



STABLE VALUE FUND

This Disclosure booklet summarizes information about the Stable Value Fund (the “Fund”) offered under the various Defined Contribution Plans of the Commonwealth of Virginia (“Plan”). You should review this booklet and the risks of an investment in the Fund before you choose the Fund as an investment vehicle for your retirement plan.

COPIES OF THE DISCLOSURE AND ACCOUNT INFORMATION

Copies of the Disclosure. For additional copies of this Disclosure, please go to dcp.varetire.org/investments or call 877-327-5261.

Account Information. For account balance, performance and other information, log into your account at dcp.varetire.org/login or call 877-327-5261.

For additional information about Galliard Capital Management, please visit the firm’s website at www.galliard.com, or email galliardclientservice@galliard.com and ask for a copy of Galliard’s Form ADV which provides information about the advisor and its business.

The Fund is not a mutual fund or otherwise considered an investment company and, accordingly, is not required to be registered under the Investment Company Act of 1940, nor is the Fund a collective investment trust, which is also exempt from registration.

This disclosure booklet does not contain information which would otherwise be included if registration under the Investment Company Act of 1940 or other federal securities laws were required. As used in this disclosure booklet, “you” and “your” refer to the interest of a participant in the Plan (and an investor in the Fund) and “we” and “our” refer to the role of Galliard as the Investment Advisor to the Fund.

For additional information, please contact your Plan Administrator.



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INVESTMENT AT A GLANCE

The Fund primarily invests in “Investment Contracts¹” which are vehicles that, under Generally Accepted Accounting Principles, (“GAAP”), are valued at “book” rather than “market” value. While market value typically means the amount a willing buyer could buy an asset from a willing seller at a particular point in time, “book” value is different. For an investment contract, book value starts with the original principal deposited with the contract issuer and then is adjusted for accrued interest, deposits, withdrawals, fees and certain accounting requirements. The reason the Fund is allowed to value its Investment Contracts at book is because the Fund has secured the commitment to honor withdrawals at book value by a financially responsible third party, such as a bank or insurance company. Book value accounting treatment tends to smooth out variabilities in the Fund’s price per unit or net asset value (“NAV”). As a result, the Fund is commonly referred to as a “stable value fund.”

The book value coverage of the Fund’s Investment Contracts are, however, subject to certain important limitations which are referred to in this booklet under the section entitled “Principal Risks.” Key risks include, but are not limited to, risks related to the default of the issuers of the Fund’s Investment Contracts or other credit impairments, liquidity or concentration issues or events related to your employer. Please take time to review the information contained in the Principal Risks section. It is important that you understand the risks involved with making an investment in the Fund. This investment, like any investment, is subject to a risk of loss of principal and interest and past performance is no guarantee of future results. The Fund maintains investment standards which guide the purchase of the Fund’s Investment Contracts and other securities, including an allocation to cash or cash equivalents. These standards are summarized in the section of this booklet titled “Key Investment Guidelines”.

The Fund’s Total Annual Operating Expenses are detailed in the Total Annual Fund Operating Expenses table in the “Fees and Expenses” section of this booklet. Total Annual Fund Operating Expenses are reflected in the NAV.

Your investment may be subject to certain restrictions on withdrawal. There is a 90-day trading restriction on moving your investment to “Competing Funds” within your DC plans. Please review the section of this booklet entitled “90-day Trading Restriction” for more information on this topic.

¹“Investment Contracts,” as that term is used in this booklet, includes (1) Security Backed Investment Contracts; (2) Separate Account Guaranteed Investment Contracts; and (3) General Account Guaranteed Investment Contracts. For ease of use, throughout this booklet, General Account Guaranteed Investment Contracts is abbreviated as “General Account GICs”. The attributes of these investment contracts are described more fully in the Principal Investment Strategies section of this booklet.

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UNDERSTANDING STABLE VALUE

Stable value funds, while not cash or cash equivalents, are generally thought of as a liquid and conservative investment option. These funds primarily consist of Investment Contracts issued by banks and insurance companies and a high quality, diversified fixed income portfolio. Stable value funds are designed to preserve capital while providing steady, positive returns. Stable value funds are considered a conservative and low risk investment compared to other investments offered in DC plans, such as funds primarily invested in stocks.

Following are some frequently asked questions which may help you better understand the risks and benefits of investing in a stable value fund:

What is the Investor Profile for a Stable Value Fund?

A stable value fund may be appropriate for someone seeking to safeguard principal or balance a portfolio which includes more aggressive investments.

How Does Stable Value Compare with a Money Market Fund?

Both stable value funds and money market funds seek principal preservation. Stable value funds have historically produced higher returns than money market funds with less volatility². Depending on interest rate trends in the future, this relationship may change.

How is a Stable Value Fund's Investment Portfolio Generally Structured?

Stable value portfolios typically have three components. The first component is primarily comprised of Investment Contracts issued by banks and insurance companies. The Investment Contracts help to assure that participants can transact at book value (principal plus accrued interest) as well as maintain a relatively stable return profile for the portfolio. Generally, contract issuers are rated "investment grade" by at least one of the Nationally Recognized Statistical Rating Organizations at time of purchase. The second component consists of an underlying portfolio of fixed income securities which are subject to the Investment Contracts and are often referred to as "underlying securities". Finally, the portfolio will also hold cash or cash equivalents.

²The Morningstar (Hueler) US Stable Value CIT Index outperformed the Lipper Institutional Money Market Fund Average for the 10 year period with a lower standard deviation (a measure of volatility) for the period ending 12/31/24.

