THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Information Memorandum

Dated as of January 14, 2020

For Information Purposes Only.

The information contained herein does not contain an offer to sell any products or services

About Guardian

Overview

Founded in 1860 and incorporated in the State of New York, Guardian is the fourth largest U.S. mutual life insurance company based on statutory surplus of $7.2 billion as of December 31, 2018, according to peer data compiled by the National Association of Insurance Commissioners (the "NAIC"). Guardian primarily operates in the ordinary life insurance business, but also provides, directly or through its subsidiaries, a wide range of group, disability, and wealth management and retirement savings products and services, as well as investment services. The Company provides its products and services to individuals, corporations and other institutions in all 50 states of the United States and the District of Columbia. Guardian's major subsidiaries include Berkshire Life Insurance Company of America ("BLICOA"), The Guardian Insurance & Annuity Company, Inc. ("GIAC"), First Commonwealth, Inc. ("FCW") and Guardian Investor Services LLC ("GIS").

As of December 31, 2018, Guardian had total assets of $58.5 billion, total life insurance in-force of $659.5 billion and statutory surplus of $7.2 billion. For the year ended December 31, 2018, Guardian generated total premium income of $8.4 billion, net gain from operations of $1.4 billion, and net income of $310 million. Guardian's insurance financial strength/claims paying ability is rated AA+ (Very Strong) by Standard & Poor's Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), Aa2 (Excellent) by Moody's Investors Service, Inc. ("Moody's"), AA+ (Very High) by Fitch IBCA ("Fitch") and A++ (Superior) by A.M. Best Company, Inc. ("A.M. Best"). S&P, Moody's, Fitch, and A.M. Best currently report a stable outlook for Guardian's insurance financial strength/claims paying abilities rating.

Guardian, together with its subsidiaries, is a financial services group that seeks to provide attractive value for policyholders and customers by providing a wide array of differentiated products and services, while aiming to achieve strong financial results. In pursuing this strategy, Guardian's guiding principle is to enable its customers to obtain financial success while protecting their families and businesses. To achieve this goal, Guardian focuses on developing and distributing a broad portfolio of financial products and services, maintaining what it believes to be prudent underwriting standards and rigorous expense control, and pursuing asset/liability management practices that it considers conservative.

The principal product lines of Guardian and its major subsidiaries are organized into two segments set forth below:

- *Individual Markets* products and services include individual life insurance, individual disability income insurance products and wealth management and savings products. Individual life insurance products include participating whole life insurance, universal life insurance, term life insurance and variable universal life insurance. Individual disability income insurance products, which are sold by BLICOA, include individual disability income insurance and multi-life disability income insurance. Individual Markets also includes certain wealth management and retirement savings products, which aim to meet an individual's needs through products sold by GIAC. These products include individual fixed and variable annuities.

- *Commercial and Government Markets* products include dental, vision, life, accidental death and dismemberment ("AD&D"), short- and long-term disability, hospital indemnity, absence management administration and supplemental products such as accident, cancer and critical illness. Guardian's group business has also diversified into new areas, including dental and vision benefits for government programs. In April 2018, Guardian changed the name of its Group and Worksite Markets segment to Commercial and Government Markets ("CGM").

Guardian distributes its individual products primarily through a career agent force, which consists of agencies managed by general agents, career development managers, or principal directors, consisting of career agents and brokers who sell products directly to the customer. Guardian distributes its group products through group sales representatives, brokers, benefit consultants and its career agents. As of December 31, 2018, Guardian had over 200 group sales professionals and 90 account managers, and over 14,900 active group brokers and benefit consultants. Guardian's career agent sales force sells products for Guardian (individual life insurance and group products), GIAC (individual annuities) and BLICOA (individual disability products), subject to applicable licensing and appointment requirements. The career agent system sells the majority of the individual life insurance products and a large portion of the individual disability and annuity products. Many Guardian career agents are registered representatives of Guardian's broker-dealer subsidiary, Park Avenue Securities, LLC ("PAS"), and in that capacity provide wealth management services and savings products to their clients. Individual disability income products are also sold by brokers associated with general agents. Individual annuity products are also sold through the independent brokerage channel. Currently, the majority of the group business is sold using Guardian sales representatives or wholesaling organizations through brokers. Guardian expects this split of sales through the various distribution channels to continue for the foreseeable future.

Guardian Business Profile

The chart below shows the product lines, target markets, distribution by broad product offerings of Guardian and its subsidiaries, on a consolidated basis.

	Individual Markets			Commercial and Government Markets
	Individual Life Insurance	**Individual Disability Income Insurance**	**Individual Savings Products**	**Group Insurance**
Product Lines	• Whole Life • Term Life • Universal Life • Variable Universal Life	• Individual Disability • Multi-Life Disability Income	• Fixed Annuities • Variable Annuities	• Dental • Short- and Long-Term Disability • Life and AD&D • Absence Management Administration • Vision • Critical Illness • Accident • Cancer
Target Markets	• Small Business Owners • Affluent Professionals • Executives	• Small Business Owners • Professionals • Executives	• Professionals • Executives • Affluent and Emerging Affluent Individuals	• Employer Groups • Government Programs
Distribution	• 50 General Agencies and Guardian-managed agencies • Over 2,500 Career Agents • Brokers	• Career Agents • Brokers	• Career Agents • Brokers • Wholesalers	• Over 200 Group Sales Representatives • Over 14,900 Active Group Brokers and Benefit Consultants

Guardian sells participating whole life insurance, universal life insurance, term life insurance and all group insurance products. BLICOA sells all individual disability income insurance products. GIAC sells retirement products and services, as well as universal life insurance and variable universal life insurance. FCW provides dental insurance and government program vision, dental and hearing products through various subsidiaries. GIS provides absence management and investment advisory services through its Reed Group and Park Avenue Institutional Advisers subsidiaries.

Key Strengths

Guardian believes that its key strengths will enable it to capitalize on a variety of opportunities in the U.S. life insurance market. These strengths include:

- *Commitment to mutual status*. This commitment allows Guardian to focus on meeting the needs of its policyholders by making long-term financial strength and stability and the payment of competitive dividends its primary objectives. As a mutual insurance company, Guardian does not have stockholders and believes that it does not experience the same short-term earnings pressures as its publicly-traded life insurance peers, permitting it to manage product development, risk and investments on a long-term economic basis.

- *Diversified product portfolio that meets a wide array of needs*. Guardian believes that the diversity of its product portfolio allows it to meet the needs of its clients, both at the individual and group level. Guardian also believes that its diversified product portfolio improves its ability to be financially successful in many different market environments by providing diversification of earnings and reducing the level of volatility in its financial results. Guardian has paid dividends to policyholders every year since 1868.

- *Industry-leading products targeted at high-quality customer base*. Guardian believes that it is a product leader in many areas where it writes business, in particular among its targeted core customer base of affluent individuals, small businesses and small business owners. Guardian's participating whole life insurance products, which have represented approximately 88% of Guardian's individual life premium income over the past five years, offer a competitive base product together with attractive riders and a competitive dividend scale, making Guardian the fourth largest writer of participating whole life premium in the industry in 2018, according to LIMRA Sales Report. In addition, Guardian's high net worth customer base has resulted in larger average premiums per policy than most of its peers; according to the 2018 LIMRA Sales Report, Guardian's average whole life only premium per policy sold was $10,336 while the peer group's average was $4,083. This peer group includes Massachusetts Mutual Life Insurance Company, New York Life Insurance Company and The Northwestern Mutual Life Insurance Company. Guardian believes its term and universal life and individual disability income products are also attractive in terms of benefit features and price. Based on the 2018 LIMRA survey results, the most recent annual LIMRA survey available, Guardian's dental business ranks first in in-force PPO cases.

- *Highly productive career agent system*. Guardian's distribution model for individual products is focused on career agents, supervised by general agents and career development managers in 50 general agencies and Guardian-managed agencies. This is a critical element of Guardian's business model. Guardian's career agent system consists of over 2,500 active agents as of December 31, 2018 and enjoys one of the highest retention rates in the industry. Guardian's four-year average agent retention as of December 31, 2018 was 23% versus the overall 16% four-year average of the companies that participated in the 2017 LIMRA Agent Production and Retention Study. Guardian believes the benefits of a career agent model include the commitment of career agents to the long-term protection of their clients and the long-term financial success, financial strength and stability of Guardian, as well as the agents' commitment to their communities and the small businesses located there. The career system is supplemented by other distribution channels where appropriate for the product and market.

- *Long-term track record of growth and profitability*. Guardian has historically experienced strong operating results and has been profitable every year since 2003 based on net income. In 2018, Guardian generated total revenues of $10.9 billion, net gain from operations of $1.4 billion and net income of $310 million. In addition, from 2004 to 2018, Guardian's net income and policyholder surplus increased at compound annual growth rates of approximately 0.6% and 6.0%, respectively.

- *Strong balance sheet with a conservative investment portfolio and solid levels of capitalization*. Guardian believes that it has strong financial strength and capitalization, as evidenced by its strong insurance financial strength/claims paying ability ratings from the rating agencies and its regulatory capital ratios, which historically have been in excess of the levels required by regulatory authorities. S&P, Moody's, Fitch and A.M. Best currently report a stable outlook for

Guardian's financial strength rating. Guardian also believes that its investment portfolio is conservative and well-diversified. Guardian maintains a high-quality fixed income portfolio, with approximately 95.3% of the securities in its bond portfolio, as of December 31, 2018, rated investment grade.

- *Strong Enterprise Risk Management execution.* Guardian believes that it has a strong risk management culture, internal controls and reporting and oversight system. Guardian employs experienced asset class specialists that actively manage credit and portfolio risk. Furthermore, Guardian maintains what it considers to be a low product risk profile with focus on participating life insurance and a conservative set of product guarantees.

- *Accomplished and deep management team.* Guardian's management team is composed of well-respected, seasoned executives with extensive experience in the insurance industry and at Guardian.

Corporate Strategy

Guardian's strategic objective is to generate growth in net income and to maintain a strong and consistent policyholder dividend policy. Guardian intends to achieve its objective by pursuing the following strategies:

- *Being the trusted mutual partner, delivering financial security how, when and where its clients prefer.* By making mutuality relevant at a personal level, Guardian focuses on solutions that fit its clients' needs. Specific customer segments are targeted via appropriate channels leveraging technology to deliver products and service more efficiently.

- *Focus on profitable growth.* Guardian continues to pursue opportunities to drive profitable growth, including improving its products, expanding distribution and enhancing its service capabilities. Guardian has invested significant resources in expanding and strengthening its distribution system and the management team remains committed to distribution excellence to generate profitable growth for the company. This includes expansion into the Worksite market, where consumers are increasingly purchasing insurance products.

- *Pursue strong risk management and underwriting standards.* Guardian believes that it has a conservative, low-risk approach to operations and underwriting and actively manages product and investment risk. Consistent with its history as a mutual insurance company, Guardian is committed to pursuing high asset quality, strong capitalization and liquidity and a conservative investment philosophy. Guardian believes it utilizes reasonably conservative underwriting practices in its insurance businesses.

- *Continue to deliver superior service.* Guardian seeks to develop and maintain long-term relationships with customers through its career agent system and sales organizations, including general agents, career agents, brokers, group sales representatives and wholesalers. Guardian believes it has established a reputation for high-quality service to its customers and distribution, and remains committed to providing the superior service that has been recognized by such organizations as J.D. Power and DALBAR.

Guardian's History and Where You Can Find It

Founded in 1860 and incorporated in the State of New York, Guardian is the fourth largest mutual life insurance company in the United States based on statutory surplus of $7.2 billion as of December 31, 2018, according to peer data compiled by the NAIC.

Guardian's headquarters are located at 10 Hudson Yards, New York, New York 10001, and its telephone number is: (212) 919-8000. Guardian's website is located at http://www.guardianlife.com. The information on

Guardian's website is not part of this Information Memorandum and the URL reference in the preceding sentence is a textual reference only.

Recent Developments

On December 31, 2018, Guardian sold its dental support organization, which supported dental centers in California, Texas and Alabama, to Western Dental Services.

On November 14, 2019, Guardian announced that Andrew McMahon had been elected President of Guardian by the Board of Directors, effective as of January 1, 2020. Mr. McMahon had previously been Executive Vice President, Individual Markets, Enterprise Strategy and Customer Development. Additional management changes are:

- Michael N. Ferik was appointed Executive Vice President, Individual Markets, effective January 1, 2020. Mr. Ferik was previously Executive Vice President and Chief Financial Officer from 2017 through 2019.

- Jean LaTorre was appointed Executive Vice President, effective December 31, 2019. Ms. LaTorre will assume the position of Chief Investment Officer effective February 3, 2020.

- Kevin Molloy was appointed Executive Vice President and Chief Financial Officer, effective January 1, 2020. Mr. Molloy was previously Chief Financial Officer, Individual Markets from August through December, 2019.

- Brian L. Scanlon was appointed Executive Vice President, Commercial and Government Markets and Chief Marketing Officer, effective January 1, 2020. Mr. Scanlon was previously Executive Vice President of Business Development and Chief Marketing Officer from July through December, 2019.

Additional information regarding these appointees may be found under "Directors and Executive Officers of Guardian" below.

On December 31, 2019, ownership of Guardian's indirect subsidiary, Park Avenue Securities LLC, which is dually licensed as a broker-dealer and registered investment adviser, was transferred from GIAC to Guardian. Ownership of Hanover Square Funding, LLC, which provides debt capital to Guardian's general agencies for succession planning purposes, was also transferred from GIAC to GIS on December 31, 2019.

Results of Operations for the Nine Months Ended September 30, 2019 and 2018

The following statutory financial information for the nine months ended September 30, 2019 and 2018 and as of September 30, 2019 and December 31, 2018 has been derived from the Interim Statements and Statutory Financial Statements, respectively, included elsewhere in this Information Memorandum. The Statutory Financial Statements for 2018, 2017 and 2016 have been audited by PricewaterhouseCoopers LLP, independent auditors. The Interim Statements for the nine months ended September 30, 2019 and 2018 have not been audited.

This information should be read in conjunction with, and is qualified in its entirety by, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Statutory Financial Statements and other information included elsewhere in this Information Memorandum. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results may differ from estimates. The results for past accounting periods are not necessarily indicative of the results to be expected for any future accounting period.

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018	$ Change 2019 vs. 2018	% Change 2019 vs. 2018
		($ in Millions)		
Statements of Income Data:				
Revenue:				
Premiums, annuity considerations and fund deposits	$ 6,491	$ 6,222	$ 269	4.3%
Net investment income	1,657	1,555	102	6.6%
Amortization of interest maintenance reserve	38	57	(19)	-33.3%
Other income	281	247	34	13.8%
Total revenue	$ 8,467	$ 8,081	$ 386	4.8%
Benefits and expenses:				
Benefit payments to policyholders and beneficiaries	$ 3,791	$ 3,380	$ 411	12.2%
Net additions to policy benefit reserves	1,756	1,929	(173)	-9.0%
Commissions and operating expenses	1,835	1,762	73	4.1%
Total benefits and expenses	$ 7,382	$ 7,071	$ 311	4.4%
Gain from operations before dividends and federal income taxes	1,085	1,010	75	7.4%
Dividends to policyholders(1)	(683)	(656)	(27)	4.1%
Gain from operations before federal income taxes	$ 402	$ 354	$ 48	13.6%
Federal income tax (expense)/benefit	49	(12)	61	-508.3%
Income from operations before net realized capital gains	$- 451	$ 342	$ 109	31.9%
Net realized capital losses	(158)	(41)	(117)	285.4%
Net income	$ 293	$ 301	$ (8)	-2.7%

	September 30, 2019	December 31, 2018	$ Change 2019 v 2018	% Change 2019 v. 2018
Balance Sheet Data:				
Assets:				
Total assets	$ 61,212	$ 58,489	$ 2,723	4.7%
Liabilities and surplus:				
Reserves for policy benefits	$ 46,037	$ 44,258	$ 1,779	4.0%
Policyholder dividends payable and other contract liabilities(2)	4,087	3,753	334	8.9%
Interest maintenance reserve	340	301	39	13.0%
Asset valuation reserve	1,021	879	142	16.2%
Other liabilities	2,146	2,126	20	0.9%
Total liabilities	$ 53,631	$ 51,317	$ 2,314	4.5%
Surplus	7,581	7,172	409	5.7%
Total liabilities and surplus	$ 61,212	$ 58,489	$ 2,723	4.7%

(1) Dividends to policyholders are discretionary and subject to the approval of Guardian's Board of Directors.

(2) Statutory accounting practices require that the liability for policyholders' dividends include dividends currently payable and the full amount of dividends apportioned for payment over the 12 months following the date of the applicable payment.

Net Income

Guardian's statutory net income was $293 million for the period ended September 30, 2019, an $8 million decrease from $301 million for the period ended September 30, 2018, primarily due to an increase in net realized capital losses, partially offset by increased income from operations before net realized capital losses. Total revenue increased $386 million from $8.081 billion for the nine months ended September 30, 2018 to $8.467 billion for the nine months ended September 30, 2019, driven primarily by an increase in premiums, annuity considerations and fund deposits and net investment income. Total benefits and expenses increased $311 million from $7.071 billion for the nine months ended September 30, 2018 to $7.382 billion for the nine months ended September 30, 2019, primarily due to an increase in benefit payments to policyholders and beneficiaries, net increases to commissions and other operating expenses, partially offset by a lower net increase to policy benefit reserves.

Premium income, annuity considerations and fund deposits

Selected premium income, annuity considerations and fund deposits information is presented below for the nine months ended September 30, 2019 and 2018:

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018	$ Change	% Change
	($ in Millions)			
Whole life	$ 2,968	$ 2,868	$ 100	3.5%
Disability	389	374	15	4.0%
Term, universal, and variable life	103	84	19	22.6%
CGM	3,007	2,878	129	4.5%
Reinsurance and Other	24	18	6	33.3%
Total	$ 6,491	$ 6,222	$ 269	4.3%

For the nine months ended September 30, 2019, premium income as compared to the nine months ended September 30, 2018 increased $269 million, primarily due to increases in Whole life and CGM premiums.

Net Investment Income

For the nine months ended September 30, 2019, net investment income, including IMR amortization, increased $83 million as compared to the nine months ended September 30, 2018, primarily due to a $56 million increase in bond income, a $14 million increase in mortgage loan income, an $8 million increase in cash, cash equivalents and short-term income and a $7 million increase in bond prepayment/call income. These increases were partially offset by a $19 million decrease in IMR amortization.

Benefit payments to policyholders and beneficiaries

Benefit payments to policyholders and beneficiaries increased $411 million in the nine months ended September 30, 2019 as compared to the nine months ended September 30, 2018. The increase is primarily due to increased Individual Life death claims, surrender benefits and withdrawals for life contracts, and a reclass of CGM disability reserves from additions to policy benefit reserves to benefit payments to policyholders and beneficiaries.

Additions to policy benefit reserves

Net additions to policy benefit reserves decreased $173 million in the nine months ended September 30, 2019 as compared to the nine months ended September 30, 2018. The policyholders' reserves decreased primarily due to the reclass of CGM disability reserves from additions to policy benefit reserves to benefit payments to policyholders and beneficiaries.

Commissions and operating expenses

Commissions and operating expenses increased $73 million in the nine months ended September 30, 2019 as compared to the nine months ended September 30, 2018, primarily due to increased commissions and general insurance expenses.

Dividends to Policyholders

Dividends to policyholders increased $27 million for the nine months ended September 30, 2019 as compared to the nine months ended September 30, 2018, primarily due to higher cash values and lower expenses reflecting the aging of the insurance inforce.

Guardian Federal Income Tax Expense

Federal income tax expense on operations decreased $61 million for the nine months ended September 30, 2019 as compared to the nine months ended September 30, 2018, primarily driven by a decrease in ordinary taxable income, partially offset by the booking of the return to provision adjustment in the third quarter.

Net Realized Capital Gains After Tax and Transfers to IMR

Net realized capital gains after taxes and transfers to IMR were comprised of the following:

	As of September 30,		
	2019	**2018**	**$ Change**
Total net realized capital gains (losses) after taxes and transfers to IMR			
Bonds	$ 98	$(111)	$ 209
F/X Rate Cash	9	7	2
Common stocks—unaffiliated	11	2	9
Real estate	3	-	3
Derivatives and other invested assets	(127)	(31)	(96)
Net realized capital gains (losses) before deferral to the IMR	(6)	(133)	127
Capital gains tax (expense)/benefit	(74)	3	(77)
Transfer (to)/from IMR	(78)	89	(167)
Total net realized capital gains (losses) after taxes and transfers to IMR	$ (158)	$ (41)	$ (117)

The book values of investments are written down when a decline in value is considered to be other-than-temporary. For the nine months ended September 30, 2019, Guardian recognized $129 million of impairment losses. Guardian employs a systematic methodology to evaluate other-than-temporary impairments. The methodology to evaluate declines in value utilizes a quantitative and qualitative process that attempts to evaluate available evidence concerning the declines in a disciplined manner. $119 million of the $129 million of other-than-temporary impairments were related to the investment tax credit portfolio. The other $10 million of other-than-temporary impairments were related to the private equity investment portfolio. None of the $129 million of other-than-temporary impairments impacted Guardian's capital at the time of the write down. For the nine months ended September 30, 2018, Guardian recognized $30 million in impairment losses on private equity investments. These impairment losses did not impact capital at the time of the write down.

Realized capital gains after tax and transfers to IMR do not reflect the changes in Asset Value Reserve ("AVR") and other investment reserves, which are recorded as a change in surplus.

Bonds: Net realized capital gains after IMR increased $42 million in the nine months ended September 30, 2019 as compared to the nine months ended September 30, 2018, primarily driven by Guardian trading activity in a lower interest rate environment in 2019 as compared to 2018. There were no other-than-temporary impairments in the bond portfolio during the first nine months of 2019 and during the first nine months of 2018.

Derivatives and other invested assets: Derivative instruments and other invested assets had realized losses of $127 million for the nine months ended September 30, 2019 as compared to realized losses of $31 million for the nine months ended September 30, 2018. There were $129 million in other-than-temporary impairment losses during the first nine months of 2019 in this category as compared to $30 million during the first nine months of 2018. Realized gains on futures contracts totaled $6 million during the first nine months of 2019 equal to realized gains of $6 million during the first nine months of 2018. In addition, credit default swap contracts realized losses totaled $2 million during the first nine months of 2019 as compared to $5 million in realized losses in the first nine months of 2018. During the first nine months of 2019, realized losses associated with affiliated transactions totaled $2 million as compared to $0 in the first nine months of 2018. During the first nine months of 2019, there were no realized losses associated with Real Estate Fund Investments as compared to $2 million in realized losses in the first nine months of 2018.

For the first nine months ended September 30, 2019, $78 million of net after-tax gains were deferred into the IMR primarily from bond trading activity that generated gains in a declining interest rate environment. For the first nine months ended September 30, 2018, $89 million of losses were transferred out of the IMR due to bond trading activity that generated losses in a raising interest rate environment. Gains/losses deferred to the IMR are amortized into income over the estimated life of the investment sold.

Assets

Total assets as of September 30, 2019 increased $2.723 billion, or 4.7%, as compared to December 31, 2018. The major component of the growth in assets was an increase in invested assets.

Total invested assets as of September 30, 2019 increased by $2.5 billion, or 4.7%, as compared to December 31, 2018, driven primarily by investing investment income generated by the investment portfolio and net cash flows received from regular business operations.

Total deferred premiums, agents' balances and installments increased by $168 million, or 15.1%, as compared to December 31, 2018, primarily due to an increase in deferred premium assets related to group life and AD&D mean reserves due to a New York specific statutory requirement that a full year's reserve be established at the beginning of the year and decrease throughout the year as premiums are earned.

Total funds held or deposited with reinsured companies increased $142 million, or 5.1% primarily due to interest credited activity.

Total current federal income tax recoverable as of September 30, 2019 decreased by $103 million, or 51.2%, primarily due to current year operating tax expense accruals and booking of the return to provision in the third quarter of 2019.

Liabilities

Total liabilities as of September 30, 2019 increased $2.314 billion, or 4.5%, as compared to December 31, 2018, primarily due to increases in reserves for policy benefits and policyholder dividends payable and other contract liabilities.

The increase in reserves for policy benefits of $1.779 billion at September 30, 2019 as compared to December 31, 2018 is primarily related to growth in Individual Market reserves from the aging of the insurance inforce and changes to mean CGM reserves.

AVR increased $142 million, or 16.2%, at September 30, 2019 as compared to December 31, 2018, primarily due to the required contribution that the formula calculates and the updated asset reserve factors put into effect for 2019. The mortgage loan AVR component was up $6 million at September 30, 2019 as compared to December 31, 2018. At September 30, 2019, $365 million is reserved for bonds, preferred stock, short-term investments and derivatives, up $46 million from December 31, 2018, $43 million is reserved for mortgage loans at September 30, 2019 as compared to $37 million at December 31, 2018, $167 million is reserved for common stock, up $43 million from December 31, 2018, and $446 million is reserved for real estate and other invested assets, up $47 million from December 31, 2018.

Surplus

Surplus increased $409 million from $7.172 billion at December 31, 2018 to $7.581 billion at September 30, 2019. The increase in surplus was primarily due to net income of $293 million, increased net unrealized gains of $37 million, and an increase in net deferred income tax of $43 million.

HISTORICAL SUMMARY FINANCIAL INFORMATION

The following table sets forth historical summary financial information for Guardian. You should read it in conjunction with "Financial and Accounting Matters," "Selected Historical Statutory Financial Information of Guardian," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the Statutory Financial Statements included elsewhere in this Information Memorandum. The summary financial information for Guardian at and for each of the fiscal years in the three-year period ended December 31, 2018 has been derived from the Statutory Financial Statements included elsewhere in this Information Memorandum.

The preparation of financial statements of life insurance companies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results may differ from estimates. Historical results are not necessarily indicative of results for any future period.

The financial information of Guardian included in this Information Memorandum is presented in accordance with SAP. Statutory accounting is used by state insurance regulators to monitor the operations of insurance companies. Financial statements prepared under SAP vary from those prepared under GAAP in certain significant respects. For a description of the accounting principles applicable to the financial information shown in this Information Memorandum and certain differences between SAP and GAAP, see "Financial and Accounting Matters—Summary of Principal Differences Between SAP and GAAP."

The following historical summary financial information also includes certain information relating to GIAC, BLICOA, FCW and GIS at and for each of the fiscal years in the three-year period ended December 31, 2018. This information is derived from the audited financial statements of GIAC, BLICOA, FCW and GIS at and for each of the three years in the fiscal period ended December 31, 2018, which are not included in this Information Memorandum. GIAC and BLICOA prepare financial statements on the basis of SAP. FCW and GIS prepare financial statements on a GAAP basis.

Guardian's major subsidiaries include BLICOA, GIAC, FCW and GIS. BLICOA is a wholly-owned stock life insurance company domiciled in Massachusetts. It writes individual disability income insurance including multi-life and disability income. BLICOA has historically had a positive impact on Guardian's financial position as a result of its positive underwriting results, which have increased BLICOA's underlying net equity and the value of Guardian's investment in BLICOA. BLICOA's net equity is a component of Guardian's statutory surplus. From 2014 to 2018, BLICOA earned annual net income in the range of $(13) million to $17 million. GIAC is a wholly owned stock life insurance company domiciled in Delaware. GIAC sells individual variable and fixed annuities, universal life insurance with secondary guarantees, and variable life insurance products. GIAC has historically had a positive impact on Guardian's financial position; however, GIAC's earnings are significantly impacted by the performance of its assets under management, which is directly linked to market performance, and hedging. From 2014 to 2018, GIAC earned annual net operating income before realized capital gains and losses in the range of $66 million in 2014 to $154 million in 2018, and annual net income after realized capital gains and losses in the range of $0 million in 2014 to $148 million in 2018, with losses driven primarily by losses under the GMWB hedging program.

FCW is a wholly-owned stock company domiciled in Delaware. It provides dental insurance and government program vision, dental and hearing products through various subsidiaries. FCW has historically had a positive impact on Guardian's financial position as a result of its positive underwriting results, which have increased FCW's underlying net equity and the value of Guardian's investment in FCW. FCW's net equity is a component of Guardian's statutory surplus. From 2014 to 2018, FCW earned annual net income in the range of $10 million to $30 million. GIS is a wholly-owned non-insurance limited liability company domiciled in Delaware and serves as the organizational focal point for various non-insurance and fee-oriented businesses owned and operated by Guardian as part of its overall growth strategy. Operated through various subsidiaries, GIS's businesses include third party asset management services provided to institutional counterparts, certain strategic and real estate investment activities, as well as non-insurance service businesses such as absence management and supporting the operation of dental clinics through its dental support organization subsidiaries. GIS's net equity is a component of Guardian's statutory surplus. In 2014 and 2015, GIS had a net gain of $21 million and a net loss of $170 million, respectively. In 2016 and 2017, GIS had net income of $(3) million and $3 million, respectively. In 2018, GIS had a net loss of $49 million driven primarily by the sale of GIS DSO for a net loss of $42 million after tax.

Historical selected financial information is being provided regarding BLICOA, GIAC, FCW and GIS due to their contribution to the financial condition of Guardian.

Guardian accounts for the value of its investments in subsidiaries at their underlying net equity. Net investment income is recorded by Guardian to the extent that dividends are declared by its subsidiaries. For the years ended December 31, 2018, 2017 and 2016, Guardian received an aggregate of $44 million, $47 million, and $12 million, respectively, in cash dividends from its subsidiaries. Operating results, less dividends declared, for such subsidiaries are reflected as net unrealized capital gains in the Statutory Statements of Changes in Surplus.

Guardian has not historically relied on dividends from its subsidiaries to meet its operating cash flow requirements. In addition, for life insurance subsidiaries, including BLICOA and GIAC, substantially all of their statutory surplus of approximately $698 million, $541 million and $526 million, on a combined basis, at December 31, 2018, 2017 and 2016, respectively, is subject to regulatory restrictions and limitations on the amount of dividends or other distributions that may be made without approval from regulators. As noted above, for the years ended December 31, 2018, 2017 and 2016, Guardian received an aggregate of $44 million, $47 million and $12 million, respectively, in cash dividends from its subsidiaries.

	Years Ended December 31,			$ Change	% Change	$ Change	% Change
	2018	2017	2016	2018 vs. 2017	2018 vs. 2017	2017 vs. 2016	2017 vs. 2016
	($ in Millions)						
Statements of Income Data:							
Revenue:							
Premiums, annuity considerations and fund deposits	$ 8,381	$ 8,112	$ 7,768	$ 269	3.3%	$ 344	4.4%
Net investment income	2,132	2,106	2,052	26	1.2%	54	2.6%
Amortization of IMR	74	99	122	(25)	-25.3%	(23)	-18.9%
Other income	270	342	299	(72)	-21.1%	43	14.4%
Total revenues	$10,857	$ 10,659	$10,241	$ 198	1.9%	$ 418	4.1%
Benefits and expenses:							
Benefit payments to policyholders and beneficiaries	$ 4,535	$ 4,449	$ 4,293	$ 86	1.9%	$ 156	3.6%
Net increase to policy benefit reserves	2,481	2,409	2,330	72	3.0%	79	3.4%
Commissions and operating expenses	2,445	2,383	2,262	62	2.6%	121	5.3%
Total benefits and expenses	$ 9,461	$ 9,241	$ 8,885	$ 220	2.4%	$ 356	4.0%
Income from operations before policyholder dividends and taxes	1,396	1,418	1,356	(22)	-1.6%	62	4.6%
Policyholder dividends[1]	(966)	(903)	(839)	(63)	7.0%	(64)	7.6%
Income from operations before taxes and realized capital losses	$ 430	$ 515	$ 517	$ (85)	-16.5%	$ (2)	-0.4%
Income tax benefit/(expense)	52	(65)	(141)	117	-180.0%	76	-53.9%
Income from operations before net realized capital losses	$ 482	$ 450	$ 376	$ 32	7.1%	$ 74	19.7%
Net realized capital losses	(172)	(27)	(8)	(145)	537.0%	(19)	237.5%
Net income	$ 310	$ 423	$ 368	(113)	-26.7%	55	14.9%

Balance Sheet Data:							
Assets:							
Total assets	$58,489	$55,569	$51,884	$ 2,920	5.3%	$ 3,685	7.1%
Liabilities and surplus:							
Reserves for policy benefits	$44,258	$41,778	$39,369	$ 2,480	5.9%	$ 2,409	6.1%
Policyholder dividends payable and other contract liabilities(2)	3,753	3,550	3,107	203	5.7%	443	14.3%
Interest maintenance reserve	301	531	464	(230)	-43.3%	67	14.4%
Asset valuation reserve	879	829	810	50	6.0%	19	2.3%
Other liabilities	2,126	2,197	1,962	(71)	-3.2%	235	12.0%
Total liabilities	$51,317	$48,885	$45,712	$ 2,432	5.0%	$ 3,173	6.9%
Surplus	7,172	6,684	6,172	488	7.3%	512	3.0%
Total liabilities and surplus	$58,489	$55,569	$51,884	$ 2,920	5.3%	$ 3,685	7.1%

(1) Dividends to policyholders are discretionary and subject to the approval of Guardian's Board of Directors.
(2) Statutory accounting practices require that the liability for policyholders' dividends include dividends currently payable and the full amount of dividends apportioned for payment over the 12 months following the date of the applicable payment.

