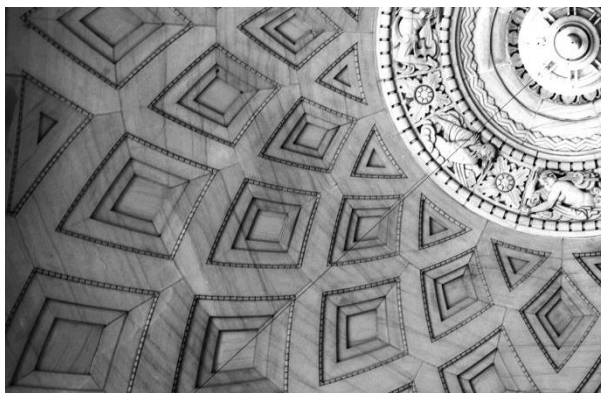




ARCHITECTS OF INVESTMENT SOLUTIONS



City of Los Angeles

JANUARY 19, 2021

CITY OF LOS ANGELES

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SECTION I:	Organizational Background & Experience
SECTION II:	Investment Approach for City of Los Angeles
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SECTION I

GALLIARD CAPITAL MANAGEMENT

ORGANIZATIONAL BACKGROUND

A LEADER IN THE STABLE VALUE INDUSTRY FOR **25** YEARS

ORGANIZATIONAL STRUCTURE

Wholly owned subsidiary of Wells Fargo Asset Management Holdings, LLC

105

EMPLOYEES ON STAFF

Senior Professionals Average Years of Experience:

Stable value portfolio management – **22**

Fixed income team – **20**

Contract management & negotiation – **25**

Average Years of Experience at Galliard Capital Management:

Investment team – **15**

Firm-wide – **8**

STABLE VALUE THE CORE OF OUR BUSINESS

Focusing exclusively on **fixed income and stable value management** for institutional investors since inception in **1995**

Fixed income process **developed specifically for stable value**

Stable value and fixed income **integration** creates product efficiencies, optimization, and innovation

Proven track record and ability to **consistently** produce strong **long-term performance** results with embedded risk controls

Separate account and commingled vehicle options

LONG HISTORY WITH CITY OF LOS ANGELES AND PUBLIC SECTOR CLIENTS

Stable value provider to the Los Angeles Deferred Compensation Plan since **1999**

Working with over 50 public sector clients on stable value and fixed income mandates

Galliard Consistency:

Client team has history with the City of LA account dating back to inception in **1999**

GALLIARD VALUES | INTEGRITY | COMMUNICATION | TEAMWORK | PROFESSIONALISM | CLIENT FOCUS

Data as of 9/30/2020

GALLIARD CAPITAL MANAGEMENT ORGANIZATION BACKGROUND

BUILDING CLIENT ALIGNED INVESTMENT SOLUTIONS FOR **25** YEARS

\$95.8 B
TOTAL AUM

\$80.3 B
TOTAL STABLE VALUE AUM

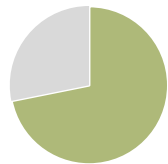
\$54.5 B
SEPARATE ACCOUNTS

\$25.8 B
COLLECTIVE FUNDS

\$15.5 B
TOTAL FIXED INCOME AUM

220+
INSTITUTIONAL CLIENTS

CLIENT RELATIONSHIP TENURE



~84% of our clients have worked with Galliard for greater than **5 years**

39 of those relationships exceed **15 years** with Galliard

FORTUNE 100 / 500

21 Fortune 100 clients; **57** Fortune 500 clients

MANDATE
EXPERIENCE

17 public entity stable value separate account relationships;
\$16.1 billion in assets

Galliard is one of the **largest** managers of stable value assets¹

¹Pension & Investments June 2020 edition, data as of December 31, 2019; Total assets 'ranked' are managed by Galliard and reported under WFAM

52 PUBLIC ENTITY CLIENTS
12 STABLE VALUE CLIENTS >\$1 B

6 in public sector

6 with assets >\$2 B

Data as of 9/30/2020

GALLIARD CAPITAL MANAGEMENT

CLIENT TEAM

CLIENT TEAM FOR CITY OF LOS ANGELES

Our client team responsible for the City of Los Angeles account has an average tenure with Galliard of 12 years.

Jaime & Jeff are the key day-to-day contacts



Jaime Morgan, CMA
Client Relationship Manager
Senior Director
Years of experience 22; years at Galliard 1



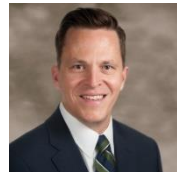
Jeff Hay
Client Service Support
Associate Director
Years of experience 15; years at Galliard 9



Mike Norman
Co-President, Senior Managing Principal
Years of experience 27; years at Galliard 24



Paula Novick, JD
Principal
Years of experience 24; years at Galliard 16



Nick Gage, CFA
Senior Principal
Years of experience 19; years at Galliard 12



Christina Burton
Director
Years of experience 15; years at Galliard 11

SENIOR INVESTMENT TEAM FOR CITY OF LOS ANGELES



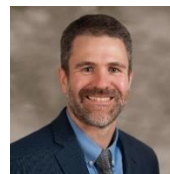
Ajay Mirza, CFA
Senior Managing Principal
Years of experience 26; years at Galliard 25



Andrea Johnson, CFA
Senior Principal
Years of experience 18; years at Galliard 15



Brandon Kanz, CFA
Senior Principal
Years of experience 18; years at Galliard 15



Matt Robertson, CFA
Senior Principal
Years of experience 18; years at Galliard 15