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What Types of Fixed Income Securities are Utilized in the Underlying Portfolio?

The types of securities utilized in the fixed income portfolio that underlie the Investment Contracts typically include, but are not limited to, U.S. Treasury Securities, U.S. Agency Securities, taxable municipal securities, asset backed securities, certificates of deposits, corporate bonds, mortgage backed securities and cash equivalents such as money market instruments. Securities are generally U.S. dollar denominated, and typically the underlying fixed income securities must be rated investment grade by one of the Nationally Recognized Statistical Rating Organizations at the time of purchase.

Is My Investment in a Stable Value Fund Guaranteed?

No. An investment in the Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC), any other agency of the U.S. Government, or by any bank or investment advisor. It is possible to lose money by investing in a stable value fund.

What are the Primary Investment Risks?

A stable value fund's Investment Contracts are designed to facilitate withdrawals at book value. The principal risk of the Fund is investment contract risk. This includes the risk of issuer default on its obligation or that another event of default may occur under the contract rendering it invalid; that the Investment Contract will terminate before a replacement contract can be secured; or that the occurrence of certain events including employer-initiated events, could cause the contract to lose its book value withdrawal features. Other primary risks include the possibility that the underlying fixed income securities the Fund holds will not meet scheduled interest and/or principal payments; interest rate risk, including the risk of reinvesting cash flows at lower interest rates; and liquidity risk. The occurrence of any of these events could cause the Fund to underperform or lose value.



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INVESTMENT OBJECTIVE

The Fund seeks to provide safety of principal while earning a level of interest income consistent with an underlying portfolio of short to intermediate duration high-quality fixed-income (bond) securities, and cash or cash equivalents, and liquidity to accommodate participant transactions. There is no assurance that the Fund will achieve its objective.

WHO MAY INVEST

The Fund is offered exclusively to participants in the Plan and is designed for investors seeking more income than is generally offered by other liquid and conservative investment options without the price fluctuation of other funds investing primarily in fixed income or equity securities alone (i.e. without the additional stability provided by Investment Contracts).

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FEES AND EXPENSES as of March 31, 2025

Total Annual Fund Operating Expenses

The Fund's "Total Annual Fund Operating Expenses" are deducted from the Fund's net asset value (NAV) and reduce the rate of return of the Fund. These expenses represent the total amount paid by the Fund for its operation. It includes the cost paid by the Fund for an investment advisor to choose the securities that the Fund invests in, expenses paid for Investment Contracts used by the Fund, and all other applicable expenses such as administration and audit expenses. The cumulative effect of fees and expenses can substantially reduce the growth of your investment in the Fund. Fees and expenses are only one of several factors that you should consider when making investment decisions. The table below illustrates the Fund's expenses as of March 31, 2025. These expenses are paid by the Fund and are not separately deducted from your retirement assets. They do, however, reduce the amount of income you receive from your investment in the Fund. Fund expenses change from time to time so refer to the Investment Option Performance Report available on the VRS website at dcp.varetire.org/investments.

Expenses	Expense Ratio 3/31/25	Per \$1000
Investment Management Fees paid to Galliard	0.067%	\$0.67
Investment Management fees paid to Non-Affiliated Investment Advisors	None	None
Investment Contract Fees ¹	0.145%	\$1.45
Acquired Fund Fees ²	0.028%	\$0.28
- Investment Contract Fees	None	None
- Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors ³	0.028%	\$0.28
12b-1 Distribution Fee	None	None
Other Expenses	None	None
Total Annual Fund Operating Expenses⁴	0.240%	\$2.40

¹These are fees paid to create and maintain the investments used by a stable value fund.

²These are fees borne indirectly by the Fund when it acquires an interest in another fund which pays its own separate fees.

³Includes audit fees for the cost of producing a report by a qualified auditor

⁴Total Annual Fund Operating Expenses are reflected daily in the Fund's net asset value (NAV). Rounded to 0.24% and \$2.40 per \$1,000 for the purposes of participant reporting.

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Description of Key Fees and Expenses

The fees and expenses described below are included in the Fund's Total Annual Fund Operating Expenses.

Investment Management Fees paid to Galliard Capital Management

Galliard is a wholly-owned subsidiary of Allspring Global Investments Holdings, LLC ("Allspring") and serves as the Investment Advisor of the Fund. Galliard charges an investment management fee for ongoing management and supervision of the investments of the Fund, including the Investment Contracts and some or all of the fixed income securities which are subject to the terms of the Investment Contracts (known as "Underlying Securities") and other instruments in which the Fund may invest. Galliard also reinvests Fund assets when an individual instrument owned by the Fund is sold or matures. The Fund pays Galliard's investment management fees directly from the assets of the Fund and the investment return of the Fund is reported after the payment of these fees.

Non-Affiliated Management Fees

If permitted by the Fund's guidelines, the Fund may also use, now or in the future, investment managers who are not affiliated with Galliard. If used, the Fund will pay any non-affiliated investment manager a management fee for the services they provide to the Fund. Any fees charged by the non-affiliated investment manager are paid directly from the assets of the Fund and the investment return of the Fund is reported after the payment of such fees.

Acquired Fund Fees

To provide additional diversification, the Fund may use collective investment trusts trustee by SEI Trust Company and managed by Galliard or investment managers who are not affiliated with Galliard. These funds are referred to in this disclosure booklet as "Acquired Funds". The Fund may pay certain fees for the Acquired Funds, including, for example, investment management fees, trustee fees, audit and other administrative expenses for the various Acquired Funds. Acquired Fund fees are paid directly from the assets of the Fund and the investment return of the Fund is reported after the payment of such fees.