RISK FACTORS

Risk Factors Related to Guardian

A downgrade or a potential downgrade in Guardian's financial strength ratings could harm its business.

Ratings are an important factor in the competitive position of life insurance companies. Rating agencies regularly review the financial performance and condition of insurers, including Guardian. As of September 30, 2019, the financial strength ratings for Guardian as assigned by S&P, Moody's, A.M. Best and Fitch were AA+, Aa2, A++ and AA+, respectively. These ratings indicate a rating agency's view of Guardian's ability to meet its obligations to its insureds. Any rating is not a recommendation to purchase, sell, or hold any particular security. Such ratings do not comment as to market price or suitability for a particular investor.

The rating agencies assign ratings based upon consideration of several qualitative and quantitative factors, including the rated company's operating performance and investment results, risk profile and capital resources. The rating agencies may also consider factors that may be outside of the rated company's control, including changes to general economic conditions. A downgrade in Guardian's ratings could adversely affect, among other things, its ability to sell certain of its products, the rate of contract surrenders and withdrawals, the return on the insurance and annuity products it issues and, ultimately, the results of its operations and its ability to compete for attractive acquisition opportunities. Guardian cannot predict what actions rating agencies may take in the future that could adversely affect its business. As with other companies in the financial services industry, Guardian's ratings could be downgraded or withdrawn at any time and without any notice by any rating agency.

Guardian's investment portfolio and aspects of Guardian's business are subject to the full range of market risks, including credit, liquidity and equity markets and interest rate risks.

Guardian's investment portfolio consists primarily of investment grade bonds, mortgage loans and policy loans. The portfolio also contains or may contain other investments such as public common stock, private equity, real estate, bank loans, CMBS, derivatives and non-investment grade bonds. The main risks facing the portfolio are credit risk, liquidity risk, equity market risk and interest rate risk and real estate-related risks.

Credit risk is the risk that issuers of investments owned by Guardian may default or that other parties may not be able to pay amounts due to Guardian. Guardian seeks to manage credit risk by a risk management process that combines active fundamental credit analysis with quantitative risk management and by portfolio diversification across various asset types, industry sectors and issuers and, in some circumstances, by purchasing credit protection using credit derivatives or using credit replication.

Closely related to credit risk is counterparty risk, which is the risk that counterparties in over-the-counter ("OTC") derivatives transactions may not be able to make required payments. Guardian attempts to reduce its derivative counterparty risk by the exchange of collateral between Guardian and its counterparties. Guardian uses over-the-counter derivatives on a limited basis and has collateral agreements in place with all counterparties. As of December 31, 2018, the combined mark to market value of all of Guardian's OTC derivatives positions was $9.8 million, including $9.7 million of foreign currency swaps and $0.1 million of equity index options (meaning that Guardian would receive from its counterparties that amount if all transactions are terminated on that date). The total notional value of these OTC derivative positions was $1,035.1 million, including $1,009.8 million of foreign currency swaps and $25.3 million of equity index options. Guardian had collateral posted to counterparties associated with uncleared derivatives positions of $1.4 million and held collateral posted by counterparties of approximately $10.3 million.

Although Guardian attempts to carefully and actively manage these risks, there can be no assurance that they will be managed successfully. Credit and counterparty risk could be heightened during periods of extreme volatility or disruption in the financial and credit markets. A widening of credit spreads can increase the unrealized losses in Guardian's investment portfolio. The factors affecting the financial and credit markets could lead to other-than-temporary impairments of assets in Guardian's investment portfolio. Impairment of assets could lead to a decrease in Unassigned Surplus.

Liquidity risk is the risk that policyholder mortality experience, demands for life insurance policy loans and surrenders and withdrawals and other funding requirements are greater than the amount of available cash and assets that can readily be converted into cash. Although certain types of investments such as Treasury bonds and short-term investments can be converted to cash easily, investments which are not publicly traded, such as commercial mortgage loans, privately-placed fixed income securities, policy loans, limited partnership interests and equity real estate and certain mortgage-backed and asset-backed securities, generally cannot be as readily liquidated while other investments may be liquidated with higher than usual transaction costs in some market environments. Guardian attempts to manage liquidity risk by holding assets with what it views as sufficient liquidity to pay policyholder life insurance policy loans, surrenders, withdrawals and other cash outflow needs. However, there can be no assurances that Guardian will maintain sufficient liquidity to pay these amounts. Securities that are less liquid are also more difficult to value.

Equity market risk is the risk that stocks decline in value. Equity typically has more mark-to-market volatility than fixed income asset classes and, as a result, regulators assign higher capital charges for public equity investments.

GIAC is a writer of variable annuity products. The account values of these products have been affected by past downturns in the capital markets, especially equity markets. Any future decrease in account values will decrease the fees generated by GIAC's variable annuity products and may increase the level of reserves GIAC must carry to support those variable annuities issued with any associated guarantees.

Currency foreign exchange ("FX") rate risk is the risk that changes in currency markets may increase FX volatility and result in mark-to-market losses for unhedged currency risk.

In order to attempt to reduce the effect of volatility from mark-to-market assets such as equity investments and FX exposure on its statutory surplus, Guardian currently employs a macro dynamic hedging program. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Information about Market Risk—Hedging Programs" for a description of this macro hedging program. There can be no assurances or guarantees that this macro dynamic hedging program will reduce Guardian's equity and FX market risk.

While the dynamic hedging program seeks to protect Guardian's capital from statutory mark-to-market investment losses in accordance with pre-specified risk guidelines, there are various risks that may impact the effectiveness of the program, including operational risks associated with the execution of the program, liquidity risks in the futures markets, availability of suitable instruments to replicate the options, model risks and basis risks between the futures and the underlying portfolios, continuity of trading in the futures markets in periods of distress, and changes in the relevant regulatory environment at the federal and state levels and the cost of hedging. In addition, the macro dynamic hedging program does not protect Guardian's assets that do not have a mark-to-market impact on capital.

Interest rate risk is the risk of loss due to changes in interest rates. Guardian attempts to manage interest rate risk with what it believes to be a rigorous asset/liability management program, including the use of derivatives. For example, policyholder life insurance policy loans and surrenders and withdrawals may be higher than expected when interest rates are high, or interest rates may drop so low as to make it difficult to support minimum interest rate guarantees. This latter situation is exacerbated when policyholder deposits are higher than expected. While actions may be taken to mitigate the potential effects of such policyholder options, it is impossible to eliminate all risk. Similarly, some assets may have prepayment rights or call options which might be exercised when interest rates are low and borrowers can benefit from refinancing at lower interest rates. The asset/liability management program attempts to identify such risks and to utilize various instruments, including derivatives, to offset those risks in a cost-effective manner, but there can be no assurances it will be sufficient to significantly reduce or eliminate such risks. See "—Changes in interest rates may adversely affect Guardian's business, results of operations, financial condition and liquidity."

Significant financial and credit market volatility, changes in interest rates and credit spreads, credit defaults, market illiquidity, declines in equity prices, changes in currency exchange rates and declines in general economic conditions, either alone or in combination, could have a material adverse impact on Guardian's business, results of operations and financial condition. In addition, market volatility can make it difficult for Guardian to value certain of its assets, especially if trading becomes less frequent. Valuation may include assumptions or estimates that may have significant period-to-period changes that could have an adverse impact on Guardian's results of operations or financial condition.

Some of Guardian's investments are relatively illiquid and are in asset classes that could experience significant market valuation fluctuations.

Guardian holds certain investments that lack liquidity, such as privately placed fixed income securities, commercial mortgage whole loans, non-agency residential mortgage-backed securities, asset-backed securities, commercial mortgage-backed securities, collateralized loan obligations, investments in subsidiaries and affiliates, policy loans, equity real estate, including real estate joint ventures and other limited partnership interests. These asset classes represented 48.0% of the carrying value of Guardian's total cash and invested assets as of December 31, 2018. Investments in partnerships and LLCs, which represented approximately 4.2% of the carrying value of Guardian's total cash and invested assets as of December 31, 2018, may produce investment income which fluctuates from period to period and are less predictable and more variable than may be the case with more conventional asset classes. In addition, many of these assets have limitations on redemptions and trading, which may cause them to be less liquid than more conventional asset classes, such as publicly traded bonds and equities.

In addition, as of December 31, 2018, Guardian had future funding commitments relating to investments in real estate, private equities, mortgage loans and private placements of $1.4 billion. If Guardian were to require significant amounts of cash on short notice in excess of normal cash requirements or were required to return or post collateral in connection with its investment portfolio or derivatives transactions, Guardian could have difficulty selling these investments in a timely manner, be forced to sell them for less than it otherwise would have been able to realize, or both.

The reported value of Guardian's relatively illiquid types of investments, its investments in the asset classes described in the paragraph above and, at times, its higher quality, generally liquid asset classes, do not necessarily reflect the lowest current market price for the asset. If Guardian were forced to sell certain of its assets in a distressed market, there can be no assurance that it will be able to sell them for the prices at which it has recorded them and it could be forced to sell them at significantly lower prices. Moreover, Guardian's ability to sell such assets may be limited if other market participants are seeking to sell at the same time. See "—The determination of the amount of allowances and impairments taken on Guardian's investments is highly subjective and could materially impact its results of operations or financial position."

Guardian's valuation of fixed maturity, equity and trading securities may include methodologies that are subject to significant uncertainties and could result in changes to investment valuations that may materially adversely affect its results of operations or financial condition.

Guardian utilizes independent external pricing services such as FT Interactive Data Corp, Bloomberg and Markit for security pricing. During periods of market disruption, it may be difficult to value certain of Guardian's securities if trading becomes less frequent and/or market data becomes less observable. There may be certain assets or asset classes that were in active markets with significant observable data that become illiquid due to an adverse financial environment or volatile market conditions. As a result, valuations may include inputs and assumptions that are less observable or require greater estimation and judgment as well as valuation methods which are more complex. These values may not be ultimately realizable in a market transaction, and such values may change very rapidly as market conditions change and valuation assumptions are modified. Decreases in value may have a material adverse effect on Guardian's results of operations or financial condition.

Failure to properly value Guardian's investments could result in losses, thereby adversely affecting Guardian's Unassigned Surplus.

The determination of the amount of allowances and impairments taken on Guardian's investments is highly subjective and could materially impact its results of operations or financial position.

The determination of the amount of allowances and impairments vary by investment type and is based on Guardian's periodic case-by-case evaluation and assessment of known and inherent risks associated with the respective asset class. Such evaluations and assessments are revised as conditions change and new information becomes available. Management updates its evaluations regularly and reflects changes in allowances and impairments in operations as such evaluations are revised. Such evaluations and assessments can change significantly from period to period, especially in times of high market volatility. Market volatility can make it more difficult to value Guardian's securities if trading in such securities becomes less frequent. In addition, a forced sale by holders of large amounts of a security, whether due to insolvency, liquidity or other issues with respect to such holders, could result in declines in the price of a security. There can be no assurance that management has accurately assessed the level of impairments taken and allowances reflected in the financial statements. Furthermore, additional impairments may need to be taken or allowances provided for in the future. Historical trends may not be indicative of future impairments or allowances. The amount of impairments can affect the amount of Unassigned Surplus.

The book value of Guardian's fixed income investments and the cost of equity securities is adjusted for impairments in value deemed to be other-than-temporary in the period in which the determination is made. The assessment of whether impairments have occurred is based on management's case-by-case evaluation of the underlying reasons for the decline in fair value. The decision to record an other-than-temporary impairment or write-down is determined by management's assessment of the financial condition and prospects of a particular issuer, projections of future cash flows, and recoverability of the particular security, as well as evaluation of Guardian's ability and intent to hold the securities for a period of time to allow for a recovery of value. Management's conclusions on such assessments may ultimately prove to be incorrect as facts and circumstances change.

The review of Guardian's fixed income and equity securities for impairments includes an analysis of the total gross unrealized losses by three categories of securities: (i) securities where the estimated fair value had declined and remained below cost or amortized cost by less than 20%; (ii) securities where the estimated fair value had declined and remained below cost or amortized cost by 20% or more for less than twelve months; and (iii) securities where the estimated fair value had declined and remained below cost or amortized cost by 20% or more for twelve months or greater. At December 31, 2018, of Guardian's total gross unrealized losses of $1,079 million, approximately $1,040 million, or 96.4%, of the gross unrealized losses fall into category (i), approximately $20 million, or 1.8%, of the gross unrealized loss falls into category (ii) approximately $19 million, or 1.8%, of the gross unrealized loss falls into category (iii).

In addition, Guardian's management considers a wide range of factors about the security issuer and uses its best judgment in evaluating the cause of the decline in the estimated fair value of the security and in assessing the prospects for near-term recovery. Inherent in management's evaluation of the security are assumptions and estimates about the operations of the issuer and its future earnings potential. Considerations in the impairment of a commercial mortgage include, but are not limited to, the following: (i) significant change in the occupancy level of the underlying property; (ii) significant change in the rental rates; (iii) bankruptcy filings of major tenants; (iv) catastrophic events; and (v) other subjective factors. There can be no assurance Guardian's management will correctly assess allowances and impairments on its investments, which could lead to investment losses that adversely affect its Unassigned Surplus.

Defaults on commercial mortgage loans and volatility in performance may adversely affect Guardian's results of operations and financial condition.

Commercial mortgage loans face delinquency and default risk. In addition, future refinancing risks for commercial mortgage loans have resulted in declining values on certain of such instruments. Commercial mortgage loans are carried at amortized cost under SAP. Guardian establishes valuation allowances for estimated impairments as of the balance sheet date. Such valuation allowances are based on the excess carrying value of the loan over the present value of expected future cash flows discounted at the loan's original effective interest rate or the value of the loan's collateral if the loan is in the process of foreclosure or otherwise collateral dependent. Guardian also establishes allowances for loan losses when a loss contingency exists for pools of loans with similar characteristics, such as mortgage loans based on similar property types or loan to value risk factors.

As of December 31, 2018, Guardian held $4.5 billion (carrying value) of commercial real estate mortgage loans. The fair value of Guardian's commercial mortgage loan portfolio as of December 31, 2018 was $4.5 billion, and there were no loans that were either delinquent or in the process of foreclosure as of December 31, 2018. The performance of Guardian's commercial mortgage loan investments, however, may fluctuate in the future. An increase in the default rate of Guardian's commercial mortgage loan investments or a borrower's inability to refinance or pay off its loan at maturity could have an adverse effect on Guardian's results of operations and financial condition, which could reduce the amount of Guardian's Unassigned Surplus. In addition, 10% of the aggregate principal amount of Guardian's commercial mortgage loans are scheduled to mature in the next three years. If these loans are not refinanced or paid in full at maturity, Guardian's mortgage loan investments could be adversely affected.

Any geographic or sector concentration of Guardian's commercial mortgage loans may have adverse effects on its investment portfolios and, consequently, on its results of operations or financial condition. While Guardian seeks to mitigate this risk by having a broadly diversified portfolio, events or developments that have a negative effect on any particular geographic region or sector may have a greater adverse effect on its investment portfolios to the extent that the portfolio is concentrated.

Changes in interest rates may adversely affect Guardian's business, results of operations, financial condition and liquidity.

The profitability of the life insurance and annuity businesses of Guardian and its insurance subsidiaries is sensitive to interest rate changes, which could adversely affect Guardian's investment returns and results of operations. Periods of high or increasing rates have the potential to negatively affect Guardian's profitability in the following principal ways:

- In periods of increasing interest rates, life insurance policy loans, as well as surrenders and withdrawals on life insurance and annuity products may increase as policyholders seek investments with higher perceived returns. As of December 31, 2018, GIAC had outstanding $774 million of annuities that were subject to surrender at book value without a surrender charge. This could result in cash outflows requiring GIAC to sell invested assets at a time when the prices of those assets are adversely affected by the increase in market interest rates, which could cause Guardian to suffer realized investment losses. As of December 31, 2018, GIAC had bond assets with a carrying value of $199 million maturing on or prior to December 31, 2019.

- The income from certain of the insurance and annuity products of Guardian and its insurance subsidiaries is derived from the spread between the crediting rate it is required to pay under the contracts and the rate of return it is able to earn on its general account investments supporting such contracts. When interest rates rise, Guardian may face competitive pressure to increase crediting rates on such contracts. Guardian may increase its crediting rates more quickly than corresponding changes to the rates it earns on its general account investments, thereby reducing its spreads in respect of such contracts. This risk is heightened in the current market and economic environment, in which many securities with higher yields are unavailable. An increase in interest rates would also adversely affect the fair values of Guardian's fixed income securities.

U.S. long-term interest rates remain at relatively low levels by historical standards. Periods of low interest rates have the potential to negatively affect Guardian's profitability in the following principal ways:

- Low interest rates tend to decrease the yield Guardian earns on its portfolio of fixed income investments. This could in turn compress the spreads Guardian and its insurance subsidiaries earn on products, such as universal life and certain annuities, on which they are contractually obligated to pay customers a fixed minimum rate of interest. Should new money interest rates continue to be sufficiently below guaranteed minimum rates for a long enough period, Guardian and its insurance subsidiaries may be required to pay policyholders or annuity owners at a higher rate than the rate of return they earn on their respective portfolios of investments supporting those products.

- In periods of low interest rates, Guardian generally must invest the proceeds from the maturity, redemption or sale of fixed income securities from its portfolio at a lower rate of interest than the rate it had been receiving on those securities. A low interest rate environment may also be likely to cause redemptions and prepayments to increase. In addition, in periods of low interest rates, it may be difficult to identify and acquire suitable investments for proceeds from new product sales or proceeds from the maturity, redemption or sale of fixed income securities from Guardian's portfolio, which could further decrease the yield it earns on its portfolio or cause Guardian to reduce the sales of some products.

- Certain variable annuities written by GIAC contain guaranteed minimum withdrawal benefit ("GMWB") riders. These GMWB riders guarantee a minimum level of withdrawal benefits irrespective of the investment performance of the underlying accounts of the variable annuities; as a result, below a certain level, GIAC will be exposed to the difference between the investment value and the guaranteed benefits. Therefore, any decline in interest rates may increase GIAC's exposure to liability for benefit claims under these riders.

Guardian's exposure to credit spreads could adversely affect its results of operations, financial condition and liquidity.

Guardian's exposure to credit spreads primarily relates to market price and cash flow variability associated with changes in credit spreads. A widening of credit spreads increases the net unrealized loss position of the fixed income investment portfolio and, if issuer credit spreads increase significantly or for an extended period of time, would likely result in higher other-than-temporary impairments. Credit spread tightening would reduce net investment income associated with new purchases of fixed income securities.

In addition, market volatility can make it difficult to value certain of Guardian's securities if trading becomes less frequent. As such, valuations of securities may include assumptions or estimates that may change significantly from period to period. This could increase the net unrealized loss position of Guardian's fixed income investment portfolio and increase other-than-temporary impairments, which could have a material adverse effect on Guardian's results of operations, financial condition or liquidity, which could reduce the amount of Guardian's Unassigned Surplus.

Sustained or significant deterioration in economic conditions could adversely affect Guardian's business.

Generally weak economic conditions may have a negative impact on Guardian's operating activities. Factors such as consumer spending, business investment, government spending, the volatility and strength of the capital markets and inflation affect the business and economic environment and, ultimately, the amount and profitability of Guardian's business. In economic conditions characterized by higher unemployment, lower family income, lower business investment and lower consumer spending, the demand for Guardian's financial and insurance products could be adversely affected. In addition, elevated incidence of claims and lapses or surrenders of policies may occur. Policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. Adverse changes in the economy could affect Guardian's earnings negatively and could have a material adverse effect on its business, results of operations and financial condition.

In addition, Guardian is susceptible to risks associated with the potential financial instability of the vendors on which Guardian relies to provide services or to whom it delegates certain functions. The same conditions that may affect Guardian's customers also could adversely affect its vendors, causing them to significantly and quickly increase their prices or reduce their output. Guardian's business depends on its ability to perform, in an efficient and uninterrupted fashion, its necessary business functions, and any interruption in the services provided by third parties could also adversely affect Guardian's cash flow, profitability and financial condition, which could reduce the amount of Guardian's Unassigned Surplus.

Guardian is subject to extensive regulation, which restricts its operations and imposes compliance costs.

Guardian and its insurance subsidiaries are subject to extensive regulatory oversight. Although Guardian endeavors to maintain all required licenses and approvals, its businesses may not fully comply with the wide variety of applicable laws and regulations or the relevant authority's interpretation of the laws and regulations, which may change from time to time. Also, state regulatory authorities have relatively broad discretion to grant, renew or revoke licenses and approvals. If Guardian does not have the requisite licenses and approvals or does not comply with applicable regulatory requirements, the insurance regulatory authorities could preclude or temporarily suspend Guardian from carrying on some or all of its activities or impose substantial fines. Further, insurance regulatory authorities have relatively broad discretion to issue orders of supervision, which permit such authorities to supervise the business and operations of an insurance company.

State insurance regulators and the NAIC continually reexamine existing laws and regulations and may impose changes in the future that put further regulatory burdens on insurers and that may have an adverse effect on Guardian's business, results of operations and financial condition. Guardian's business also could be adversely affected by regulations or changes in state law relating to standards of minimum capital requirements and solvency, including RBC measurements, asset and reserve valuation requirements, surplus limits, limitations on investments, limitations on transactions with affiliates, risk-based capital requirements and premium taxes or other regulatory or tax matters. In addition, from time to time regulators raise issues during examinations or audits that could, if determined adversely, have a material impact on Guardian. Guardian cannot predict whether or when regulatory actions may be taken that could adversely affect its operations.

Guardian's insurance business is subject to regulation with respect to policy rates, minimum guarantees and related matters. In addition, assessments are levied against Guardian as a result of mandatory participation in various types of state guaranty associations, which are state associations designed to protect policyholders in the event of insolvencies of insurers. The amounts of such assessments are highly unpredictable and could increase significantly if there is an increase in the number or size of insurance companies which become insolvent or subject to rehabilitation. The net amount of such assessments against Guardian was approximately $4 million, $25 million and $2 million for 2018, 2017 and 2016, respectively. These amounts may not be an indication of future levels of assessments. See "Business of Guardian—Regulation."

Guardian is domiciled in the State of New York and the State of New York accounts for more premium income volume for Guardian than any other state, approximately 18.15% in 2018, 17.91% in 2017 and 18.31% in 2016. Accordingly, changes in New York laws and regulations that apply to business written in New York can affect Guardian disproportionately relative to its competitors. Examples of such changes include increases in premium taxes and resulting retaliatory taxes, other types of assessments, potentially higher reserve and capital requirements and changes such as with respect to disclosure of producer compensation that might have a less direct effect.

Certain of Guardian's direct and indirect subsidiaries, as well as certain policies and contracts sold by them, are subject to various forms of regulation under the federal securities laws administered by the SEC. The Financial Industry Regulatory Authority, Inc. ("FINRA"), a securities self-regulatory organization, as well as the states in which certain of Guardian's direct and indirect subsidiaries offer securities products, provide investment advisory services, or conduct other securities-related activities, also regulate aspects of Guardian's securities-related businesses. These subsidiaries could be restricted in the conduct of their securities-related businesses should they fail to comply with such laws and regulations. Legal proceedings and regulatory investigations and inquiries with respect to revenue sharing, sales to seniors, and other aspects of the mutual fund and variable annuity businesses are ongoing and expected to continue in the future and could result in legal precedents, as well as new industry-wide legislation, rules, or regulations that could significantly affect the financial services industry, including mutual fund and variable annuity companies affiliated with Guardian. Future laws and regulations, or the interpretation thereof, could materially and adversely affect Guardian's business, results of operations and financial condition by increasing compliance expenses.

The NAIC, as well as certain state regulators, are currently considering implementing regulations that would apply a best interest standard to recommendations made in connection with the sale of certain annuities, securities products, and, in the case of New York, life insurance policies. In particular, in July 2018, the NYSDFS issued a final version of amended Regulation 187, which adopts a "best interest" standard for the sale of life insurance and annuity products in New York. The regulation generally requires a consumer's best interest, and not the financial interests of a producer or insurer, to influence a producer's recommendation as to which life insurance or annuity product a consumer should purchase. In addition, the amendments to Regulation 187 impose a best interest standard on certain consumer in-force transactions. These amendments to Regulation 187 became effective for annuity products on August 1, 2019 and will become effective for life insurance products on February 1, 2020. Guardian is complying with the amendments to Regulation 187 for its annuity business and is implementing a plan to be in compliance with the regulation for its life insurance business as of February 1, 2020. The regulation, when fully implemented, may have adverse effects on Guardian's business, results of operations and financial condition. In November 2018, the three primary agent groups in New York launched a legal challenge against the NYSDFS over the adoption of amended Regulation 187. In July 2019, the New York State Supreme Court dismissed plaintiffs' legal challenge, and upheld the NYSDFS's authority to extend the rule to life insurance products. A notice of appeal was filed in September 2019. In addition, in December 2019, the Massachusetts Securities Division of the Office of the Secretary of the Commonwealth issued proposed regulations that would impose a fiduciary conduct standard on broker-dealers, agents, investment advisers and investment adviser representatives, including in connection with the sale of insurance. The proposed regulations, if implemented as currently proposed, may have adverse effects on Guardian's business, results of operations and financial condition.

On June 5, 2019, the SEC adopted Regulation Best Interest (Reg BI) under the Securities Exchange Act of 1934. Reg BI establishes a "best interest" standard of conduct for broker-dealers and associated persons when they make a recommendation to a retail customer of any securities transaction or investment strategy involving securities, including recommendations of types of accounts. As part of the rulemaking package, the SEC also adopted new rules and forms to require broker-dealers and investment advisers to provide a brief relationship summary, Form CRS, to retail investors. Firms must comply with Reg BI and Form CRS by June 30, 2020. Guardian is implementing a plan to be in compliance with Reg BI and Form CRS by the stated deadline. Implementation may have adverse effects on Guardian's business, results of operations and financial condition.

Some of the regulatory authorities that oversee Guardian's businesses are considering or may in the future consider new regulatory requirements intended to assure the stability of institutions under their supervision. These authorities may also seek to exercise their supervisory or enforcement authority in new or more robust ways. Federal and state regulatory agencies also frequently adopt changes to their regulations or change the manner in which existing regulations are applied. Guardian cannot predict the substance or impact of pending or future legislation, regulation or the application thereof. Any such changes could affect the way Guardian conducts its business and manages its capital, which in turn could materially affect its results of operations, financial condition and liquidity.

Compliance with applicable laws and regulations is time consuming and personnel-intensive, and changes in these laws and regulations may materially increase Guardian's direct and indirect compliance and other expenses of doing business, thus having a material adverse effect on its financial condition or results of operations.

The Dodd-Frank Act and resulting changes in federal laws and regulations continue to adversely affect Guardian's business, results of operations and financial condition.

In July 2010, Congress passed, and President Obama signed, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). Policy and rule-making conducted after the enactment of the Dodd-Frank Act has changed and will continue to significantly change financial regulation. The Dodd-Frank Act establishes a general framework for systemic regulation that has imposed mandatory clearing, exchange trading and margin requirements on many derivatives transactions. Although regulations with respect to swaps and other derivatives that are regulated by the Commodity Futures Trading Commission (the "CFTC") have been largely implemented, final implementation for Guardian of requirements relating to initial margining of swaps is expected to go into effect in September 2020. Regulations for security-based swaps, which are regulated by the SEC, have been largely adopted but not yet implemented. These regulations differ in many respects from those adopted by the CFTC, the prudential regulators and regulators in the European Union (the "EU"). As a result, it is possible that implementation of SEC regulations could adversely impact Guardian's positions in security-based swaps, such as credit default swaps and equity swaps.

Beginning in September 2020, Guardian will be required to post initial margin to its derivatives counterparties in respect to its swaps positions depending on the size of the swaps books of the broader Guardian group and the applicable threshold established by counterparties. Initial margin positing is required if the Guardian and its affiliated have "material swaps exposure." Under the rules, this requires average daily aggregate notional exposure to uncleared swaps, uncleared security-based swaps, foreign exchange forwards and foreign exchange swaps for specified prior period in excess of $8 billion. Guardian expects that the requirements will be applicable to it. In addition, eligible margin for initial margin for swaps, like that for variation margin, is restricted to cash and liquid securities (such as U.S. government securities, government-sponsored enterprise debt securities, certain sovereign debt and specified corporate debt, listed equities and funds).

To the extent that Guardian's swaps or security-based swaps counterparty collects initial margin from it, Guardian may request that the derivatives counterparty segregate all such initial margin at a custodian. If Guardian does not request segregation, the custodian or counterparty may commingle such assets or collateral with the custodian's or counterparty's own assets or collateral, and in the event of the bankruptcy or insolvency of the custodian or counterparty, such assets and collateral may be subject to the conflicting claims of the creditors of the relevant custodian or counterparty, which may result in a loss to Guardian.

Guardian currently posts variation margin to and collects variation margin from counterparties to swaps subject to regulation by the CFTC, U.S. prudential regulators and authorities in the EU.

In addition, where Guardian enters into certain swaps that are subject to mandatory clearing, Guardian will be required to execute such swaps on a registered exchange or trading platform.

Further, where Guardian enters into a swap with non-U.S. counterparties in the EU, the regulations of the home or resident country of such counterparty generally apply regulatory requirements with respect to such swap that are similar to those adopted by the CFTC and the prudential regulators pursuant to the Dodd-Frank Act. The European Market Infrastructure Regulation ("EMIR"), like the CFTC regulations in effect in the U.S., requires reporting of derivatives and various risk mitigation techniques to be applied to derivatives entered into by parties that are subject to the jurisdiction of EMIR.

The Dodd-Frank Act also establishes a Financial Stability Oversight Council ("FSOC") which has authority to designate non-bank financial companies as systemically important financial institutions ("non-bank SIFIs") thereby subjecting them to enhanced prudential standards and supervision by the Federal Reserve. The prudential standards for non-bank SIFIs include enhanced RBC requirements, leverage limits, liquidity requirements, single counterparty exposure limits, governance requirements for risk management, stress test requirements, special debt-to-equity limits for certain companies, early remediation procedures and recovery and resolution planning. If the FSOC were to determine that Guardian is a non-bank SIFI, Guardian would become subject to certain of these enhanced prudential standards. Other regulators such as state insurance regulators may also determine to adopt new or heightened regulatory safeguards as a result of actions taken by the Federal Reserve in connection with its supervision of non-bank SIFIs. There can be no assurance that such new or enhanced regulation will not apply to Guardian.

In addition, the Dodd-Frank Act establishes the Federal Insurance Office ("FIO") within the U.S. Department of the Treasury, which has the authority, on behalf of the United States, to participate in the negotiations of international insurance agreements with foreign regulators, as well as to collect information about the insurance industry and recommend prudential standards. While not having a general supervisory or regulatory authority over the business of insurance, the director of the FIO performs various functions with respect to insurance, including serving as a non-voting member of FSOC and making recommendations to the FSOC regarding insurers to be designated for more stringent regulation.

Federal agencies have been given significant discretion in connection with rulemaking pursuant to and implementation of the Dodd-Frank Act. It is unclear what impact the Trump administration's policies and a Republican majority in the Senate will have on the Dodd-Frank Act and the resulting impact on Guardian's business, financial condition or results of operations. Although the Democratic majority in the House of Representatives is unlikely to consider a full repeal of the Dodd-Frank Act, Guardian cannot predict whether any proposal to amend the Dodd-Frank Act will be implemented and whether it would have a material effect on its business, financial condition or operations and cannot currently identify the risks, if any, that may be posed to Guardian's business as a result of changes to, or legislative replacements for, Dodd-Frank.

On February 3, 2017, President Trump signed an executive order directing the Secretary of the Treasury to review the extent to which current financial regulatory policy, which would include the Dodd-Frank Act, promotes the Trump administration's financial regulatory policy aims. The Secretary's report on asset management and insurance was issued on October 26, 2017 and recommended activities-based evaluations of systemic risk in the insurance industry rather than an entity-based approach. On December 4, 2019 the Secretary of the Treasury announced FSOC's issuance of final guidance prioritizing an activities-based approach for identifying and addressing potential risks to financial stability instead of individual designations, and enhancing the analytical process (including a rigorous cost-benefit analysis for a potential nonbank financial company designation), engagement, and transparency of the designation process. Guardian cannot predict what impact such guidance may have on Guardian's business, financial condition or results of operations.

Litigation and regulatory investigations are common in the life insurance industry and may harm Guardian's business and financial strength and reduce its profitability.