Data as of 9/30/2020

SECTION II

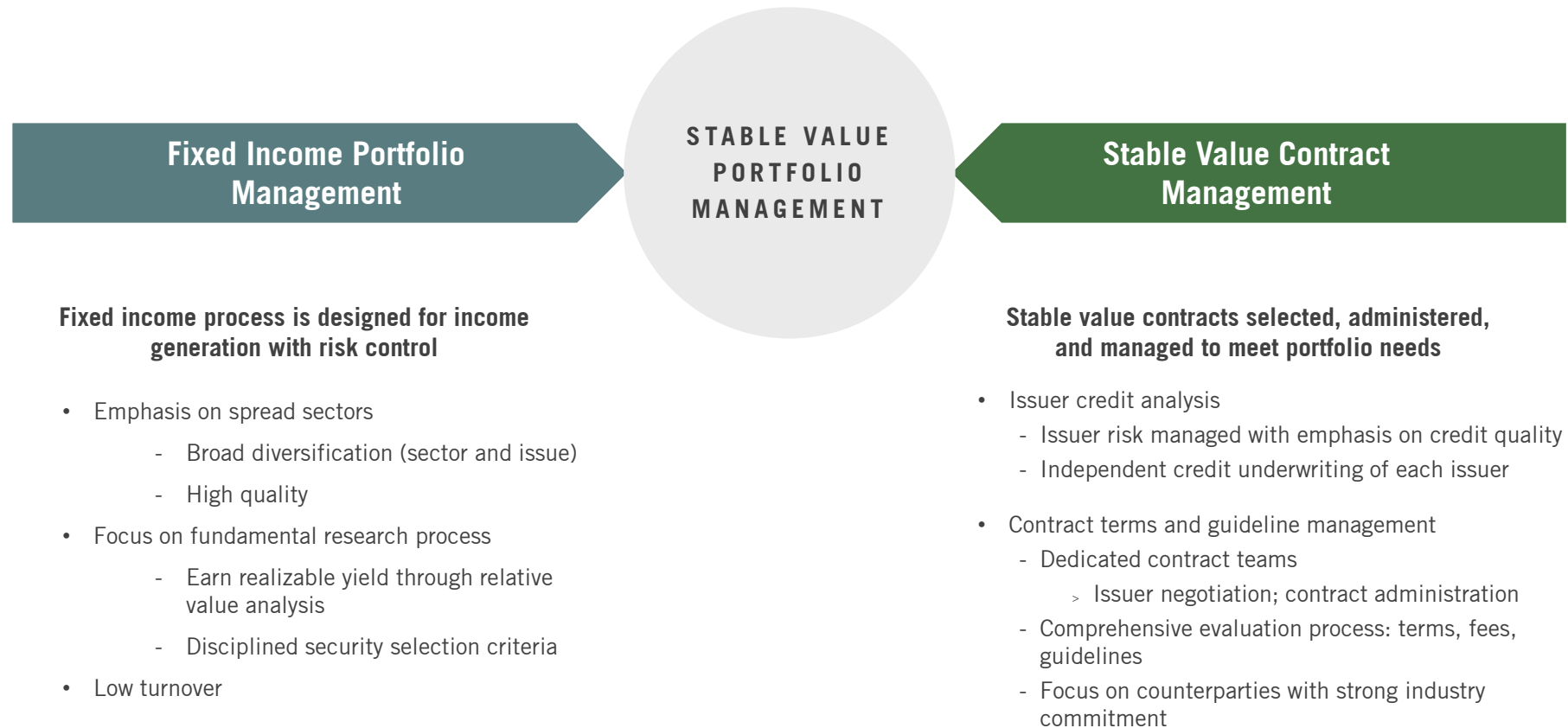
STABLE VALUE PHILOSOPHY



Galliard's stable value portfolios are managed with a **CONSERVATIVE APPROACH**, maintaining **HIGH QUALITY** and **BROAD DIVERSIFICATION** through a disciplined value investing process and an emphasis on **RISK CONTROL**. For 25 years, this approach has resulted in consistent long-term **OUTPERFORMANCE** of our benchmarks, while **MINIMIZING VOLATILITY** of the crediting rate.

STABLE VALUE PHILOSOPHY & PROCESS

KEY COMPONENTS OF STABLE VALUE PORTFOLIOS



Integration of fixed income management and stable value management is key to delivering successful stable value solutions.

Galliard's investment process and governance structure facilitate collaboration among its stable value and fixed income professionals.

STABLE VALUE PHILOSOPHY & PROCESS

GALLIARD PORTFOLIO CONSTRUCTION – OVERVIEW

UNDERSTAND UNIQUE CLIENT NEEDS

- Investment policy requirements
- Appropriate guidelines
- Desire for manager diversification
- Preferred underlying investment vehicle(s)

DEVELOP CLIENT PORTFOLIO STRATEGY



SELECT CONTRACT ISSUERS & NEGOTIATE TERMS

- Eligible issuers must meet Galliard standards for creditworthiness and template contract terms
- Seek to diversify exposure across four or more issuers under normal circumstances
- Contracts are competitively bid to obtain the most attractive combination of:
 - Investment flexibility to implement strategy (guidelines, duration, investment management)
 - Contract terms appropriate for plan design
 - Contract fees

STABLE VALUE PHILOSOPHY & PROCESS

STABLE VALUE CONTRACT MANAGEMENT

GALLIARD APPROACH TO CONTRACT MANAGEMENT

EXPERTISE

Contract team has deep experience in contract negotiation and issuer management

SCALE

Our size allows us the leverage to negotiate most favorable terms, capacity, and pricing

FOCUSED RESOURCES

Dedicated team ensures contract deadlines and requirements are met; utilize proprietary systems to track contract terms, negotiation history, etc.

ROLES & RESPONSIBILITIES

APPROVAL & OVERSIGHT

Credit Working Group

- Reviews/approves creditworthiness of all contract issuers
 - Credit analysts conduct on-going credit underwriting analysis
 - Maintain credit opinion for each approved issuer
 - Periodic due diligence calls and/or on-site visits

Investment Contract Review Subcommittee

- Reviews/approves all stable value contract templates
 - Develops and maintains internal standards and proprietary evaluation process for key contract terms
 - Integrates review and feedback from key functional areas
- Process emphasizes strength of legal terms and principal guarantees

MANAGEMENT & ADMINISTRATION

Contract Management

- Sets issuer management strategy, negotiates contracts, and maintains issuer relationships
 - Utilizes proprietary grading tools to negotiate continuous improvement of terms
 - Consistent terms and guidelines provide flexibility and negotiating leverage

Contract Administration

- Manages/monitors contract requirements
 - Dedicated team responsible for administering all contract terms
 - Manages and documents deliverables to issuers
 - Monitors stable value compliance

STABLE VALUE CONTRACT MANAGEMENT

STABLE VALUE CREDITING RATE PROCESS

The crediting rate methodology for each contract should be documented contractually and executed consistently, and our stable value contracts use the following compound crediting rate formula:

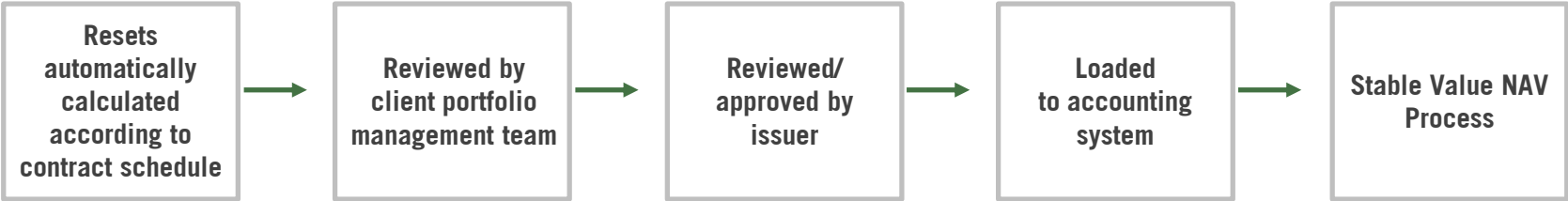
Crediting Rate = $(MV/BV)^{(1/D)} * (1+AYTM) - 1 - F$

MV : Market Value	AYTM : Annualized Yield to Maturity
BV : Contract Book Value	F : Applicable Fees
D : Duration	

- Contracts typically amortize losses more rapidly when market values are stressed (MV/BV<95%) by gradually applying a shortened amortization period
- Protects long-term investors by reflecting near-term underlying performance issues more quickly, while maintaining principal preservation

Crediting Rate Reset Process

- Rate for each contract typically reset quarterly to reflect the current characteristics of the contract’s underlying portfolio
 - Rate reset more frequently in response to significant cash flows or changes in underlying investment strategy
- Galliard's Stable Value Operations Team maintains proprietary system and process for calculating and implementing crediting rate resets:



STABLE VALUE OPERATIONS TEAM	5 KEY PROCESSES	50 CONTROL POINTS	198 DETAILED PROCEDURES	Key metric reporting to Operating Committee
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CITY OF LOS ANGELES INDUSTRY PERSPECTIVE

Galliard has over 25
years of experience
managing stable value
assets for public clients

GALLIARD'S INDUSTRY EXPERIENCE & PERSPECTIVE

- Public plans have lower risk of plan-sponsor-driven events relative to corporate plans, creating a more attractive underwriting profile
- In our experience, public entity plans tend to have:
 - Flat-to-positive expected cash flows
 - Lower expected cash flow volatility
 - Higher overall plan allocations to stable value
 - Older stable value investor demographics
- While the City of Los Angeles' stable value investors are more heavily weighted to inactive participants, historical cash flows have been more consistently positive and less volatile on average