Investment Contract Fees

If the Fund invests in Security Backed Investment Contracts and/or Separate Account GICs, then the Fund will pay fees applicable to these investment contracts. Security Backed Investment Contracts and/or Separate Account GICs are selected on the basis of issuer credit quality, ability to meet contract specifications, and the cost to the Fund. Investment Contract fees are paid for directly from the assets of the Fund and the investment return of the Fund is reported after the payment of such fees.

Other Expenses

If the Fund pays fees for any other expenses not identified above, these fees are listed as "other expenses". These expenses are paid directly from the assets of the Fund, and the investment return of the Fund is reported after payment of such fees.

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PORTFOLIO TURNOVER

The Fund pays transaction costs, similar to commissions, when it buys and sells securities (or “turns over” its portfolio). However, for fixed income securities, unlike equity securities, these transaction costs are embedded in the security’s purchase or sale price. A higher portfolio turnover rate may result in higher transaction costs. These costs, which are not reflected in the Total Annual Fund Operating Expenses shown previously, affect the Fund’s performance. The portfolio turnover rate for this stable value fund is calculated at the underlying fixed income portfolio level. In the event the Fund invests in certain types of GICs, collective investment trusts, or money market funds, portfolio turnover related to those components is generally not included in the portfolio turnover rate. The turnover rate for this Fund may incorporate data provided by non-affiliated investment managers. Galliard follows the methodology specified under Department of Labor Rule 404a-5 to calculate turnover rates for Galliard-managed portfolios. However, some non-affiliated investment managers may use a turnover calculation that is not fully consistent with this specified methodology. Therefore, while Galliard is providing the Fund’s turnover rate to satisfy the requirements of Rule 404a-5, please note that Galliard cannot affirm that turnover data provided by non-affiliated investment managers is fully consistent with the methodology specified by Rule 404a-5. In those cases, the Fund’s turnover rate calculation includes the latest data available. Please refer to the Fund Profile available on the VRS website at www.varetire.org/dcplans for current Fund portfolio turnover information.

Portfolio Turnover as of 12/31/24	60.01%
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WITHDRAWAL AND TRANSFER LIMITATIONS

Subject to applicable IRS regulations and any limitations in the plan documents, participants may request qualified distributions and transfers at any time.

90-Day Trading Restriction¹

Money cannot be transferred directly from the Stable Value Fund to a money market fund, because a money market fund is considered a “competing fund” by the Investment Contract providers. Before dollars invested in the Stable Value Fund can be transferred to this “competing fund”, those dollars must be exchanged into other stock, bond or asset allocation funds on the investment menu and remain there for a 90-day period before they can be exchanged into a money market fund. Funds that are considered to be “competing funds” are subject to change.

¹If you are an Optional Retirement Plan for Higher Education (ORPHE) participant and want to make a direct exchange to another ORPHE provider, you must first exchange to a “non-competing” fund on the Voya investment platform for 90 days.

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PRINCIPAL INVESTMENT STRATEGIES

Stable value funds are an investment available exclusively to defined contribution plans and certain tax qualified government deferred compensation plans. These funds are commonly used as investment vehicles by retirement plan investors who wish to invest a portion of their retirement assets in a fund which is not exposed to the return volatility of bond or equity funds. While not cash or cash equivalents, a stable value fund is generally considered a liquid investment option.

Stable value funds typically invest in one or more types of Investment Contracts (also referred to as “wrap contracts”). Each of these Investment Contract types is discussed in greater detail below. The distinctive feature of the Investment Contracts which the Fund purchases is that those investments are designed, under normal circumstances, to provide commitments which make additional resources available to the Fund if redemptions (which are characteristically paid at book value) exceed the market value of the assets held in the Fund. These commitments, which are made by financially responsible third parties, such as banks and insurance companies, are designed to allow investors to redeem their investments in the Fund at the book value of the Investment Contract. This is commonly referred to as a “benefit responsive” feature. As a result, under normal circumstances, your investment in a stable value fund may be bought and sold without accounting for the fluctuations in market value of the securities underlying the Investment Contracts purchased by the Fund. It is from the operation of this benefit responsive feature that the Fund takes its name as a “stable value” fund.

Active Management. The Fund seeks to achieve its objective through active management of the Fund’s portfolio of investments. Unlike passively managed funds, which invest in an independently-defined portfolio of securities, active management refers to the fact that the Fund’s underlying securities are selected by an investment advisor to implement the Fund’s investment objective.

The Fund’s underlying securities include fixed income securities that are selected and managed based on a variety of analyses. These include an emphasis on the top down selection of securities based on factors impacting the economic environment generally and/or bottom up securities selection, which emphasizes the unique attributes of individual securities. Allocations among a variety of types of fixed income securities (or “sectors”) which are available in the market at the time an investment is made is also an important factor in selecting and managing the Fund’s fixed income securities. Finally, a focus on duration³ and an analysis of relationship of the return offered by a particular security to the fixed income yield curve⁴ are also important attributes considered in managing the Fund. Each of these areas has a bearing on the construction of Fund’s underlying securities.

³Duration is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates typically cause falling bond prices, while declining interest rates generally cause rising bond prices. The longer the duration, the more price volatility you can expect.

⁴The yield curve is a tool used by portfolio managers and economists to assess the return to be expected for an obligation to repay principal at a certain point in time. Characteristically, the longer the maturity, the greater the return; but as the maturity increases from ten to twenty and thirty years, the increase in return slows, producing a “curve” when graphed.