Life insurance companies and their affiliated financial services businesses have historically been subject to substantial litigation, including the risk of individual and class action law suits, resulting from claims disputes or relating to suitability, sales or underwriting practices, product design, disclosure, claims and payment procedures, administration, denial or delay of benefits and breaches of fiduciary or other duties. Most of the actions seek substantial or unspecified compensatory and punitive damages and the probability and amount of liability, if any, may remain unknown for substantial periods of time. Guardian and its subsidiaries are also subject to various regulatory inquiries from time to time, such as information requests and books and record examinations, from state and federal regulators and other authorities. Guardian is, from time to time, a plaintiff or defendant in actions arising out of its insurance business. Litigation, as well as governmental, administrative or regulatory proceedings, inquiries or investigations may harm Guardian's business and financial strength and reduce its profitability. Moreover, even if Guardian ultimately prevails in the litigation, regulatory action or investigation, it could suffer significant harm to its reputation, which could have a material adverse effect on its business, results of operations and financial condition, including its ability to attract new customers, retain current customers and recruit and retain employees and agents.

Changes in tax laws and the interpretation thereof could adversely affect Guardian's business.

Congress has, from time to time, considered legislation that could adversely impact or change the manner of taxing the products Guardian sells and of calculating the amount of taxes paid by life insurance companies or other corporations, including Guardian. Changes to federal, state or other tax laws, or in the interpretation of applicable tax laws and regulations, could reduce Guardian's earnings and adversely affect Guardian's business, financial condition or results of operations.

The attractiveness to Guardian's customers of many of its products may be due, in part, to favorable tax treatment. Current federal income tax laws generally permit the tax-deferred accumulation of earnings on the premiums paid by the holders of life insurance and annuity products. Taxes, if any, are payable generally on income attributable to a distribution under the contract for the year in which the distribution is made. Death benefits under life insurance contracts may be received free of federal income tax. Congress has, from time to time, considered legislation that could have the effect of reducing or eliminating the benefit of such income tax deferral or otherwise affect the taxation of life insurance or annuity products. As a result, demand for certain of Guardian's life insurance and annuity products that offer income tax deferral could be negatively impacted. To the extent that legislation is enacted in the future to reduce the tax deferred status of life insurance or annuity products, limit the exclusion of death benefits from income, or reduce the taxation of competing products, all life insurance companies, including Guardian, could be adversely affected. Likewise, reductions in individual tax rates could reduce the attractiveness of tax deferral to Guardian's potential customers.

Congress has from time to time considered material changes to, or a repeal of, the estate tax. Many of Guardian's products are sold to customers in order to help them meet their estate tax planning needs. To the extent that legislation is enacted in the future that would materially change, or repeal, the estate tax, sales of Guardian's products could be adversely affected.

Guardian files U.S. federal income tax returns along with various state and local income tax returns. From time to time, Guardian is subject to audits of its federal, state and local tax returns. Years 2011 and prior are closed for U.S. federal income tax audits. As of the date of this Information Memorandum, Guardian is under examination by the Internal Revenue Service ("IRS") for tax years 2012-2015. There are a number of state and local governmental audits in process. While Guardian does not expect any material changes as a result of pending audits, there can be no assurance that there will not be any such adjustments in the future.

New accounting rules, changes to existing accounting rules or the granting of permitted accounting practices to competitors could have an adverse effect on Guardian's results of operations and financial condition.

Guardian is required to comply with SAP. SAP and various components of SAP (such as actuarial reserving methodologies) are subject to review by the NAIC and its task forces and committees, as well as state insurance departments, in an effort to address emerging issues and otherwise improve or alter financial reporting. Various proposals are currently, or have been previously, pending before committees and task forces of the NAIC, some of which, if enacted, could negatively affect Guardian. The NAIC has approved a new valuation manual containing a principle-based approach to the calculation of life insurance company reserves. Principle-based reserving ("PBR") is designed to better address reserving for products, including the current generation of products for which the current formulaic basis for reserve determination does not work effectively. PBR became effective on January 1, 2017 in the states in which it has been adopted, to be followed by a three-year phase-in period for business issued on January 1, 2017. In December 2018, New York enacted legislation and a regulation adopting PBR. New York Insurance Regulation 213, which was initially adopted on an emergency basis, was promulgated in May 2019 and affirmed, the New York Superintendent of Financial Services' authority to deviate from the NAIC valuation manual to adjust the reserves of a New York life insurance company, if necessary, in order to protect policyholders. An amended Regulation 213 implementing PBR and adopting the NAIC's valuation manual, except where it conflicts with New York insurance law and regulation, is expected to become effective in New York in January 2020.

Guardian cannot predict whether or in what form reforms will be enacted and, if so, whether the enacted reforms will positively or negatively affect it.

In addition, the NAIC Accounting Practices and Procedures Manual provides that state insurance departments may permit insurance companies domiciled therein to depart from SAP by granting them permitted accounting practices. Guardian cannot predict what permitted and prescribed practices the NYSDFS may allow or mandate in the future, nor can Guardian predict whether or when the insurance departments of the states of domicile of its competitors may permit them to utilize advantageous accounting practices that depart from SAP. As of the date of this Information Memorandum, Guardian has not requested or used any such permitted practices for the Statutory Financial Statements for the year ended December 31, 2018. Moreover, although states defer to interpretations of the insurance department of the state of domicile with respect to regulations and guidelines, neither the action of the domiciliary state nor action of the NAIC is binding on a state. Accordingly, a state could choose to follow a different interpretation. Guardian can give no assurance that future changes to SAP or components of SAP or the granting of permitted accounting practices to its competitors will not have a negative impact on its results of operations or financial condition.

The amount of statutory capital that Guardian has and the amount of statutory capital it must hold can vary significantly from time to time and is sensitive to a number of factors outside of its control, including equity market and credit market conditions.

Insurance regulators and the NAIC prescribe accounting standards and statutory capital and reserve requirements for Guardian and its insurance company subsidiaries. The NAIC has established regulations that provide minimum capitalization requirements based on RBC formulas for both life and property and casualty companies. The RBC formula for life companies establishes capital requirements relating to insurance, business, asset and interest rate risks, including equity, interest rate and expense recovery risks associated with variable annuities and group annuities that contain death benefits or certain living benefits.

In any particular year, statutory surplus amounts and RBC ratios may increase or decrease depending on a variety of factors, including the amount of statutory income or losses generated by Guardian (which itself is sensitive to equity market and credit market conditions), the amount of additional capital it must hold to support its business growth, changes in equity market levels, the value of certain fixed-income and equity securities in its investment portfolio, the value of certain derivative instruments that do not get hedge accounting treatment, changes in interest rates and foreign currency exchange rates, as well as changes to the NAIC RBC formulas. Most of these factors are outside of Guardian's control. Increases in the amount of required statutory reserves reduce the statutory capital used in calculating Guardian's RBC ratios. In addition, in scenarios of equity market declines, the amount of additional statutory reserves that GIAC is required to hold for its variable annuity guarantees would increase, which would decrease GIAC's, and, therefore, Guardian's, statutory surplus.

Guardian's statutory surplus and RBC ratios have a significant influence on its financial strength and claims paying ratings, which, in turn, are important to its ability to compete effectively. To the extent that Guardian's statutory capital resources are deemed to be insufficient to maintain a particular rating by one or more rating agencies, it may seek to raise additional capital. If it were not able to raise additional capital in such a scenario for any reason, any ratings downgrade that followed could have a material and adverse effect on its business, results of operations, financial condition and liquidity.

The NAIC and the International Association of Insurance Supervisors ("IAIS") continue to develop group capital calculations or group capital standards. The NAIC is developing a group capital assessment which is expected to be based on existing RBC measures. In November 2019, the IAIS adopted its global "insurance capital standard," which will begin a five-year monitoring period in January 2020 and, once implemented, is intended to serve as the base group capital standard applicable to all internationally active insurance groups. Although federal regulators and the NAIC have engaged with the IAIS in the development of its capital standards, it is not clear how such global standards will interact with existing U.S. regulatory requirements. Guardian cannot predict what impact these proposed capital standards may have on its operations. It is possible that Guardian or its affiliates may be required to hold additional capital, which may adversely affect its ability to do business.

Guarantees embedded in GMWB riders sold with variable annuity contracts expose GIAC to certain risks.

Certain variable annuities written by GIAC contain guaranteed minimum withdrawal benefit riders. These GMWB riders guarantee a minimum level of withdrawal benefits irrespective of the investment performance of the underlying accounts of the variable annuities; as a result, below a certain level, GIAC will be exposed to the difference between the investment value and the guaranteed benefits. Therefore, any decline in capital markets (including equity and debt markets), interest rates or account values may increase GIAC's exposure to liability for benefit claims under these riders. The amount of statutory reserves related to GMWB is in part tied to the difference between the value of the underlying accounts and the guaranteed benefits. Even when GIAC is not immediately subject to guaranteed minimum withdrawal payments to annuity holders, it is required to establish this type of reserve to allow for declines in capital markets or account values.

GIAC currently reinsures or attempts to hedge certain exposures to GMWB riders. A portion of GIAC's GMWB rider business ($495 million out of $8.9 billion total account value at December 31, 2018) is reinsured under a third-party treaty. The remainder is subject to a hedging program, using exchange traded futures contracts tied to various equity and Treasury rate indices. However, the hedge positions may not exactly offset the changes in the carrying value of the guarantees due to, among other things, the time lag between the changes in their values and corresponding changes in the hedge positions, volatility in the equity markets and derivative markets, swings in interest rates, contract holder behavior different than expected and divergence between the performance of the underlying funds and hedging indices. GIAC has a reinsurance agreement with a third-party reinsurer that reinsures 90% of various GMWB riders that were written through December 2008 and introduced prior to September 2008. That reinsurer is an admitted reinsurer in New York. The financial strength ratings of this reinsurer from S&P and Moody's are AA- and Aa3, respectively. The business not covered by the reinsurance treaty is subject to a hedging program. Beginning in September 2008, new GMWB rider forms were introduced, and the business written pursuant to these new rider forms is not subject to reinsurance, instead 100% of such business is subject to the hedging program. For a description of this hedging program and its limitations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Information about Market Risk—Hedging Programs." At December 31, 2018, the account value of all GMWB contracts was approximately $6.6 billion before reinsurance and $6.1 billion after reinsurance. At December 31, 2017, the before and after reinsurance account values were $7.8 billion and $7.2 billion, respectively. At December 31, 2016, the before and after reinsurance account values were $7.4 billion and $6.7 billion, respectively. In addition, the net amount at risk was $1,358 million, $359 million and $653 million at December 31, 2018, 2017 and 2016, respectively.

GIAC's hedging program, using exchange traded futures contracts, does not hedge all risk arising from the riders, including risks associated with sustained volatility in capital markets and policyholder withdrawals, and there can be no assurance that GIAC's hedging program will be effective as designed to reduce the risks which Guardian does seek to hedge. The models used to guide the hedging activities are based on actuarial and capital market assumptions which are only estimates of future events. To the extent policyholder behavior, capital market developments, or other events deviate from model assumptions, this hedging program may be negatively impacted, which could materially affect GIAC's financial condition or results of operations. See "—Reinsurance may not be available, affordable, or adequate to protect Guardian against losses" and "—Counterparties to Guardian's reinsurance arrangements and other contracts may fail to perform, which could adversely affect its results of operations and financial condition."

As a mutual insurance company, Guardian has limited access to capital, and the ability of its subsidiaries to pay dividends is restricted under applicable insurance laws.

Guardian is a mutual insurance company with no capital stock and no shareholders. Consequently, it is unable to access directly the public equity markets as a means to raise capital. As of September 30, 2019, Guardian had outstanding existing 7.375% Surplus Notes due 2039 (the "2039 Surplus Notes"), 4.875% Surplus Notes due 2064 (the "2064 Surplus Notes") and 4.850% Surplus Notes due 2077 (the "2077 Surplus Notes" and, together with the 2039 Surplus Notes and the 2064 Surplus Notes, the "Existing Surplus Notes") in the aggregate principal amount of $1.2 billion and no other long-term indebtedness outstanding. In addition, Guardian Life Global Funding, a special purpose trust, has issued $1.8 billion in funding agreement-backed notes, which are secured by funding agreements issued by Guardian. Guardian does not rely on dividends from its subsidiaries to meet its operating cash flow requirements or to service its obligations under the Existing Surplus Notes. For the year ended December 31, 2018, Guardian received approximately $44 million in cash and non-cash dividends from its subsidiaries. Guardian records these dividends as net investment income. No assurances can be given that these subsidiaries will pay dividends to Guardian in the future.

Guardian has not historically relied on dividends from its subsidiaries to meet its operating cash flow requirements. Historically, Guardian has reinvested a substantial portion of its unrestricted earnings in BLICOA, FCW and GIAC. Substantially all of the statutory surplus of Guardian's life insurance subsidiaries, including BLICOA and GIAC, of approximately $994 million, $984 million and $1.034 billion, at December 31, 2018, 2017 and 2016, respectively, is subject to dividend restrictions imposed by statutory authorities. Under the laws of Delaware and Massachusetts, the domiciliary states of GIAC and BLICOA, respectively, dividends in excess of unassigned funds require regulatory approval. In addition, BLICOA and GIAC must seek regulatory approval prior to paying a dividend whose fair market value together with other dividends within the preceding twelve months exceeds the greater of (i) 10% of the insurer's policyholder surplus as of the last day of December next preceding or (ii) the net gain from operations of the insurer for the twelve-month period ending the last day of December next preceding. Based on their respective statutory basis financial results as of December 31, 2018, Guardian's life insurance subsidiaries, including BLICOA and GIAC, would have been able to pay dividends to Guardian in 2018, 2017 and 2016 of up to $171 million, $177 million and $138 million, respectively without obtaining the prior approval of their applicable insurance regulators. For the years ended December 31, 2018, 2017 and 2016, Guardian received an aggregate of $44 million, $47 million and $12 million, respectively, in cash and noncash dividends from its subsidiaries. Guardian can make no assurance regarding the timing or amount of dividends, if any, that may be paid by these subsidiaries to Guardian in the future. GIS and FCW are not subject to dividend restrictions imposed by statutory authorities but may pay dividends up to but not exceeding any accumulated earnings. As of December 31, 2018, FCW had accumulated earnings of $102 million and would be able to pay a dividend of up to $102 million in 2019. As of December 31, 2017, FCW had accumulated earnings of $71 million and would be able to pay a dividend of up to $71 million in 2018. As of December 31, 2016, FCW had accumulated earnings of $44 million and would have been able to pay a dividend up to $44 million in 2017.

In addition to restrictions on the ability of Guardian's insurance subsidiaries to pay dividends to it, if Guardian were to need access to additional capital for any reason, its ability to obtain such capital could be limited and the cost of any such capital could be significant if the securities and credit markets experience volatility or disruption. Guardian's access to additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the overall availability of credit to Guardian's industry, Guardian's credit ratings and credit capacity, as well as the possibility that lenders could develop a negative perception of Guardian's long- or short-term financial prospects. Similarly, Guardian's access to funds could be impaired if regulatory authorities or rating agencies took negative actions against Guardian, such as a ratings downgrade. If a combination of these factors were to occur, Guardian might not be able to successfully obtain additional financing, if needed. As such, Guardian could be forced to delay raising capital, or perhaps issue different types of capital than it would otherwise, less effectively deploy such capital, issue shorter tenor securities than it would prefer, or bear an unattractive cost of capital, which could decrease its profitability and significantly reduce its financial flexibility.

Guardian's reserves for future policy benefits and claims related to the company's current and future business as well as businesses Guardian may acquire in the future may prove to be inadequate.

Guardian's reserves for future policy benefits and claims may prove to be inadequate. Guardian establishes and carries, as a liability, reserves based on estimates of how much the company will need to meet policyholder obligations, including the payment of future benefits and claims. For Guardian's life insurance and annuity products, these reserves are calculated based on methodologies required by the NYSDFS for statutory reserves, using mortality tables specified by the NYSDFS, as well as minimum interest rates also specified by the NYSDFS, and contract language. Guardian also sets up reserves to meet policyholder obligations on group insurance and disability insurance. Claim reserves reflect a combination of actual experience and industry experience, as well as, where mandated, experience tables specified by state insurance departments. It cannot be exactly determined with precision the ultimate amounts that will be paid, or the timing of payment of, actual benefits and claims or whether the assets supporting the policy liabilities will grow to the level assumed prior to payment of benefits or claims. Since Guardian cannot precisely determine the amount or timing of actual future benefits and claims, actual results could differ significantly from those assumed. Deviations from one or more of these estimates and assumptions could have a material adverse effect on Guardian's results of operations or financial condition. If Guardian concludes that reserves, together with future premiums, are insufficient for payments of benefits and expenses, Guardian may seek to increase premiums where it is able to do so.

Reinsurance may not be available, affordable or adequate to protect Guardian against losses.

As part of Guardian's overall risk management strategy, it purchases reinsurance for certain risks underwritten by Guardian's various business segments. While reinsurance agreements generally bind the reinsurer for the life of the business reinsured at generally fixed pricing, market conditions beyond Guardian's control determine the availability and cost of the reinsurance protection for new business. In certain circumstances, the price of reinsurance for business already reinsured may also increase. Any decrease in the amount of reinsurance will increase Guardian's risk of loss and any increase in the cost of reinsurance will, absent a decrease in the amount of reinsurance, reduce Guardian's earnings. Accordingly, Guardian may be forced to incur additional cost for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could adversely affect its ability to write future business or result in the assumption of more risk with respect to those policies Guardian issues.

Guardian reinsures its business with various reinsurers. In order to enter into a reinsurance treaty with Guardian or its subsidiaries, the reinsurer must meet various standards in terms of financial strength and ratings. Guardian reinsures its participating life business, universal life business and variable universal life business mortality risk on any face amount issued in excess of Guardian's general retention limit of $17.5 million per life. For term insurance, Guardian coinsured between 76% and 90% of all term life insurance business on a first dollar quota share basis until May 1, 2014. Starting May 1, 2014, Guardian cedes amounts in excess of $2 million per life of newly issued term life insurance to a pool of four reinsurers on an automatic yearly renewable term basis. Term life insurance business may also be ceded to the same four reinsurers on a facultative basis. Also, starting May 1, 2014, Guardian has a coinsurance with funds withheld reinsurance agreement, with one reinsurer, covering 90% of its level term life insurance amounts net of the excess of $2 million retention on yearly renewable term reinsurance. See "Business of Guardian—Reinsurance."

All life insurance reinsurance treaties are covered by a pool of reinsurers. 43% of Guardian's individual life insurance face amount is reinsured as of December 31, 2018. Of the face amount reinsured, over 89% is ceded to four third-party reinsurers. The remaining percentage of the face amount reinsured is spread among a number of other companies. Some of these agreements are closed to new business. However, the reinsurance treaties covering the closed blocks of business remain in force as to these closed blocks. Group long-term disability and individual disability income treaties reinsure monthly policy benefits in excess of a specific monthly income benefit; however, individual disability income policies issued on or after January 1, 2016 are not reinsured. Variable annuity guaranteed minimum death benefits ("GMDB") riders issued through December 2009 are reinsured 100% with two reinsurers, each of which has a financial strength rating of at least AA- from S&P, while GIAC generally retains the basic return of premium ("ROP") death benefit. Variable annuity GMWB riders issued through December 2008 on riders introduced prior to September 2008 are 90% reinsured with one company. There can be no assurances that the reinsurance on the GMWB riders will be adequate to protect Guardian from losses that may adversely affect its Unassigned Surplus.

Counterparties to Guardian's reinsurance arrangements and other contracts may fail to perform, which could adversely affect its results of operations and financial condition.

Guardian uses reinsurance to mitigate its risks in various circumstances. See "—Reinsurance may not be available, affordable or adequate to protect Guardian against losses." In general, reinsurance does not relieve Guardian of its direct liability to its policyholders, even when the reinsurer is liable to the cedant. Accordingly, Guardian bears credit risk with respect to its reinsurers. Guardian cannot provide assurance that its reinsurers will pay the reinsurance recoverables owed to it now or in the future or that they will pay these recoverables on a timely basis. A reinsurer's insolvency, inability or unwillingness to make payments under the terms of reinsurance agreements with Guardian could have an adverse effect on its results of operations and financial condition.

Guardian is engaged in a highly competitive business. Competitive factors may adversely affect Guardian's market share and profitability.

The life insurance industry is highly competitive. There are a large number of life insurance companies in the United States, many of which offer insurance products similar to those marketed by Guardian and may have advantages over Guardian in one or more of the competitive factors listed below. In addition to competition from within the industry, insurers are increasingly facing competition from non-traditional sources in the financial services industry, including mutual fund companies, banks, securities brokerage houses and other financial services entities. Recent industry consolidation, including acquisitions of insurance and other financial services companies in the United States by international companies, has resulted in larger competitors with strong financial resources, marketing and distribution capabilities and brand identities. Some competitors also offer a broader array of products, have more competitive pricing or, with respect to other insurers, have higher claims paying ability ratings. National banks, which may sell annuity products of life insurers in some circumstances, also have pre-existing customer bases for financial services products.

Competitiveness in the insurance business is affected by various factors including, but not limited to, name recognition, price, financial strength ratings, size and strength of distribution force, range of product lines, product features, commission structure, product quality, servicing ability, investment performance and general reputation. There can be no assurance that Guardian will be able to compete successfully against current and future competitors or that competitive pressures faced by Guardian will not materially and adversely affect its business, operating results and financial condition. See "Business of Guardian—Commercial and Government Markets—Commercial and Government Markets Product Competition," "Business of Guardian—Individual Markets—Insurance Products—Individual Insurance Competition." and "Business of Guardian—Individual Markets—Individual Wealth Management and Retirement Savings—Individual Annuities Products and Services Competition."

The life insurance industry is rapidly evolving toward the use of information technology and data in underwriting risks rather than relying on the analysis of blood and urine samples. Guardian's competitive posture may be impacted if it does not keep pace with these changes or implements them incorrectly.

Many of Guardian's group insurance products are underwritten annually, and, accordingly, there is a risk that group purchasers may be able to obtain more favorable terms from competitors rather than renewing their existing coverage with Guardian. The effect of competition may, as a result, adversely affect the persistency of these and other products, as well as Guardian's ability to sell products in the future.

In addition, the investment management and securities brokerage businesses have relatively few barriers to entry and continually attract new entrants. Many of Guardian's competitors in these businesses offer a broader array of investment products and services and are better known than Guardian as sellers of annuities and other investment products.

If Guardian is unable to attract and retain independent agents, career agents, General Agents and key personnel, its ability to compete and its revenues could suffer.

Guardian's career agency force is the primary means by which it distributes life insurance and annuity products. In order to continue increasing life insurance and annuity sales, Guardian must attract, develop and retain those who are or can be productive career agents.

Insurance companies compete vigorously for productive agents. Guardian competes with other life insurance companies for agents primarily on the basis of its financial position, support services, compensation and product features. Such agents may promote products offered by other life insurance companies that may offer a larger variety of products than Guardian does. Guardian's competitiveness for such agents also depends upon the long-term relationships it develops with them. In addition, securing the future of Guardian's individual market distribution requires Guardian to continue to attract and recruit successful General Agents. If Guardian were unable to attract and retain sufficient agents or General Agents, its ability to compete and its results of operations or financial condition could be impacted.

The success of Guardian's businesses also largely depends on its ability to attract and retain key personnel. Strong competition exists for qualified personnel, including actuaries and portfolio managers, with demonstrated ability. Inability to attract key personnel, or attract and retain additional qualified personnel, could harm Guardian's results of operations and financial condition.

Guardian's profitability may decline if mortality rates or persistency rates or other assumptions differ significantly from pricing expectations.

Guardian sets prices for many of its insurance and annuity products based upon expected claims and payment patterns, using assumptions for mortality, persistency (how long a contract stays in-force) and interest rates. In addition to the potential effect of natural or man-made disasters, significant changes in mortality could emerge gradually over time, due to changes in the natural environment, the health habits of the insured population, effectiveness of treatment for disease or disability, or other factors. In addition, Guardian could fail to accurately anticipate changes in other pricing assumptions, including changes in interest and inflation rates. Significant negative deviations in actual experience from Guardian's pricing assumptions could have a material adverse effect on the profitability of its products. Guardian's earnings are significantly influenced by the claims paid under its insurance contracts and will vary from period to period depending upon the amount of claims incurred.

Guardian's Individual Life Insurance business consists primarily of participating policies. A significant increase in death benefits could result in a reduction of the dividends paid to participating policyholders of Guardian. A reduction in these dividends could reduce Guardian's ability to compete with other issuers of participating policies.

There is only limited predictability of claims or persistency experience within any given month or year. Guardian's future experience may not match its pricing assumptions or its past results. As a result, Guardian's results of operations and financial condition could be materially adversely affected.

GIAC sells single premium deferred annuities ("SPDA") that have a surrender charge period of up to seven years. SPDAs were sold starting in 1996. This block has a total account value of $218 million as of December 31, 2018. Policies sold from 1996–2011 no longer have a surrender charge and account for $203 million of the total account value. A total of $2 million of account value at December 31, 2018 is attributed to business which comes out of the surrender charge period in 2019 because it was written in 2012. Generally, when policies come out of the surrender charge period policyholders are more likely to withdraw their funds because they can do so without penalty. Each year, additional fixed annuities will come out of their surrender charge period. Guardian attempts to anticipate this additional lapse experience when it initially prices these products. An increase in surrenders could materially affect GIAC's financial condition or results of operations, and, therefore, reduce the amount of Guardian's Unassigned Surplus.

GIAC also sells single premium immediate annuities ("SPIA") and deferred income annuities ("DIA"). SPIAs were sold starting in 2010, and DIAs were sold starting in 2013. SPIA includes a single initial premium, and annuitization commences within the first year. DIA includes an initial premium and allows for additional premium payments between the initial premium date and annuity commencement. DIA annuitization is deferred at least 24 months from the issue date or 13 months from the last premium deposit, whichever is later. Annuitization for both products can be in the form of a life contingent annuity, a life contingent annuity with a term certain period or an annuity for a term certain. As of December 31, 2018, total statutory reserves for SPIA and DIA are $1.7 billion and $702 million, respectively.

Guardian has made, and expects to continue to make, strategic acquisitions, the success of which depends on numerous factors.

Guardian has acquired businesses and will continue to evaluate strategic acquisition opportunities that have the potential to support and strengthen its business. Guardian can give no assurances, however, that any acquisition opportunities will arise or, if they do, that they will be consummated, or that additional financing or capital, if needed, will be available on satisfactory terms. Guardian also cannot guarantee the success of any such acquisition. Guardian may not be able to achieve the synergies and other benefits that are expected from the integration of acquisitions as successfully or rapidly as projected, if at all. If Guardian fails to manage current and future acquisitions effectively, including failing to maintain or enhance the key business relationships and the reputations of acquired businesses, Guardian's results of operations could be adversely affected.

In addition, some of Guardian's acquired businesses have contracted with U.S., state and local governments. For this reason, any issue that compromises Guardian's relationship with governments could cause Guardian's revenue to decline. Among the key factors in maintaining Guardian's relationship with the governments it serves is its performance on contracts, the strength of its professional reputation and compliance with applicable laws and regulations. In addition, the mishandling or the perception of mishandling of sensitive or personal information, including as a result of misconduct or other improper activities by Guardian's employees or subcontractors, or a failure to maintain adequate protection against security breaches could harm Guardian's relationship with the governments it serves. Any harm to Guardian's relationship with the governments it serves could have an adverse effect on Guardian's business.

The impact of international tension between the United States and other nations, terrorist attacks and ongoing military and other actions may result in decreases in net income, revenue and assets under management and may adversely affect Guardian's investment portfolio.

The continued threat of terrorism both within the United States and abroad, the ongoing military and other actions and heightened security measures in response to these threats, and international tensions between the United States and other nations may cause disruptions to commerce, reduced economic activity and continued volatility in markets throughout the world. Such factors could affect Guardian's net income and revenue.

Guardian may also face increased death benefit claims as a result of war, terrorism or natural disaster. Although Guardian has contingency plans in place, a major terrorist act on the United States or natural disaster may materially disrupt Guardian's critical operations. Some of the assets in Guardian's investment portfolio may also be adversely affected by declines in the securities markets and economic activity as a result of these factors.

A pandemic or other catastrophic event could adversely affect Guardian's results of operations and financial condition.

A severe pandemic or catastrophic event may cause significant volatility in global financial markets, disruptions to commerce and reduced economic activity. The resulting macroeconomic conditions could materially and adversely affect Guardian's cash flows, as well as the value and liquidity of its invested assets. In addition, Guardian's mortality and/or morbidity experience could be adversely affected by a pandemic or catastrophic event, resulting in a rapid and significant increase in policy benefits paid. Significant influenza pandemics have occurred in the last century, but the likelihood, timing and the severity of a future pandemic cannot be predicted.

The effectiveness of external parties, including governmental and non-governmental organizations, in combating the spread and severity of such a pandemic could have an adverse impact on the losses experienced by Guardian. Guardian may also experience operational disruptions if its employees are unable or unwilling to come to work due to a pandemic or other catastrophe. Guardian has developed contingency plans to reduce the risk of operational disruptions. Despite these measures, Guardian may still be exposed to significant losses in the event of a pandemic or other catastrophe.

A computer system failure or security breach could disrupt Guardian's business, damage its reputation and adversely impact its profitability.

Guardian relies on computer systems to conduct business, including customer service, marketing and sales activities, customer relationship management and producing financial statements. While Guardian has policies, procedures, automation and backup plans designed to prevent or limit the effect of failure, its computer systems may be vulnerable to disruptions or breaches as the result of natural disasters, man-made disasters, criminal activity, pandemics or other events beyond its control. The failure of Guardian's computer systems for any reason could disrupt its operations, result in the loss of customer business and adversely impact its profitability.

Guardian retains confidential information on its computer systems, including customer information and proprietary business information, and such information may also be stored on the systems of third parties to whom Guardian outsources certain functions or the systems of its career agents. Guardian's career agents may experience, and have experienced, breaches of their computer systems that resulted in the compromise of personally identifiable customer information. Any compromise of the security of these computer systems, including the disclosure of personally identifiable customer information could damage Guardian's reputation, expose it to litigation, increase regulatory scrutiny and require Guardian to incur significant technical, legal and other expenses.

The area of cybersecurity has come under increased scrutiny by insurance regulators. New York's cybersecurity regulation for financial services institutions, including banking and insurance entities, that are under the jurisdiction of the NYSDFS became effective on March 1, 2017. The regulation requires these entities to establish and maintain a cybersecurity program designed to protect consumers' private data and the confidentiality, integrity and availability of the licensee's information systems. The NAIC adopted the Insurance Data Security Model Law (the "Cybersecurity Model Law") on October 24, 2017, which establishes standards for data security and for the investigation of and notification of insurance commissioners of cybersecurity events involving unauthorized access to, or the misuse of, certain nonpublic information. The Cybersecurity Model Law imposes significant new regulatory requirements intended to protect the confidentiality, integrity and availability of information systems. As of August 2019, eight states had adopted the Cybersecurity Model Law, and further implementation will be based on adoption by other state legislatures. Importantly, the Cybersecurity Model Law states that a licensee's compliance with the New York cybersecurity regulation shall constitute compliance with the Cybersecurity Model Law. Most recently, California passed its California Consumer Privacy Act of 2018 (the "CCPA"), which is set to become effective on January 1, 2020. Guardian continues to evaluate the impact of the Act on its business. Guardian has assessed the impact of the CCPA to its current processes and is in the process of addressing any required modifications.

Guardian may not be able to protect its intellectual property and may be subject to infringement claims.

Guardian relies on a combination of contractual rights and copyright, trademark, patent and trade secret laws to establish and protect its intellectual property. Although Guardian uses a broad range of measures to protect its intellectual property rights, third parties may infringe or misappropriate its intellectual property. Guardian may have to litigate to enforce and protect its copyrights, trademarks, patents, trade secrets and know-how or to determine their scope, validity or enforceability, which represents a diversion of resources that may be significant in amount and may not prove successful. Additionally, complex legal and factual determinations and evolving laws and court interpretations make the scope of protection afforded Guardian's intellectual property uncertain. The loss of intellectual property protection or the inability to secure or enforce the protection of its intellectual property assets could have a material adverse effect on its business and ability to compete.

Guardian also may be subject to costly litigation in the event that another party alleges its operations or activities infringe upon another party's intellectual property rights. Guardian may be subject to claims by third parties for breach of copyright, trademark, patent, trade secret or license usage rights. If Guardian were found to have infringed third-party intellectual property rights, Guardian could incur substantial liability, and in some circumstances could be enjoined from providing certain products or services to its customers or utilizing and benefiting therefrom, all of which could have a material adverse effect on its business, results of operations and financial condition.

Guardian is exposed to the impact of changes in interest rates on its pension funding obligations.

Guardian sponsors non-contributory defined benefit pension plans covering all eligible Guardian employees and career agents. These include tax-qualified plans, as well as nonqualified plans providing benefits to certain participants in excess of ERISA limits for qualified plans. The valuation of the defined benefit plan liabilities is sensitive to changes in interest rates. A significant decrease in interest rates has the potential to negatively impact Guardian's capital as changes in the fair value of the defined benefit plan liabilities are charged to capital.

On February 21, 2017, the Company announced a plan amendment to close the Home Office Employees' Retirement Plan to employees hired on or after January 1, 2018. Home Office employees hired on or after January 1, 2018 participate in a defined contribution plan.