Characteristic	City of Los Angeles Stable Value Fund	Galliard Public Entity Stable Value Separate Accounts	Galliard Stable Value Separate Account Universe
Average Assets	\$1,380,842,368	\$932,417,472	\$611,093,120
% of Plan Assets	17.8%	22.6%	15.1%
Cash Flows			
Annual Net Cash Flows	5%	-2%	5%
<i>Annual Core Cash Flow %</i>	<i>-1%</i>	<i>-11%</i>	<i>-11%</i>
<i>Annual Net Transfer %</i>	<i>6%</i>	<i>8%</i>	<i>16%</i>
Investor Demographics			
Active Participants - % of Stable Value Assets	29%	40%	54%
<i>Participants Aged <60</i>	<i>20%</i>	<i>23%</i>	<i>34%</i>
<i>Participants Aged >60</i>	<i>9%</i>	<i>17%</i>	<i>20%</i>
Inactive Participants - % of Stable Value Assets	71%	60%	46%
<i>Participants Aged <60</i>	<i>19%</i>	<i>10%</i>	<i>12%</i>
<i>Participants Aged >60</i>	<i>52%</i>	<i>50%</i>	<i>34%</i>

CITY OF LOS ANGELES
CITY OF LOS ANGELES STABLE VALUE FUND

PORTFOLIO STRUCTURE AS OF 6/30/20

	LIQUIDITY BUFFER	SHORT DURATION	INTERMEDIATE DURATION	TOTAL
ALLOCATION (%)	2.0%	41.0%	57.0%	100.0%
ALLOCATION (\$)	\$26,911,574	\$551,687,276	\$766,979,872	\$1,345,578,722
INVESTMENT VEHICLE	Wells Fargo STIF	Fixed Income Collective Fund	Fixed Income Collective Funds	
INVESTMENT MANAGER	BlackRock	Galliard (41.0%)	Dodge & Cox (10.0%) IR+M (10.0%) Jennison (10.0%) Galliard (27.0%)	
CONTRACT PROVIDERS	N/A	Transamerica (8.2%) Prudential (8.2%) Voya (8.2%) State Street (8.2%) MetLife (8.2%)	Transamerica (11.4%) Prudential (11.4%) Voya (11.4%) State Street (11.4%) MetLife (11.4%)	
DURATION	0.00 Yrs	1.87 Yrs	3.63 Yrs	2.84 Yrs
GROSS YIELD	0.43%	0.78%	1.17%	0.99%
			Est. Gross Crediting Rate¹	2.58%
			Est. Total Fees²	0.271%
			Est. Net of All Fees Crediting Rate	2.31%

1 Gross crediting rate calculation assumes a market-to-book value ratio of 104.6% as of 6/30/20

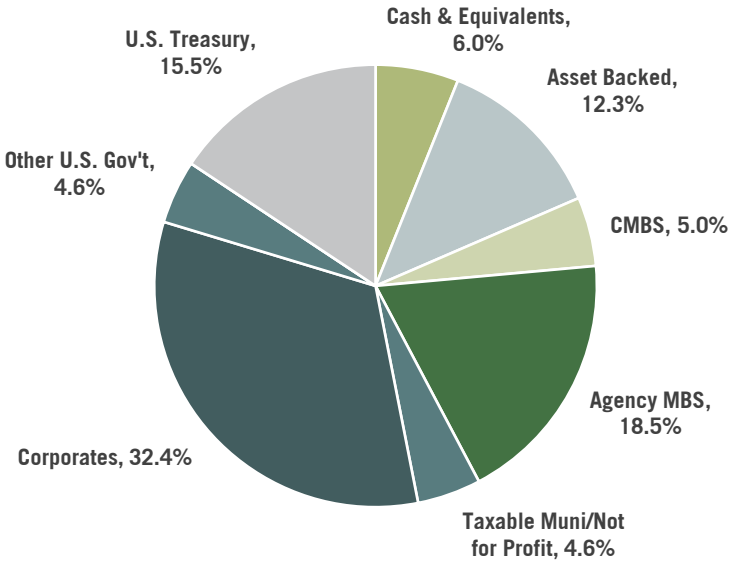
2 Fees calculated based on the fee schedule of 6.8 bps on the first \$100 million, 6.8 bps on the next \$100 million, and 6.8 bps on the balance.

Note: proposed allocations, contract issuers, and fees are subject to change based on underwriting and due diligence.

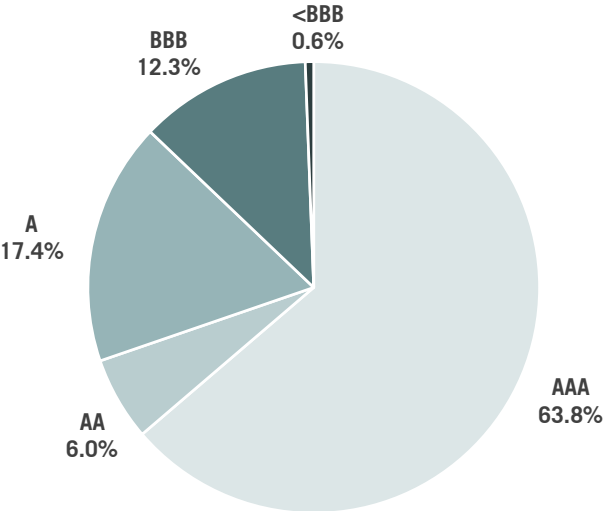
CITY OF LOS ANGELES

GALLIARD MULTI-MANAGER PORTFOLIO STRUCTURE

SECTOR ALLOCATION



QUALITY DISTRIBUTION



- Portfolio well diversified among multiple sectors and by issue/issuer within each sector
- Strategy emphasizes high quality spread sectors in favor of U.S. Treasuries

- High quality bias among underlying bond issues
- Majority of holdings rated AAA/AA with limited exposure to securities rated BBB- and below

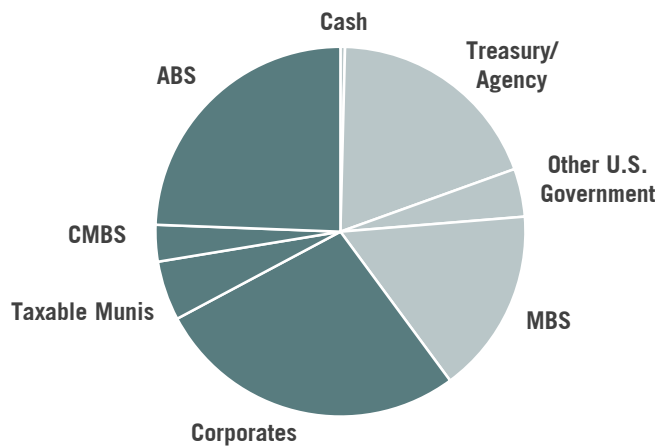
GALLIARD FIXED INCOME PHILOSOPHY

WHAT TO EXPECT FROM A GALLIARD PORTFOLIO

Galliard portfolios are constructed to provide **CONSISTENT ALPHA while** CONTROLLING RISK

HOW WE GENERATE ALPHA

- Emphasize high quality spread sectors
- Diversified sources of income



Sector allocations shown are for Galliard Short Core Composite; actual allocations subject to client specific guidelines.