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The Fund's Primary Investments

The investment vehicles used by the Fund primarily consist of the following instruments: (a) Investment **Contracts** (which may include underlying securities); (b) collective investment trusts; and (c) cash or cash equivalents. None of these instruments are insured by the Federal Deposit Insurance Corporation, the Federal government or any Federal agency.

Investment Contracts may include (1) Security Backed Investment Contracts; (2) Separate Account GICs; or (3) General Account GICs, are generally not assignable or transferrable without the consent of the issuers and have no publicly traded secondary market. Each of these investment types will be discussed in turn:

Security Backed Investment Contracts. Generally, the most common investment vehicle used by the Fund is a Security Backed Investment Contract (also known as a "Synthetic GIC"). Like the other instruments used by a stable value fund, Security Backed Investment Contracts are designed to facilitate the preservation of your investment principal and accrued interest by providing for valuation at the Investment Contract's book value. Security Backed Investment Contracts are designed to be benefit responsive. There are two key components in a Security Backed Investment Contract's structure: (1) Underlying Securities which are held and owned by the Fund on behalf of investors, and (2) Contracts (known as "wrap contracts") issued by a bank or insurance company which, under normal circumstances, permits Fund investors to make withdrawals at book value. The following is an overview of these two components:

Underlying Securities. The Underlying Securities of a Security Backed Investment Contract are fixed income securities which may include, but are not limited to, U.S. Treasury Securities, U.S. Agency Securities, taxable municipal securities, asset backed securities, certificates of deposit, corporate bonds, mortgage backed securities and cash equivalents such as money market funds. If permitted by the Fund's investment guidelines, the Fund may also use fixed income collective investment trusts which invest primarily in the security types listed above. Underlying Securities in the Fund are generally U.S. dollar denominated.

A key feature of the securities in the Fund's portfolio of Underlying Securities is that they are owned by the Fund on behalf of the Fund's investors. This ownership and possession of the Underlying Securities distinguishes this type of Investment Contract from other contract types.

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Wrap Contract. The Fund's portfolio of Underlying Securities is subject to the terms of a contract, commonly known as a wrap contract. This agreement is referred to as a wrap contract because the book value accounting treatment which it facilitates is thought of as "wrapping" around the Fund's Underlying Securities. The Fund purchases wrap contracts from financially responsible third parties such as banks and insurance companies. These wrap contracts are designed to allow, generally, for withdrawals by Fund investors at book value, regardless of the market value of the Underlying Securities.

While a wrap contract may not cover the risk that the issuer of a bond in the Underlying Securities may default, and while the terms of each wrap contract contain various limitations and exclusions (see the section entitled "Investment Risks"), the purpose of a wrap contract is to obligate a financially responsible third party to provide additional funds, if necessary, to repay all Fund investors at book value. Like any investment strategy, there is no guarantee that, under all circumstances, the Fund can achieve this result.

Separate Account GICs. In addition to Security Backed Investment Contracts, the Fund may also buy Separate Account GICs. Separate Account GICs are issued by insurance companies, and like the structure of Security Backed Investment Contracts, are backed by Underlying Securities. Unlike Security Backed Investment Contracts, however, the Underlying Securities of Separate Account GICs are owned and held by the issuing insurance company. These Underlying Securities are; however, segregated from insurance company general account assets.

If the issuer of the Separate Account GIC were to become insolvent, the assets owned by the insurance company would be subject to the claims of other creditors. However, the segregation of these assets from the insurance company's general account offers certain important protections to mitigate the risk that these assets might be subject to creditor claims other than those of the Separate Account GIC owner. Like Security Backed Investment Contracts, Separate Account GICs held by the Fund are designed to be benefit responsive, enabling participants to make withdrawals at book value.

Similar to Security Backed Investment Contracts, there are two key components in a Separate Account GIC structure: (1) a portfolio of Underlying Securities and (2) a contract, executed by the issuer of the Separate Account GIC, which enables participants to make withdrawals at book value.

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General Account GICs. The Fund may invest in General Account GICs issued by creditworthy insurance companies which, at the time of investment, meet credit ratings criteria established by the Fund's investment guidelines. General Account GICs are direct obligations of insurance companies which generally provide fixed rates of interest (net of the Insurer's fees) over set periods of time. Some General Account GICs can be structured to have either variable rates or variable maturities, or both. General Account GICs may not be recognized as insurance policies in the event of the insolvency of the issuer and therefore the claims of General Account GIC holders may remain unpaid until the claims of the policyholders of the insurer are paid. A General Account GIC has no associated portfolio of Underlying Securities and is simply an obligation of the issuer to repay principal and pay a stated rate of return. General Account GICs held by the Fund are designed to be benefit responsive, enabling participants to make withdrawals at book value.

Collective Investment Trusts. The Fund may invest in Collective Investment Trusts (also known as "collective funds") which generally invest in Investment Contracts and/or the types of fixed income securities described in the section titled "Underlying Securities" and have investment objectives that are consistent with the Fund's investment strategy.

Cash or Cash Equivalents. The Fund holds a certain amount of its assets in cash or instruments which are generally considered to be cash equivalents in terms of the ability of the Fund to use those assets to provide a ready source of liquidity to respond to participant withdrawals, for payment of the Fund's fees and expenses or as a strategy to reduce the overall duration of the Fund or the Fund's exposure to the market. (This is also known as a "liquidity buffer".) While the Fund's investment advisor seeks to maintain an adequate amount of liquidity to meet projected investor redemption needs, there can be no assurance that Fund withdrawals will not exceed this amount, thereby requiring the Fund to sell Underlying Securities at a market value which may be less than the securities' book value.