On February 16, 2018, the Company contributed $18.1 million to the Field Clerical Pension Plan to cover a funding shortfall in the plan. On February 20, 2018 the Company made a cash payment to purchase a group annuity contract to settle the remaining obligations to participants in the Field Clerical Pension Plan. As of December 31, 2018, the Company has no further obligation relating to the Field Clerical Pension Plan.

On September 13, 2019, the Company contributed $14.4 million to the Home Office Pension Plan and $0.1 million to the Field Representative Pension Plan.

Certain of Guardian's administrative operations are located internationally, subjecting Guardian to various international risks and increased compliance and regulatory risks and costs.

Certain of Guardian's administrative operations are located in Canada and India and, in the future, Guardian may seek to expand its operations in those or into other countries. As a result of these operations, Guardian may be exposed to economic, operating, regulatory and political risks in those countries, such as foreign investment restrictions, substantial fluctuations in economic growth, high levels of inflation, volatile currency exchange rates and instability, including civil unrest, terrorist acts or acts of war, which could have an adverse effect on Guardian's business, financial condition and results of operations. Further, it may prove difficult for Guardian to achieve its goals and take advantage of growth opportunities due to a lack of comprehensive market knowledge. The political or regulatory climate in the United States could also change such that it would no longer be lawful or practical for Guardian to use international operations in the manner in which they are currently conducted. If Guardian had to curtail or cease operations in India or Canada and transfer some or all of these operations to another geographic area, Guardian would incur significant transition costs as well as higher future overhead costs that could adversely affect Guardian's results of operations.

In many foreign countries, particularly in those with developing economies, it may be common to engage in business practices that are prohibited by laws and regulations applicable to Guardian, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA") and similar anti-bribery laws. Any violations of the FCPA or other anti-bribery laws by Guardian, its employees, subsidiaries or local agents, could have an adverse effect on Guardian's business and reputation and result in substantial financial penalties or other sanctions.

CAPITALIZATION OF GUARDIAN

As a mutual insurance company, Guardian has no capital stock and no shareholders. Guardian's participating policyholders generally have certain rights to receive policyholder dividends declared by the Board of Directors. Such declarations are at the full discretion of the Board of Directors. See "Financial and Accounting Matters—Policyholder Dividends and Other Experience Credits." These policyholders also have certain rights to vote in the election of directors as provided by the laws of the State of New York. They and certain other policyholders may have rights to receive distributions in a proceeding for the rehabilitation, liquidation, conservation or dissolution of Guardian.

Guardian's balance sheet includes its surplus and an AVR. The amount by which the admitted assets of Guardian exceed its liabilities is referred to as surplus. The AVR stabilizes surplus from fluctuations in the value of the investment portfolio (other than fluctuations in the value of certain fixed income investments due to interest rate changes) of Guardian.

The following table sets forth the actual capitalization of Guardian as of September 30, 2019 The AVR is included in the following table even though such reserve is shown as a liability on Guardian's balance sheet. This treatment is consistent with the general view of the insurance industry. In addition, such reserve is included as part of total adjusted capital for risk-based capital purposes.

	As of September 30, 2019 (Unaudited) ($ in Millions)
Surplus of Guardian:	
4.850% Surplus Notes scheduled to mature on January 24, 2077 [(1)]	$ 519
4.875% Surplus Notes scheduled to mature on June 19, 2064[(2)]	449
7.375% Surplus Notes scheduled to mature on September 30, 2039[(3)]	231
Unassigned Surplus	6,345
Designated Surplus[(4)]	37
Total Surplus[(5)]	$ 7,581
Asset Value Reserve	$ 1,021
Surplus and Asset Valuation Reserve	$ 8,602

(1) The aggregate principal amount of the 2077 Surplus Notes is $579 million.
(2) The aggregate principal amount of the 2064 Surplus Notes is $450 million.
(3) The aggregate principal amount of the 2039 Surplus Notes is $233 million.
(4) Designated Surplus includes the Affordable Care Act fee and the amount of statutorily mandated contingency reserves required to be set aside for Guardian's group annuities businesses.
(5) "Total Surplus" as used in this table is consistent with the terminology used in the statutory financial statements filed by Guardian with the NYSDFS, and consists of the sum of Unassigned Surplus and other surplus items. In the Statutory Financial Statements appearing elsewhere herein, this amount is also referred to as "Surplus."

BUSINESS OF GUARDIAN

Founded on July 10, 1860 and incorporated in the State of New York, Guardian is the fourth largest U.S. mutual life insurance company based on statutory surplus of $7.2 billion, $6.7 billion and $6.2 billion as of December 31, 2018, 2017 and 2016, respectively, according to peer data compiled by the NAIC. Guardian primarily operates in the ordinary life insurance business, but also provides, directly or through its subsidiaries, a wide range of group, disability, wealth management and retirement savings products and services, as well as investment services. The Company provides its products and services to individuals, corporations and other institutions in all 50 states of the United States and the District of Columbia. Guardian's major subsidiaries include BLICOA, FCW, GIAC and GIS. As of December 31, 2018, 2017 and 2016, Guardian had total assets of $58.5 billion, $55.6 billion and $51.9 billion, respectively. As of December 31, 2018, 2017 and 2016, respectively, Guardian had total life insurance in-force of $659.5 billion, $628.8 billion and $590.8 billion, respectively. For the years ended December 31, 2018, 2017 and 2016, Guardian generated total premium income of $8.4 billion, $8.1 billion and $7.8 billion, respectively. For the years ended December 31, 2018, 2017 and 2016, Guardian's net gain from operations totaled $1.4 billion, $1.4 billion and $1.4 billion, respectively and net income totaled $310 million, $423 million and $368 million, respectively. Guardian's insurance financial strength/claims paying ability is rated AA+ by S&P, Aa2 by Moody's, AA+ by Fitch and A++ by A.M. Best. S&P, Moody's, Fitch, and A.M. Best currently report a stable outlook for Guardian's insurance financial strength/claims paying abilities rating.

Guardian, together with its subsidiaries, is a financial services group that seeks to provide attractive value for policyholders and customers by providing a wide array of differentiated products and services, while aiming to achieve strong financial results. In pursuing this strategy, Guardian's guiding principle is to enable its customers to obtain financial success while protecting their families and businesses. To achieve this goal, Guardian focuses on developing and distributing a broad portfolio of financial products and services, maintaining what it believes to be prudent underwriting standards and rigorous expense control, and pursuing asset/liability management practices that it considers conservative.

Guardian believes that its key strengths will enable it to capitalize on a variety of opportunities in the U.S. life insurance market. These strengths include:

- *Commitment to mutual status.* This commitment allows Guardian to focus on meeting the needs of its policyholders by making long-term financial strength and stability and the payment of competitive dividends its primary objectives. As a mutual insurance company, Guardian does not have stockholders and believes that it does not experience the same short-term earnings pressures as its publicly-traded life insurance peers, permitting it to manage product development, risk and investments on a long-term economic basis.

- *Diversified product portfolio that meets a wide array of needs.* Guardian believes that the diversity of its product portfolio allows it to meet the needs of its clients, both at the individual and group level. Guardian also believes that its diversified product portfolio improves its ability to be financially successful in many different market environments by providing diversification of earnings and reducing the level of volatility in its financial results. Guardian has paid dividends to policyholders every year since 1868.

- *Industry-leading products targeted at high-quality customer base.* Guardian believes that it is a product leader in many areas where it writes business, in particular among its targeted core customer base of affluent individuals, small businesses and small business owners. Guardian's participating whole life insurance products, which have represented approximately 88% of Guardian's individual life premium income over the past five years, offer a competitive base product together with attractive riders and a competitive dividend scale, making Guardian the fourth largest writer of participating whole life premium in the industry in 2018, according to LIMRA Sales Report. In addition, Guardian's high net worth customer base has resulted in larger average premiums per policy than most of its peers; according to the 2018 LIMRA Sales Report, Guardian's average whole life only premium per policy sold was $10,336, while the peer group's average was $4,083. This peer group includes Massachusetts Mutual Life Insurance Company, New York Life Insurance Company and The Northwestern Mutual Life Insurance Company. Guardian believes its term and universal life and individual disability income products are also attractive in terms of benefit features and price. Based on the 2018 LIMRA survey results, the most recent annual LIMRA survey available, Guardian's dental business ranks first in in-force PPO cases.

- *Highly productive career agent system*. Guardian's distribution model for individual products is focused on career agents, supervised by general agents and career development managers in 50 general agencies and Guardian-managed agencies. This is a critical element of Guardian's business model. Guardian's career agent system consists of over 2,500 active agents as of December 31, 2018 and enjoys one of the highest retention rates in the industry. Guardian's four-year average agent retention as of December 31, 2018 was 23% versus the overall 16% four-year average of the companies that participated in the 2017 LIMRA Agent Production and Retention Study. Guardian believes the benefits of a career agent model include the commitment of career agents to the long-term protection of their clients and the long-term financial success, financial strength and stability of Guardian, as well as the agents' commitment to their communities and the small businesses located there. The career system is supplemented by other distribution channels where appropriate for the product and market.

- *Long-term track record of growth and profitability*. Guardian has historically experienced strong operating results and has been profitable every year since 2003 based on net income. In 2018, Guardian generated total revenues of $10.9 billion, net gain from operations of $1.4 billion and net income of $310 million. In addition, from 2004 to 2018, Guardian's net income and policyholder surplus increased at compound annual growth rates of approximately 0.6% and 6.0%, respectively.

- *Strong balance sheet with a conservative investment portfolio and solid levels of capitalization*. Guardian believes that it has strong financial strength and capitalization, as evidenced by its strong insurance financial strength/claims paying ability ratings from the rating agencies and its regulatory capital ratios, which historically have been in excess of the levels required by regulatory authorities. S&P, Moody's, Fitch and A.M. Best currently report a stable outlook for Guardian's financial strength rating. Guardian also believes that its investment portfolio is conservative and well-diversified. Guardian maintains a high quality fixed income portfolio, with approximately 95.3% of the securities in its bond portfolio, as of December 31, 2018, rated investment grade.

- *Strong Enterprise Risk Management execution.* Guardian believes that it has a strong risk management culture, internal controls and reporting and oversight system. Guardian employs experienced asset class specialists that actively manage credit and portfolio risk. Furthermore, Guardian maintains what it considers to be a low product risk profile with focus on participating life insurance and a conservative set of product guarantees.

- *Accomplished and deep management team*. Guardian's management team is composed of well-respected, seasoned executives with extensive experience in the insurance industry and at Guardian.

Corporate Strategy

Guardian's strategic objective is to generate growth in net income and to maintain a strong and consistent policyholder dividend policy. Guardian intends to achieve its objective by pursuing the following strategies:

- *Being the trusted mutual partner, delivering financial security how, when and where its clients prefer*. By making mutuality relevant at a personal level, Guardian focuses on solutions that fit its clients' needs. Specific customer segments are targeted via appropriate channels leveraging technology to deliver products and service more efficiently.

- *Focus on profitable growth*. Guardian continues to pursue opportunities to drive profitable growth, including improving its products, expanding distribution and enhancing its service capabilities. Guardian has invested significant resources in expanding and strengthening its distribution system and the management team remains committed to distribution excellence to generate profitable growth for the company. This includes expansion into the worksite market, where consumers are increasingly purchasing insurance products.

- *Pursue strong risk management and underwriting standards*. Guardian believes that it has a conservative, low-risk approach to operations and underwriting and actively manages product and investment risk. Consistent with its history as a mutual insurance company, Guardian is committed to pursuing high asset quality, strong capitalization and liquidity and a conservative investment philosophy. Guardian believes it utilizes reasonably conservative underwriting practices in its insurance businesses.

- *Continue to deliver superior service*. Guardian seeks to develop and maintain long-term relationships with customers through its career agent system and sales organizations, including general agents, career agents, brokers, group sales representatives and wholesalers. Guardian believes it has established a reputation for high-quality service to its customers and distribution, and remains committed to providing the superior service that has been recognized by such organizations as J.D. Power and DALBAR.

The principal product lines of Guardian and its major subsidiaries are organized into two segments set forth below:

- *Individual Markets* products include individual life insurance and individual disability income insurance products. Individual life insurance products include participating whole life insurance, universal life insurance, term life insurance and variable universal life insurance. Individual disability income insurance products, which are sold by BLICOA, include individual disability income insurance and multi-life disability income insurance. Individual Markets also includes certain wealth management and retirement savings products, which aim to meet an individual's needs through products, sold by GIAC. These products include individual fixed and variable annuities.

- *Commercial and Government Markets* products include dental, vision, life, AD&D, short- and long-term disability, hospital indemnity, absence management administration and supplemental products such as accident, cancer and critical illness. Guardian's group business has also diversified into new areas, including dental and vision benefits for government programs. In April 2018, Guardian changed the name of its Group and Worksite Markets segment to Commercial and Government Markets (CGM).

Guardian distributes its individual products primarily through a career agent force, which consists of agencies managed by general agents, career development managers, or principal directors, consisting of career agents and brokers who sell products directly to the customer. Guardian distributes its group products through group sales representatives, brokers, benefit consultants and its career agents. As of December 31, 2018, Guardian had over 200 group sales professionals and over 90 account managers, and over 14,900 active group brokers and benefit consultants.

The following table sets forth Guardian's and its subsidiaries' statutory selected summary financial data by main product line of business for the periods indicated. Certain of the financial information used to prepare the following table is not derived from the Statutory Financial Statements contained in this Information Memorandum. The Statutory Financial Statements are prepared in accordance with SAP and, therefore, are presented on a parent company basis only, such that the Statutory Financial Statements do not consolidate the assets and liabilities or results of Guardian's subsidiaries. See "Financial and Accounting Matters—Summary of Principal Differences Between SAP and GAAP." The following table consolidates financial information from the Statutory Financial

Statements, as well as from the statutory financial information of BLICOA and GIAC and the GAAP financial information of FCW and GIS.

	Years Ended December 31,				
	2018	2017	2016	2015	2014
Premium Income:			($ in Millions)		
Individual Insurance:					
Individual Life Insurance	$ 4,102	$ 4,039	$ 3,850	$ 3,669	$ 3,576
Individual Disability Income Insurance	626	601	580	558	537
Individual Annuity	464	445	925	-	-
CGM Insurance	4,093	3,914	3,769	3,474	3,146
Retirement Products and Services**	-	-	(1,893)	1,674	1,498
Other***	1,694	(8)	11	7	6
Total premium income	$ 10,979	$ 8,991	$ 7,242	$ 9,382	$ 8,763
Net Investment Income:					
Individual Insurance:					
Individual Life Insurance	$ 1,824	$ 1,824	$ 1,799	$ 1,774	$ 1,674
Funding Agreement	49	34	16	-	-
Individual Disability Income Insurance	218	218	213	191	194
Individual Annuity*	128	117	106	-	-
CGM Insurance	146	152	144	166	156
Retirement Products and Services	-	-	3	95	82
Other***	120	86	88	43	44
Total investment income	$ 2,485	$ 2,431	$ 2,369	$ 2,269	$ 2,150
Net Income:					
Individual Insurance:					
Individual Life Insurance	$ (57)	$ 76	$ 102	$ 251	$ 122
Funding Agreement	13	7	1	-	-
Individual Disability Income Insurance	71	81	80	34	47
Individual Annuity*	123	11	(160)	-	-
CGM Insurance	237	272	181	177	160
Retirement Products and Services	-	-	21	(34)	(2)
Other***	78	8	39	(17)	118
Total net income	$ 465	$ 455	$ 264	$ 411	$ 445

*As a result of reporting changes in 2016, Individual Annuity is reported on its own line. Previously reported in Retirement Products and Services.
**2016 reflects the sale of GIAC's 401(k) business to Ameritas via a reinsurance transaction and asset sale.
***As a result of reporting changes in 2017, Retirement Products and Services is reported as part of Other.

2018 Consolidated Statutory Reserves

2018 consolidated statutory reserves by main product line were: individual life insurance $39,563 million; individual disability income insurance $3,448 million; individual annuity $3,664 million; group insurance $2,109 million; and other products $573 million.

Individual Markets

Insurance Products

Guardian's Individual Markets line of business provides a wide range of products and services through a network of general agencies, principal directors, career development managers, and affiliated career agents, independent brokers, broker-dealers and banks.

The principal products offered by the Individual Markets line of business include participating whole life insurance, universal life insurance, term life insurance, variable universal life insurance, individual disability income insurance and annuities.

Many of these products offer a range of riders that provide such benefits as waiver of premium, accidental death benefits, paid-up additions of insurance, accelerated death benefits and long-term care benefits.

Set forth below is a description of the Individual Markets line of business principal insurance products:

Whole Life. Whole life insurance is a participating product that provides guaranteed minimum death benefits and guaranteed cash values in return for periodic premium payments of a fixed amount. Guardian offers several types of whole life products, including products with premium due for the life of the insured and products with guaranteed limited payment periods. Guardian also offers survivorship whole life, a product that pays a death benefit upon the death of the second of two insureds. In 2018, 97% of the individual life products segment premium income was participating whole life insurance premium income. In 2015, Guardian began offering an Index Participation Feature for certain new sales of whole life insurance. Contractholders may elect to allocate 0 to 100% of the dividend associated with the policy's cash value of paid up additions to be based on the return of an S&P 500 index subject to a cap and a 4% guarantee.

Universal Life. Universal life insurance provides the policyholder with flexible premium payments and death benefits. Both Guardian and GIAC offer universal life products. Those sold by GIAC include secondary guarantees. Guardian and GIAC's universal life products credit premium in excess of specified sales charges to the account value of the policy, which is allocated to the fixed account backed by each company's general account. That account value includes a guaranteed principal with a minimum interest credit. The policy value is the net result of the premium payments, plus interest credits, minus expense and cost of insurance charges, minus the amount of any partial surrenders. GIAC also offers survivorship universal life, a product that insures two lives and pays a death benefit at the second death. Guardian also offers universal life insurance for the bank-owned life insurance market ("BOLI") sold in connection with corporate benefit plans, for sale to small or medium corporate purchasers for funding deferred compensation and post-retirement benefits. Sales of BOLI accounted for 0.0%, 0.3% and 0.1% of Guardian's total life insurance sales for 2018, 2017 and 2016, respectively. Guardian offers universal life products with secondary guarantees, but such products accounted for only 0.1%, 0.1% and 0.1% of sales in 2018, 2017 and 2016, respectively.

Variable Universal Life. Variable universal life insurance, issued by GIAC, provides the policyholder, within guidelines established by the terms of the policy, the ability to select and change premium levels, amounts of death benefit and investment options. GIAC credits premium in excess of specified sales charges (the "net premium") to the accumulation value of the policy. GIAC applies the net premium, as instructed by the policyholder, to a fixed rate account which is backed by GIAC's general account, or to one or more of GIAC's separate account investment options, or to an index-linked interest option. For variable universal life products, the policyholder bears the investment risk for cash values in the separate account investment options. GIAC deducts monthly charges, including the cost of insurance, mortality and expense risk charges and administrative charges from the accumulation value to which GIAC credits the net premium. There are both short term and longer term secondary guarantee options available subject to the payment of stipulated premiums. While not currently available to the general public, GIAC also has a legacy variable universal life product for the corporate-owned life insurance market ("COLI") market sold in connection with corporate benefit plans, for sale to small or medium corporate purchasers for funding deferred compensation and post-retirement benefits. Currently, new sales of this product line are limited to sales of additional coverage of existing employees of existing policyholders.

Term Life. Term life insurance provides life insurance protection for a fixed period and has no cash value. Guardian offers a variety of term insurance products designed to meet varying client needs. Almost all term life insurance products allow conversion within a specified time period to one of Guardian's other permanent life insurance products.

Disability Income. Individual disability income insurance, which is sold by BLICOA, can help offset a portion of lost earnings, ensure continued retirement contributions, cover small business operating costs and facilitate partnership buy-outs when an individual becomes disabled. Individual disability income policies are typically sold to individual policyholders in single sale transactions. They are also sold to small groups of individuals through the multi-life disability income market.

Individual Markets Product Pricing and Management

Guardian seeks to price Individual Markets products to produce an appropriate return on invested capital consistent with Guardian's financial strength objectives. Guardian attempts to achieve long-term value for policyholders by competitively managing the key financial fundamentals for each product, including investment earnings, expenses, policy persistency, mortality and morbidity (the incidence and duration of disability). For participating whole life products, Guardian reflects actual experience in dividends, which generally represent premium refunds resulting from more favorable investment, mortality and expense experience than was reflected in the original policy pricing.

Individual Insurance Principal Markets, Marketing and Distribution

Sales of Guardian's Individual Markets products are primarily targeted at affluent and emerging affluent market segments including professionals, business owners, small- and mid-sized businesses, corporations, banks, principals and partners. Products are designed to solve fundamental as well as complex financial concerns, including estate planning, business succession planning and the funding of certain employee benefit plans.

As of December 31, 2018, Guardian sells its Individual Markets products primarily through 50 general agencies, Guardian-managed agencies and career development managers that oversee over 2,500 career agents. Guardian is investing substantially to enable its general agents, career development managers and career agents to run their businesses more effectively and better serve their customers. With increased competition in a deregulated financial services arena, Guardian believes that continued success requires increased distribution productivity and capacity. Guardian also serves clients through existing relationships with banks and broker-dealers, including PAS, a registered broker-dealer that Guardian wholly owns. PAS also provides securities brokerage and investment management services.

Guardian has recently implemented a program to help facilitate ownership transfers in its general agencies, with the goal of ensuring smooth ownership transitions and continued success in the future for successful general agencies.

Individual Markets Underwriting

Guardian balances the risk assessment process to ensure an evaluation of relative risks that seeks profitable new business and competitive product performance. Underwriting risk represents the exposure to loss resulting from actual policy experience such as mortality or morbidity risk being worse than expected in product pricing assumptions. Guardian attempts to reduce this underwriting risk through what it believes to be reasonably conservative evaluation of the risks. Guardian also attempts to reduce this underwriting risk through the use of reinsurance, although there can be no assurances this reinsurance will mitigate the risks as planned. In addition, Guardian's reinsurers may not perform as required, or its reinsurance may otherwise be inadequate. For a description of Guardian's reinsurance, see "—Reinsurance."

Guardian's Individual Markets underwriting teams for individual life and individual disability income insurance are experienced teams, with a respective average of 19 years and 12.5 years, of experience for individual life insurance and individual disability income insurance underwriters, respectively. Guardian believes that its approach to underwriting risk is prudent and relatively conservative.

Individual Insurance Competition

The life insurance industry is highly competitive. There are a large number of life insurance companies in the United States, many of which offer individual insurance products similar to those marketed by Guardian. In addition to competition within the industry, insurers are increasingly facing competition from non-traditional sources in the financial services industry, including mutual fund companies, banks, securities brokerage houses and other financial services entities, many of which provide alternative investment and savings vehicles for consumers. Federal legislative initiatives are affecting the financial services industry, thereby changing the environment in which Guardian competes.

Guardian competes for large life insurance sales with many other financially strong companies. The process for negotiating large sales may involve clients' advisors, consultants, attorneys and accountants. In addition, there is substantial competition for smaller sales due to the large number of companies and agents in these markets nationwide.

In the disability income market, according to the "LIMRA Disability Income Sale—U.S." survey, the five largest writers of disability insurance, including BLICOA, account for the majority of the premiums earned in the market.

Individual Wealth Management and Retirement Savings

GIAC serves the individual retirement market through its Individual Markets Division. This line of business provides financial products and programs for individuals saving for or living in retirement. In addition, many Guardian career agents are registered representatives of Guardian's broker-dealer subsidiary, PAS, and in that capacity provide wealth management services and retirement savings products to their clients.

Below is a description of GIAC's principal retirement-focused insurance products:

Variable Annuities. Variable annuities ("VAs") are individual contracts which allow for either a single premium or flexible premiums, which may be directed to a fixed account backed by the insurer's general account or among a number of separate account investment options for which the investment risk is borne by the contract holder. All VAs allow the owner at a later date to annuitize the contract to receive regular income payments for a specified time period and/or for his or her lifetime (or the lifetime of two people).

GIAC currently offers an individual VA with a B-Share contract and a C-Share contract. The B-Share contract in this series also has a seven-year surrender charge period but a lower contract charge (combined M&E and administrative charges) than the C-Share product, which has no surrender charges. This series of contracts does not offer the option to purchase a living benefit rider.

Living Benefit Riders. As of February 17, 2017, GIAC no longer offers variable annuities with living benefit riders.

Fixed Annuities. GIAC's fixed deferred annuities are designed for more conservative investors and guarantee a set interest rate for a fixed period of time. GIAC currently offers a single premium deferred annuity with four-, five-, and six-year rate periods, so customers can choose a range of time periods that are best suited for their needs. The products currently offer an additional interest rate step-up of 0.10% for premiums in excess of $100,000.

Single Premium Immediate Annuities. GIAC's immediate annuities are designed to provide the customer, in exchange for a lump sum premium payment, with a guaranteed stream of income payments set to begin no later than the end of the 12th month after the contract is issued and guaranteed to last for the customer's lifetime (or joint lifetime) or for a set period of time. The customer does not have access to the single premium payment other than through the stream of guaranteed payments to be provided by GIAC, aside from the most recent version of the product, which does allow for an early one-time market-value adjusted withdrawal of up to 80% of the "term certain" portion of the income stream.

Deferred Income Annuities. GIAC's DIAs are designed to provide the customer with a stream of income payments set to begin between 24 months and 40 years after the initial premium payment and guaranteed to last for the customer's lifetime (or joint lifetime) or a set period of time. Premium payments may be made at any time up to 13 months prior to the date that annuity payments are scheduled to begin. Each premium payment has a separate annuity payment stream, but all payment streams are aggregated when payments begin. The customer does not have access to the premium payments other than through the stream of guaranteed payments to be provided by GIAC.

At December 31, 2018, GIAC's total VA assets totaled $9.2 billion, while fixed annuity assets totaled $3.0 billion. In addition, Guardian continues to invest in and expand its fixed product portfolio.

Individual Annuities Principal Markets, Marketing and Distribution

GIAC's individual annuities are distributed by PAS and offered at the retail level through selling agreements with outside insurance agencies and registered broker-dealers, in addition to PAS.

GIAC's wholesaling force focuses solely on annuities. As of December 31, 2018, the average length of industry experience of the annuity wholesaling group is over 17 years.

Individual Annuities Products and Services Competition

GIAC annuity sales are almost entirely made up of fixed annuities. There are a number of large life insurance companies that offer fixed annuity products similar to those marketed by GIAC. GIAC has designed its fixed annuity products with the aim of being competitive in the marketplace. Guardian's biggest competitors in the fixed annuity space are New York Life, Mass Mutual, Principal, and Western & Southern.

GIAC's current fixed product offerings include SPDA, SPIA and DIA. In the income annuity space (SPIA and DIA), the dominant issuers are other large mutual insurers including New York Life, MassMutual and Northwestern Mutual.

These fixed offerings complement GIAC's VA portfolio and focus on providing income benefits for its policyholders.

Commercial and Government Markets

Insurance Products

Guardian entered the group insurance business in 1957, and Guardian's current Commercial and Government Markets products provide a wide range of employee benefits in all 50 states and the District of Columbia. The products are distributed predominantly through independent brokers throughout the country.

The principal products in the Commercial and Government Markets line of business include dental, vision, life insurance, AD&D, short-term disability, long-term disability, absence management administration and supplemental health products such as accident, hospital indemnity, cancer and critical illness. All Commercial and Government Markets products are marketed on an employer funded, an employee contributory and on a voluntary (i.e., employee pay all) basis. Each Commercial and Government Markets product contains a wide range of plan design variables and options to serve the varying employee benefit needs of customers and prospective customers. In addition, Guardian's group business provides dental, vision and hearing benefits for government programs.

On December 31, 2018, Guardian sold its dental support organization, which supported dental centers in California, Texas and Alabama to Western Dental Services.

Below is a description of the principal Commercial and Government Markets products:

Dental: Dental insurance is a term insurance product that covers the cost of dental services, subject to policy provisions such as co-payments, co-insurance and annual maximums. Guardian's primary dental product is a PPO product that provides comprehensive benefits to covered individuals, especially when they seek treatment from network dentists. As of December 31, 2018, Guardian maintains a network of over 124,000 individual dentists throughout the United States. Currently, 76% of these dentists are directly contracted with Guardian and the remainder are in the network via partnerships with other dental networks. Through various state specific subsidiaries, Guardian also markets DHMO products in California, Florida, Illinois, Indiana, Michigan, Missouri, New Jersey, New York, Ohio, Colorado and Texas.

Vision: Vision insurance is a term insurance product that covers the cost of eye exams and vision aids, subject to policy provisions such as co-payments, co-insurance, and annual maximums. Guardian's primary vision product is a PPO product that provides comprehensive benefits to covered individuals, especially when they seek treatment from network providers. Guardian has partnerships with two alternative vision networks, Vision Services Plan and Davis Vision, to support the PPO product. In addition, Guardian owns the Avēsis vision network, which is used for a segment of the Company's PPO vision business.

Life Insurance: Group life insurance is a basic term product that provides a death benefit for a fixed period and has no cash value. The product typically provides extended coverage by waiving premium for disabled employees.

Accidental Death and Dismemberment: AD&D is a term product that provides a death or dismemberment benefit when the cause of the death or dismemberment is due to an accident, as opposed to a health or disease related occurrence. Since death or dismemberment caused by accident is generally less frequent than death or dismemberment caused by health or disease in the adult population covered by group benefit insurance products, the premium for this coverage is relatively low.

Short-Term Disability: Group short-term disability insurance replaces a portion of lost earnings due to disability. While Guardian offers a range of options, the typical short-term disability policy replaces 60% of income after an individual is disabled for a week. Benefits are payable as long as the individual remains disabled, up to a maximum of typically 13 or 26 weeks, depending on the product.

Long-Term Disability: Group long-term disability insurance replaces a portion of lost earnings due to disability for a longer period of time than is covered by short-term disability. While Guardian offers a range of options, the typical long-term disability policy replaces 60% of income after an individual is disabled typically for 90 or 180 days, depending on the product. Benefits are payable as long as the individual remains disabled, typically up until normal retirement age.

Critical Illness: Critical illness is a term product that provides lump sum benefits for the diagnosis of serious conditions such as cancer, heart attack, kidney failure and stroke. Guardian's critical illness plan pays benefits directly to the member and does not coordinate with any medical insurance the member may have. Critical illness is typically marketed on a voluntary basis.

Accident: Accident insurance is a term product that provides indemnity benefits upon the occurrence and treatment of accidental injuries. Guardian's accident plan pays benefits directly to the member, regardless of the cost of treatment, and does not coordinate with any medical insurance the member may have. Typical coverage includes payments to the member upon use of ambulance services, emergency room visits and hospitalization as well as diagnosis of fractures, burns and lacerations. Accident insurance is typically marketed on a voluntary basis.

Cancer: Cancer insurance is a term product that provides a lump sum benefit for the diagnosis of cancer as well as additional benefits when the member undergoes treatment. Guardian's cancer plan pays benefits directly to the member, regardless of the cost of treatment, and does not coordinate with any medical insurance the member may have. Typical coverage includes payments to the member for cancer related hospitalization, surgery, radiation and chemotherapy. Cancer insurance is typically marketed on a voluntary basis.

Hospital Indemnity: Hospital indemnity insurance is a term product that provides fixed benefit payments, regardless of the cost of treatment, for people with hospital stays, need of ambulance services and other specific medical treatments. The product serves as a supplement to an employee's medical plan.

Medical Stop Loss: Provides financial protection to employers who self-fund their medical benefit plans. In May 2018, Guardian announced that it was exiting this line of business, no longer accepting new customers and would not offer renewals. The majority of these customers (which was less than 200 customers) were terminated by the end of 2018. Guardian expects essentially no stop loss premium in 2020.

Absence Management Administration: Through its wholly owned subsidiary, The Reed Group, Guardian provides administrative services, software and content subscriptions to employers and insurance carriers to manage employee absences.

Government Programs: Through various subsidiaries, Guardian insures and/or administers dental, vision and hearing benefits for government programs, including Medicaid, CHIP and Medicare Advantage.

Group Insurance Product Pricing and Management

Guardian seeks to price each Commercial and Government Markets product to produce an appropriate return consistent with Guardian's financial objectives. Guardian's group insurance products are term insurance and the pricing factors for each product line are updated regularly and the price for each group client is periodically adjusted, typically on an annual basis, subject to client renewal. Generally, Guardian sets renewal rate increases to reflect trends in morbidity and mortality on Guardian's block of business. The majority of in-force group insurance product policies, especially dental and vision, have historically received annual rate increases. Guardian maintains what it believes to be competitively priced products by managing what it considers key fundamentals, including underwriting, expense management and claim costs.

Commercial and Government Markets Principal Markets, Marketing and Distribution

Sales of Guardian's Commercial and Government Markets products are primarily targeted to employers with two to 10,000 employees. The commercial and government product portfolio has a wide range of options to serve the needs of varying customer segments.

Guardian sells its commercial and government products primarily through independent brokers. As of December 31, 2018, Guardian maintains a staff of over 200 group sales professionals plus over 90 account managers located in over 50 offices across the country who cultivate and manage relationships with independent brokers. As of December 31, 2018, over 14,900 brokers have group insurance product business in force with Guardian.