HOW WE CONTROL RISK

CORE BELIEF	RISK CONTROL	TYPICAL GALLIARD PORTFOLIO
High quality spread sectors are the building blocks of an efficient portfolio	Highly rated portfolio	Typically AA average portfolio quality Generally 60%+ rated AAA or Government guaranteed
Diversification across sectors and issuers reduces risk and enhances return	Extensive diversification in corporate bonds	Average 0.25% per issuer, generally 1% maximum
Timing interest rates increases tracking error without consistent alpha potential	Neutral duration positioning vs. benchmarks	Typical range +/-5%
Consistent allocations to spread sectors builds a yield advantage while limiting transaction costs	Low turnover	Approximately 30% annually

FUNDAMENTAL RESEARCH

CONSISTENT ALPHA

DIVERSIFICATION

RISK MANAGEMENT

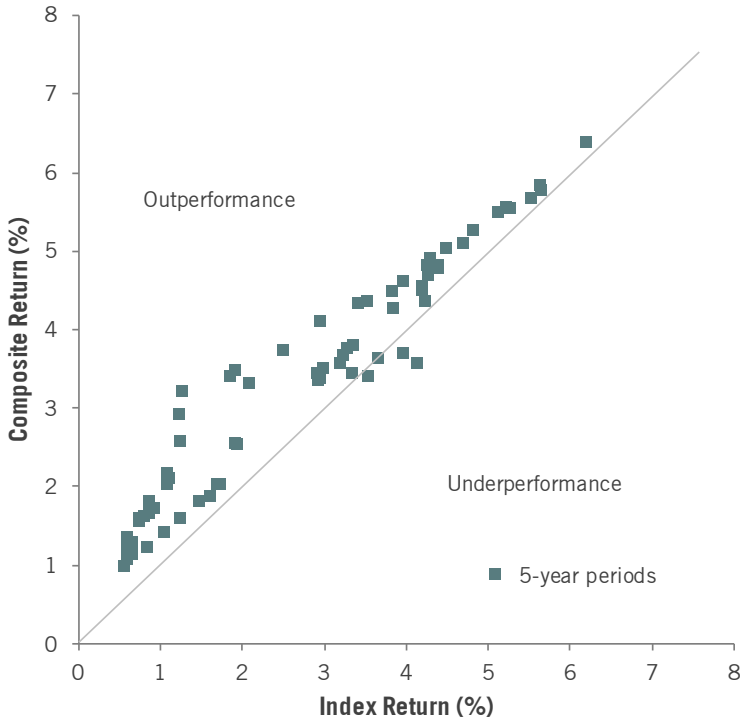
FIXED INCOME PERFORMANCE

LONG-TERM OUTPERFORMANCE

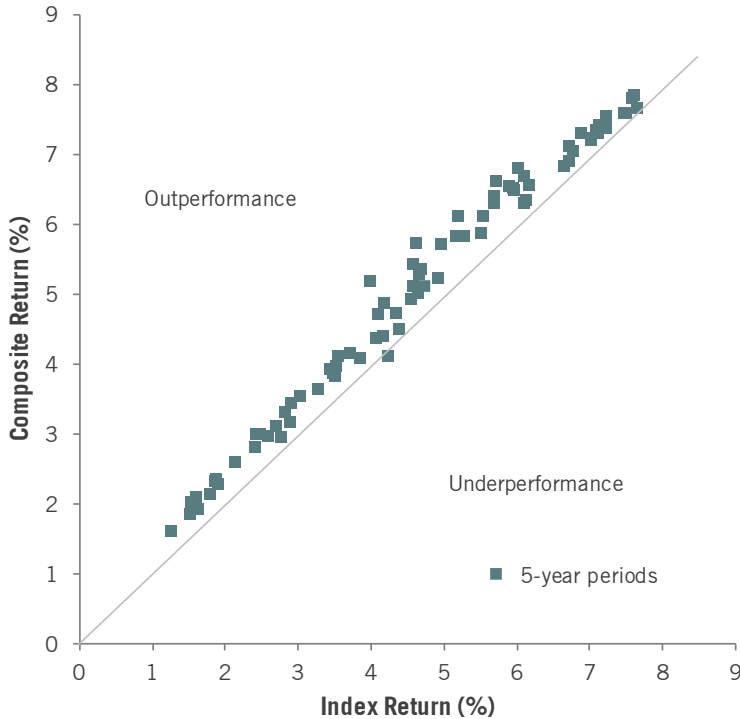
OUR DISCIPLINED APPROACH TO MANAGING FIXED INCOME PORTFOLIOS HAS RESULTED IN CONSISTENT LONG-TERM OUTPERFORMANCE OF OUR BENCHMARKS

Fixed income composites **outperforming** their primary benchmark greater than **96%** of rolling 5 year time periods¹

Galliard Short Core Rolling 5-Year Returns²



Galliard Intermediate Government/Credit Rolling 5-Year Returns³



1: Composites include Short Core, Short/Intermediate, Intermediate Government/Credit, Intermediate Aggregate, Broad Market Core, and Long Duration
 2: Graph represents Galliard Short Core Composite vs. Linked Benchmark: Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index. Prior to July 1, 2018 was the Bloomberg Barclays U.S. 1-3 Year Government Bond Index.
 3: Graph represents Galliard Intermediate Core Composite vs. the Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index.
 Data as of 6/30/20. Returns shown do not include investment advisory fees. Returns net of fees are provided on page 24 in the appendix to this presentation. Past performance is not an indication of how the investment will perform in the future. See appendix for additional disclosure information.

FIXED INCOME PERFORMANCE

SHORT CORE AND INTERMEDIATE GOV'T CREDIT STRATEGIES

Galliard strategies provide consistent **EXCESS RETURN** with limited **TRACKING ERROR**, resulting in a high **INFORMATION RATIO**

Excess Returns¹

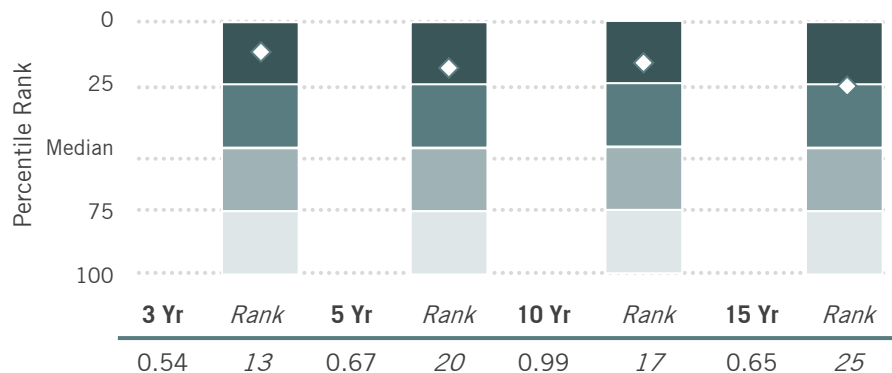
	3 Yr	5 Yr	10 Yr	15 Yr
Short Core Composite (before inv. mgmt. fees)	3.33	2.55	2.18	3.04
Short Core Linked Benchmark ²	2.82	1.93	1.39	2.38
Excess Returns (before inv. mgmt. fees)	+0.51	+0.62	+0.79	+0.67

Tracking Error³

	3 Yr	5 Yr	10 Yr	15 Yr
Short Core Composite Tracking Error	0.85	0.66	0.55	0.70
eVestment Modified Short Dur. Fixed Income Universe Rank	39	36	33	35