Securities Lending. The Fund currently does not participate in securities lending activities; however, the Fund does have the ability to do so as opportunities present themselves.

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KEY INVESTMENT GUIDELINES

In order to achieve the investment strategy outlined above, the Fund is subject to certain key investment guidelines to which Galliard, the Investment Advisor, and any non-affiliated investment advisors, adhere. These guidelines are used to manage the overall investment risk posed by the Fund's investments. In addition, the Fund has a designated performance benchmark which allows you to compare the performance of the Fund to other investments or strategies. By understanding the benchmark and investment guidelines, you can better assess whether the Fund has been successful in achieving its objectives. These are important standards for you to consider in assessing whether the Fund is a good investment option for you.

Benchmark	[50% 2-Year CMT Yield+ 50% 3-Year CMT Yield] plus an annualized spread of 0.25%	
Investment Components of Fund	<u>Components</u>	<u>Allocation Range</u>
	Security Backed Contracts	0-97.5%
	Insurance Separate Account Contracts	0-50%
	Guaranteed Investment Contracts	0-10%
	Liquidity Buffer:	2.5-50%
Duration	2.0 – 3.5 years range	
Minimum Average Fund Quality	A-/A3 (contract level)	

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UNDERSTANDING HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED

On a day to day basis, the Fund's annualized rate of return is determined by the weighted average rate of return of its investments, including the liquidity buffer and Investment Contracts, less applicable fees and expenses. The annualized rate of return, or "Crediting Rate", of each Investment Contract is determined by a formula that is specified by the terms of the contract. The income earned by each Investment Contract is reflected daily in the NAV of the Fund.

The Crediting Rate is designed to stabilize the return on your investment. The crediting rate formula adds any market value gains or deducts market value losses (normally amortized over the duration of the portfolio) to the market yield of the Underlying Securities to arrive at the Crediting Rate for each period, which is guaranteed by the Investment Contract's issuer to be no less than 0% under normal circumstances. This minimum crediting rate feature allows stable value funds to provide preservation of principal and accrued interest. Due to the amortization of gains and losses, the Fund will tend to earn less than the aggregate current market yield of the Underlying Securities if the Underlying Securities experience market value losses and more than the aggregate current market yield of the Underlying Securities if there are market value gains.

The Crediting Rate of each Investment Contract is typically reset on a periodic basis (e.g. quarterly), which means that a stable value fund's weighted average rate of return is expected to remain relatively consistent day to day but tends to lag behind market interest rate movements. As a practical matter, use of a crediting rate formula tends to create a more consistent and stable rate of return on your investment, as it is not subject to the day-to-day fluctuations in the value of the Underlying Securities. The Crediting Rate may also be subject to change in order to reduce deviations between the market value and book value of each Investment Contract, and these changes may reduce the income you earn on your investment.

The Fund's overall rate of return may experience more noticeable changes periodically as the Crediting Rates of its Investment Contracts reset but is designed never to be negative. When interest rates rise, the market value of fixed income securities tends to decline. Because the Fund invests primarily in Investment Contracts, the NAV of the Fund is not expected to decline like a daily valued, mark-to-market fixed income (i.e. bond) fund that does not utilize Investment Contracts. Therefore, in a rising

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interest rate environment, the Fund's return would likely be higher than a portfolio including only fixed income securities of similar duration and credit quality. When interest rates decline, the market value of fixed income securities tends to rise. In this case, the NAV of the Fund would increase less than a daily valued mark-to-market bond fund that does not include Investment Contracts. Therefore, in a declining interest rate environment, the Fund's return would likely be lower than a portfolio including only fixed income securities of similar duration and credit quality.

While the Fund's investment strategy seeks to provide a competitive yield without principal fluctuations, **THERE CAN BE NO ASSURANCE THAT, UNDER ALL CIRCUMSTANCES, THE FUND WILL MAINTAIN A COMPETITIVE YIELD OR NOT INCUR A LOSS OF PRINCIPAL.**

VALUATION OF UNITS

Valuation of Units. The Fund is valued daily with a fluctuating unit value. Investment income is credited within the Fund daily resulting in an expected slight increase in the NAV on a daily basis. In the unlikely event the Fund trades at market value (see Principal Risks section below), the Fund may experience a decrease in the unit value. The investment by a participant in the Fund results in the issuance of a given number of participation interests ("Units") in the Fund for that participant's account. Galliard Capital Management determines the purchase price and redemption price of Units (the "Unit Value") as of 5:00 PM Eastern time each day Galliard is open for business (a "Valuation Date"). Generally, the Fund's Unit Value equals the total value of assets held by the Fund, less any liabilities (including fees payable to the advisor), divided by the total number of Units outstanding on the Valuation Date.

Suspension of Trading. Under certain circumstances, Galliard Capital Management may in its discretion choose temporarily not to execute requests to purchase or redeem units of the Fund. Such circumstances include restriction or suspension of trading on the exchanges where the Fund's portfolio of securities are traded and such other unusual circumstances as would in the judgment of Galliard, make disposal of the Fund's investments not reasonably practicable. This may result in a delay in the valuation date as of which the execution of purchases and redemption occur.

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PRINCIPAL RISKS

The Fund is designed to allow you to redeem your investment, generally, at book value. However, under certain circumstances, this goal may not be achieved, and you could lose all, or a portion of, the amount you have invested. It is important, therefore, that you understand the risks applicable to the Investment Contracts which the Fund uses as investments, the risks inherent to any Underlying Securities associated with those investments, as well as the risks related to investments in other funds.

