



## Verification Report

Ms. Sumali Sanyal, CFA  
Executive Vice President & Chief Operating Officer  
Piedmont Investment Advisors, LLC

We have verified whether Piedmont Investment Advisors, LLC (the "Firm") (1) has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods from January 1, 2017 through June 30, 2017, and (2) designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of June 30, 2017. The Firm's management is responsible for compliance with the GIPS standards and the design of its policies and procedures. Our responsibility is to express an opinion based on our verification. We conducted this verification in accordance with the required verification procedures of the GIPS standards. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, the Firm has, in all material respects:

- Complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from January 1, 2017 through June 30, 2017; and
- Designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of June 30, 2017.

A verification covering the periods from October 1, 2000 through December 31, 2016 was performed by another verification firm, whose report expressed an unqualified opinion thereon.

This report does not relate to or provide assurance on any composite compliant presentation of the Firm and does not ensure the accuracy of any specific composite compliant presentation.

*ACA Performance Services, LLC*

ACA Performance Services, LLC  
October 3, 2017

**PIEDMONT INVESTMENT ADVISORS, LLC**  
**STRATEGIC CORE COMPOSITE**  
**ANNUAL DISCLOSURE PRESENTATION**

| Year End | Total Firm Assets (millions) | Composite Assets |                    | Annual Performance Results |               |         |              |                      | Annualized Std. Deviation |                |              |
|----------|------------------------------|------------------|--------------------|----------------------------|---------------|---------|--------------|----------------------|---------------------------|----------------|--------------|
|          |                              | USD (millions)   | Number of Accounts | Composite Gross            | Composite Net | S&P 500 | Russell 1000 | Composite Dispersion | Composite 3 year          | S&P 500 3 year | R1000 3 year |
| 2016     | 6,249                        | 1,003            | 6                  | 4.27%                      | 4.00%         | 11.96%  | 12.05%       | 0.06%                | 10.62%                    | 10.59%         | 10.69%       |
| 2015     | 5,577                        | 1,119            | 6                  | 4.89%                      | 4.62%         | 13.88%  | 0.92%        | 0.24%                | 9.94%                     | 10.47%         | 10.48%       |
| 2014     | 2,542                        | 1,220            | 8                  | 12.00%                     | 11.71%        | 13.69%  | 13.24%       | 0.11%                | 9.68%                     | 8.97%          | 9.12%        |
| 2013     | 2,731                        | 1,491            | 11                 | 30.31%                     | 29.93%        | 32.39%  | 33.11%       | 0.16%                | 12.57%                    | 11.94%         | 12.26%       |
| 2012     | 3,425                        | 2,039            | 18                 | 16.01%                     | 15.66%        | 16.00%  | 16.42%       | 0.08%                | 16.13%                    | 15.30%         | 15.62%       |
| 2011     | 3,441                        | 2,173            | 20                 | -4.03%                     | -4.32%        | 2.11%   | 1.50%        | 0.10%                | 18.09%                    | 18.97%         | 19.22%       |
| 2010     | 3,449                        | 2,086            | 24                 | 15.90%                     | 15.51%        | 15.06%  | 16.10%       | 0.06%                | N.A.                      | N.A.           | N.A.         |
| 2009     | 2,883                        | 1,681            | 28                 | 25.48%                     | 25.07%        | 26.46%  | 28.43%       | 0.54%                | N.A.                      | N.A.           | N.A.         |
| 2008     | 1,831                        | 887              | 23                 | -37.88%                    | -38.09%       | -37.00% | -37.60%      | 0.24%                | N.A.                      | N.A.           | N.A.         |
| 2007     | 1,998                        | 1,069            | 18                 | 13.08%                     | 12.71%        | 5.49%   | 5.77%        | 0.32%                | N.A.                      | N.A.           | N.A.         |
| 2006     | 1,371                        | 991              | 20                 | 15.97%                     | 15.60%        | 15.79%  | 15.46%       | 0.22%                | N.A.                      | N.A.           | N.A.         |
| 2005     | 804                          | 495              | 21                 | 8.31%                      | 7.99%         | 4.91%   | 6.27%        | 0.23%                | N.A.                      | N.A.           | N.A.         |
| 2004     | 459                          | 269              | 15                 | 9.53%                      | 9.25%         | 10.88%  | 11.40%       | 0.08%                | N.A.                      | N.A.           | N.A.         |
| 2003     | 306                          | 131              | 7                  | 35.35%                     | 34.99%        | 28.68%  | 29.89%       | N.A.                 | N.A.                      | N.A.           | N.A.         |
| 2002     | 184                          | 23               | Five or fewer      | -21.85%                    | -22.25%       | -22.06% | -21.65%      | N.A.                 | N.A.                      | N.A.           | N.A.         |
| 2001     | 164                          | <1               | Five or fewer      | -13.61%                    | -13.93%       | -11.93% | -12.45%      | N.A.                 | N.A.                      | N.A.           | N.A.         |
| 2000*    | <1                           | <1               | Five or fewer      | -2.24%                     | -2.33%        | -7.82%  | -9.15%       | N.A.                 | N.A.                      | N.A.           | N.A.         |

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

\*Results shown for the year 2000 represent partial period performance from October 1, 2000 through December 31, 2000.

The 3-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Standard deviation is not required for periods prior to 2011.

**Strategic Core Composite** contains fully discretionary large cap equity accounts and for comparison purposes is measured against the S&P 500 and Russell 1000 indices. The product typically has 35-45 holdings and a predicted tracking error range of 4% – 6 % vs. its Benchmark using the Barra US Equity Risk Model. Beginning January 1, 2006, the minimum account size for this composite is \$3 million. The Strategic Core Composite was created September 30, 2000.

Piedmont Investment Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Piedmont Investment Advisors, LLC has been independently verified for the periods October 1, 2000 through June 30, 2017. A copy of the verification report(s) is/are available upon request.

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. Verification does not ensure the accuracy of any specific composite presentation.

Piedmont Investment Advisors, LLC is an independent investment adviser registered with the SEC. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Prior to June 30, 2004, net of fee performance was calculated using a dollar-weighted average fee. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The management fee schedule for the composite is as follows:

| Product        | First \$50 M | Next \$50 M | Over \$100M |
|----------------|--------------|-------------|-------------|
| Strategic Core | 65 BPS       | 50 BPS      | 40 BPS      |

Fees are charged to clients on a quarterly basis. Fees are calculated as a percentage of assets under management and vary based upon the type of product and the total amount of assets under management. The percentage fee is expressed terms of basis points (“BPS”) for our products. One hundred basis points equal 1%. All fees are negotiable.