Information Ratio³

Information Ratio = Excess Return / Tracking Error



Excess Returns¹

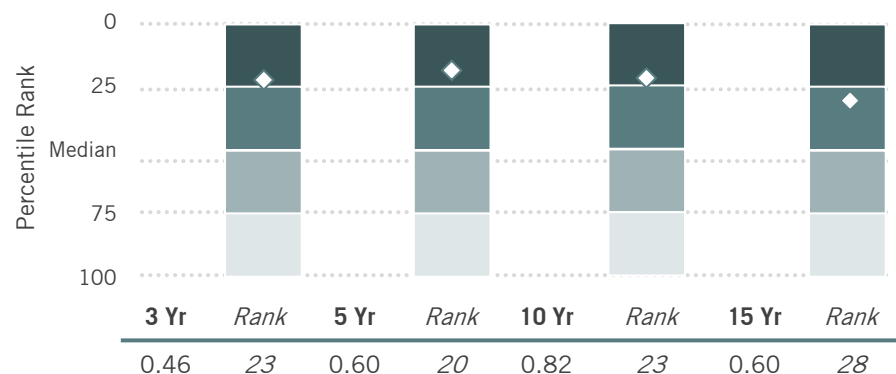
	3 Yr	5 Yr	10 Yr	15 Yr
Int. Gov't/Credit Composite (before inv. mgmt. fees)	4.83	3.88	3.60	4.34
Bloomberg Barclays U.S. Int. Gov't/Credit Bond Index	4.43	3.46	3.13	3.83
Excess Returns (before inv. mgmt. fees)	+0.40	+0.41	+0.47	+0.51

Tracking Error⁴

	3 Yr	5 Yr	10 Yr	15 Yr
Int. Gov't/Credit Composite Tracking Error	0.87	0.68	0.57	0.84
eVestment Int. Fixed Income Universe Rank	41	32	25	30

Information Ratio⁴

Information Ratio = Excess Return / Tracking Error



1: As of 6/30/20. Returns shown do not include investment advisory fees. Returns net of fees are provided on page 24 in the appendix to this presentation.

2: Linked Benchmark: Bloomberg Barclays 1-3 Year Gov't linked to Bloomberg Barclays 1-3 Year Gov't/Credit 7/1/18

3: Rankings versus eVestment US Short Duration Fixed Income Universe which has been filtered to be comprised of products which have a stated 1-3 year benchmark only. Rankings are as of 6/30/20 as reported on 7/22/20. Statistics calculated using before fees returns and the Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index.

4: Peer group statistics from the eVestment Intermediate Fixed Income Universe as of 6/30/20 and reported on 7/20/20. Return information is reflected before fees. Statistics reported versus the Bloomberg Barclays U.S. Intermediate Gov't/Credit Bond Index.

Past performance is not an indication of how the investment will perform in the future. See appendix for additional disclosure information.

EXTERNAL MANAGER PROGRAM PROGRAM PROFILE

\$16.2 BILLION

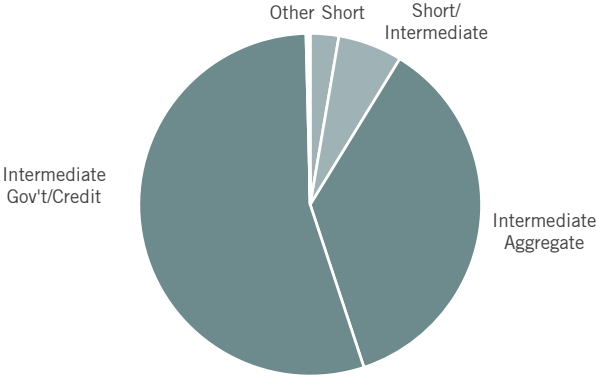
EXTERNAL MANAGER PROGRAM
ASSETS UNDER MANAGEMENT*

PROGRAM HIGHLIGHTS

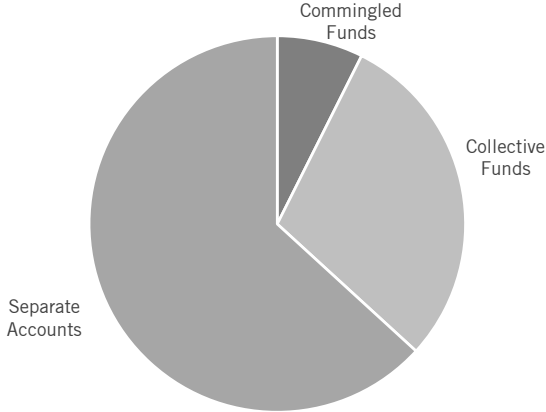
- Program established in **1998**
- **12** managers
 - **5** recommended
- **5** collective funds
- **1** commingled Insurance Separate Account
- **12** clients with separate accounts

EXTERNAL MANAGER PROGRAM AUM*

STRATEGY



VEHICLE



*As of 9/30/20

EXTERNAL MANAGER PROGRAM

SCREENING & SELECTION PROCESS

PROCESS HIGHLIGHTS

- External manager program emphasizes managers whose styles are good complements to Galliard's style as well as to one another, exhibit moderate tracking error and have a strong risk-control framework
- Intermediate mandate category offers the most compelling choice of managers, including the broadest style diversification
- Fees are an important consideration and are minimized to the extent possible
- Risk-reward payoff in fixed income is asymmetric – downside risk should be controlled with ample diversification
- Client customization is a fundamental tenet of our business model; where appropriate, we make every effort to fully incorporate client manager preference(s) into the client's customized portfolio structure

EVALUATION TECHNIQUES

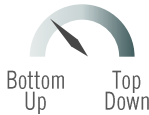



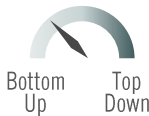







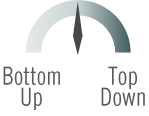



Qualitative

- Style analysis
- Historical sector allocation analysis
- Subsector/industry concentration analysis

Quantitative

- Historical performance analysis, including performance attribution, tracking error, and drawdown analysis
- Return correlation analysis, including both total and excess return correlations over time
- Multi-period mean-variance optimization (efficient frontier analysis)
 - Total portfolio including Galliard allocation and liquidity buffer
 - External manager allocation specific

EXTERNAL MANAGER PROGRAM SCREENING & SELECTION PROCESS

	Investment Approach	Sector Rotation	Active Duration/ Yield Curve Mgmt.	Issue Selection	SECTOR EMPHASIS
GALLIARD	 Bottom Up / Top Down	 Low / High	 Low / High	 Less / More Important	Diversified high quality spread sector emphasis, multi-sector relative value
DODGE & COX	 Bottom Up / Top Down	 Low / High	 Low / High	 Less / More Important	Corporate credit, Agency MBS
IR + M	 Bottom Up / Top Down	 Low / High	 Low / High	 Less / More Important	Structured credit, structured government, multi-sector relative value
JENNISON	 Bottom Up / Top Down	 Low / High	 Low / High	 Less / More Important	Credit, yield-curve positioning

