RMBS Lagged



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®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. 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. The information contained herein reflects the views of Galliard Capital Management, LLC and sources believed to be reliable by Galliard as of the date of publication and is not intended to be used as investment advice. The views and positions are subject to change at any time in response to changing circumstances in the market and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets, in general.