These risks may adversely affect future returns of the Fund and may impair your ability to redeem the full amount you have invested. Past performance is not an indication of how the Fund will perform in the future.

A summary of the important risks relating to your investment in the Fund are described below, first certain risks related to Investment Contracts, followed by risk factors related to the Fund generally and/or Investment Contracts and then those risks associated with the Underlying Securities.

Risks Related to the Fund's Investment Contracts

Availability of Investment Contracts. The structure of a stable value fund requires the use of Investment Contracts. At any given point in time, an adequate amount of the Investment Contracts required by the Fund may not be available. The inability of a stable value fund to purchase Investment Contracts may arise from a number of different reasons. These reasons may include the flow of additional assets from existing participants which Investment Contract providers are unable or unwilling to cover, the termination of existing Investment Contracts when replacements are not available, the exit of an Investment Contract issuer from the business of offering Investment Contracts, or other reasons. In addition, while an Investment Contract issuer may terminate an Investment Contract if breached for cause, under certain circumstances, an Investment Contract issuer may terminate the contract for other reasons. If there is no other provider willing to provide a replacement Investment Contract, more assets of the Fund may have to be invested in cash or cash equivalent vehicles than might be otherwise desirable and/or fixed income securities may have to be valued at market rather than book, and these actions would likely impact the yield of the Fund.

Investment Contract Risk. The Fund's Investment Contracts are designed to enable the Fund to utilize book value when executing investor transactions. There is no assurance this valuation can be maintained.

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There is the risk that the contract issuer will default on its obligation under the contract, or that another event of default may occur under the contract rendering it invalid; or that the contract will terminate before a replacement contract is secured.

In addition, the contracts may contain terms which reflect circumstances in which the Underlying Securities may be excluded, in whole or in part, from book value treatment or in which withdrawals from the Fund may not be covered at book value. If Underlying Securities are not provided book value treatment, they must be priced at market value which could impact the value of the Fund and your investment. While the specific terms of the Fund's various Investment Contracts may differ among the contract issuers, here are a few examples of circumstances where book value treatment may not be provided:

- **Credit Impairments.** Credit defaults and other impairments of Underlying Securities are generally excluded from the Investment Contracts' book value treatment, subject to certain allowances and/or cure periods. Investment Contracts are not intended to guarantee the credit quality or provide default protection for the Underlying Securities. Acting within the investment guidelines applicable to the Fund, the Fund relies on the credit analyses of its investment managers to avoid buying securities which may become impaired. However, there is no guarantee that this risk of credit impairment can be avoided. The impairment of any Underlying Securities could cause specific assets to be excluded from an Investment Contract's coverage, which could cause a loss of principal value in the Fund.

Likewise, the issuer of an Investment Contract may also suffer credit impairment, thereby affecting the ability of the Fund to exercise the protections offered by the Investment Contract. If such a credit event affecting the issuer of an Investment Contract were to occur, the contract would have to be accounted for at market value, rather than book value, thereby creating the potential for a loss in the value of your investment.

- **Certain Employer-Initiated Withdrawals.** Withdrawals resulting from certain employer events may also be excluded from the Investment Contracts' coverage. For example, the contracts recognize that certain employer initiated events or communications could substantially increase the likelihood of large redemptions from the Fund. Therefore, most Investment Contracts limit the book value coverage provided for Fund withdrawals arising as a result of an employer initiated event. This limitation could cause a loss of principal in the Fund. Examples of employer initiated events include: a Plan Sponsor or other fiduciary to the Fund advising Fund participants to redeem their Fund holdings, significant restructurings of operations, bankruptcy of your employer, a substantial reduction in contributions or a termination of the retirement plan offered by your employer, or group layoffs.

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- **Events of Default.** Finally, each Investment Contract recognizes certain “Events of Default” which can invalidate the contract’s coverage. Among these are: Underlying Securities outside of the range of instruments which are permitted under the investment guidelines contained in the Investment Contract; fraudulent or other material misrepresentations made to the Investment Contract provider; changes of control of the investment advisor not approved by the contract issuer; changes in certain key regulatory requirements; or failure of the Fund to be tax qualified.

While the Fund’s Investment Advisor seeks to minimize the likelihood of any loss of book value coverage from such events, **THERE CAN BE NO ASSURANCE THAT SUCH A LOSS OF BOOK VALUE COVERAGE WILL NOT OCCUR, WHICH COULD RESULT IN A LOSS OF ALL, OR A PORTION OF, YOUR INVESTMENT.**

Risks Related to the Fund Generally and/or the Fund’s Investment Contracts

Cash Flow Risk. This is the risk that the net effect of Fund contributions and withdrawals will have a negative impact on the Fund’s yield, thereby decreasing the income which the fund generates for participants, or ultimately resulting in the need to invoke the terms of the coverage provided by the Fund’s Investment Contracts. Also included in this risk is the notion that cash flows may be different than expected, making it more difficult to manage the investments in the Fund. For example, as interest rates fall, investments due to positive cash flow from participant contributions and transfers may earn a lower rate of interest than the Fund’s current crediting rate because they are being invested at a time when interest rates are lower than what they previously had been.

Counterparty Risk. When the Fund enters into an agreement, such as an agreement to purchase or sell Underlying Securities or Investment Contracts, the Fund is exposed to the risk that the other party (known as a counterparty) will not fulfill its obligation. If a counterparty failed to fulfill an obligation, the Fund could be exposed to liabilities or damages. This could result in a loss of book value accounting treatment for some or all of the assets of the Fund and could expose participants to the risk that the value of their investment declines.