CITY OF LOS ANGELES MARKET VALUE PERFORMANCE

MARKET VALUE PERFORMANCE AS OF 6/30/2020

	3 Months ¹	YTD ¹	1 Yr	3 Yr	5Yr	10 Yr	Since Inception	Inception Date
SHORT								
MetLife Separate Account 682/690/755 (Galliard)²	2.57	3.29	4.76	3.32	2.53	--	2.20	11/1/2013
Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index	1.17	2.88	4.20	2.87	2.11	--	1.80	11/1/2013
Value Added	1.40	0.41	0.56	0.45	0.42	--	0.40	
Wells Fargo Fixed Income Fund F (Galliard)²	2.66	3.18	4.69	3.31	2.56	2.27	2.70	7/1/2008
Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index ³	1.17	2.88	4.20	2.81	1.93	1.39	1.80	7/1/2008
Value Added	1.49	0.30	0.49	0.50	0.63	0.88	0.90	
INTERMEDIATE								
MetLife Separate Account 612/694/728/815 (Galliard)²	3.25	4.89	6.91	4.67	3.80	3.51	3.63	5/1/2019
Bloomberg Barclays U.S. Intermediate Aggregate Bond Index	2.13	4.67	6.60	4.28	3.40	3.14	3.30	5/1/2019
Value Added	1.12	0.22	0.31	0.39	0.40	0.37	0.33	
MetLife Separate Account 769/770/771 (Dodge & Cox)²	4.10	4.78	7.14	4.69	3.92	--	4.13	2/1/2016
Bloomberg Barclays U.S. Intermediate Aggregate Bond Index	2.13	4.67	6.60	4.28	3.40	3.14	3.43	2/1/2016
Value Added	1.97	0.11	0.54	0.41	0.52	--	0.70	
Wells Fargo Fixed Income Fund L (Galliard)²	3.44	4.92	6.96	4.67	3.77	3.64	3.74	6/1/2010
Bloomberg Barclays U.S. Intermediate Aggregate Bond Index	2.13	4.67	6.60	4.28	3.40	3.14	3.25	6/1/2010
Value Added	1.31	0.25	0.36	0.39	0.37	0.50	0.49	
Wells Fargo Fixed Income Fund A (Galliard)²	4.10	5.28	7.27	4.83	3.90	3.69	4.41	7/1/2008
Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index	2.81	5.28	7.12	4.43	3.46	3.13	3.72	7/1/2008
Value Added	1.29	0.00	0.15	0.40	0.44	0.56	0.69	
Wells Fargo Fixed Income Fund N (Jennison)²	3.06	6.82	8.28	4.76	3.80	--	3.99	2/1/2016
Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index	2.81	5.28	7.12	4.43	3.46	3.13	3.58	2/1/2016
Value Added	0.25	1.54	1.16	0.33	0.34	--	0.41	
Wells Fargo Fixed Income Fund E (IR+M)²	3.67	4.98	6.88	4.75	3.48	--	8.02	10/1/2018
Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index	2.81	5.28	7.12	4.43	3.46	3.13	7.94	10/1/2018
Value Added	0.86	(0.30)	(0.24)	0.32	0.02	--	0.08	

1: Returns for periods of less than one year are not annualized

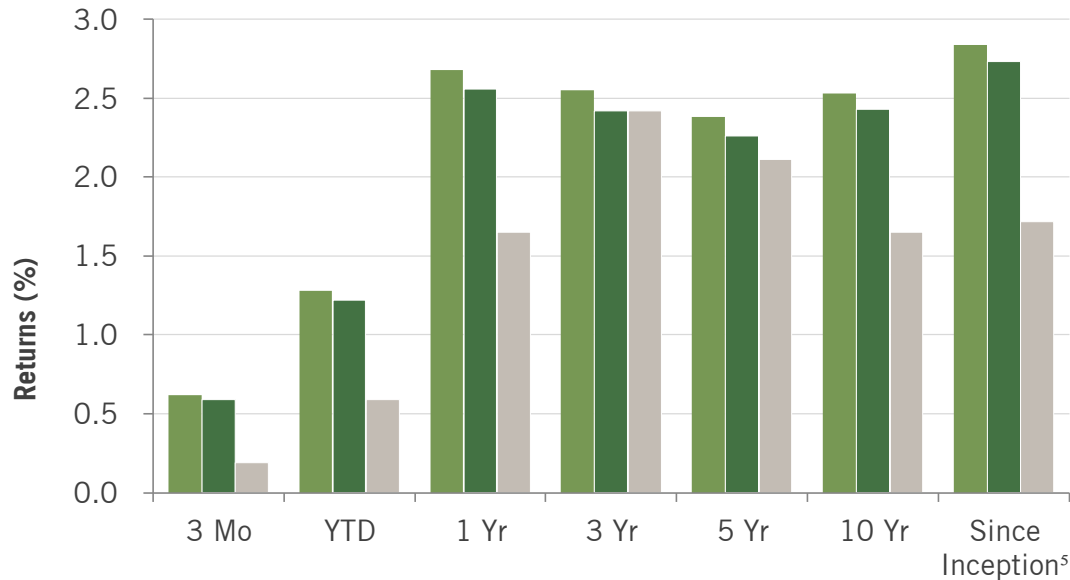
2: Returns are before fees

3. Prior to 1/1/2019, the benchmark was the Bloomberg Barclays U.S. 1-3 Year Government Bond Index

SECTION III

CITY OF LOS ANGELES INVESTMENT RESULTS

ANNUALIZED INVESTMENT PERFORMANCE AS OF 6/30/20¹



	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception ⁵
City of Los Angeles (before inv. mgmt. fees) ²	0.62	1.28	2.68	2.55	2.38	2.53	2.84
City of Los Angeles (net of all fees - NAV level) ^{3,4}	0.59	1.22	2.56	2.42	2.26	2.43	2.73
Linked Benchmark ⁶	0.19	0.59	1.65	2.42	2.11	1.65	1.72
Value Added (net of all fees - NAV level)⁷	0.40	1.18	0.91	0.00	0.15	0.78	1.01

1: Returns for periods of less than one year are not annualized.

2: Returns are gross of fees

3: Returns are net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.

4: Prior to Jul 1, 2008, the portfolio invested exclusively in the Wells Fargo Stable Return Fund, a stable value collective fund. Since then, the portfolio has been managed as a separate account. Periods prior to July 1, 1999 include separate account returns linked with the historical returns of the Wells Fargo Stable Return Fund.

5: Performance inception: July 1, 2008.

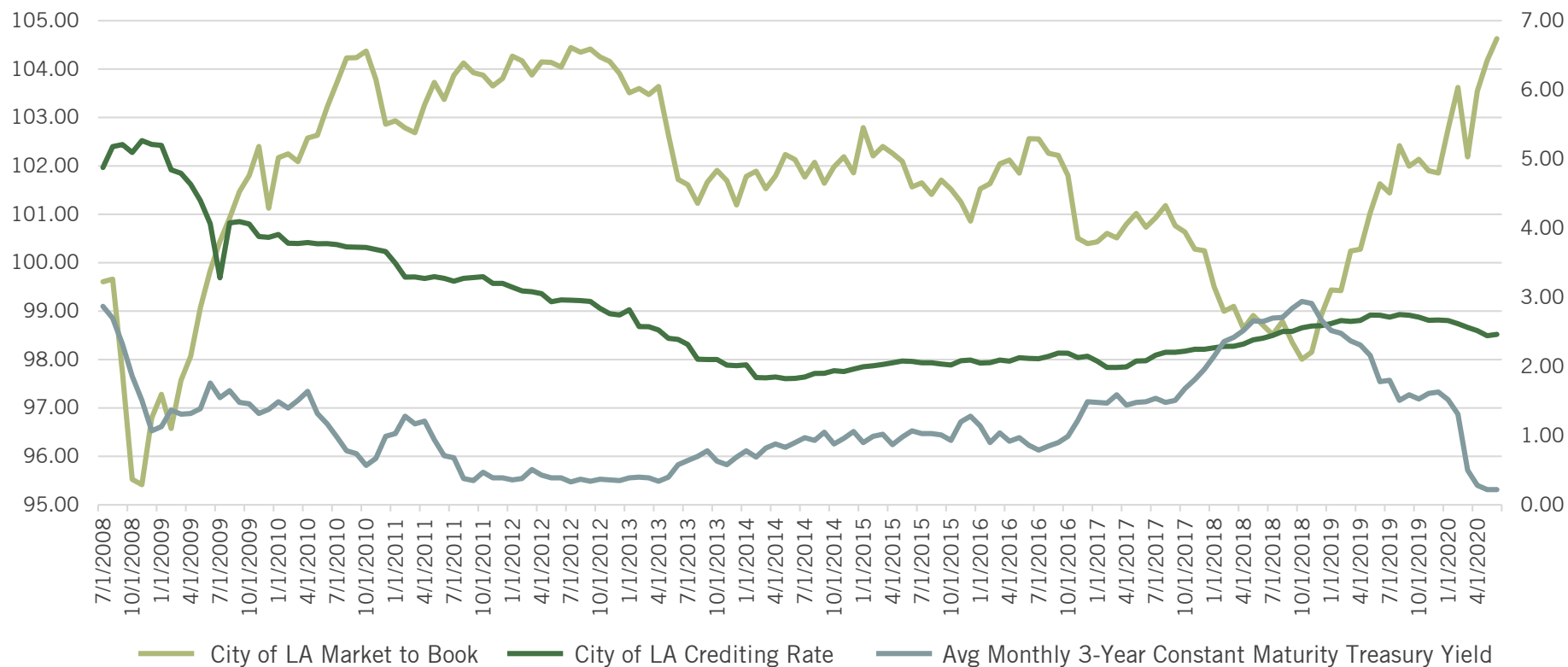
6: Linked benchmark: 3 Year Constant Maturity Treasury + 0.50%; Prior to 7/1/08 was 50% FTSE 3 Month T-Bill, 50% ICE BofA Merrill Lynch 1-3 Year US Treasury Index.