In addition, Guardian maintains a group of over 240 contracted enrollers across the country. These individuals are part of the sales process and conduct employee enrollment meetings for commercial and government products that are sold on a voluntary basis.

Commercial and Government Markets Product Underwriting

Guardian balances the risk assessment process to ensure an evaluation of relative risks both at the issuance of new business as well as the annual renewal of in-force policies. Underwriting risk reflects the exposure to actual loss experience adversely deviating from product pricing assumptions, specifically morbidity and mortality assumptions. Most underwriting is at the group level, reflecting prior claim experience, group demographics and plan design parameters.

Commercial and Government Markets Product Competition

The group insurance product industry is highly competitive, with a mix of national and regional competitors that vary by product type and employer size segment. In general, dental insurance tends to have more regional competition, as the product strength is often associated with the local provider network. There are also many dental insurers that compete in multiple regions throughout the country. Group life and disability competitors tend to be more national in scope, although some tend to focus on specific employer size segments.

Guardian competes through its long-term relationships with brokers in markets throughout the country, a wide and flexible product portfolio, a large dental network and superior customer service.

Investment Management

Investment advisory services are provided to Guardian, its affiliates and various unaffiliated individual and institutional investors primarily through Guardian's investment management staff and its subsidiaries. The primary focus of investment management at Guardian is to manage the general account assets of Guardian and its subsidiaries. The invested assets of Guardian's general account have grown from $37.7 billion at December 31, 2013 to $53.1 billion at December 31, 2018.

Guardian's investment objectives are to (1) protect financial strength and ratings, (2) provide competitive long-term dividends and (3) execute a competitive long-term asset allocation strategy. The goal of Guardian's asset/liability management is to structure the risk/reward profile of the asset portfolio in an optimal manner relative to the liabilities. Guardian's investment strategy focuses on supporting product liabilities in light of total return, yield, liquidity, cash flow and diversification considerations. Guardian's general account investments primarily back participating whole life products. Guardian's subsidiaries also aim to match asset portfolios to relevant characteristics of the liabilities.

Guardian utilizes a wide array of investment instruments to carry out its portfolio management activities. The investment strategies Guardian uses in managing its asset portfolios are generally aimed at maximizing the long-term total rate of return.

Guardian also provides its customers access to a wide range of investment products, some of which are distributed through its subsidiary, PAS. Further, Guardian provides certain third party asset management services to institutional counterparties through subsidiaries of GIS. In the third quarter of 2016, a collateralized loan obligation special purpose vehicle ("CLO") managed by Park Avenue Institutional Advisers LLC ("PAIA"), a GIS subsidiary, issued $406 million in equity and debt instruments, of which Guardian purchased $43 million in equity. On November 14, 2017, the second CLO managed by PAIA issued $456 million in equity and debt instruments, of which Guardian purchased $42 million in equity. On August 23, 2018, the $363 million of senior notes issued from the first CLO in the third quarter of 2016 was refinanced with $366 million in senior notes. On November 9, 2018, the third CLO managed by PAIA issued $404 million in equity and debt instruments, of which Guardian retained $33 million of $38 million in issued equity. On May 9, 2019, the fourth CLO managed by PAIA issued $399 million in equity and debt instruments, of which Guardian purchased $33 million in equity. On October 15, 2019, the fifth CLO managed by PAIA issued $400 million in equity and debt instruments, of which Guardian purchased $35 million in equity. Guardian has sold some of the equity it purchased from CLO's issued by PAIA and may sell more in the future. Depending on market conditions and regulatory developments, Guardian may, in the future, make additional investments in equity, debt or subordinated debt interests issued by additional CLOs managed by PAIA.

Reinsurance

Guardian enters into reinsurance agreements with other insurance companies in the normal course of business. Total premium ceded for the years ended December 31, 2018, 2017 and 2016 was $283 million, $275 million and $260 million, respectively. Premiums ceded to reinsurers are reported as a reduction of premium revenue in the Statement of Operations. The reinsurance agreements create no right or legal relationship between the reinsurer and the insured, owner or beneficiary of any insurance policy reinsured under these agreements. Guardian remains liable to the insured for the payment of benefits, and must make such payments if the reinsurer cannot meet its obligations under the reinsurance agreements.

Guardian participates in automatic reinsurance and facultative reinsurance. Automatic reinsurance is reinsurance in which the ceding company is obligated to cede, and the reinsurer is obligated to assume, risks which meet specific criteria based on the provisions of the reinsurance agreement and the ceding company's underwriting. Facultative reinsurance is reinsurance of individual risks at the option of the reinsurer and the ceding company, whether under a treaty of reinsurance or by negotiation with respect to an individual risk. The reinsurer is free to accept or reject the offerings of the ceding company, and the reinsurer may specify its own ratings or terms for the reinsurance. Automatic reinsurance can be ceded to a pool of reinsurers on a first dollar quota-share or excess of retention basis. Under first dollar quota-share arrangements the ceding company retains a certain percentage of the risk on each policy, in a given class of business, and cedes the remaining portion to a pool of reinsurers based on predetermined shares. In an excess of retention arrangement, the ceding company keeps amounts up to its maximum capacity (full retention limit) on any one life and cedes the remaining amount to one or more reinsurers. When reinsured with more than one reinsurer, the amounts in excess of the ceding company's capacity may be ceded based on an alphabetic split (depending on the insured's last name) or based on predetermined shares.

Guardian's maximum retention limit for participating whole life, universal life and variable universal life is generally $17.5 million of death benefit per life. Any death benefit in excess of the $17.5 million retention is ceded to a pool of reinsurers under excess of retention arrangements. Guardian may selectively retain a greater amount of coverage on two individuals in connection with joint and last survivorship policies. For term policies, Guardian's maximum retention is currently $2 million of death benefit per life. Any death benefit in excess of the $2 million retention is ceded to a pool of reinsurers under excess of retention arrangements. Guardian coinsured between 76% and 90% of all term life insurance business on a first dollar quota share basis until May 1, 2014. Starting May 1, 2014, Guardian cedes amounts in excess of $2 million per life of newly issued term life insurance to a pool of four reinsurers on an automatic yearly renewable term basis. Term life insurance business may also be ceded to the same four reinsurers on a facultative basis. Also, beginning May 1, 2014, Guardian has coinsurance with funds withheld under a reinsurance agreement with one reinsurer, covering 90% of Guardian's level term life insurance amounts net of the excess of $2 million dollar on term life retention yearly renewable term reinsurance.

As of December 31, 2018, Guardian ceded $168 billion of individual participating whole life, individual universal life and individual term death benefit to reinsurers, or 43% of the total individual life death benefit coverage in-force. Claims ceded to reinsurers are reported as a reduction of benefits payments to policyholders and beneficiaries in the Statement of Operations.

Historically, BLICOA's retention on individual disability income policy monthly benefits has varied from $4,000 to $10,000 per life on policies issued before January 1, 2016. Amounts in excess of BLICOA's retention limits were reinsured with third-party with reinsurers. For policies issued on or after January 1, 2016, BLICOA has ceased external reinsurance of new business and BLICOA and Guardian retain 100% of the risk.

Reinsurance with Unaffiliated Companies

For all participating whole life policies, universal life policies with secondary guarantees and universal life policies without secondary guarantees policies, issued directly by Guardian through June 1, 2015, where Guardian's retention is exceeded, Guardian has an automatic yearly renewable term reinsurance program involving four reinsurers. Business may also be ceded to the four automatic reinsurers on a facultative basis. Guardian has one reinsurance program open to new business for facultative cases and cases that exceed the automatic binding limits that may also be submitted facultatively on a case-by-case basis to the reinsurer. Guardian cedes approximately 10% of its participating whole life, universal life with secondary guarantee and universal life without secondary guarantee life insurance face amounts under these programs. Guardian also has a yearly renewable term first dollar quota-share program under which Guardian cedes 90% of universal life policies without secondary guarantee, issued directly by Guardian since June 1, 2015, to two reinsurers.

Guardian coinsured between 76% and 90% of all term life insurance business on a first dollar quota share basis until May 1, 2014. Starting May 1, 2014, Guardian cedes amounts in excess of $2 million per life of newly issued term life insurance to a pool of four reinsurers on an automatic yearly renewable term basis. Term life insurance business may also be ceded to the same four reinsurers on a facultative basis. Also, beginning May 1, 2014, Guardian has coinsurance with funds withheld under a reinsurance agreement, with one reinsurer, covering 90% of Guardian's level term life insurance amounts net of the excess of $2 million retention.

Guardian has various yearly renewable term first dollar quota-share agreements under which Guardian cedes 90% of all secondary guarantee universal life premiums that it had assumed from GIAC to third-party reinsurers. Guardian also maintains several reinsurance programs covering life insurance products that Guardian no longer writes.

As of December 31, 2018, Guardian's two largest reinsurance counterparties accounted for 52% and 19%, respectively, of the outstanding individual life insurance reinsurance in-force by face amount. As of December 31, 2018, measured by reference to reserve credit taken by Guardian, Guardian's five largest life reinsurers had financial strength ratings from S&P of A or better. These five companies represented more than 93% of Guardian's ceded life reinsurance reserve credit.

BLICOA coinsured 90% of all term life insurance business on a first dollar quota share basis with five third-party reinsurers, with the exception of 5 and 10-year term policies issued between April 1, 2004 and June 30, 2005, which were 76.5% coinsured. All of these agreements covering BLICOA's term life insurance are closed to new business.

BLICOA has reinsurance on its individual disability income policies issued prior to January 1, 2016 for the monthly benefits payable in excess of a specified dollar amount per individual insured. Individual disability income policies issued on or after January 1, 2016 are not reinsured. In addition, BLICOA maintains an excess of loss reinsurance arrangement on a closed block of non-cancelable disability income insurance.

BLICOA has coinsurance treaties with two companies to which it cedes 90% of the risks for all of its long-term care products. BLICOA stopped writing long-term care insurance in 2012 and as of December 31, 2018 has $49 million of direct premium in-force ($5 million net premium).

Guardian has some reinsurance on selected group products. Group life and AD&D insurance are reinsured for excess of a certain face amount on an individual certificate. Group long-term disability has reinsurance for monthly benefits over a certain dollar amount on an individual certificate.

GIAC reinsures certain living and death benefit guarantees within its VA business. GIAC has a coinsurance agreement with one reinsurer covering 90% of various GMWB riders that were written through December 2008 and introduced prior to September 2008. That reinsurer is an admitted reinsurer in New York. The financial strength ratings of this reinsurer from S&P and Moody's are AA- and Aa3, respectively. The reinsurance treaty remains in effect for any business written on these riders including any renewal premiums received through present day. The remainder of the business written on these riders is subject to a hedging program. Beginning in September 2008, new GMWB rider forms were introduced, and the business written pursuant to these new rider forms is not subject to reinsurance, instead 100% of such business is subject to the hedging program. For a description of this hedging program and its limitations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Information about Market Risk—Hedging Programs." At December 31, 2018, the account value of all GMWB contracts was approximately $6.6 billion before reinsurance and $6.1 billion after reinsurance. At December 31, 2017, the account value of all GMWB contracts was approximately $7.8 billion before reinsurance and $7.2 billion after reinsurance. At December 31, 2016, the before and after reinsurance account values were $7.4 billion and $6.7 billion, respectively. In addition, the net amount at risk was $1,358 million, $359 million and $653 million at December 31, 2018, 2017 and 2016, respectively. In addition, the account value associated with the GMIB risk is 100% reinsured with a third party reinsurer, representing $52 million, $67 million and $75 million of related account value as of December 31, 2018, 2017 and 2016, respectively. GIAC provides a death benefit if the contract value is less than the guaranteed minimum amount. Most base contracts include a death benefit based on a ROP. Additionally, GIAC offers elective death benefit riders that may provide a greater death benefit than the ROP amount. All GMDB annual benefit elective riders issued through December 2009 are 100% reinsured with two third party reinsurers, each of which has a financial strength rating of at least AA- from S&P. To the extent the GMDB annual benefit elective rider was purchased, ROP benefit risk was also reinsured with such third-party reinsurers for certain issue years. Depending on the type of GMDB annual death benefit rider purchased, the ROP portion of coverage ended for contracts issued either on or after April 2005 or January 2009, and such risks are no longer reinsured.

GIAC sold its 401(k) business to Ameritas in a combined asset sale and reinsurance transaction that closed on September 1, 2016. The parties entered into a Reinsurance and Administration Agreement (the “Agreement”) providing for coinsurance of all general account liabilities associated with the business and modified coinsurance of the liabilities associated with the Separate Accounts (i.e., 401(k) contributions made by plan sponsors and plan participants). The initial general account coinsurance premium was $150 million while the initial Separate Account modified coinsurance premium was $3.2 billion. This Agreement also provides for an assumption/novation to Ameritas of each customer contract associated with the 401(k) business beginning 24 months following closing, and provides for administration by Ameritas of the reinsured business. Ameritas bears all economic risk for this business as of September 1, 2016. All customer contracts associated with the 401(k) business have been novated to Ameritas as of December 31, 2019.

Prices on reinsurance can, subject to treaty terms on notification, be increased on both yearly renewable term and coinsurance business. Guardian’s treaties generally require a six-month advance notice to change prices. Although reinsurers have historically tended to prospectively increase rates on yearly renewable term agreements or decrease allowances under coinsurance treaties, which results in a less favorable financial result for the ceding company, reinsurers can increase rates on both a prospective and retrospective basis. Although unusual, a reinsurer may notify a company that subject to the notification period, it will not accept any new business at any price. More typically, a reinsurer will notify a company that after a certain date, given appropriate notice, either yearly renewable term rates or coinsurance allowances will change for any new business under the treaty. If this situation were to occur for either existing or new business, Guardian has the right to find other reinsurers and renegotiate the treaty, either with the existing reinsurers or with new parties. There are no guarantees that rates charged by reinsurers will not increase in the future, either for new or existing business.

Reinsurance with Affiliates

Guardian and third parties enter into coinsurance, modified coinsurance and yearly renewable term agreements with GIAC to provide for reinsurance of selected GIAC VA contracts, group 401(k) plans and group life and individual life policies. Under the terms of the modified coinsurance agreements with GIAC, reserves ceded to the reinsured business and corresponding assets held by GIAC amounted to $510 million as of December 31, 2018. The reinsurance contracts do not relieve GIAC of its primary obligation for policyholder benefits. Failure of reinsurers to honor their obligations could result in losses to GIAC; consequently, GIAC evaluates the financial condition of its reinsurers in order to minimize its exposure to losses from reinsurer insolvencies. Guardian also has a first dollar quota-share coinsurance/modified coinsurance and subsequent first dollar quota-share yearly renewable term agreement with GIAC whereby Guardian assumes 90% of the risks on certain variable life and variable universal life policies sold by GIAC.

Guardian has two coinsurance treaties in effect with BLICOA: (1) effective concurrently since the creation of BLICOA in 2001, Guardian cedes 100% of its direct individual disability business to BLICOA; and (2) effective as of January 1, 2013, Guardian assumes 80% of BLICOA’s net individual disability business which includes the business ceded to BLICOA in the treaty referenced in clause (1) above, as well as business written directly by BLICOA.

Guardian also has a quota-share coinsurance/modified coinsurance agreement with BLICOA whereby Guardian assumed the risk on certain universal life policies sold by BLICOA. Guardian assumes the excess of BLICOA’s retention on certain universal life policies on a yearly renewable term basis. Guardian has a quota-share coinsurance agreement with BLICOA whereby Guardian assumed 5–10% of the risk on certain term life policies sold by BLICOA as a participant in BLICOA’s term reinsurance pool. All lines covered by the agreements with BLICOA are closed to new business.

Legal Proceedings

Guardian is involved in litigation arising in and out of the normal course of business, which seek both compensatory and punitive damages. Guardian is not currently litigating nor is it aware of any pending legal actions or allegations that should reasonably give rise to a materially adverse impact to its financial position or liquidity. However, the outcome of litigation cannot be foreseen with certainty.

Guardian is subject to governmental and administrative proceedings and regulatory inquiries, examinations and investigations in the ordinary course of its business. Guardian has cooperated with these regulatory agencies and has responded to information requests and comments.

These examinations, inquiries and investigations have included industry-wide reviews of abandoned property and escheatment issues, illustrations and replacements of life insurance and annuities, underwriting practices involving prescription drug use or social media presence, and the standards of conduct in the sale of life insurance and annuities. In connection with certain of these matters, Guardian has been contacted by the SEC, FINRA, the NYSDFS, the New York Attorney General and other regulatory authorities.

Guardian believes that it is reasonable to expect that regulatory inquiries, examinations and investigations into the financial services industry will continue for the foreseeable future. It is the opinion of management that the ultimate resolution of these matters will not materially impact Guardian's financial position or liquidity. The outcome of a particular matter may be material to Guardian's operating results for a particular period depending upon, among other things, the size of the matter and level of Guardian's income for the period.

Regulation

Insurance Regulation Generally. Guardian, NAIC number 64246, is licensed to transact its insurance business in, and is subject to regulation and supervision by, all 50 states of the United States and the District of Columbia. Guardian and its insurance subsidiaries are licensed, regulated and supervised in all jurisdictions where they conduct insurance business. The extent of such regulation varies. However, most jurisdictions have laws and regulations requiring the licensing of insurers and their agents and setting standards of solvency, reserves, reinsurance, capital adequacy and business conduct to be maintained by licensed insurance companies, and may regulate withdrawal from certain markets. In addition, statutes and regulations usually require the approval of policy forms and, for certain lines of insurance, the approval of rates. Such statutes and regulations in certain states also prescribe the permitted types and concentration of investments. Guardian, along with each of its insurance subsidiaries, is required to file detailed annual financial statements with supervisory agencies in each of the jurisdictions in which Guardian or such insurance subsidiary does business and its operations and accounts are subject to periodic examination by such authorities. Guardian's operations and accounts are also subject to examination by such agencies. The primary purpose of this insurance industry regulation is to protect policyholders, not holders of any securities. Guardian is also subject to federal and state laws and regulations affecting the conduct of Guardian's businesses.

The New York Insurance Law limits the sales commissions and certain other marketing expenses that may be incurred in connection with the sale of individual life insurance policies and annuity contracts issued in any state by Guardian, GIAC and BLICOA. Some group insurance products also have restrictions on commissions, although the restrictions are more limited in nature. The NYSDFS requires the filing of information on agent compensation program structure and amounts on an annual basis.

The NAIC, as well as certain state regulators, are currently considering implementing regulations that would apply an impartial conduct standard to recommendations made in connection with certain annuities and, in the case of New York, life insurance policies. In particular, in July 2018, the NYSDFS issued a final version of amended Regulation 187, which adopts a "best interest" standard for the sale of life insurance and annuity products in New York. The regulation generally requires a consumer's best interest, and not the financial interests of a producer or insurer, to influence a producer's recommendation as to which life insurance or annuity product a consumer should purchase. In addition, the amendments to Regulation 187 impose a best interest standard on certain consumer in-force transactions. These amendments to Regulation 187 became effective for annuity products on August 1, 2019 and will become effective for life insurance products on February 1, 2020. Guardian is continuing to assess the impact of the regulation on its business. The regulation, when implemented, may have adverse effects on Guardian's business, results of operations and financial condition. In November 2018, the three primary agent groups in New York launched a legal challenge against the NYSDFS over the adoption of amended Regulation 187. In July 2019, the New York State Supreme Court dismissed the plaintiffs' legal challenge, and upheld the NYSDFS's authority to extend the rule to life insurance products. A notice of appeal was filed in September 2019. In addition, in December 2019, the Massachusetts Securities Division of the Office of the Secretary of the Commonwealth issued proposed regulations that would impose a fiduciary conduct standard on broker-dealers, agents, investment advisers and investment adviser representatives, including in connection with the sale of insurance. The proposed regulations, if implemented as currently proposed, may have adverse effects on Guardian's business, results of operations and financial condition.

State insurance regulatory authorities and other state enforcement agencies may from time to time make inquiries regarding Guardian's compliance with laws and regulations regarding the conduct of its insurance business. Guardian and its subsidiaries endeavor to respond to such inquiries in an appropriate way and to take corrective action if warranted. Based upon regulatory inquiries that have been made, it is Guardian's opinion that any regulatory proceedings which might be initiated following such inquiries are not likely to have a material adverse effect on Guardian's financial position or results of operations.

Holding Company Regulation. Guardian is subject to the New York Insurance Law governing insurance companies and their subsidiaries and affiliates, in particular, Article 17 of the New York Insurance Law. That article places certain restrictions on transactions between Guardian and its subsidiaries and other affiliates. In addition, the NYSDFS requires reports and notifications of transactions involving Guardian and its subsidiaries and other affiliates. Some of these transactions are subject to prior approval by the NYSDFS.

Guardian's insurance subsidiaries are subject to regulation under the insurance holding company laws of various jurisdictions. The insurance holding company laws and regulations vary from jurisdiction to jurisdiction, but generally require each controlled insurance company to register with state regulatory authorities and to file with those authorities certain reports, including information concerning their capital structure, ownership, financial condition, certain intercompany transactions and general business operations and, where applicable requirements have been adopted, reports on the enterprise risk management and governance of Guardian.

The New York Insurance Law and the regulations thereunder also restrict the aggregate amount of investments Guardian may make in non-life insurance subsidiaries and provide for periodic reporting on all of its subsidiaries.

Risk Management and ORSA. The NAIC's Risk Management and Own Risk and Solvency Assessment Model Act, or the "ORSA Model Act," requires insurers that exceed specified premium thresholds to maintain a framework for managing the risks associated with their entire holding company group, including non-insurance companies. In addition, at least annually, the insurer must prepare a summary report, or the "ORSA Report," regarding its internal assessment of risk management and capital adequacy for the entire holding company group. ORSA Reports are filed on a confidential basis with the insurance holding company group's lead regulator and made available to other domiciliary regulators within the holding company group. Guardian filed its latest ORSA Report in October 2019.

Unclaimed Property Laws. Guardian is subject to the laws and regulations of states and other jurisdictions concerning the identification, reporting and escheatment of unclaimed or abandoned funds, and is subject to audit and examination for compliance with these requirements.

Guaranty Funds. All 50 states of the United States and the District of Columbia have insurance guaranty fund laws requiring insurance companies doing business within those jurisdictions to participate in guaranty associations. Guaranty associations are organized to cover, subject to limits, contractual obligations under insurance policies and certificates issued under group insurance policies, issued by impaired or insolvent life insurance companies. These associations levy assessments, up to prescribed limits, on each member insurer doing business in a particular state on the basis of their proportionate share of the premiums written by all member insurers in the lines of business in which the impaired or insolvent insurer is engaged. Some states permit member insurers to recover assessments paid through full or partial premium tax offsets, usually over a period of years. Assessments levied against Guardian by guaranty associations during each of the past five years have not been material. While Guardian cannot accurately predict the amount of future assessments, Guardian believes that assessments with respect to other pending insurance company impairments and insolvencies will not have a material adverse effect on Guardian's financial position or results of operations.

Policy and Contract Reserve Sufficiency Analysis. Under the New York Insurance Law, Guardian is required to conduct annually an analysis of the sufficiency of all life insurance and annuity statutory reserves. Each year Guardian must submit an opinion of a qualified actuary that states that Guardian's statutory reserves, when considered in light of the assets held with respect to such reserves, make good and sufficient provision for Guardian's associated contractual obligations and related expenses. If reserves are viewed as being inadequate, Guardian must set up additional reserves by moving funds from surplus. As part of Guardian's 2018 statutory annual statement, Guardian provided an actuarial opinion without qualifications regarding these reserve requirements as of December 31, 2018.

The New York legislature in 2018 adopted a law that makes the adoption of principle based reserves possible for New York domiciled companies. Based on subsequent NYSDFS regulation, Guardian expects PBR will not have a material impact on its financial condition.

Risk-Based Capital. Section 1322 of the New York Insurance Law requires that New York-domiciled life insurers report their RBC based on a formula calculated by applying factors to various asset, premium and reserve items. The formula takes into account the risk characteristics of the insurer, including asset risk, insurance risk, interest rate risk and business risk. Section 1322 imposes broad confidentiality requirements on those engaged in the insurance business (including insurers, agents, brokers and others) and on the NYSDFS as to the use and publication of RBC data.

Section 1322 gives the Superintendent explicit regulatory authority to require various actions by, or take various actions against, insurers whose total adjusted capital does not exceed certain RBC levels. As of December 31, 2018, Guardian's total adjusted capital was in excess of each RBC level that might require Guardian to take remedial action.

BLICOA and GIAC are also subject to RBC requirements. Certain FCW subsidiaries are insurance entities subject to RBC requirements, while FCW itself, not being an insurer, is not. As of December 31, 2018, the total adjusted capital of each of BLICOA, GIAC and the relevant FCW subsidiaries was in excess of each RBC level that might require BLICOA, GIAC or a relevant FCW subsidiary to take some remedial action.

Statutory Examinations. As part of their routine regulatory oversight process, state insurance departments conduct periodic detailed examinations of the books, records and accounts of insurers domiciled in their states. These examinations are generally conducted in cooperation with the departments of two or three other states under guidelines promulgated by the NAIC. The NYSDFS last completed its statutory examination of Guardian for the five-year period ending December 31, 2013 and issued a final report on exam findings on June 19, 2015. The NYSDFS is currently conducting an examination for the five-year period ending December 31, 2018.

Various state insurance departments also periodically examine non-domestic insurance companies conducting business in their states, including Guardian and its insurance subsidiaries. The purpose of these periodic examinations is to evaluate the companies' compliance with state insurance laws and regulations and to determine if operations are consistent with the public interest of the policyholders resident in the state conducting the examination.

NAIC Ratios. On the basis of statutory financial statements filed by life insurance companies with state insurance regulators, the NAIC calculates annually 12 financial ratios to assist state insurance regulators in monitoring the financial condition of life insurers. State insurance regulators review this statistical report, which is available to the public, together with an analytical report, prepared by and available only to state insurance regulators, to identify insurance companies that appear to require immediate regulatory attention. A "usual range" of results for each ratio is used as a benchmark. In general, departure from the "usual range" on four or more of the ratios can lead to inquiries from individual state insurance departments. Guardian had no ratios outside the "usual range" in 2018 and 2017.

Surplus and Capital. The New York Insurance Law requires Guardian to maintain at least $150,000 in surplus. In addition to this minimum, there are also risk-based capital requirements, as discussed above. Guardian and its insurance subsidiaries are subject to the supervision of the regulators in each jurisdiction in which they are licensed to transact business. These regulators have discretionary authority, in connection with the continued licensing of Guardian or any of these insurance subsidiaries, to limit or prohibit its sales to policyholders if such regulators determine that any such insurer has not maintained the minimum surplus or capital required or that such insurer's further transaction of business would be hazardous to policyholders.

Policyholder Dividend Requirements. New York Insurance Law Section 4219 limits the amount of surplus attributable to participating business that a domestic life insurance company may accumulate. Guardian is in compliance with that limit. Guardian distributes amounts of divisible surplus annually in the form of dividends on Guardian's participating policies in accordance with dividend scales approved annually by Guardian's Board of Directors.

Regulation of Investments. Guardian and each of its insurance subsidiaries is subject to state laws and regulations that require diversification of its investment portfolios and limit the amount of investments in certain asset categories, such as below-investment-grade fixed income securities, equity real estate, mortgages, other equity investments, foreign investments and derivatives. Failure to comply with these laws and regulations would cause investments exceeding regulatory limitations to be treated as non-admitted assets for purposes of measuring statutory surplus, and, in most instances, require divestiture. Guardian believes its investments and those of each of its insurance subsidiaries comply with all such laws and regulations.

New York Insurance Regulation 210. On March 19, 2018, Insurance Regulation 210 became effective in New York. This regulation establishes standards for the determination and any readjustment of non-guaranteed elements ("NGEs") that may vary at the insurer's discretion for life insurance policies and annuity contracts delivered or issued for delivery in New York State. The regulation requires insurers to notify policyholders at least 60 days prior to any adverse change in NGEs and, with respect to life insurance policies, to notify the NYSDFS at least 120 days prior to any such changes. In addition, the regulation requires insurers to file annually with the NYSDFS to inform the NYSDFS of any adverse changes in the current scale of NGEs of any existing policy that occurred in the prior calendar year.

Federal Income Taxation. Congress has, from time to time, considered legislation that could adversely impact the manner of taxing the products Guardian sells and of calculating the amount of taxes paid by life insurance companies or other corporations, including Guardian. Changes to federal, state or other tax laws, or in the interpretation of applicable tax laws and regulations, could reduce Guardian's earnings and adversely affect Guardian's business, financial condition or results of operations.

The attractiveness to Guardian's customers of many of its products may be due, in part, to favorable tax treatment. Current federal income tax laws generally permit the tax-deferred accumulation of earnings on the premiums paid by the holders of life insurance and annuity products. Taxes, if any, are payable generally on income attributable to a distribution under the contract for the year in which the distribution is made. Death benefits under life insurance contracts may be received free of federal income tax. Congress has, from time to time, considered legislation that could have the effect of reducing or eliminating the benefit of such income tax deferral or otherwise affect the taxation of life insurance or annuity products. As a result, demand for certain of Guardian's life insurance and annuity products that offer income tax deferral could be negatively impacted. To the extent that legislation is enacted in the future to reduce the tax deferred status of life insurance or annuity products, limit the exclusion of death benefits from income, or reduce the taxation of competing products, all life insurance companies, including Guardian, could be adversely affected. Likewise, reductions in individual tax rates could reduce the attractiveness of tax deferral to Guardian's potential customers.

Congress has from time to time, considered material changes to, or repeal of, the estate tax. Many of Guardian's products are sold to customers in order to help them meet their estate tax planning needs. To the extent that legislation is enacted in the future that would materially change, or repeal, the estate tax, sales of Guardian's products could be adversely affected.

See "Risk Factors—Risk Factors Related to Guardian—Changes in tax laws and the interpretation thereof could adversely affect Guardian's business."

Securities Laws. Certain of Guardian's direct and indirect subsidiaries and certain policies and contracts offered by them, are subject to various forms of regulation under the federal securities laws administered by the SEC, state securities laws and FINRA rules. Certain of Guardian's direct and indirect subsidiaries, such as PAS and

Park Avenue Institutional Advisers LLC ("PAIA"), are investment advisers registered under the Investment Advisers Act of 1940, as amended. In addition, PAS is a broker-dealer with the SEC under the Exchange Act, and is a member of, and subject to regulation by, FINRA.

In addition, certain separate accounts of GIAC related to its variable insurance products and a variety of mutual funds advised or subadvised by PAIA are registered under the Investment Company Act of 1940, as amended. The separate account interests under the variable products issued through these registered separate accounts and shares offered by these registered mutual funds are registered under the Securities Act.

Federal and state securities regulatory authorities, state attorneys general and FINRA from time to time make inquiries regarding compliance by Guardian and its subsidiaries with securities and other laws and regulations regarding the conduct of their securities businesses. Guardian endeavors to respond to such inquiries in an appropriate way and to take corrective action if warranted.

These laws and regulations are primarily intended to benefit investors in the securities markets and generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the carrying on of business for failure to comply with such laws and regulations. In such event, the possible regulatory sanctions include the suspension of individual employees or associates, limitations on the activities in which the regulated entity may engage, suspension or revocation of an investment adviser's or broker-dealer's registration as an adviser or broker-dealer, censure and fines. Guardian's direct and indirect subsidiaries may also be subject to similar laws and regulations in the states in which they provide investment advisory services, offer the products described above, or conduct other securities-related activities.

Federal Insurance Initiatives and Legislation. Although the federal government has not directly regulated the insurance business, federal initiatives often have an impact on Guardian's life insurance business. Current and proposed measures that may significantly affect the insurance business generally include proposals to create an optional federal charter for insurers, limitations on anti-trust immunity, minimum solvency requirements, and other proposals at the federal level to streamline state insurance regulatory processes. Guardian cannot predict whether these proposals will be adopted, or, if adopted, the impact, if any, such proposals could have on Guardian's business, results of operation or financial condition. At the present time, Guardian does not know of any federal legislative initiatives that, if enacted, would adversely impact its business, results of operations or financial condition. See "Risk Factors—Risk Factors Related to Guardian. Guardian is subject to extensive regulation, which restricts its operations and imposes compliance costs" and "Risk Factors—Risk Factors Related to Guardian—The Dodd-Frank Act and certain other potential changes in federal laws and regulations may adversely affect Guardian's business, results of operations and financial condition."

In July 2010, Congress passed, and President Obama signed, the Dodd-Frank Act. Policy and rule-making conducted after the enactment of the Dodd-Frank Act has changed and will continue to significantly change financial regulation. The Dodd-Frank Act establishes a general framework for systemic regulation that has imposed and will impose mandatory clearing, exchange trading and margin requirements on many derivatives transactions. Although regulations with respect to swaps and other derivatives that are regulated by the Commodity Futures Trading Commission (the "CFTC") have been largely implemented, final implementation for Guardian of requirements relating to initial margining of swaps is expected to go into effect in September 2020. Regulations for security-based swaps, which are regulated by the SEC, have been largely adopted but not yet implemented. These regulations differ in many respects from those adopted by the CFTC, the prudential regulators and regulators in the EU. As a result, it is possible that implementation of SEC regulations could adversely impact Guardian's positions in security-based swaps, such as credit default swaps and equity swaps.