Crediting Rate Risk. The Fund’s yield is the aggregate of all of the Investment Contracts’ individual crediting rates plus the yield on the liquidity buffer portion of the Fund’s portfolio. In circumstances where the investment contract’s market value is less than its contract (or book) value, the crediting rate will lag behind market yields in order to bring the Fund’s market value as near to book value as is practicable. In these circumstances, your investment return may be lower than the income earned by the Underlying Securities in accordance with the terms of the Investment Contract. While designed with

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the intention of minimizing any deviation between market and book value, this mechanism could accelerate participant redemptions, thereby potentially increasing Cash Flow Risk. In addition, certain investment contracts may also include provisions to accelerate the amortization of the difference between market value and book value if the market value falls below a certain threshold. In these cases the Fund's yield may be reduced.

An Investment Contract's crediting rate provides a fixed return for a period of time until the next rate reset. Typically, these rates are reset quarterly but may be reset more or less frequently. The use of the crediting rate formula and periodic reset schedule allow the contract's return to generally track market rates over time on a lagged basis. For example, in an environment where interest rates are rising, the Fund's crediting rate may be lower than prevailing interest rates, and in an environment where interest rates are decreasing, the Fund's crediting rate may be higher than prevailing interest rates. The crediting rate formula's components include the Underlying Securities' yield, duration, and market value, in addition to the book value. The management of these key variables can affect the volatility of the contract's overall crediting rate and, thus, the Fund's yield.

Issuer Concentration Risk. Issuer concentration risk is the risk that the Fund may have disproportionately high allocation to a single issuer of a security or Investment Contract. The higher the Fund's allocation to the securities or Investment Contracts of a single issuer, the greater the potential risk of loss of principal if there is an adverse company-specific event or market event that negatively impacts the issuer of the securities or Investment Contracts. Issuer concentration risk also may exist in circumstances where the events affecting one Investment Contract may impact other Investment Contracts.

Issuer Risk. The value of a security or strength of an Investment Contract may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods, services or securities. Should the issuer of an Investment Contract exhibit such weakness, the Fund's Investment Advisor or auditor could determine that there no longer is a "reasonable likelihood" that a "financially responsible" third party can assure payment of principal and interest on the terms called for in order for the contract to be considered benefit responsive under generally accepted accounting principles. Even if the Investment Contract issuer did not default, this circumstance could require the Fund to abandon book value accounting for the Investment Contract in question and use market value accounting instead. This could cause a decrease in the value of your investment.

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Liquidity Risk. This risk generally relates to the degree to which an investment can be easily sold or converted into cash. In a stable value fund, liquidity risk relates to participants' ability to access funds without market value risk or other penalties. At the Fund level, liquidity risk means the ability to meet cash flow demands without having to sell investments at distressed prices. If another fund (such as a collective investment trust or money market fund) is used as a liquidity vehicle within the Fund, then that other fund may also have its own liquidity restrictions. While the Investment Advisor maintains a portion of the Fund as cash or cash equivalents to fund investor redemptions, there is no guarantee that under all circumstances this amount will be adequate.

Regulatory Risk and Contract Terms Related to Changes in Law. Changes in laws, government rules and regulations may adversely affect the value of a security or impact the ability of the Fund to function as normally expected. Changes in accounting treatment may also impact the value of a security or the ability of Investment Contracts to allow transactions at book value or could impact a contract issuer's right to terminate an Investment Contract for cause.

Risk of Investment in Other Funds. To the extent of its investment in other funds, the Fund bears the risks of each of those funds. There is no assurance that any of the other funds will achieve their objectives. This includes investments in short term investment funds (STIFs) and/or money market funds that may be subject to their own unique set of risks, including such risks as regulatory risk, interest rate risk, liquidity risk, and credit risk, among others.

Risks of the Underlying Securities

The following risks relate to individual securities in which the Fund may invest in directly or Underlying Securities which are a part of the Security Backed Investment Contracts and/or Separate Account GICs in which the Fund invests. They may also apply to any securities purchased directly by, or securities underlying investment contracts purchased by, other collective investment trusts in which the Fund invests.

Credit Risk. Underlying Securities, such as notes and bonds, are subject to credit risk. Credit risk is the possibility that an issuer or credit support provider of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or credit support provider or changes in the credit rating of a security may affect its value.

Derivative Risk. The term "derivatives" covers a broad range of financial instruments, including futures, options and swap agreements. In general, a derivative refers to any financial instrument whose value is determined, at least in part, from the price of another security or a specified index, asset or rate. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses

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because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. These risks are heightened when the portfolio manager uses derivatives to enhance a Fund's return or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by the Fund. The success of a portfolio manager's derivatives strategies will also be affected by their ability to assess and predict the impact of market or economic developments on the underlying asset, index or rate and the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. Certain derivative positions may be difficult to close out when the Fund's portfolio manager may choose to do so. Certain derivative positions are also subject to counterparty risk.

Futures contracts involve the posting of margin deposits, and movement in the underlying securities may result in calls for pledging of additional cash or securities. The need to make such additional payments could require the Fund to liquidate securities at a disadvantageous time. In addition to the risks previously described, other risks associated with futures contracts include: imperfect correlation between the price of the futures contracts and the price of the underlying securities; the possible absence of a liquid secondary market for any particular instrument; and trading restrictions imposed by futures exchanges due to price volatility.

In managing the Fund assets, Galliard will not purchase any derivatives except to hedge risk or to replicate securities which the Fund otherwise is permitted to purchase. If a portion of the Fund's assets are managed by a non-affiliated investment manager, they may purchase derivatives to hedge risk or to replicate securities, subject to specific limitations.