7: May not add due to rounding.

CITY OF LOS ANGELES STABLE VALUE FUND

STRONG AND CONSISTENT PORTFOLIO CHARACTERISTICS

HISTORICAL MARKET TO BOOK VALUE RATIO AND CREDITING RATE



- Consistently strong market to book value ratios historically maintained within +/-5% of par
- Measured approach to risk management across various market cycles

Consistent long-term **OUTPERFORMANCE**, while **MINIMIZING VOLATILITY** of the crediting rate for your participants

CITY OF LOS ANGELES

CITY OF LOS ANGELES FEE PROPOSAL

Investment Management Fees paid to Galliard	0.0675%
Investment Contract Fees	0.149%
Investment Management Fees paid to Non-Affiliated Investment Advisors	0.026%
Other Acquired Fund Fees	0.029%
Total Fees	0.271%

Fee reduction of over 4.3 basis points (13.5%) during this most recent contract term

Estimated \$575K in annual savings for your participants

COMPREHENSIVE STABLE VALUE SERVICES INCLUDE:

- STABLE VALUE STRUCTURE MANAGEMENT ● CONTRACT MANAGEMENT, NEGOTIATION & ADMIN. ●
- GALLIARD FIXED INCOME MANAGEMENT ● OPERATIONS & AUDIT SUPPORT ●
- VALUATION ● COMMUNICATIONS & REPORTING SUPPORT ● COMPLIANCE OVERSIGHT ●

CITY OF LOS ANGELES

WHY GALLIARD

WHY GALLIARD

- Stable value is the core of our business
- Scale and expertise of our stable value separate account business
- Continuous implementation of best ideas for optimal portfolio structure for the City of Los Angeles Stable Value Fund
- Long history of partnership with public sector clients and City of Los Angeles

APPENDIX

APPENDIX

ANNUALIZED INVESTMENT PERFORMANCE GROSS & NET OF FEES

ANNUALIZED INVESTMENT PERFORMANCE GROSS & NET OF FEES AS OF 6/30/20¹

	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr
Short Core Composite (before inv. mgmt. fees)	2.54	3.30	4.75	3.33	2.55	2.18	3.04
Short Core Composite (after max. fees)	2.46	3.14	4.44	3.02	2.24	1.88	2.73
Short Core Linked Benchmark ²	1.17	2.88	4.20	2.82	1.93	1.39	2.38
Value Added (before inv. mgmt. fees)³	1.37	0.42	0.55	0.51	0.62	0.79	0.67
	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr
Intermediate Gov't/Credit Composite (before inv. mgmt. fees)	4.01	5.41	7.39	4.83	3.88	3.60	4.34
Intermediate Gov't/Credit Composite (after max. fees)	3.93	5.26	7.07	4.52	3.57	3.29	4.03
Bloomberg Barclays U.S. Intermediate Gov't/Credit Bond Index	2.81	5.28	7.12	4.43	3.46	3.13	3.83
Value Added (before inv. mgmt. fees)³	1.20	0.14	0.27	0.40	0.41	0.47	0.51

1: Returns designated as “after maximum fees” are the “before investment management fees” returns less the maximum investment management fee of .30% which may be charged by Galliard for management of each client’s account. Galliard’s advisory fees are disclosed in the firm’s Form ADV Part 2. Past performance is not an indication of how the investment will perform in the future. See additional appendix pages for additional disclosure information. 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.

2: Linked Benchmark: Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index. Prior to July 1, 2018 was the Bloomberg Barclays U.S. 1-3 Year Government Bond Index.

3: May not add due to rounding.

FOR INSTITUTIONAL INVESTOR USE ONLY.

GALLIARD CAPITAL MANAGEMENT, INC.
SHORT CORE COMPOSITE
JANUARY 1, 2010 THROUGH DECEMBER 31, 2019

As of December 31

Year	Gross Return (%)	Net Return (%)	Benchmark Total Return (%)	Internal Dispersion (%)	Number of Accounts	Composite Assets (\$ millions)	Percentage of Firm Assets (%)	Total Firm Assets (\$ millions)
2019	4.52	4.21	4.03	0.10	31	8,034.3	8.9	90,678.6
2018	1.73	1.43	1.58	0.03	25	4,642.4	5.1	91,904.9
2017	1.47	1.17	0.45	0.10	19	3,772.5	4.1	90,975.8
2016	1.62	1.31	0.87	0.06	18	2,958.9	3.2	91,601.1
2015	0.93	0.63	0.57	0.04	17	2,698.2	3.2	85,418.3
2014	1.38	1.08	0.64	0.07	13	2,254.8	2.7	84,790.8
2013	0.09	-0.21	0.37	0.09	13	2,111.4	2.5	84,585.2
2012	2.86	2.55	0.51	0.32	8	835.2	1.0	85,347.3
2011	2.83	2.52	1.56	0.43	7	580.3	0.7	77,569.7
2010	3.45	3.14	2.40	n/m	≤5	298.5	0.5	64,280.4

Galliard Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Galliard Capital Management, Inc. has been independently verified for the period from October 1, 1995 through December 31, 2019.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Short Core Composite has been examined for the period from January 1, 2017 through December 31, 2019. The verification and performance examination reports are available upon request.