Beginning in September 2020, Guardian will be required to post initial margin to its derivatives counterparties in respect to its swaps positions depending on the size of the swaps books of the broader Guardian group and the applicable threshold established by counterparties. Initial margin positing is required if the Guardian and its affiliated have "material swaps exposure." Under the rules, this requires average daily aggregate notional exposure to uncleared swaps, uncleared security-based swaps, foreign exchange forwards and foreign exchange swaps for specified prior period in excess of $8 billion. Guardian expects that the requirements will be applicable to it. In addition, eligible margin for initial margin for swaps, like that for variation margin, is restricted to cash and liquid securities (such as U.S. government securities, government-sponsored enterprise debt securities, certain sovereign debt and specified corporate debt, listed equities and funds.

To the extent that Guardian's swaps or security-based swaps counterparty collects initial margin from it, Guardian may request that the derivatives counterparty segregate all such initial margin at a custodian. If Guardian does not request segregation, the custodian or counterparty may commingle such assets or collateral with the custodian's or counterparty's own assets or collateral, and in the event of the bankruptcy or insolvency of the custodian or counterparty, such assets and collateral may be subject to the conflicting claims of the creditors of the relevant custodian or counterparty, which may result in a loss to Guardian.

Guardian currently posts variation margin to and collects variation margin from counterparties to swaps subject to regulation by the CFTC, U.S. prudential regulators and authorities in the EU.

In addition, where Guardian enters into certain swaps that are subject to mandatory clearing, Guardian will be required to execute such swaps on a registered exchange or trading platform.

Further, where Guardian enters into a swap with non-U.S. counterparties in the EU, the regulations of the home or resident country of such counterparty generally apply regulatory requirements with respect to such swap that are similar to those adopted by the CFTC and the prudential regulators pursuant to the Dodd-Frank Act. EMIR, like the CFTC regulations in effect in the U.S., requires reporting of derivatives and various risk mitigation techniques to be applied to derivatives entered into by parties that are subject to the jurisdiction of EMIR.

The Dodd-Frank Act also established an FSOC which has authority to designate non-bank financial companies as non-bank SIFIs thereby subjecting them to enhanced prudential standards and supervision by the Federal Reserve. The prudential standards for non-bank SIFIs include enhanced RBC requirements, leverage limits, liquidity requirements, single counterparty exposure limits, governance requirements for risk management, stress test requirements, special debt-to-equity limits for certain companies, early remediation procedures and recovery and resolution planning. On October 26, 2017, the Secretary of the Treasury issued a report on asset management and insurance that recommended activities-based evaluations of systemic risk in the insurance industry rather than an entity-based approach. The report also supported primary regulation of the U.S. insurance industry by the states rather than the federal government. On November 17, 2017, the Secretary also issued a report recommending changes to FSOC's process for non-bank SIFI designations, including prioritizing an activities-based approach instead of individual designations, and enhancing the analytical process, engagement and transparency of the designation process. If the FSOC were to determine that Guardian is a non-bank SIFI, Guardian would become subject to certain of these enhanced prudential standards. Other regulators such as state insurance regulators may also determine to adopt new or heightened regulatory safeguards as a result of actions taken by the Federal Reserve in connection with its supervision of non-bank SIFIs. There can be no assurance that such new or enhanced regulation will not apply to Guardian.

In addition, the Dodd-Frank Act established the FIO within the U.S. Department of the Treasury, which has the authority, on behalf of the United States, to participate in the negotiations of international insurance agreements with foreign regulators, as well as to collect information about the insurance industry and recommend prudential standards. While not having a general supervisory or regulatory authority over the business of insurance, the director of the FIO will perform various functions with respect to insurance, including serving as a non-voting member of FSOC and making recommendations to the FSOC regarding insurers to be designated for more stringent regulation.

Federal agencies have been given significant discretion in connection with rulemaking pursuant to and implementation of the Dodd-Frank Act. Additionally, it is unclear what impact the Trump administration's policies and a Republican majority in the Senate will have on the Dodd-Frank Act and the resulting impact on Guardian's business, financial condition or results of operations. Although the Democratic majority in the House of Representatives is unlikely to consider a full repeal of the Dodd-Frank Act, Guardian cannot predict whether any proposal to amend the Dodd-Frank Act will be implemented and whether it would have a material effect on its business, financial condition or operations and cannot currently identify the risks, if any, that may be posed to Guardian's business as a result of changes to, or legislative replacements for, Dodd-Frank. Guardian cannot predict whether any such legislation or regulatory changes will be adopted, or what impact they will have on Guardian's business, financial condition or results of operations.

Federal legislation and administrative policies in other areas, including employee benefit plan regulation and individual retirement account regulation, federal taxation and securities regulation, could significantly affect the insurance industry and the costs faced by its participants.

USA PATRIOT Act. Title III of the USA PATRIOT Act of 2001 (the "PATRIOT Act") amends the Money Laundering Control Act of 1986 and the Bank Secrecy Act to expand Anti-Money Laundering ("AML") and financial transparency laws applicable to financial services companies, including some categories of insurance companies. The PATRIOT Act, among other things, seeks to promote cooperation among financial institutions, regulators and law enforcement entities in identifying parties that may be involved in terrorism, money laundering or other illegal activities. To the extent required by applicable laws and regulations, Guardian and certain of its subsidiaries that are deemed "financial institutions" under the PATRIOT Act have adopted anti-money laundering programs that include policies, procedures and controls to detect and prevent money laundering, designate a compliance officer to oversee the program, provide for on-going employee training, and ensure periodic independent testing of the program. Guardian's AML programs, to the extent required, also establish and enforce customer identification programs and provide for the monitoring and the reporting to the Treasury of certain suspicious transactions.

Pension Legislative Developments. On September 27, 2010, President Obama signed the Small Business Jobs Act of 2010 ("SBJA"). SBJA focuses mainly on credits for small businesses but has a major pension provision which permits participants to transfer money from a pre-tax account to a Roth account within a "qualified plan."

On July 6, 2012, President Obama signed the Moving Ahead for Progress in the 21st Century Act ("MAP-21") which, among other things, affects pension funding by changing the mechanism for determining interest rates to be used for funding pension plans; it also increased pension benefit guaranty corporation ("PBGC") premiums.

The Supreme Court in *United States v. Windsor* (2013) found that Section 3 of the Defense of Marriage Act ("DOMA"), which provides that the word "marriage" means only a legal union between one man and one woman as husband and wife, and the word "spouse" refers only to a person of the opposite sex who is a husband or a wife is unconstitutional because it violates the principles of equal protection.

The impact of any of the above may have a positive impact on the demand for retirement vehicles.

ERISA Considerations. Until December 31, 2016, Guardian and its subsidiaries issued certain investment products and services to employee benefit plans governed by ERISA, including group annuity contracts and funding agreements designed to fund tax-qualified retirement plans such as 401(k), profit-sharing and other participant directed plans, as well as defined benefit plans. This block of business was purchased by Ameritas Life Insurance Corp. ("Ameritas") under an Asset Purchase Agreement entered into by a Guardian subsidiary and Ameritas on September 1, 2016. Pursuant to that Asset Purchase Agreement and other ancillary agreements between the parties, Ameritas has undertaken to novate these group annuity contracts and funding agreements and will assume the obligations and liabilities associated with them. As of December 2019, all of these contracts and agreements have been novated to Ameritas. ERISA provides (among other requirements) standards of conduct for employee benefit plan fiduciaries, including investment managers and investment advisers with respect to the assets of such plans, and holds fiduciaries liable if they fail to satisfy fiduciary standards of conduct. Generally, Guardian and its subsidiaries have maintained policies and procedures that are intended to limit the circumstances in which Guardian or any of its subsidiaries could be deemed a fiduciary with respect to plans governed by ERISA, or to the extent that they may be deemed to have such fiduciary status, to ensure compliance with applicable ERISA requirements.

The U.S. Department of Labor (the "DOL") issued regulations that largely were applicable in 2017 that expanded the definition of "investment advice" and required an advisor to meet an impartial or "best interests" standard, but the regulations were formally vacated by the U.S. Court of Appeals for the Fifth Circuit in 2018. The Court of Appeals decision also vacated certain DOL amendments to prohibited transaction exemptions. The DOL has announced that it plans to issue revised fiduciary investment advice regulations before year-end 2019. At this time, we cannot predict what form those regulations may take or their potential impact on us.

Environmental Considerations. As an owner and operator of real property, Guardian is subject to extensive federal, state and local environmental laws and regulations. Inherent in such ownership and operation is the risk that there may be potential environmental liabilities and costs in connection with any required remediation of such properties. Guardian routinely conducts environmental assessments for real estate Guardian is acquiring for investment and before taking title to real property through securing mortgages Guardian holds. In addition, certain federal and state laws have provisions that can protect a mortgage lender, such as Guardian or BLICOA, from environmental liability to governmental entities in connection with properties acquired by foreclosure, if the mortgage lender observes the required procedures under those laws and otherwise meets the legal criteria for these protections. Based on these environmental assessments, Guardian believes that any costs associated with compliance with environmental laws and regulations or any remediation of such properties would not have a material adverse effect on Guardian's financial position or results of operations.

Guardian, and certain of its subsidiaries, hold equity stakes in entities that could potentially be subject to environmental liabilities. Guardian believes, based on its assessment of the businesses and properties of these entities and Guardian's level of involvement in the operation and management of such entities, Guardian would not be subject to any material environmental liabilities with respect to these investments. However, unexpected environmental liabilities can arise.

International Operations

Guardian performs select operational functions in several locations in India through its Guardian India subsidiary (formerly Data Telesis). Functions performed include data entry, new business processing, billing, call center and scheduling. Guardian India provides services to Guardian and its affiliates, but no outside parties.

Properties

Guardian's Northeast Regional Office campus, located in Bethlehem, Pennsylvania, consists of one leased property totaling 281,745 rentable square feet and Guardian's annual rental obligation under this lease is approximately $5.0 million.

Guardian owns and occupies a 105,000 square foot building located on 40.9 acres in Appleton, Wisconsin, the site of Guardian's Midwest Regional Office. Annual operating expenses for this facility are approximately $1.1 million. In addition, Guardian owns a 137,000 square foot building in Pittsfield, Massachusetts located on 45.9 acres, occupied entirely by Guardian's wholly owned subsidiary, BLICOA. Annual operating expenses for this facility are approximately $1.0 million.

Guardian subleases 148,318 rentable square feet at 10 Hudson Yards in New York, New York, which is the current site of Guardian's Corporate Headquarters. The average annual rental obligation under this sublease is approximately $14.9 million, and its term expires on June 29, 2036. In January 2017, Guardian exercised its fixed-price option to purchase its former New York headquarters facility at the expiration of its lease for the property. Guardian assigned its contract to purchase this facility to a third party in September 2019, and the transaction closed on October 3, 2019, resulting in the Company recognizing a gain of $151 million. Guardian also leases 91,319 rentable square feet of office space at the BellWorks facility in Holmdel, New Jersey that is occupied by certain headquarters staff. This lease expires on December 31, 2032 and the annual rent obligation is approximately $2.7 million.

Guardian also has 52 leases totaling 370,701 rentable square feet for its corporate-owned sales operations, satellite corporate operations and subsidiary operations. Such leases typically have terms of 3 to 5 years with renewal options. Guardian's annual rental obligations under these leases are approximately $11. 8 million. Guardian sold the majority of its leased dental center sites effective December 31, 2018. Guardian remains as a tenant under 2 dental center leases totaling 59,634 rentable square feet, which have terms of 5 to 7 years with renewal options. Guardian's annual rental obligation under these leases is approximately $1.6 million.

Guardian also has 7 Reed Group leased locations comprising 209,470 rentable square feet, with annual rental obligations of approximately $4.5 million. In addition, Guardian has executed leases for 2 Guardian India locations comprising of 129,025 rentable square feet with annual rental obligations of approximately $2.0 million.

Guardian India also owns a 17,642 rentable square foot suite in Chennai and annual operating expenses for this facility are approximately $0.2 million.

Guardian has also signed 11 leases totaling 82,263 rentable square feet on behalf of its agency operations (for those that have not yet become General Agents). Such leases typically have terms of 3 to 5 years with renewal options. Guardian's annual rental obligations under these leases are approximately $2.2 million.

Guardian believes that such owned and leased properties are suitable and adequate for Guardian's current business operations.

Employees and Agents

As of October 1, 2019, Guardian and its subsidiaries employed approximately 9,057 people. In addition, as of October 1, 2019, over 2,500 full-time career agents are engaged in the sale of Guardian's products. Approximately 38 entities have selling and servicing agreements for GIAC annuities (including PAS) and 775 broker-dealer entities have servicing agreements for GIAC annuities. Guardian believes that its employee relations are generally good.

Other Information

Guardian may from time to time make certain information available on its website at www.guardianlife.com/about-guardian/financial-highlights. **The information contained on or connected to Guardian's website is not a part of this Information Memorandum, and you should not rely on any such information in making your decision whether to purchase Notes**.

FINANCIAL AND ACCOUNTING MATTERS

The historical financial information included in this Information Memorandum has been prepared in conformity with the statutory accounting practices prescribed by the NYSDFS.

Summary of Principal Differences Between SAP and GAAP

SAP is different in some respects from financial statements prepared in accordance with GAAP. The more significant differences between SAP and GAAP are that, under SAP, (1) costs related to acquiring business, principally commissions and certain policy issue expenses, are charged to income in the year incurred; (2) life insurance and annuity reserves are based on statutory mortality and interest requirements, without consideration of withdrawals and company experience; (3) life insurance enterprises are required to establish a formula-based AVR by a direct charge to surplus to offset potential investment losses; (4) realized gains and losses resulting from changes in interest rates on fixed income investments are deferred in the interest maintenance reserve ("IMR") and amortized into investment income over the remaining life of the investment sold; (5) bonds are carried principally at amortized cost; (6) certain reinsurance transactions are accounted for as reinsurance for statutory purposes and as financing transactions under GAAP, and assets and liabilities are reported net of reinsurance for statutory purposes and gross of reinsurance for GAAP; (7) certain "non-admitted assets" (furniture and office equipment, leasehold improvements, capitalized internally developed non-operating system software and prepaid pension costs) must be excluded under statutory reporting through a charge to surplus; (8) investments in common stock of Guardian's wholly owned and majority owned subsidiaries are accounted for using the equity method, where earnings of such subsidiaries are recognized in surplus; only when dividends are distributed is income recognized; (9) gross deferred tax assets changes in deferred tax assets and deferred tax liabilities, except those allocated to changes in unrealized gains and losses, are recognized as a separate component of surplus; (10) deferred tax assets not meeting certain criteria are non-admitted; (11) investments in real estate joint ventures, where Guardian has a controlling financial interest, are accounted for using the equity method for statutory purposes and consolidated under GAAP; and (12) if in the aggregate, Guardian has a net negative cash balance, it is reported as a negative asset for statutory purposes and recorded as a liability under GAAP.

Investment Reserves

In compliance with SAP, Guardian maintains both an AVR and an IMR. The AVR is intended to stabilize policyholders' surplus against market fluctuations in the value of equities and credit related declines in the value of bonds, mortgage loans, public equity, private equity and real estate investments. The level of the AVR is based on both the type of investment and its credit rating. In addition, the reserves required for similar investments, for example, fixed maturity securities, differ according to the credit ratings of the investments, which are based upon ratings established periodically by the Securities Valuation Office of the NAIC. Guardian, in keeping with the New York Insurance Law and SAP, includes the reserve when determining its total adjusted capital for risk-based capital purposes. Changes in the AVR are recorded directly to surplus. The IMR defers net after-tax realized capital gains (losses) which result from changes in the overall level of interest rates for fixed income investments and amortizes these net capital gains (losses) into income over the remaining stated life of the investments sold. Guardian uses the group method of calculating the IMR. The IMR is not treated under SAP as part of the total adjusted capital for risk-based capital purposes. Net realized after-tax capital (losses)/gains of ($156) million, $166 million and $212 million as of December 31, 2018, 2017 and 2016, respectively, were transferred out/deferred into the IMR. Amortization of the IMR into net investment income amounted to $74 million in 2018, $99 million in 2017 and $122 million in 2016.

Realized investment gains and losses are reported in income based upon specific identification of securities sold. Realized losses include valuation adjustments for other-than-temporary declines in investments. Unrealized investment gains and losses on financial instruments carried at fair value represent changes in the reported fair value and are recorded directly to surplus.

Policyholder Dividends and Other Experience Credits

Guardian determines the amount of dividends payable to eligible participating policyholders. These dividends have the effect of reducing the cost of insurance to policyholders and should be distinguished from the dividends paid on shares of capital stock by other types of business corporations or by stock life insurance companies. Policies on which such dividends may be payable are referred to as eligible participating policies; policies on which such dividends are not payable are referred to as non-participating policies. However, for some participating policies where no dividends are anticipated to be paid and for nonparticipating policies, adjustments may be made to non-guaranteed premiums, policy credits and charges to reflect changes to actual mortality, investment results and expenses.

Divisible surplus in excess of the amount Guardian's Board of Directors determines to be necessary to meet its policy obligations (reserves) and contingencies (such as worsening mortality or economic conditions) and to operate and grow its business is distributed in the form of dividends on Guardian's eligible participating policies. The amount and allocation of that distribution is at the discretion of the Board of Directors. The determination of the dividend scale is made after review of actual experience and reflects the traditional three-factor approach, considering dividend interest rate, mortality and expense. For further information concerning statutory policyholder dividend requirements, see "Business of Guardian—Regulation." Guardian's Board of Directors receives the dividend scale report and recommendation from Guardian's Chief Actuary at its regular November Board meeting. The Board has an opportunity to review the report, ask questions of the Chief Actuary, and request additional information. It is the Board's responsibility to approve the following year's dividend scale. Once Board approval is received, Guardian implements the scale for the following year and all policy illustrations reflect the new scale.

Reserves for Policy Benefits

SAP prescribes methods for valuing obligations under in-force policies and contracts. Those valuations are reflected in the "Reserves for policy benefits" line of the financial statements. Changes in reserves for policy benefits are generally charged against earnings in the income statement. Statutes, regulations and actuarial professional standards require Guardian to analyze the sufficiency of these reserves, using various interest rate scenarios in the context of statutory accounting practices on an annual basis.

For a discussion of Policy Reserves, see "—Critical Accounting Policies—Reserves for policy benefits."

Separate Accounts

Guardian does not sell products which require separate account assets or liabilities. Any such products are sold by GIAC. Separate account assets and liabilities represent segregated funds administered and invested by GIAC for the benefit of individual and group variable annuity, variable life, and other insurance used by policyholders to meet specific insurance and investment objectives. Separate account assets consist principally of marketable securities reported at fair value and are not available to satisfy liabilities that arise from any other business of GIAC. GIAC receives administrative and investment advisory fees from these accounts.

Separate accounts reflect two categories of risk assumption: non-guaranteed separate accounts, for which the policyholder assumes the investment risk; and guaranteed separate accounts, for which GIAC contractually guarantees either a minimum return or minimum account value to the policyholder. Premium income, benefits and expenses of the separate accounts are included in GIAC's Statutory Statements of Income. Investment income and realized and unrealized capital gains and losses on the assets of separate accounts accrue to policyholders and, accordingly, are not recorded in the Statutory Statements of Income.

GIAC may transfer investments from the general account to seed separate accounts. Investments transferred to separate accounts are transferred at fair market value on the date the transaction occurs. Gains related to the transfer are deferred to the extent that GIAC maintains a proportionate interest in the separate account. The deferred gain is recognized as GIAC's ownership decreases or when the separate account sells the underlying asset during the normal course of business. Losses associated with these transfers are recognized immediately.

Accounting for Employee Benefit Plans

The Company sponsors non-contributory defined benefit pension plans covering all eligible employees. These include tax-qualified plans, as well as nonqualified plans that provide benefits to certain participants in excess of ERISA limits for qualified plans. The Company's policy is to fund the obligations of qualified plans in accordance with ERISA requirements.

In addition to pension benefits, the Company provides certain health care, dental and life insurance benefits ("post-retirement benefits") for retired employees. Substantially all of the employees and representatives may become eligible for these benefits if they reach retirement age while working for the Company.

In accordance with NAIC SAP, the costs associated with these required benefits are expensed over the period that the participant provides services to the Company, including recognition of assets and liabilities based on the funded status of the related plans. Pension assets are then non-admitted and thereby excluded from surplus.

Critical Accounting Policies

The preparation of financial statements requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statutory financial statements, and the reported amounts of revenues and expenses during those reporting periods. The most significant estimates include those used in determining the carrying values of investments and derivatives, the amount of investment valuation reserves on mortgage loans, other-than-temporary impairments and reserves for policy benefits. Future events, including but not limited to changes in the levels of mortality, morbidity, interest rates, persistency, asset valuations and asset defaults, could cause actual results to differ from the estimates used in the statutory financial statements. Although some variability is inherent in these estimates, management believes the amounts presented are appropriate.

For a complete discussion of accounting policies and practices, see the notes to the Statutory Financial Statements included in this Information Memorandum.

Carrying Values of Investments and Derivatives. Investments are valued in accordance with methods prescribed by the Securities Valuation Office of the NAIC ("SVO"). Guardian obtains the fair value of financial instruments held in its portfolio from a number of sources, which are measured at fair value, as described in the Statutory Financial Statements. These sources include published market quotes for active market exchange traded instruments, third-party pricing vendors, investment banks which are lead market makers in certain markets and broker quotes. Guardian also uses internal valuation models that use market observable inputs when available and Guardian derived inputs when external inputs are not available or deemed to be inaccurate.

Bonds are stated principally at amortized cost with bond premiums and discounts amortized using the scientific interest method. Those bonds which are rated 6 by the NAIC are reported at the lower of amortized cost or fair value. Mortgage-backed bonds are carried at amortized cost using the interest method considering anticipated prepayments at the date of purchase. Significant changes in future anticipated cash flows from the original purchase assumptions are accounted for using the retrospective adjustment method with Public Securities Association standard prepayment rates. Guardian has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from issuers or broker-dealers through information services or internal estimates and are believed to be consistent with current interest rates and the economic environment.

Preferred stocks which are rated 4, 5 or 6 by the SVO are stated at the lower of cost or fair value.

Common stocks of unaffiliated companies are stated at fair value, which is based on quoted market prices. For common stocks without quoted market prices, fair value is estimated using independent pricing services or internally developed pricing models. Investments in subsidiaries and affiliates are included in common stocks and are valued at equity in the underlying net assets. Undistributed earnings or losses of subsidiaries and unrealized appreciation or depreciation on common stocks are reflected as unrealized capital gains and losses directly in surplus.

Mortgage loans are valued at amortized cost. Valuation reserves are established for potential declines in the value of the mortgage loans. Fair value is determined based upon the present value of the scheduled future cash flows of each loan based on the average term to maturity discounted at the appropriate U.S. Treasury rate, adjusted for the current market spread for a similar quality mortgage.

Real estate, which Guardian has the intent to hold for the production of income, and real estate occupied by Guardian are carried at cost, less any valuation adjustment, encumbrances and accumulated depreciation of buildings and other improvements using a straight line method over the estimated useful life of the improvements. Depreciation expense is included in net investment income.

Derivative financial instruments for hedged assets and liabilities, which include those used in the equity hedging program, are carried at estimated fair value, which is based primarily upon quotations obtained from independent sources. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Information about Market Risk—Hedging Programs." Changes in the fair value of these open hedge positions are recorded as unrealized capital gains and losses in surplus. Gains and losses realized on the termination, closing, expiration or assignment of contracts are recorded as realized capital gains and losses. Amounts receivable and payable are accrued.

Investment Valuation Reserves on Mortgage Loans. When, based upon current information and events, it is probable that Guardian will be unable to collect all amounts of interest and principal due according to the contractual terms of the mortgage loan agreement, a valuation allowance is established for the excess of the carrying value of the mortgage loan over its fair value. Collectability and estimated recoveries are assessed on a loan-by-loan basis considering all events and conditions relevant to the loan. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revisions as more information becomes available, as changes occur in the market or as negotiations with the borrowing entity evolve. Changes to the valuation allowance are recorded as unrealized capital losses in surplus.

Other-than-Temporary Impairments. The carrying values of bonds, mortgage-backed and asset-backed securities are written down to fair value when a decline in value is considered to be other-than-temporary. Guardian considers the following factors in the evaluation of whether a non-interest related decline in value is other-than-temporary: (a) the financial condition and near-term prospects of the issuer; (b) the likelihood that Guardian will be able to collect all amounts due according to the contractual terms of a debt security in effect at the date of acquisition; (c) Guardian's ability and intent to hold the investment for a period of time sufficient to allow for an anticipated recovery in value; and (d) the period and degree to which the market value has been below cost. Guardian considers the following factors in the evaluation of whether an interest related decline in value is other-than-temporary: (a) Guardian's near term intent to sell; (b) Guardian's contractual and regulatory obligations; and (c) Guardian's ability to hold the investment until anticipated recovery of the cost of the investment. Guardian conducts a semi-annual management review of all bonds including those in default, not-in-good standing or valued below 80% of cost. Guardian also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes in value. If the impairment is other-than-temporary, a direct write-down is recognized in realized capital losses and a new cost basis is established.

The cost basis of common stocks is adjusted for impairments deemed to be other-than-temporary. Guardian considers the following factors in the evaluation of whether a decline in value is other-than-temporary: (a) the financial condition and near-term prospects of the issuer; (b) Guardian's ability and intent to hold the investment for a period of time sufficient to allow for an anticipated recovery in value; and (c) the period and degree to which the market value has been below cost. Guardian conducts a semi-annual management review of issuers whose common stock is not-in-good standing or valued below 80% of cost. Guardian also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes. If the impairment is other-than-temporary, a direct write-down to fair value is recognized in realized capital losses and a new cost basis is established.

For mortgage loans, when an event occurs resulting in an impairment that is other-than-temporary, a direct write-down is recognized in realized capital losses and a new cost basis is established. An impairment is deemed other-than-temporary when foreclosure proceedings or other procedures leading to the acquisition of the collateral are initiated, the acquisition of the collateral is probable and a reasonable estimate of the collateral value has been determined.

For real estate, depreciated cost is adjusted for impairments whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable, with the impairment being included in realized capital losses.

For partnerships and limited liability companies, when it appears probable that Guardian will be unable to recover the outstanding net capital contributed (cost) of an investment, or there is evidence indicating an inability of the investee to sustain earnings to justify the cost of the investment, an other-than-temporary impairment is recognized in realized capital losses for the excess of the cost over the estimated fair value of the investment. The estimated fair value is determined by assessing the value of the partnership or limited liability companies underlying assets, cash flow, current financial condition and other market factors. Distributions not deemed to be a return of capital are recorded in net investment income when received provided there are undistributed earnings in the partnerships or limited liability companies.

Reserves for policy benefits. Policyholders' reserves provide amounts adequate to discharge estimated future obligations in excess of estimated future premium on policies in-force. The reserves are established using actuarial methods based on mortality and morbidity experience tables and valuation interest rates prescribed by the NYSDFS. Actual future experience will differ from assumptions used to determine these reserves.

Reserves for life insurance contracts are developed using accepted actuarial methods computed principally on the Net Level Premium Method, the New Jersey Reserve Method, and the Commissioners' Reserve Valuation Method bases using the American Experience and the 1941, 1958, 1980 and 2001 Commissioners' Standard Ordinary mortality tables with assumed interest rates. Reserve methods, mortality tables and assumed interest rates vary with issue year generations of contracts. Reserves for disability riders associated with life contracts are calculated using morbidity rates from the 1952 Period 2 Intercompany Disability Table.

Individual disability income insurance policy reserves are generally calculated using the two-year preliminary term, net level premium and fixed net premium methods, and actuarially accepted morbidity tables, using the 1964 Commissioners' Disability Table and the 1985 Commissioners' Individual Disability Table A with assumed interest rates in accordance with applicable statutes and regulations.

Disabled life claim reserves are generally calculated using actuarially accepted methodologies and actuarially accepted morbidity tables, using 1985 Commissioners' Individual Disability Tables A and C modified with factors to generate reserves that are more conservative, with assumed interest rates in accordance with applicable statutes and regulations.

Unpaid claims and claim expense reserves are related to disability and long-term care claims with long-tail payouts. Unpaid disability claim liabilities are projected based on the most recent disability payment paid prior to the valuation date Claim expense reserves are based on an analysis of the unit expenses related to the processing and examination of new and ongoing claims. Interest accrued on reserves is calculated by applying NAIC prescribed interest rates to the average reserves by incurral year.

Tabular interest, tabular less actual reserves released and tabular cost for all life and annuity contracts and supplementary contracts involving life contingencies are determined in accordance with NAIC Annual Statement Instructions. Traditional life and term products use a formula that applies a weighted-average interest rate determined from a seriatim valuation file to the mean average reserves. Universal life, variable life, group life insurance, annuity, and supplemental contracts use a formula which applies a weighted-average credited rate to the mean account value.

Guardian waives deduction of deferred fractional premium at death, and returns any portion of the final premium beyond the date of death. Reserves are computed using continuous functions to reflect these practices. The larger of legally computed reserves and cash surrender values on a policy-by-policy basis are held as liabilities.

The same reserve methods applied to standard policies are used for the substandard reserve calculations that are based on a substandard mortality rate (a multiple of standard reserve tables).

Reserves for group life waiver and long-term disability ("LTD") reported claims are determined on a seriatim basis. Life waiver of premium reserves are determined using the 1970 Inter-company Group Life Disability Table for claimants disabled prior to 2009 and the 2005 Group Term Life Waiver Table for claimants disabled on or after January 1, 2009; interest rates are 4.0% for claims incurred in 2012 or earlier and 3.5% for claims incurred in 2013 or later.

The LTD reserves for approved claims are determined using either Table 95a (claims incurred in 2016 or earlier) or 2012 GLTD Table (claims incurred in 2017 or later) for the first 24 months of disability and the 1987 Commissioners' Group Disability Table thereafter; interest rates vary by the year the claim was incurred, ranging from 2.75% to 5.0%. Group short-term disability, vision and dental claims incurred but not yet reported reserves are estimated based on Guardian's historical experience. Group reserves include reasonable allowances for potential adverse deviation.

Guardian had total life insurance in-force of $659.5 billion, $628.8 billion and $590.8 billion as of December 31, 2018, 2017 and 2016, respectively. Of this total, Guardian had $15 billion, $14 billion and $14 billion of life insurance in-force as of December 31, 2018, 2017 and 2016, respectively, for which the gross premium income was less than the net premium income according to the standard valuation set by the NYSDFS. The gross premium income is less than the net premium income needed to establish the reserves because the statutory reserves must use industry standard mortality tables, while the gross premium income calculated by pricing uses mortality tables that reflect both Guardian's experience and the transfer of mortality risk to reinsurers.

Certain individual VA products issued by GIAC offer GMDBs and, on or before March 31, 2017 guaranteed living benefits ("VAGLB"). The primary types of VAGLBs offered by Guardian on or before March 31, 2017, were GMWBs. Certain individual VA products issued by GIAC in the past offered GMIBs and guarantee minimum accumulation benefits ("GMABs"). As of February 17, 2017, GIAC no longer offers VAGLB.

GMWB riders provide the VA contract holder with a guarantee that a minimum amount will be available for withdrawal annually for life regardless of the contract value. The liability for GMWBs is included in policyholders' reserves and the related change in this liability is included in change in policyholders' reserves. GIAC has a reinsurance agreement with a third-party reinsurer that reinsures 90% of various GMWB riders that were written through December 2008 and introduced prior to September 2008. That reinsurer is an admitted reinsurer in New York. The financial strength ratings of this reinsurer from S&P and Moody's are AA- and Aa3, respectively. The reinsurance treaty remains in effect for any business written on these riders including any renewal premiums received through the date hereof. The remainder of the business written on these riders is subject to a hedging program. Beginning in September 2008, new GMWB rider forms were introduced, and the business written pursuant to these new rider forms is not subject to reinsurance, instead 100% of such business is subject to the hedging program. For a description of this hedging program and its limitations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Information about Market Risk—Hedging Programs." At December 31, 2018, the account value of all GMWB contracts was approximately $6.6 billion before reinsurance and $6.1 after reinsurance. At December 31, 2017, the account value of all GMWB contracts was approximately $7.8 billion before reinsurance and $7.2 billion after reinsurance. At December 31, 2016, the account values were $7.4 billion and $6.7 billion, respectively before and after reinsurance. In addition, the net amount at risk was $1,358 million, $359 million and $653 million at December 31, 2018, 2017 and 2016, respectively. As of February 17, 2017, GIAC no longer offers GMWB.