Interest Rate Risk. Debt securities, such as notes and bonds, are subject to interest rate risk. Interest rate risk is the risk that if market interest rates increase, the resale value of certain debt securities, including U.S. Government obligations, may decline. Debt securities with longer durations are generally more sensitive to interest rate changes than those with shorter durations although in certain situations shorter duration securities may decline in price more dramatically than longer duration securities. Changes in market interest rates do not affect the coupon rate payable on an existing debt security, unless the instrument has adjustable or variable rate features, which can also mitigate its exposure to interest rate risk. Changes in market interest rates may also extend or shorten the duration of certain types of instruments, such as asset-backed securities, thereby affecting their value and returns.

Liquidity of the Underlying Securities. Liquidity risk is the risk that a security cannot be sold at the time desired, or cannot be sold without adversely affecting the price. Certain securities may attract less interest and/or fewer buyers and sellers (that is, be less liquid) and their prices may be more volatile than other securities. In addition, the differing securities market structures and various potential

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administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends, may reduce liquidity and adversely affect the value of some securities.

Management Risk. This is the risk that the investment techniques and risk analyses used by the Fund's portfolio managers will not produce the desired results, which may lead to unanticipated losses, underperformance, or impact to coverage of Investment Contracts.

Market Risk. The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value or become illiquid due to factors affecting securities markets generally or particular industries represented in the securities markets, such as labor shortages or increased production costs and competitive conditions within an industry. A security may decline in value or become illiquid due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. During a general downturn in the securities markets, multiple asset classes may decline in value or become illiquid simultaneously.

Mortgage- and Asset-Backed Securities Risk. Mortgage- and asset-backed securities represent interests in "pools" of mortgages or other assets, including consumer loans or receivables held in trust. In addition, mortgage dollar rolls are transactions in which a Fund sells mortgage-backed securities to a dealer and simultaneously agrees to purchase similar securities in the future at a predetermined price. Mortgage- and asset-backed securities, including mortgage dollar roll transactions, are subject to certain additional risks. Rising interest rates tend to extend the duration of these mortgage- and asset-backed securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, these securities may exhibit additional volatility. This is known as extension risk. In addition, these securities are subject to prepayment risk, which is the risk that when interest rates decline or are low but are expected to rise, borrowers may pay off their debts sooner than expected. This can reduce the returns of the Fund because the Fund will have to reinvest that money at the lower prevailing interest rates. This is also known as reinvestment risk. These securities also are subject to risk of default on the underlying mortgage or assets, particularly during periods of economic downturn.

Multi-Style Management Risk. Because certain portions of the Fund's assets may be managed by different portfolio managers using different styles, the Fund could experience overlapping security transactions. Certain portfolio managers may be purchasing securities at the same time other portfolio managers may be selling those same securities. This may lead to higher transaction expenses. Also, different portfolio managers may be purchasing securities from the same issuer, thereby increasing issuer concentration.

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Prepayment Risk. Prepayment risk is the risk that the issuers of the bonds owned by the Fund will prepay them at a time when interest rates have declined. Because interest rates have declined, the Fund may have to reinvest the proceeds at lower interest rates, which can reduce the Fund's return.

U.S. Government Obligations Risk. U.S. Government obligations include securities issued by the U.S. Treasury, U.S. Government agencies or government sponsored entities. While U.S. Treasury obligations are backed by the "full faith and credit" of the U.S. Government, securities issued by U.S. Government agencies or government-sponsored entities may not be backed by the full faith and credit of the U.S. Government. If the U.S. Government were to default on its obligations, the impact of such a default could have far-reaching implications and cause a significant loss in the value of your investment.

Yield Curve Risk. Yield curve risk refers to the exposure that a security or portfolio may have in the event of changes in the yield differences required by investors between short and long term debt instruments, (i.e. the yield curve) that will affect the return of an investment either positively or negatively.

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INVESTMENT ADVISOR

Fund Management. Galliard, a wholly-owned subsidiary of Allspring Global Investments Holdings, LLC, is registered as an investment advisor with the Securities and Exchange Commission (“SEC”) and is subject to the Investment Advisers Act of 1940 and the rules thereunder, as applicable. Galliard serves as an investment advisor to the Fund and seeks to invest the assets of the Fund in a manner consistent with the Investment Objectives of the Fund. In managing the Fund, Galliard will devote the resources it believes are necessary to fulfill its management and administrative duties to the Fund and its investors. As an investor in the Fund you have no voting or management rights in the Fund.

Acquired Funds. The Fund may invest in various Acquired Funds. The investment managers that manage the Acquired Funds may or may not be affiliated with Galliard.

Depending on Galliard’s agreement with the Sponsor of your retirement plan, Galliard may assist the Plan Sponsor with some or all of the following services with respect to the Fund:

- Assist the Fund in the identification of its investment needs and objectives.
- Assist the Fund in developing an investment policy and/or asset allocation strategy.
- Recommend specific asset allocation strategies.
- Report to the Fund Plan Sponsor and participants regarding overall investment performance of the Fund.



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ADDITIONAL INFORMATION

Federal regulations requires a general glossary of terms to help participants and beneficiaries in understanding designated investment alternatives, or an internet Web site address for such a glossary.

The following website provides a glossary that may be useful in further understanding this stable value investment option.

Stable Value Investment Association

www.stablevalue.org/glossary

The glossary listed above is provided as general background information. To the extent that any of the terms and definitions provided on the website above differ from the terms and definitions used in this disclosure booklet, the definitions used in this booklet should be relied upon.