- Galliard Capital Management, Inc. ("Galliard") is a registered investment adviser and wholly owned by Wells Fargo Asset Management Holdings, LLC, a subsidiary of Wells Fargo & Company. Registration with the U.S. Securities and Exchange Commission does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information for you to determine whether to hire or retain an adviser. Since it began operations on July 1, 1995, Galliard has provided fixed income and stable value investment portfolio management for institutional clients. Prior to January 1, 2011 certain stable value assets were excluded from firm assets because they were valued at book value and were not compliant with the marked-to-market valuation criteria of the GIPS standards. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

GALLIARD CAPITAL MANAGEMENT, INC.
SHORT CORE COMPOSITE
JANUARY 1, 2010 THROUGH DECEMBER 31, 2019

2. The Short Core Composite is a sub composite of the Short Core Total Composite. It consists of all discretionary separate accounts invested in fixed income securities managed against the Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index or similar indices which do not use derivatives or certain more complex securities and/or strategies. These accounts may invest in BBB securities, but may not purchase high yield bonds. Accounts are included in the composite at the beginning of the quarter following the first full quarter of management to assure the composite strategy is fully implemented in each account. The composite is an asset-weighted average of each account's monthly time-weighted total return calculated on an accrual basis, and includes reinvestment of income and capital gains. Trade date valuation is used to calculate composite returns. The composite was created on September 30, 2009.
3. Gross composite returns include all income, realized and unrealized gains and losses, and all brokerage and other transactional costs. Model net composite returns are calculated by subtracting the highest applicable fee on a monthly basis from the gross composite returns. The standard fee schedule in effect is as follows: 0.30% on the first \$50 million, 0.25% on the next \$50 million, 0.20% on the next \$100 million, with a negotiable fee on the balance. Actual client fees may vary depending on the size of the assets, competitive discounts, etc. The composite may contain accounts with performance based fees. Galliard's advisory fees are disclosed in the firm's SEC Form ADV Part 2A, which is available upon request. All returns are expressed in U.S. dollars.
4. From January 1, 2003 to December 31, 2007, an account would be temporarily removed from the composite if it experienced a cash inflow or outflow greater than or equal to 30% of the account's beginning market value.
5. The internal dispersion of annual returns is calculated from the equal-weighted variance of annual account returns from the equal-weighted mean annual return of all accounts included in the composite for the full year. For periods with 5 or less accounts included for the entire year, internal dispersion is not presented as it is not considered meaningful (n/m).
6. The three-year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark for the 36-month period ended at the following dates:

December 31	3-Yr Annualized Standard Deviation (%)	
	Composite	Benchmark
2011	1.26	0.95
2012	0.87	0.71
2013	0.90	0.49
2014	0.86	0.43
2015	0.87	0.57
2016	0.89	0.76
2017	0.85	0.75
2018	0.87	0.84
2019	0.92	0.94

7. Benchmark returns presented are a linked combination of two indices. The Bloomberg Barclays 1-3 Year U.S. Government Index was used prior to July 1, 2018 and the Bloomberg Barclays 1-3 Year U.S. Government/Credit is used subsequently. This change was made to better align the benchmark with the composite strategy. Benchmark returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index is fully invested and includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees, or other costs. Source: Bloomberg Barclays.
8. Individual account performance results may differ from composite returns depending on the size of the account, investment guidelines and/or restrictions, inception date, and other factors. Past performance is not indicative of future results. As with any other investment vehicle, there is always the potential for gains as well as the possibility of losses.

GALLIARD CAPITAL MANAGEMENT, INC.
GALLIARD INTERMEDIATE GOVERNMENT/CREDIT COMPOSITE
JANUARY 1, 2010 THROUGH DECEMBER 31, 2019

As of December 31

Year	Gross Return (%)	Net Return (%)	Benchmark Total Return (%)	Internal Dispersion (%)	Number of Accounts	Composite Assets (\$ millions)	Percentage of Firm Assets (%)	Total Firm Assets (\$ millions)
2019	7.25	6.93	6.80	0.09	15	2,049.8	2.3	90,678.6
2018	1.06	0.75	0.88	0.04	17	2,777.8	3.0	91,904.9
2017	2.67	2.37	2.14	0.07	17	4,007.5	4.4	90,975.8
2016	2.45	2.14	2.08	0.21	18	3,517.7	3.8	91,601.1
2015	1.59	1.29	1.07	0.10	15	2,239.7	2.6	85,418.3
2014	4.09	3.78	3.13	0.13	16	2,048.6	2.4	84,790.8
2013	-1.43	-1.73	-0.86	0.19	15	1,050.9	1.2	84,585.2
2012	5.17	4.86	3.89	0.26	17	1,095.2	1.3	85,347.3
2011	6.61	6.29	5.80	0.33	21	1,363.6	1.8	77,569.7
2010	6.36	6.04	5.89	0.33	22	1,309.6	2.0	64,280.4

Galliard Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Galliard Capital Management, Inc. has been independently verified for the period from October 1, 1995 through December 31, 2019.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Intermediate Government/Credit Composite has been examined for the period from January 1, 2007 through December 31, 2019. The verification and performance examination reports are available upon request.

- Galliard Capital Management, Inc. ("Galliard") is a registered investment adviser and wholly owned by Wells Fargo Asset Management Holdings, LLC, a subsidiary of Wells Fargo & Company. Registration with the U.S. Securities and Exchange Commission does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information for you to determine whether to hire or retain an adviser. Since it began operations on July 1, 1995, Galliard has provided fixed income and stable value investment portfolio management for institutional clients. Prior to January 1, 2011 certain stable value assets were excluded from firm assets because they were valued at book value and were not compliant with the marked-to-market valuation criteria of the GIPS standards. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

GALLIARD CAPITAL MANAGEMENT, INC.
GALLIARD INTERMEDIATE GOVERNMENT/CREDIT COMPOSITE
JANUARY 1, 2010 THROUGH DECEMBER 31, 2019

2. The Intermediate Government/Credit Composite is a sub composite of the Intermediate Government/Credit Total Composite. It consists of all discretionary separate accounts invested in fixed income securities managed against the Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index or similar indices which do not use derivatives or certain more complex securities and/or strategies. These accounts allow the purchase of BBB and/or A rated securities, but do not allow the purchase of high yield bonds. Prior to July 1, 2018, the Intermediate Government/Credit Composite was named the Intermediate Core Composite. Accounts are included in the composite at the beginning of the quarter following the first full quarter of management to assure the composite strategy is fully implemented in each account. The composite is an asset-weighted average of each account's monthly time-weighted total return calculated on an accrual basis, and includes reinvestment of income and capital gains. Trade date valuation is used to calculate composite returns. The composite was created on March 31, 2008.
3. Gross composite returns include all income, realized and unrealized gains and losses, and all brokerage and other transactional costs. Model net composite returns are calculated by subtracting the highest applicable fee on a monthly basis from the gross composite returns. The standard fee schedule in effect is as follows: 0.30% on the first \$50 million, 0.25% on the next \$50 million, 0.20% on the next \$100 million, with a negotiable fee on the balance. Actual client fees may vary depending on the size of the assets, competitive discounts, etc. The composite may contain accounts with performance based fees. Galliard's advisory fees are disclosed in the firm's SEC Form ADV Part 2A, which is available upon request. All returns are expressed in U.S. dollars.
4. From January 1, 2003 to December 31, 2007, an account would be temporarily removed from the composite if it experienced a cash inflow or outflow greater than or equal to 10% of the account's beginning market value.
5. The internal dispersion of annual returns is calculated from the equal-weighted variance of annual account returns from the equal-weighted mean annual return of all accounts included in the composite for the full year. For periods with 5 or less accounts included for the entire year, internal dispersion is not presented as it is not considered meaningful (n/m).
6. The three-year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark for the 36-month period ended at the following dates:

December 31	3-Yr Annualized Standard Deviation (%)	
	Composite	Benchmark
2011	2.49	2.55
2012	1.98	2.16
2013	2.20	2.11
2014	2.15	1.94
2015	2.29	2.10
2016	2.24	2.23
2017	2.10	2.11
2018	2.05	2.09
2019	2.02	2.04

7. The Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index is fully invested and includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees, or other costs, and are not covered by the report of the independent verifiers. Source: Bloomberg Barclays.
8. Individual account performance results may differ from composite returns depending on the size of the account, investment guidelines and/or restrictions, inception date, and other factors. Past performance is not indicative of future results. As with any other investment vehicle, there is always the potential for gains as well as the possibility of losses.