GMDBs provide a death benefit if the contract value is less than the guaranteed minimum amount. Some contracts provide that guarantee upon the contract owner's death while others provide it upon the annuitant's death. Most base contracts include a death benefit based on a ROP (the premium paid less amounts withdrawn). Additionally, coverage amounts for elective riders include a roll-up (an accumulation of premium at a specified interest rate adjusted for withdrawals), a reset (the contract value on a specified anniversary date adjusted for subsequent withdrawals, which may decrease when reset), or a ratchet (the contract value on a specified anniversary date adjusted for subsequent withdrawals, which is never allowed to decrease when reset). For an annuity contract, a decline in the stock market causing the contract value to fall below the specified amount will increase the net amount at risk, which is the GMDB in excess of the contract value. The liability for GMDBs is included in policyholders' reserves and the related change in this liability is included in change in policyholders' reserves. The net amount at risk represents the amount of death benefit guaranteed over the account value. At December 31, 2018, 2017 and 2016, the net amount at risk was $97 million, $36 million and $46 million, respectively. All GMDB annual benefit elective riders issued through December 2009 are 100% reinsured with two third party reinsurers, each of which has a financial strength rating of at least AA- from S&P. To the extent the GMDB annual benefit elective rider was purchased, ROP benefit risk was also reinsured with such third-party reinsurers for certain issue years. Depending on the type of GMDB annual death benefit rider purchased, the ROP portion of coverage ended for contracts issued either on or after April 2005 or January 2009, and such risks are no longer reinsured.

In the past, GIAC also offered GMIBs. The amount of these riders in-force is minimal relative to the GMWB business in-force. GMIBs provide the annuity contract holder with a guaranteed minimum payment when the contract is annuitized. The GMIB would be beneficial to the contract holder if the contract holder's account value would otherwise not provide a higher annuitization value using currently offered rates at the time of annuitization. The GMIB riders are 100% reinsured with one third-party reinsurer. GIAC no longer sells this type of VAGLB. The account value of the GMIB riders was $52 million, $67 million and $75 million at December 31, 2018, 2017 and 2016, respectively.

GIAC no longer sells the GMAB rider. Existing business for legacy policies accounted for $0.2 million of account value at December 31, 2018, $0.7 million at December 31, 2017 and $1.7 million at December 31, 2016. There is no reinsurance on this block of riders. In general, VAGLBs require adherence to limitations required by GIAC's approved asset allocation strategy. Election of a VAGLB is generally only available at contract issue. As noted above, as of February 17, 2017, GIAC no longer offers VAGLBs.

Actuarial Guideline XLIII (VACARVM) provides guidance on how to calculate reserves for VAs with both living and death benefit guarantees. The guideline requires the reserve to be calculated using two approaches, the standard scenario approach and the stochastic scenario approach, the final reserve being the greater of the two. The Standard Scenario amount is based on a single path, deterministic projection with stipulated assumptions and the stochastic amount is based on the results of stochastically generated interest rate and equity scenarios. Management's best estimate assumptions along with margins for uncertainty are used to calculate the stochastic amount. Key assumptions used in valuing the liability include full withdrawals, partial withdrawals, mortality, investment management fees and revenue sharing, expenses, fund allocations, and other policyholder behavior. In addition, a method for projecting interest rates and equity returns is required. The stochastic process also requires the projection of in-force general account assets, assets from reinvested cash flows and in-force hedge assets that support the liabilities. The key assumptions needed in valuing the assets include reinvestment asset mix, reinvestment credit spreads, default rates, implied volatility, and swap interest rates. At December 31, 2018, 2017 and 2016, the Stochastic amount was the greater of the two measures and was thus used as the final reserve. As of January 1, 2020, VA inforce reserving will begin to follow a new standard, VM-21, that follows many of the same principles but removes the economic standard scenario while retaining a test for prescribed policyholder behavior, such as lapses, that may result in a further increase in the company reserves relative to the stochastic reserve.

SPIA and DIA statutory reserves are determined as the present value of future payments. The present value of future payments is based on prescribed maximum mortality and discount rate assumptions; however, for certain issue years, more conservative discount rate assumptions are used.

The estimated fair value of contract holder account balances for investment type contracts has been determined to be equivalent to carrying value as the current offering and renewal rates are set in response to current market conditions.

All policyholders' reserves and accruals are based on the various estimates discussed previously and are presented net of reinsurance. Management believes that these liabilities and accruals will be sufficient, in conjunction with future revenues, to meet future anticipated obligations of policies and contracts in-force.

Reserves for dividend accumulations, premium deposit funds and investment-type contracts are based on account value or accepted actuarial methods using applicable interest rates. Fair value is estimated by discounting expected future cash flows using current market.

SELECTED HISTORICAL STATUTORY FINANCIAL INFORMATION OF GUARDIAN

The selected financial information of Guardian set forth below has been compiled on an unconsolidated basis and determined in accordance with SAP. For a description of the accounting principles applicable to this financial information and certain differences between SAP and GAAP, see "Financial and Accounting Matters—Summary of Principal Differences Between SAP and GAAP."

The following statutory financial information as of December 31, 2018, 2017 and 2016 and for the years then ended has been derived from the Statutory Financial Statements included elsewhere in this Information Memorandum. The Statutory Financial Statements for 2018, 2017 and 2016 have been audited by PricewaterhouseCoopers LLP, independent accountants.

This information should be read in conjunction with, and is qualified in its entirety by, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Statutory Financial Statements and other information included elsewhere in this Information Memorandum. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results may differ from estimates. The results for past accounting periods are not necessarily indicative of the results to be expected for any future accounting period.

	Years Ended December 31,			$ Change	% Change	$ Change	% Change
	2018	2017 ($ in Millions)	2016	2018 vs. 2017	2018 vs. 2017	2017 vs. 2016	2017 vs. 2016
Statements of Income Data:							
Revenue:							
Premiums, annuity considerations and fund deposits	$ 8,381	$ 8,112	$ 7,768	$ 269	3.3%	$ 344	4.4%
Net investment income	2,132	2,106	2,052	26	1.2%	54	2.6%
Amortization of IMR	74	99	122	(25)	-25.3%	(23)	-18.9%
Other income	270	342	299	(72)	-21.1%	43	14.4%
Total revenue	$10,857	$10,659	$10,241	$ 198	1.9%	$ 418	4.1%
Benefits and expenses:							
Benefit payments to policyholders and beneficiaries	$ 4,535	$ 4,449	$ 4,293	$ 86	1.9%	$ 156	3.6%
Net additions to policy benefit reserves	2,481	2,409	2,330	72	3.0%	79	3.4%
Commissions and operating expenses	2,445	2,383	2,262	62	2.6%	121	5.3%
Total benefits and expenses	$ 9,461	$ 9,241	$ 8,885	$ 220	2.4%	$ 356	4.0%
Gain from operations before dividends and federal income taxes	1,396	1,418	1,356	(22)	-1.6%	62	4.6%
Dividends to policyholders(1)	(966)	(903)	(839)	(63)	7.0%	(64)	7.6%
Gain from operations before federal income taxes	$ 430	$ 515	$ 517	$ (85)	-16.5%	$ (2)	-0.4%
Federal income tax benefit/(expense)	52	(65)	(141)	117	-180.0%	76	-53.9%
Income from operations before net realized capital gains	$ 482	$ 450	$ 376	$ 32	7.1%	$ 74	19.7%
Net realized capital losses	(172)	(27)	(8)	(145)	537.0%	(19)	237.5%
Net income	$ 310	$ 423	$ 368	$ (113)	-26.7%	$ 55	14.9%
Balance Sheet Data:							
Assets:							
Total assets	$58,489	$55,569	$51,884	$ 2,920	5.3%	$ 3,685	7.1%
Liabilities and surplus:							
Reserves for policy benefits	$44,258	$41,778	$39,369	$ 2,480	5.9%	$ 2,409	6.1%
Policyholder dividends payable and other contract liabilities(2)	3,753	3,550	3,107	203	5.7%	443	14.3%
Interest maintenance reserve	301	531	464	(230)	-43.3%	67	14.4%
Asset valuation reserve	879	829	810	50	6.0%	19	2.3%
Other liabilities	2,126	2,197	1,962	(71)	-3.2%	235	12.0%
Total liabilities	$51,317	$48,885	$45,712	$ 2,432	5.0%	$ 3,173	6.9%
Surplus	7,172	6,684	6,172	488	7.3%	512	3.0%
Total liabilities and surplus	$58,489	$55,569	$51,884	$ 2,920	5.3%	$ 3,685	7.1%

(1) Dividends to policyholders are discretionary and subject to the approval of Guardian's Board of Directors.

(2) Statutory accounting practices require that the liability for policyholders' dividends include dividends currently payable and the full amount of dividends apportioned for payment over the 12 months following the date of the applicable payment.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion below is prepared in conformity with SAP and the accounting practices prescribed by the NYSDFS. See "Financial and Accounting Matters—Summary of Principal Differences Between SAP and GAAP."

General

This disclosure should be read in conjunction with the Statutory Financial Statements (including the notes thereto) and "Selected Historical Statutory Financial Information of Guardian." This section reviews the financial condition of Guardian at December 31, 2018, 2017 and 2016, Guardian's results of operations for the years ended December 31, 2018, 2017 and 2016, and factors that may affect Guardian's future financial performance.

Guardian, together with its subsidiaries, is a diversified financial services group that seeks to provide attractive value for policyholders and customers by providing a wide array of differentiated products and services, while aiming to achieve strong financial results. In pursuing this strategy, Guardian's guiding principle is to enable its customers to obtain financial success while protecting their families and businesses. To achieve this goal, Guardian focuses on developing and distributing a broad portfolio of financial products and services, maintaining what it believes to be prudent underwriting standards and rigorous expense control, and pursuing asset/liability management practices that it considers conservative.

Guardian's statutory net income was $310 million for the year ended December 31, 2018, $423 million for the year ended December 31, 2017 and $368 million for the year ended December 31, 2016. As of and for the year ended December 31, 2018, Guardian had $58.5 billion in total statutory assets, net gain from operations (before dividends to policyholders and taxes) of $1.4 billion, over 1.2 million individual policies in-force, and $659.5 billion of life insurance in-force.

Guardian's insurance financial strength/claims paying ability, is rated AA+ by S&P, Aa2 by Moody's, AA+ by Fitch, and A++ by A.M. Best. S&P, Moody's, Fitch, and A.M. Best currently report a stable outlook for Guardian's insurance financial strength rating. Each rating agency independently assigns ratings based on its own separate review and takes into account a variety of factors, which are subject to change, in making its decision. Accordingly, there can be no assurance of the ratings that will be afforded Guardian in the future.

Basis of Presentation

The preparation of financial statements requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The most significant estimates include those used in determining the carrying values of investments and derivatives, the liability for future policyholders' reserves and deposit-type contracts, and the amount of investment valuation reserves on mortgage loans, real estate held for sale, other-than-temporary impairments and the liability for taxes. Future events including, but not limited to, changes in the levels of mortality, morbidity, interest rates, persistency and asset valuations, could cause actual results to differ from the estimates used in the financial statements. Although some variability is inherent in these estimates, management believes the amounts presented are appropriate. Guardian has reclassified certain prior year balances to conform to the current year presentation. With respect to an individual line item, a discussion of changes between the end of one period and another may be omitted to the extent such item has not changed materially.

The discussion below regarding Guardian's results of operations is based on the Statutory Financial Statements of Guardian included elsewhere in this Information Memorandum. Those financial statements have been prepared on the basis of SAP prescribed by the NYSDFS. Under SAP, results of subsidiaries are not consolidated with the results of Guardian on a line-by-line basis, but rather are generally recorded at their underlying net equity value as affiliated common stock investments, with the current year change in net equity value, less dividends paid and contributions from Guardian reflected in unrealized capital gains and losses through surplus. Dividends received from subsidiaries are included in Guardian's net investment income. See "Financial and Accounting Matters."

Analysis of Results of Operations—For the Years Ended December 31, 2018, 2017 and 2016.

The following table sets forth the components of statutory net income for the years ended December 31, 2018, 2017 and 2016.

	Years Ended December 31,		
	2018	2017	2016
		($ in Millions)	
Revenue:			
Premiums, annuity considerations and fund deposits	$ 8,381	$ 8,112	$ 7,768
Net investment income	2,132	2,106	2,052
Amortization of IMR	74	99	122
Other income	270	342	299
Total revenue	$ 10,857	$ 10,659	$ 10,241
Benefits and expenses:			
Benefit payments to policyholders and beneficiaries	$ 4,535	$ 4,449	$ 4,293
Net increase to policy benefit reserves	2,481	2,409	2,330
Commissions and operating expenses	2,445	2,383	2,262
Total benefits and expenses	$ 9,461	$ 9,241	$ 8,885
Gain from operations before dividends and federal income taxes	1,396	1,418	1,356
Dividends to policyholders	(966)	(903)	(839)
Gain from operations before federal income taxes	$ 430	$ 515	$ 517
Federal income tax expense	52	(65)	(141)
Net gain from operations	$ 482	$ 450	$ 376
Net realized capital (losses)/gains after taxes and transfers to IMR	(172)	(27)	(8)
Net income	$ 310	$ 423	$ 368

Net Income

Total revenue increased $0.2 billion from $10.7 billion in 2017 to $10.9 billion in 2018, driven primarily by higher premiums, annuity considerations and fund deposits, partially offset by a decrease in net reserve adjustments on reinsurance and lower amortization of IMR. Total benefits and expenses increased $0.2 billion from $9.2 billion in 2017 to $9.4 billion in 2018, due to increase in benefit payments to policyholders and beneficiaries, net increases to policy benefit reserves, and increases to commissions and operating expenses.

Total revenue increased $0.4 billion from $10.2 billion in 2016 to $10.6 billion in 2017, driven primarily by an increase in premiums, annuity considerations and fund deposits. Total benefits and expenses increased $0.3 billion from $8.9 billion in 2016 to $9.2 billion in 2017, due to increases in benefit payments to policyholders and beneficiaries, policy benefit reserves, and commissions and operating expenses.

Premium income, annuity considerations and fund deposits

Selected premium income, annuity considerations and fund deposits information is presented below:

	Years Ended December 31,			$ Change	% Change	$ Change	% Change
	2018	**2017**	**2016**	**2018 vs. 2017**	**2018 vs. 2017**	**2017 vs. 2016**	**2017 vs. 2016**
		($ in Millions)					
Premium income:							
Whole life	$ 3,971	$ 3,900	$ 3,706	$ 71	1.8%	$ 194	5.2%
Disability	501	481	464	20	4.2%	17	3.7%
Term, universal, and variable life	125	134	138	(9)	-6.7%	(4)	-2.9%
Commercial and Government Markets	3,782	3,613	3,457	169	4.7%	156	4.5%
Reinsurance and Other	2	(16)	3	18	-112.5%	(19)	-633.30%
Total	$8,381	$ 8,112	$ 7,768	$ 269	3.3%	$ 344	4.4%

For the year ended December 31, 2018, premium income as compared to the year ended December 31, 2017 increased $269 million, primarily due to an increase in Commercial and Government Markets premiums of $169 million and an increase of $71 million of Whole life premiums due to natural growth and persistency.

For the year ended December 31, 2017, premium income as compared to the year ended December 31, 2016 increased $344 million, primarily due to an increase in whole life premium income of $194 million due to natural growth and persistency and an increase in CGM premium income of $156 million due to improved persistency and growth.

Net Investment Income

The components of net investment income are set forth below:

	Years Ended December 31		
	2018	**2017**	**2016**
		($ in Millions)	
Net investment income:			
Bonds	$ 1,637	$ 1,611	$ 1,545
Preferred stocks	-	-	7
Common stocks—subsidiaries and affiliates	45	47	12
Common stocks—unaffiliated	13	24	9
Mortgage loans	171	166	169
Policy loans	262	253	247
Real estate	64	69	73
Derivatives and other invested assets	154	155	181
Cash, cash equivalents and short-term investments	13	6	4
Total gross investment income	$ 2,359	$ 2,331	$ 2,247
Investment expenses	(227)	(225)	(195)
Net investment income	$ 2,132	$ 2,106	$ 2,052
Amortization of IMR	74	99	122
Net investment income including IMR amortization	**$ 2,206**	**$ 2,205**	**$ 2,174**

For the year ended December 31, 2018, net investment income, including IMR amortization, increased slightly as compared to 2017.

For the year ended December 31, 2017, net investment income, including IMR amortization, increased $31 million due to increased net investment income from the bond, unaffiliated common stock and affiliated common stock portfolios. This increase was partially offset by higher investment expenses and lower IMR amortization.

For the year ended December 31, 2016, net investment income, including IMR amortization, increased $86 million due to increases in bonds and mortgage interest income plus increased private equity income distributions, which was partially offset by lower dividend distributions from common stock affiliates and higher investment expenses.

Guardian calculates the yield on its investment portfolio before federal income taxes as (a) two times gross investment income divided by (b) the beginning and ending balance of invested assets minus (c) gross investment income. After deducting all investment expenses, the net annualized yields were, 4.21% for the year ended December 31, 2018, 4.42% for the year ended December 31, 2017 and 4.66% for the year ended December 31, 2016.

Bond gross investment income increased $26 million in 2018 as compared to 2017 due to increased average asset balances. Bond gross investment income increased $66 million in 2017 as compared to 2016 due to increased average asset balances. Average bond asset balances were $38.7 billion, $36.7 billion and $33.6 billion in 2018, 2017 and 2016, respectively. Average bond portfolio yields decreased from 4.60% in 2016 to 4.39% in 2017 to 4.23% in 2018. Prepayment fees on private placements, which are included in gross investment income, were $5 million in 2018, $15 million in 2017 and $37 million in 2016.

Income from common stocks—unaffiliated decreased by $11 million in 2018, as compared to 2017. Income from common stocks—unaffiliated increased by $15 million in 2017, as compared to 2016.

Mortgage loan gross investment income increased $5 million in 2018 as compared to 2017 due to increased average asset balances.

Mortgage loan gross investment income decreased $3 million in 2017 as compared to 2016 due to lower mortgage prepayment fees received in 2017. Predominantly all income comes from commercial loans. Average mortgage portfolio yields were 4.01% in 2018, 4.44% in 2017 and 4.94% in 2016. Mortgage prepayment fees, which are included in gross investment income, were $3 million in 2018, $8 million in 2017 and $14 million in 2016.

The $9 million increase in policy loan gross investment income in 2018 as compared to 2017 is primarily due to an increase in average asset balance which rose from $3.5 billion in 2017 to $3.6 billion in 2018. The $6 million increase in policy loan gross investment income in 2017 as compared to 2016 is primarily due to an increase in average asset balance which rose from $3.4 billion in 2016 to $3.5 billion in 2017.

Real estate income decreased by $5 million in 2018 as compared to the prior year. Real estate income decreased by $4 million in 2017 as compared to the prior year.

In 2018, gross investment income in derivatives and other invested assets was only $1 million less than in 2017. In 2017, the decrease in derivatives and other invested assets gross investment income of $26 million was primarily due to $38 million lower private equity income distributions in 2017 as compared to 2016, partially offset by higher income distributions from real estate joint ventures and real estate fund investments.

The cash, cash equivalents and short-term investment gross investment income increased by $7 million in 2018 as compared to 2017 as short term interest rates rose sharply in 2018. The cash, cash equivalents and short-term investment gross investment income increased slightly by $2 million in 2017 as compared to 2016.

Amortization of IMR decreased $25 million in 2018 as a result of a significant increase in realized losses in the bond portfolio of $463 million as compared to 2017. Amortization of IMR decreased $23 million in 2017 as a result of a significant decrease in bond gains of $146 million as compared to 2016.

Other income

Other income, which includes miscellaneous income, commissions and expense allowances on reinsurance ceded, and reserve adjustments on reinsurance, decreased $72 million for the year ended December 31, 2018, as compared to December 31, 2017, primarily due to reserve adjustments on reinsurance assumed that were negatively impacted by investment market returns.

Other income, which includes miscellaneous income, commissions and expense allowances on reinsurance ceded, and reserve adjustments on reinsurance, increased $43 million for the year ended December 31, 2017, as compared to December 31, 2016, primarily due to reserve adjustments on reinsurance assumed.

Benefit payments to policyholders and beneficiaries

Benefit payments to policyholders and beneficiaries increased $86 million for the year ended December 31, 2018 as compared to December 31, 2017. The increase is primarily due to natural increases in Individual Life claims paid of $66 million and higher surrenders paid of $151 million, partially offset by the $168 million initial allocation of the future benefit portion of pending and unreported LTD claim reserves to the additions to policy benefit reserves line.

Benefit payments to policyholders and beneficiaries increased $156 million for the year ended December 31, 2017 as compared to December 31, 2016. The increase is primarily due to increased surrender benefits and withdrawals for life contracts, higher death benefits, and increased interest and adjustments on deposit type contract funds.

Additions to policy benefit reserves

Net additions to policy benefit reserves increased $72 million in the year ended December 31, 2018 compared to the year ended December 31, 2017. The policyholders' reserves increased primarily as a result of the $168 million initial allocation of the future benefit portion of pending and unreported LTD claim reserves previously reported on the benefit payments to policyholders and beneficiaries line, partially offset by decreases in Individual Life of $130 million due to higher surrenders.

Net additions to policy benefit reserves increased $79 million in the year ended December 31, 2017 compared to the year ended December 31, 2016. The policyholders' reserves increased primarily as a result of natural growth of Individual Life reserves.

Commissions and operating expenses

Commissions and operating expenses increased $62 million in the year ended December 31, 2018 compared to the year ended December 31, 2017, due to premium growth from all lines of Commercial and Government Markets of $37 million, increased expense allowances on reinsurance assumed of $11 million, and increased field expenses resulting from the closing of the Field Clerical Pension Plan of $16 million.

Commissions and operating expenses increased $121 million in the year ended December 31, 2017 compared to the year ended December 31, 2016, due to premium growth from better persistency, increases in general insurance expenses partially offset by decreases in premiums, licenses, and fees.

Dividends to Policyholders

Dividends to policyholders increased $63 million for the year ended December 31, 2018 as compared to the year ended December 31, 2017, due to natural growth.

Dividends to policyholders increased $64 million for the year ended December 31, 2017 as compared to the year ended December 31, 2016, due to natural growth.

Guardian Federal Income Tax Expense

Federal income tax expense on operations decreased $117 million for the year ended December 31, 2018 as compared to the year ended December 31, 2017, primarily due to a decrease in ordinary taxable income of $35 million and a decrease of $77 million due to the benefit realized from a contribution to the pension plans.

Federal income tax expense on operations decreased $76 million for the year ended December 31, 2017 as compared to the year ended December 31, 2016, primarily due to a decrease in ordinary taxable income.

Net Realized Capital Gains After Tax and Transfers to IMR

Net realized capital gains after taxes and transfers to IMR were comprised of the following:

	Years Ended December 31,		
	2018	**2017**	**2016**
		($ in Millions)	
Total net realized capital gains (losses) after taxes and transfers to IMR			
Bonds	$ (208)	$ 255	$ 401
Preferred stocks	–	28	(11)
Mortgage loans	–	(7)	(2)
Common stocks—subsidiaries and affiliates	–	–	–
Common stocks—unaffiliated	(8)	15	5
Real estate	25	12	29
Derivatives and other invested assets	(188)	(12)	(54)
Net realized capital gains (losses) before deferral to the IMR	$ (379)	$ 291	$ 368
Capital gains tax benefit/(expense)	51	(152)	(164)
Transfer from/(to) IMR	156	(166)	(212)
Total net realized capital losses after tax benefit/(expense) and transfers from/(to) IMR	$ (172)	$ (27)	$ (8)

The book values of investments are written down when a decline in value is considered to be other-than-temporary. Impairments during 2018, 2017 and 2016 totaled $192 million, $54 million and $46 million, respectively. Of the $192 million for 2018, $59 million relates to impairments that reduced surplus which were driven primarily by $39 million for GIS's sale of the DSO business and $14 million in bonds. The remaining $133 million relates primarily to $90 million in investment tax credit investments and $30 million for private equities. Of the $54 million for 2017, $15 million relates to impairments that reduced surplus which consists of $11 million in bonds and $4 million in real estate. The remaining $39 million was primarily for private equities. In 2016, $46 million of impairments were taken on private equity limited partnership investments which had no impact on surplus. Guardian employs a systematic methodology to evaluate other-than-temporary impairments. The methodology to evaluate declines in value utilizes a quantitative and qualitative process to attempt to evaluate available evidence concerning the declines in a disciplined manner. See "Financial and Accounting Matters—Critical Accounting Policies."

Net realized capital gains after taxes and transfers from IMR decreased $145 million in 2018 as compared to 2017, primarily from decreased realized gains after IMR in the bond portfolio of $141 million, increased other-than-temporary impairments of $138 million and decreased gains in unaffiliated common stock of $23 million. These were partially offset by reduced capital gains taxes of $203 million.

Net realized capital gains after taxes and transfers to IMR decreased $19 million in 2017 as compared to 2016, primarily from decreased realized gains after IMR in the bond portfolio of $100 million, realized gains resulting from sales of directly owned real estate decreased $17 million, and realized losses on mortgage loans were $5 million higher in 2017 as compared to 2016. These decreases were partially offset by a decrease in capital gains tax of $12 million, lower derivative and other invested assets losses of $42 million, and higher preferred stock gains of $39 million.

Realized capital gains after tax and transfers to IMR do not reflect the changes in AVR and other investment reserves, which are recorded as a change in surplus.

Bonds: Net realized capital gains after IMR decreased by $141 million in 2018 as compared to 2017, primarily due to the rising interest rate environment during 2018. Net realized capital gains after IMR decreased by $100 million in 2017 as compared to 2016, primarily due to lower trading activity in 2017.

There were $14 million in other-than-temporary impairments in the bond portfolio during 2018. There were $11 million in other-than-temporary impairments in the bond portfolio during 2017 related to a private placement holding. There were no other-than-temporary impairments in the bond portfolio during 2016.

Derivative and other invested assets:

Derivative instruments and other invested assets had realized (losses) of ($188) million in 2018 compared to realized (losses) of ($12) million in 2017. There were ($178) million in other-than-temporary impairments in 2018 in this category as compared to ($39) million in 2017. There were ($2) million in realized (losses) on real estate joint venture sales in 2018 as compared to $28 million in gains on sale in 2017. Realized gains on foreign currency generated $9 million in realized gains in 2018 as compared to $14 million realized gains in 2017. Credit default swaps generated a realized (loss) of ($5) million in 2018 as compared to a ($1) million loss in 2017. In addition, realized (losses) on future contracts were ($12) million in 2018 as compared to ($17) million in 2017. Lastly, there were no realized gains on the sale of surplus note investments in 2018 as compared to $3 million in realized gains in 2017.

Derivative instruments and other invested assets had realized (losses) of ($12) million in 2017 compared to realized (losses) of ($54) million in 2016. There were ($39) million in other-than-temporary impairments in 2017 in this category as compared to ($46) million in 2016. There were $28 million in private equity and real estate joint venture gains on sale in 2017 as compared to $37 million in gains on sale in 2016. Realized gains on foreign currency generated $14 million realized gains in 2017 as compared to no realized gains/ (losses) in 2016. Credit default swaps generated a realized (loss) of ($1) million in 2017 as compared to a ($4) million loss in 2016. In addition, realized (losses) on future contracts were ($17) million in 2017 as compared to ($41) million in 2016. Lastly, realized gains on the sale of surplus note investments totaled $3 million in 2017 as compared to no realized gains/(losses) in 2016. For a description of Guardian’s hedging program and its limitations, see “Financial and Accounting Matters—Critical Accounting Policies” and “—Quantitative and Qualitative Information about Market Risk—Hedging Programs.”

For 2018, $156 million of net after-tax losses were transferred out of the IMR primarily from the sales of bonds during 2018 in the normal course of business. For 2017, $166 million of net after-tax gains were deferred into the IMR primarily from the sales of bonds during 2017 in the normal course of business. For 2016, $212 million of net after-tax gains were deferred into the IMR primarily from significant gains on bond sales during 2016. Gains/losses transferred from or deferred to the IMR are amortized into income over the estimated life of the investment sold.

Statement of Financial Position

The following table sets forth Guardian's assets, liabilities and surplus:

	As of December 31,		
	2018	2017	2016
		($ in Millions)	
Balance Sheet Data:			
Total assets	$ 58,489	$ 55,569	$ 51,884
Total liabilities	$ 51,317	48,885	45,712
Total surplus	$ 7,172	6,684	6,172

Assets

Total assets as of December 31, 2018 increased $2.920 billion, or 5.3%, as compared to December 31, 2017. The major components of the growth in assets were invested assets and reinsurance recoverable from affiliates.

Total assets as of December 31, 2017 increased $3.685 billion, or 7.1%, as compared to December 31, 2016. The major components of the growth in assets were invested assets and reinsurance recoverable from affiliates, partially offset by a decrease in deferred tax assets.

Total invested assets as of December 31, 2018 increased $2.615 billion, or 5.2%, as compared to December 31, 2017, driven by increases in private placement bonds, commercial mortgages and investment grade bonds.

Total invested assets as of December 31, 2017 increased $3.5 billion, or 7.5%, as compared to December 31, 2016, driven by increases in private placement bonds, investment grade bonds, commercial mortgages and commercial mortgage backed securities.

Bonds at December 31, 2018 of $39.4 billion increased 3.2%, or $1.3 billion, from $38.1 billion at December 31, 2017. Taxable bonds increased by $1.4 billion, while tax exempt bonds decreased by $0.1 billion from the prior year. Bond impairments increased by $3 million in 2018 as compared to 2017. Bonds at December 31, 2017 of $38.1 billion increased 7.6%, or $2.7 billion, from $35.4 billion at December 31, 2016. Taxable bonds increased by $2.7 billion, while tax exempt bonds remained relatively unchanged at approximately $1.2 billion for both years. Bond impairments increased by $11 million in 2017 as compared to 2016.

Bonds in NAIC Classes 1 and 2 represented 70.7%, 72.0% and 70.6% of total general invested assets as of December 31, 2018, 2017 and 2016, respectively. The percentage of total invested assets representing bond investments in NAIC Classes 3 through 6 was 3.5%, 3.5% and 4.9% as of December 31, 2018, 2017 and 2016, respectively. See "—Investments" for more discussion of NAIC investment classes.

There were no preferred stock investments at December 31, 2018, similar to December 31, 2017. There were no preferred stock investments at December 31, 2017, a decrease of $40 million as compared to December 31, 2016. Net realized gains totaled $28 million as a result of these sales to reduce the portfolio to zero.

Common stocks of subsidiaries and affiliates held by Guardian as of December 31, 2018 increased $155 million as compared to December 31, 2017, or 15.6%, consisting of a $158 million increase in the value of life insurance subsidiaries and a $3 million decrease in other affiliated common stocks. Common stocks of subsidiaries and affiliates held by Guardian as of December 31, 2017 decreased $49 million as compared to December 31, 2016, or 4.7%, consisting of a $15 million increase in the value of life insurance subsidiaries and a $64 million decrease in other affiliated common stocks. There was $50 million contributed to common stock affiliates during 2018, $54 million in return of capital during 2018 and $7 million in non-admitted common stock affiliates. There was $108 million contributed to common stock affiliates during 2017, $138 million in return of capital during 2017 and $6 million in non-admitted common stock affiliates.

Common stocks of unaffiliated entities as of December 31, 2018 increased $125 million as compared to December 31, 2017, or 23.3%, primarily due to net acquisitions in the portfolio. Net realized (losses) recognized from these dispositions were $8 million. Net unrealized (losses) from stocks were $57 million. There were no other-than-temporary impairments during 2018.

Common stocks of unaffiliated entities as of December 31, 2017 increased $98 million as compared to December 31, 2016, or 22.4%, primarily due to net acquisitions in the portfolio. Net realized gains recognized from these dispositions were $15 million. Net unrealized gains from stocks were $31 million. There were no other-than-temporary impairments during 2017.

Mortgage loans as of December 31, 2018 increased $519 million as compared to December 31, 2017, or 13.0%, including $993 million in new investments, rollovers and additional fundings, which were partially offset by the $471 million of paydowns, sales and full payoffs.

Mortgage loans as of December 31, 2017 increased $529 million as compared to December 31, 2016, or 15.2%, including $1,033 million in new investment, rollovers and additional fundings, which were partially offset by the $502 million of paydowns, sales and full payoffs.

Guardian does not originate any residential mortgages but invests in residential mortgage loan pools, which may contain mortgages of subprime credit quality.

Policy loans as of December 31, 2018 increased $115 million as compared to December 31, 2017 or 3.3%, due to growth in the ordinary course of business. Policy loans as of December 31, 2017 increased $115 million as compared to December 31, 2016, or 3.4%, due to growth in the ordinary course of business.

Properties held for the production of income at December 31, 2018 of $328 million decreased by $13 million from $341 million at December 31, 2017. This was primarily due to four property sales with proceeds of $66 million during 2018 that generated $25 million in net realized gains. There were no properties purchased during 2018, however, 1 property with a book value of $32 million was acquired via foreclosure. There was also $6 million in capital expenditures during 2018. Real estate occupied by the company is $3 million as of December 31, 2018 and is included in the $331 million total. Depreciation expense recorded during 2018 totaled $18 million and the decrease in encumbrances was $7 million. As of December 31, 2018, industrial and other buildings in the general account represented 11.6% of Guardian's real estate portfolio compared to 22.6% for the same property type as of December 31, 2017.

Properties held for the production of income at December 31, 2017 of $341 million decreased by $20 million from $361 million at December 31, 2016. This was primarily due to five property sales with proceeds of $107 million during 2017 that generated $16 million in net realized gains. There were no properties purchased during 2017, however, 2 properties with a book value of $26 million were acquired via foreclosure. There was also $2 million in capital expenditures during 2017. Real estate occupied by the company is $4 million as of December 31, 2017 and is included in the $345 million total. Depreciation expense recorded during 2017 totaled $19 million and the decrease in encumbrances was $52 million. There was one property that was written off as an impairment during 2017 and this generated a realized loss of $4 million. As of December 31, 2017, industrial and other buildings in the general account represented 22.6% of Guardian's real estate portfolio compared to 21.7% for the same property type as of December 31, 2016.

Partnership and LLCs as of December 31, 2018 increased $245 million as compared to December 31, 2017, or 12.5%, as a result of net capital contributions made to new and existing partnerships. Partnerships and LLCs had $178 million in other-than-temporary impairments as of December 31, 2018, which did not result in a reduction of surplus. During 2018, there were $577 million contributed to new or existing partnerships. In addition, during 2018, there were $205 million of returns of capital. There were no sales of real estate ventures during 2018.

Partnerships and LLCs as of December 31, 2017 increased $168 million as compared to December 31, 2016, or 9.4%, as a result of capital contributions made to new and existing partnerships. Partnerships and LLCs had $39 million in other-than-temporary impairments as of December 31, 2017. During 2017, there were $446 million contributed to new or existing partnerships. In addition, during 2017, there were $232 million of returns of capital which included the sale of four real estate joint/private equity ventures that generated $24 million in realized gains.

Derivatives and other invested assets at December 31, 2018 were $473 million, $417 million at December 31, 2017 and $83 million at December 31, 2016. This balance mainly represents the value of foreign currency swaps and a small number of unsettled trades at December 31, 2018 relating to bond and stock trading activity. It also includes $365 million in investments in surplus note debentures of other insurance companies at December 31, 2018, that were reclassified out of bonds and into other invested assets at the beginning of 2017.

Guardian uses derivative financial instruments in the ordinary course of business to attempt to manage risks, primarily to reduce equity, interest rate and currency risk. For a description of these hedging programs and their limitations, see "—Quantitative and Qualitative Information about Market Risk—Hedging Programs." The vast majority of Guardian's investment risk is not hedged. Guardian may use a combination of derivatives and fixed income investments to create synthetic investment positions. These combined investments are created opportunistically when they are economically more attractive than the replicated instrument or when the replicated instrument is unavailable. To a much lesser extent, some of these combinations are considered replicated asset transactions as defined under statutory accounting principles.

Cash, cash equivalents and short-term investments increased by $178 million at December 31, 2018 compared to December 31, 2017 due to Guardian receiving proceeds late in the year that could not be reinvested into longer term investments. Cash, cash equivalents and short-term investments decreased by $268 million at December 31, 2017 compared to December 31, 2016 due to deploying a higher percentage of assets into longer term investments.

Other than invested assets increased $305 million from $5.114 billion at December 31, 2017 to $5.419 billion at December 31, 2018, primarily due to an increase in funds held or deposited with reinsured companies and an increase in current federal and foreign income tax recoverable and interest thereon.

Other than invested assets increased $149 million from $4.965 billion at December 31, 2016 to $5.114 billion at December 31, 2017, primarily due to an increase in funds held or deposited with reinsured companies partially offset by a decrease in the net deferred tax asset.

Other than invested assets increased $24 million from $4.941 billion at December 31, 2015 to $4.965 billion at December 31, 2016, primarily due to increased receivables from subsidiaries and affiliates.

Liabilities

Total liabilities as of December 31, 2018 increased $2.432 billion, or 5.0%, as compared to December 31, 2017, primarily due to increases in reserves for policy benefits and policyholder dividends payable and other contract liabilities.

The increase in reserves for policy benefits of $2.480 billion at December 31, 2018 as compared to December 31, 2017 is primarily related to natural growth of the business and the $168 million initial allocation of the future benefit portion of pending and unreported LTD claim reserves.

Policyholder dividends payable and other contract liabilities increased $203 million at December 31, 2018 as compared to December 31, 2017, primarily due to the issuance of a funding agreement of $337 million partially offset by the $168 million initial allocation of the future benefit portion of pending and unreported LTD claim reserves to reserves for policy benefits.

Total liabilities as of December 31, 2017 increased $3.173 billion, or 6.9%, as compared to December 31, 2016, primarily due to increases in reserves for policy benefits and policyholder dividends payable and other contract liabilities.

AVR increased $50 million, or 6.1%, at December 31, 2018 as compared to December 31, 2017, primarily due to the required basic contributions that are required by the AVR formula. The mortgage reserve increased by $5 million from $32 million at December 31, 2017 to $37 million at December 31, 2018.

AVR increased $19 million, or 2.4%, at December 31, 2017 as compared to December 31, 2016, and is at its maximum reserve primarily due to the required basic contributions that are required by the AVR formula. The mortgage reserve increased by $1 million from $31 million at December 31, 2016 to $32 million at December 31, 2017.

Other liabilities at December 31, 2018 of $2.126 billion decreased by $71 million from $2.197 billion at December 31, 2017. This decrease was primarily due to decreases in general expenses due and accrued.

Other liabilities at December 31, 2017 of $2.197 billion increased by $235 million from $1.962 billion at December 31, 2016. This increase was primarily due to increases in general expenses due and accrued.

Surplus

Surplus increased $488 million from $6.684 billion at December 31, 2017 to $7.172 billion at December 31, 2018. The increase in surplus was primarily due to net income of $310 million and increases in net unrealized capital gains (losses) of $184 million.

Surplus increased $512 million from $6.172 billion at December 31, 2016 to $6.684 billion at December 31, 2017. The increase in surplus was primarily due to net income of $423 million and the issuance of $350 million of 2077 Surplus Notes. These increases were partially offset by increased pension liabilities and a decrease in net admitted deferred income tax.

Liquidity and Capital Resources

Liquidity

Guardian manages its liquidity position by matching its exposure to cash demands with adequate sources of cash and other liquid assets. Guardian's principal sources of liquidity are operating cash flows and holdings of cash, cash equivalents and other readily marketable assets. Historically, Guardian has consistently experienced net positive cash flows from operations. Guardian's primary cash flow sources include investment income, principal repayments on invested assets, and insurance premiums.

Cash, cash equivalents and short-term investments increased $178 million, or 32.1%, as of December 31, 2018 as compared to December 31, 2017. Cash, cash equivalents and short-term investments decreased $268 million, or 32.6%, as of December 31, 2017 as compared to December 31, 2016.

Net cash provided from operations for the year ended December 31, 2018 was $2.561 billion. For the year ended December 31, 2018, net cash used in investing activities amounted to $2.703 billion and net cash provided from financing totaled $320 million. Net cash provided from operations increased $96 million, or 3.9%, to $2.561 billion in 2018 as compared to 2017. The increase is primarily attributable to increases in premiums and other income received of $276 million and investment income of $76 million. These increases to net cash provided from operations were partially offset by increased benefits and loss payments of $249 million. The decrease in cash from financing and miscellaneous activities was primarily attributable to the issuance of the 2077 Surplus Notes and no issuance in 2018.

Net cash provided from operations for the year ended December 31, 2017 was $2.465 billion. For the year ended December 31, 2017, net cash used in investing activities amounted to $3.530 billion and net cash provided from financing totaled $797 million. Net cash provided from operations decreased $199 million, or 7.5%, to $2.465 billion in 2017 as compared to 2016. The decrease is primarily attributable to increased benefit and loss related payments and commissions, expenses and taxes paid partially offset by increased premiums and other income received. The increase in cash from financing and miscellaneous activities is primarily attributable to the issuance of the 2077 Surplus Notes and the issuance of an FA-Backed Note in 2017.

Excess operating cash flow is used to purchase investments. Purchases of investments were \$16.2 billion, \$19.0 billion and \$20.3 billion for the years ended December 31, 2018, December 31, 2017 and December 31, 2016, respectively, while sales and maturities of investments and receipts from repayments of loans were \$13.6 billion, \$15.6 billion and \$16.9 billion, respectively, resulting in a net cash outflow of \$2.6 billion, \$3.4 billion and \$3.4 billion, respectively.

Guardian utilizes what it believes to be sophisticated asset/liability analysis techniques in the management of the investments supporting its liabilities. Additionally, Guardian tests the adequacy of the projected cash flows provided by assets to meet all of its future policyholder and other obligations. Guardian performs these studies using stress tests regarding future credit and other asset losses, market interest rate fluctuations, claim losses, and other considerations. The result provides a view of the adequacy of the underlying assets, reserves, and capital. Guardian analyzes a variety of scenarios modeling potential demands on liquidity, taking into account the provisions of policies and contracts in force, its cash flow position, and the volume of cash and readily marketable securities in its portfolio. Guardian attempts to proactively manage its liquidity position on an ongoing basis to meet cash needs while minimizing adverse impacts on investment returns.

In most scenarios that Guardian has tested, operating cash flow is sufficient to satisfy its obligations. Guardian believes that even in extreme scenarios tested, obligations can be met in the modeled stress tests through operating cash flows and the sale of some of Guardian's liquid assets. These stress test scenarios assume no new business that would result in immediate positive cash flow. In addition, if Guardian was in a stress situation, some uses of cash could be suspended, including new investments in illiquid instruments. However, given the inherent limitations and underlying assumptions of quantitative modeling, there can be no assurances of Guardian's ability to maintain sufficient liquidity under actual liquidity needs. See "Risk Factors—Risk Factors Related to Guardian—Guardian's investment portfolio and aspects of Guardian's business are subject to the full range of market risks, including credit, liquidity and equity markets and interest rate risks" and "—Some of Guardian's investments are relatively illiquid and are in asset classes that could experience significant market valuation fluctuations."

FHLB Membership

Guardian became a member of the Federal Home Loan Bank of New York ("FHLBNY") in February 2018. Membership provides Guardian with access to FHLBNY's financial services, including the ability to obtain collateralized loans and to issue collateralized funding agreements.

Guardian's capacity to borrow from the FHLBNY is limited to 5% of its prior year-end statutory net admitted assets, excluding separate account assets, under New York state insurance law. Based on Guardian's net admitted assets as of December 31, 2018, Guardian's borrowing capacity is more than \$2.924 billion. FHLBNY borrowings and funding agreements must be collateralized by qualifying mortgage-related assets or U.S. Treasury securities, the fair value of which must be maintained at specified levels relative to outstanding borrowings and dependent on collateral type. As of the date of this Information Memorandum, there have been no borrowings from the FHLBNY.

Liquidity Risks

Liquidity risk is the risk that Guardian will not have access to sufficient funds to meet its liabilities when due. Guardian believes that its product mix contributes to its strong liquidity position. Guardian's blocks of variable life insurance and VA contracts limit its liquidity risk because the customer bears most of the investment risk for these types of products. A primary liquidity concern for Guardian is the risk of early contract owner and policyholder life insurance policy loans and surrenders and withdrawals. Guardian closely evaluates and manages this risk. As a matter of policy, virtually all of Guardian's life insurance and annuity products contain surrender charges for varying durations or fair value adjustments, reducing the risk that customers will seek surrenders and withdrawals or life insurance policy loans during the periods when surrender charges or fair value adjustments are in place. Surrender charges or fair value adjustments help Guardian to better plan the maturities of its invested assets by reducing the risk that future outflows will exceed anticipated levels.

Guardian's principal sources of liquidity to meet unexpected cash outflows are its portfolio of liquid assets and its net operating cash flow. Liquid assets include cash, cash equivalents, short-term investments and other readily marketable public securities. Furthermore, Guardian monitors and manages cash flows over a one-year horizon in order to attempt to maximize investment returns relative to client obligations and to reduce the number, length of time and severity of asset and liability cash flow mismatches. See "—Investments" for a more detailed discussion of the investment portfolio.

Dividends from Subsidiaries

Guardian has not historically relied on dividends from its subsidiaries to meet its operating cash flow requirements. Dividend payments from insurance subsidiaries are generally subject to certain restrictions imposed by statutory authorities. Additionally, dividend payments from other subsidiaries are limited to their retained earnings.

For Guardian's life insurance subsidiaries, including BLICOA and GIAC, substantially all of the statutory aggregate surplus of approximately $698 million as of December 31, 2018 is subject to dividend restrictions. Under the laws of Delaware and Massachusetts, the domiciliary states of GIAC and BLICOA, respectively, dividends in excess of unassigned funds require regulatory approval. In addition, BLICOA and GIAC must seek regulatory approval prior to paying a dividend whose fair market value together with other dividends within the preceding twelve months exceeds the greater of (i) 10% of the insurer's policyholder surplus as of the last day of December next preceding or (ii) the net gain from operations of the insurer for the twelve month period ending the last day of December next preceding. Guardian's life insurance subsidiaries, including BLICOA and GIAC, had the ability to make dividend payments up to $171 million in 2018 without obtaining prior approval from their respective state insurance departments. Guardian's individual disability income insurance line of business is written by BLICOA and Guardian is, accordingly, only able to receive income generated by this line of business through dividends received from BLICOA. For the years ended December 31, 2018, 2017 and 2016, Guardian received an aggregate of $44 million, $47 million and $12 million, respectively, in cash dividends from its subsidiaries. Guardian can make no assurance regarding the timing or amount of dividends, if any, that may be paid by these subsidiaries to Guardian in the future. GIS and FCW are not subject to dividend restrictions imposed by statutory authorities but may pay dividends up to but not exceeding any accumulated earnings. As of December 31, 2018, FCW had accumulated earnings of $102 million and would be able to pay a dividend up to $102 million in 2019. As of December 31, 2017, FCW had accumulated earnings of $71 million and would be able to pay a dividend of up to $71 million in 2018. As of December 31, 2016, FCW had accumulated earnings of $44 million and would have been able to pay a dividend up to $44 million in 2017.

Capital Resources

The NAIC has an RBC model to compare total adjusted capital with a standard design in order to reflect an insurance company's risk profile. RBC is calculated at year end for regulatory purposes, and Guardian estimates RBC on an interim basis. Although Guardian believes that there is no single appropriate means of measuring capital needs, Guardian feels that the NAIC approach to RBC measurement is reasonable and conservative, and Guardian manages its capital position with significant attention to maintaining adequate total adjusted capital relative to RBC. Guardian's total adjusted capital was well in excess of all RBC standards at December 31, 2018, 2017, and 2016. Guardian believes that it enjoys a strong capital position in light of its risks and that it is well-positioned to meet policyholder and other obligations.

Existing Surplus Notes

On October 6, 2009, the Company issued the 2039 Surplus Notes with a principal balance of $400 million, bearing interest at 7.375%, and a maturity date of September 30, 2039. Proceeds from the issuance of the 2039 Surplus Notes were $392.4 million, net of discounts and fees. The 2039 Surplus Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and are administered by The Bank of New York Mellon as fiscal agent. Interest on these 2039 Surplus Notes is scheduled to be paid semiannually on March 31 and September 30 of each year. The 2039 Surplus Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the 2039 Surplus Notes are not part of the legal liabilities of the Company. The 2039 Surplus Notes do not repay principal prior to maturity.

Each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the 2039 Surplus Notes may be redeemed at the option of the Company at any time (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the 2039 Surplus Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding accrued interest as of the date on which the 2039 Surplus Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 50 basis points. The Company paid $9 million in interest on the 2039 Surplus Notes in each of the nine months ended September 30, 2019 and September 30, 2018, respectively. On December 28, 2017 and January 9, 2018, the Company redeemed the 2039 Surplus Notes with a principal balance of $166.9 million and a carrying value of $165.7 million as part of an exchange transaction (see paragraph regarding the exchange transaction below). The Company paid $17 million in interest on the 2039 Surplus Notes for the years ended December 31, 2018 and $33 million in December 31, 2017, respectively.

On June 19, 2014, the Company issued the 2064 Surplus Notes with a principal balance of $450 million, bearing interest at 4.875%, and a maturity date of June 19, 2064. Proceeds from the issuance of the 2064 Surplus Notes were $445 million, net of discounts and fees. The 2064 Surplus Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and are administered by The Bank of New York Mellon as fiscal agent. Interest on these 2064 Surplus Notes is scheduled to be paid semiannually on June 19 and December 19 of each year. The 2064 Surplus Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the 2064 Surplus Notes are not part of the legal liabilities of the Company. The 2064 Surplus Notes do not repay principal prior to maturity. Each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the 2064 Surplus Notes may be redeemed at the option of the Company at any time (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the 2064 Surplus Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding accrued interest as of the date on which the 2064 Surplus Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 25 basis points. The Company paid $11 million in interest on the 2064 Surplus Notes in the nine months ended September 30, 2019 and $11 million in interest in the nine months ended September 30, 2018. The Company paid $22 million in interest on the 2064 Surplus Notes for the years ended December 31, 2018 and December 31, 2017, respectively.

On January 24, 2017, the Company issued the 2077 Surplus Notes with a principal balance of $350 million, bearing interest at 4.850%, and a maturity date of January 24, 2077. Proceeds from the issuance of the 2077 Surplus Notes were $343.6 million, net of discounts and fees. On December 28, 2017 and January 9, 2018, the Company issued an additional amount of the 2077 Surplus Notes with a principal balance of $229.3 million as part of an exchange transaction (see paragraph regarding the exchange transaction below). All of the 2077 Surplus Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and are administered by The Bank of New York Mellon as fiscal agent. Interest on these 2077 Surplus Notes is scheduled to be paid semiannually on January 24 and July 24 of each year. The 2077 Surplus Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the 2077 Surplus Notes are not part of the legal liabilities of the Company. The 2077 Surplus Notes do not repay principal prior to maturity. Each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the 2077 Surplus Notes may be redeemed at the option of the Company at any time (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the 2077 Surplus Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding accrued interest as of the date on which the 2077 Surplus Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 30 basis points. The Company paid $28 million in interest on the 2077 Surplus Notes in the nine months ended September 30, 2019 and $28 million in interest in the nine months ended September 30, 2018. The Company paid $28 million in interest on the 2077 Surplus Notes for the years ended December 31, 2018 and $8 million in December 31, 2017, respectively.

The Company completed an exchange transaction in which it issued additional 2077 Surplus Notes in exchange for the 2039 Surplus Notes. The exchange offer was settled predominantly on December 27, 2017 with a minimal amount settling on January 8, 2018. The 2039 Surplus Notes had a principal balance of $166.9 million ($165.7 million carrying value) and the additional 2077 Surplus Notes had a principal balance of $229.3 million ($170.5 million carrying value). Of the $63.6 million discount at the time of the exchange, $4.8 million pertaining to an inducement for noteholders to exchange their notes, was recorded as expense on the transaction date along with an increase to the carrying value of 2077 Surplus Notes. The remaining $58.8 million will be charged to the Statutory Basis Statements of Operations over the life of the 2077 Surplus Notes.

Funding Agreement-Backed Notes

On April 18, 2016, Guardian Life Global Funding, a special purpose trust, established a global debt issuance program (the "FABN Program") for the sale from time to time of up to $3 billion in funding agreement-backed notes. On April 26, 2016 and October 27, 2016, Guardian Life Global Funding issued $500 million and $300 million, respectively, under the FABN Program (the "FA-Backed Notes"). On May 8, 2017, Guardian Life Global Funding issued $400 million of FA-Backed Notes under the FABN Program. On April 25, 2018, Guardian Life Global Funding issued $300 million of FA-Backed Notes under the FABN Program. On May 6, 2019, Guardian Life Global Funding issued $300 million of FA-Backed Notes under the FABN Program. Pursuant to the FABN Program, Guardian Life Global Funding used the proceeds from each sale of FA-Backed Notes to purchase a funding agreement from Guardian, which secure the obligations of the relevant FA-Backed Notes. Guardian Life Global Funding is not a subsidiary or affiliate of Guardian, or any of its subsidiaries or affiliates. While the funding agreements are unsecured obligations of Guardian, the FA-Backed Notes are not obligations of, and will not be guaranteed by, Guardian or any of its subsidiaries or affiliates. In the nine months ended September 30, 2019, the Company paid $18 million in interest on the funding agreement securing the outstanding FA-Backed Notes.

Investments

General

At September 30, 2019, Guardian had $55.6 billion of invested assets in its general account, an increase of $3.1 billion from September 30, 2018. At December 31, 2018, Guardian had $53.1 billion of invested assets in its general account, an increase of $2.6 billion from December 31, 2017. Guardian had $46.9 billion in invested assets at December 31, 2016. Guardian manages the portfolio of invested assets to support the general account liabilities in light of liability characteristics and risk management considerations.

The following table sets forth Guardian's invested assets in the general account as of the dates indicated:

	September 30,		December 31,					
	2019		2018		2017		2016	
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	($ in Millions)							
Bonds:								
Public bonds	$ 26,809	48.2%	$ 25,829	48.7%	$ 25,493	50.5%	$ 24,453	52.1%
Private placement bonds	10,089	18.2%	9,751	18.4%	9,236	18.3%	8,211	17.5%
CMBS	2,038	3.7%	2,023	3.8%	1,946	3.9%	1,555	3.3%
Non-Agency RMBS	685	1.2%	989	1.9%	856	1.7%	705	1.6%
Asset backed securities/CLO	675	1.2%	769	1.4%	594	1.2%	523	1.1%
Total bonds	40,296	72.5%	39,361	74.2%	38,125	75.6%	35,447	75.6%
Preferred stocks	-	0.0%	–	0.0%	–	0.0%	40	0.1%
Common stocks—subsidiaries and affiliates	1,229	2.2%	1,150	2.2%	995	2.0%	1,044	2.2%
Common stocks—unaffiliated	755	1.3%	661	1.2%	536	1.0%	438	0.9%
Mortgage loans	4,827	8.7%	4,520	8.5%	4,001	7.9%	3,472	7.4%
Policy loans	3,780	6.8%	3,635	6.8%	3,520	7.0%	3,405	7.2%
Real estate	261	0.5%	331	0.6%	345	0.7%	374	0.8%
Partnerships and LLCs	2,432	4.4%	2,207	4.2%	1,962	3.9%	1,794	3.8%
Derivatives	73	0.1%	37	0.1%	13	0.0%	41	0.1%

	September 30,		December 31,					
	2019		2018		2017		2016	
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	($ in Millions)							
Other invested assets(1)	539	1.0%	436	0.8%	404	0.8%	42	0.1%
Cash, cash equivalents and short-term investments	1,379	2.5%	732	1.4%	554	1.1%	822	1.8%
Total investments	**$ 55,571**	**100.0%**	**$ 53,070**	**100%**	**$ 50,455**	**100%**	**$ 46,919**	**100%**

(1) This line item consists primarily of receivables from broker on securities sold and, in 2019, 2018 and 2017, investments in surplus note debentures of other insurance companies. Carrying value of investments is discussed in the Critical Accounting Policies section.

Impairments

Impairments during the nine months ended September 30, 2019 and 2018 totaled $129 million and $30 million, respectively. In the nine months ended September 30, 2019 $119 million of the impairments related to the Investment Tax Credit portfolio and the other $10 million were in the Private Equity portfolio. These impairments did not impact surplus at the time of the write down. In the nine months ended September 30, 2018, all of the impairments were in the Private Equity portfolio. These impairments did not impact surplus at the time of the write down.

Impairments during 2018, 2017 and 2016 totaled $192 million, $54 million and $46 million, respectively. Of the $192 million for 2018, $59 million relates to impairments that reduced surplus which were driven primarily by $39 million for GIS's sale of the DSO business and $14 million in bonds. The remaining $133 million relates primarily to $90 million in investment tax credit investments and $30 million for private equities. Of the $54 million for 2017, $15 million relates to impairments that reduced surplus which consisted of $11 million in bonds and $4 million in real estate. The remaining $39 million was primarily for private equities. In 2016, $46 million of impairments were taken on private equity limited partnership investments which had no impact on surplus.

Guardian's Investment Strategy

Guardian's principal investment objective is to invest prudently for the long-term and deliver competitive dividends and financial security for its policyholders. Guardian's investment philosophy starts with sound asset allocation strategies, thereby seeking to optimize expected long-term returns within well-defined risk parameters, while benefiting from diversification strategies designed to reduce risk.

Guardian's portfolio managers employ a disciplined investment decision-making process, which is fundamentally based on proprietary research and analysis. Guardian avoids any overreliance on rating agencies or quantitative risk models. Additionally, Guardian's asset liability investment management process carefully integrates asset maturities in a manner consistent with its view of prudent funding of insurance liabilities. Guardian's process is designed to optimize risk/reward profiles and deliver consistent financial results, although this cannot be assured.

Bonds

Bonds consist primarily of government backed securities and high-quality marketable corporate debt securities. Guardian invests a significant portion of its investment funds in high quality publicly traded bonds in order to maintain and manage liquidity and reduce the risk of default in the portfolio.

The NAIC SVO rates investment credit risk based upon the issuer's credit profile. NAIC rating designations range from 1 to 6. An NAIC designation of 1 denotes obligations of the highest quality in which credit risk is at its lowest and the issuer's credit profile is stable; whereas an NAIC designation of 6 is assigned to obligations that are in or near default. Classes 1 and 2 are investment grade, and Classes 3, 4, 5 and 6 are non-investment grade.

The following table sets forth the SVO ratings for Guardian's bond portfolio along with what it believes are the equivalent rating agency designations.

Total Portfolio Credit Quality

		September 30,			December 31,								
		2019			2018			2017			2016		
							($ in Millions)						
NAIC Classes	Rating Agency Equivalent Designation	Carrying Value	% of Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	% of Carrying Value	Carrying Value	Estimated Fair Value	% of Carrying Value	Carrying Value	Estimated Fair Value	% of Carrying Value
1	Aaa/Aa/A.............	$ 23,610	58.6%	$ 26,507	$ 23,12	$ 23,326	58.7%	$ 21,653	$ 23,041	56.8%	$ 18,135	$ 18,866	51.2%
2	Baa	14,429	35.8%	15,563	14,38	14,159	36.6%	14,685	15,374	38.5%	15,006	15,352	42.3%
3	Ba	904	2.2%	918	72	697	1.9%	753	756	2.0%	1,200	1,193	3.4%
4	B..........................	1,133	2.8%	1,126	96	918	2.4%	869	865	2.3%	1,002	1,018	2.8%
5	Caa and lower	148	0.4%	145	16	148	0.4%	164	164	0.4%	102	97	0.3%
6	In or near default...	72	0.2%	75	[illegible]	2	0.0%	1	2	0.0%	2	4	0.0%
	Total....................	**$ 40,296**	**100.0%**	**$ 44,334**	**$ 39,36**	**$ 39,250**	**100.0%**	**$ 38,125**	**$ 40,202**	**100.0%**	**$ 35,447**	**$ 36,530**	**100.0%**

The tables below set forth the NAIC SVO ratings for Guardian's publicly traded and privately placed portfolios.

Publicly Traded Credit Quality

		September 30			December 31,								
		2019			2018			2017			2016		
							($ in Millions)						
NAIC Classes	Rating Agency Equivalent Designation	Carrying Value	Estimated Fair Value	% of Carrying Value	Carrying Value	Estimated Fair Value	% of Carrying Value	Carrying Value	Estimated Fair Value	% of Carrying Value	Carrying Value	Estimated Fair Value	% of Carrying Value
1	Aaa/Aa/A.............	$ 21,128	$ 23,862	70.0%	$ 20,746	$ 20,938	70.1%	$ 19,465	$ 20,795	67.4%	$ 16,340	$ 17,028	60.0%
2	Baa	7,323	8,029	24.2%	7,462	7,251	25.2%	8,059	8,609	27.9%	9,109	9,380	33.4%
3	Ba	441	452	1.5%	355	339	1.2%	398	410	1.4%	732	742	2.7%
4	B..........................	1,098	1,094	3.6%	896	859	3.0%	818	821	2.8%	968	988	3.6%
5	Caa and lower	145	142	0.5%	149	137	0.5%	148	149	0.5%	85	80	0.3%
6	In or near default...	72	75	0.2%	2	2	0.0%	1	2	0.0%	2	4	0.0%
	Total	**$ 30,207**	**$ 33,654**	100.0**%**	**$ 29,610**	**$29,526**	**100.0%**	**$ 28,889**	**$ 30,786**	**100.0%**	**$ 27,236**	**$ 28,222**	**100.0%**

Privately Placed Credit Quality

		September 30			December 31,								
		2019			2018			2017			2016		
							($ in Millions)						
NAIC Classes	Rating Agency Equivalent Designation	Carrying Value	Estimated Fair Value	% of Carrying Value	Carrying Value	Estimated Fair Value	% of Carrying Value	Carrying Value	Estimated Fair Value	% of Carrying Value	Carrying Value	Estimated Fair Value	% of Carrying Value
1	Aaa/Aa/A.............	$ 2,482	$ 2,645	24.6%	$ 2,376	$ 2,388	24.4%	$ 2,188	$ 2,246	23.7%	$ 1,795	$ 1,838	21.9%
2	Baa	7,106	7,534	70.4%	6,925	6,908	71.0%	6,627	6,765	71.7%	5,897	5,972	71.8%
3	Ba	463	466	4.6%	373	358	3.8%	355	346	3.8%	468	451	5.7%
4	B..........................	35	32	0.4%	66	59	0.7%	51	44	0.6%	34	30	0.4%
5	Caa and lower	3	3	0.0%	11	11	0.1%	15	15	0.2%	17	17	0.2%
6	In or near default...	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%
	Total....................	**$ 10,089**	**$ 10,680**	100.0**%**	**$ 9,751**	**$ 9,724**	**100.0%**	**$ 9,236**	**$ 9,416**	**100.0%**	**$ 8,211**	**$ 8,308**	**100.0%**

Guardian utilizes its investments in the privately placed portfolio to enhance the value of the overall portfolio, increase diversification, and obtain higher yields than can be earned by investing in comparable quality public market securities. To control risk when utilizing privately placed securities, Guardian relies upon broader access to management information, stronger negotiated protective covenants, call protection features, and a higher level of collateralization than can customarily be achieved in the public market. The strength of the privately placed portfolio is demonstrated by the predominance of NAIC Class 1 and 2 securities.

The following tables summarize Guardian's fixed income securities by maturity.

Fixed Income Securities By Maturity

	September 30, 2019					December 31, 2018					December 31, 2017				
	Carrying Value	% of Total	Fair Value	% of Total	Gains/ (Losses)	Carrying Value	% of Total	Fair Value	% of Total	Gains/ (Losses)	Carrying Value	% of Total	Fair Value	% of Total	Gains/ (Losses)
			($ in Millions)					($ in Millions)					($ in Millions)		
Due in one year or less	$ 504	1.2%	$ 507	1.2%	$ 3	$ 406	1.0%	$ 407	1.0%	$ 1	$ 461	1.2%	$ 468	1.2%	$ 7
Due after one year through five years	7,041	17.5%	7,239	16.3%	199	6,718	17.1%	6,697	17.1%	(21)	9,499	24.9%	9,692	24.1%	193
Due after five years through ten years	10,607	26.3%	11,233	25.3%	625	10,494	26.7%	10,259	26.1%	(235)	9,572	25.1%	9,937	24.7%	365
Due after ten years	17,486	43.4%	20,228	45.6%	2,742	15,314	38.9%	15,323	39.1%	9	12,846	33.7%	14,072	35.0%	1,226
Subtotal(1)	35,638	88.4%	39,207	88.4%	3,569	32,932	83.7%	32,686	83.3%	(246)	32,378	84.9%	34,169	85.0%	1,791
Sinking fund bonds, mortgage-backed securities and asset-backed securities(2)	4,658	11.6%	5,127	11.6%	469	6,429	16.3%	6,564	16.7%	135	5,747	15.1%	6,033	15.0%	286
Total	**$40,296**	**100.0%**	**44,334**	**100.0%**	**4,038**	**$ 39,361**	**100.0%**	**$ 39,250**	**100.0%**	**$ (111)**	**$ 38,125**	**100.0%**	**$40,202**	**100.0%**	**$ 2,077**

(1) Includes convertible bonds, public and private corporates, U.S. government/agencies, tax exempt and taxable municipals, non-U.S. bonds, and bank loans.

(2) Includes agency and non-agency RMBS pass throughs, asset-backed securities, commercial mortgage-backed securities, and CMOs.

Guardian attempts to diversify its investment portfolio across asset type, industry and issuer in order to reduce the risk of adverse events affecting a single asset type, industry or issuer from having a material negative impact on the portfolio. Additionally, Guardian does not own any Collateralized Debt Obligations ("CDOs"), Structured Investment Vehicles ("SIVs"), or Asset Backed Commercial Paper. Fixed income securities were diversified by asset category of issuer at September 30, 2019 and 2018 and December 31, 2018, 2017 and 2016 as set forth in the following tables.

Composition of Fixed Income Securities Portfolio

	September 30, 2019				
	Carrying Value	% of Total	Fair Value	% of Total	Gains/ (Losses)
			($ in Millions)		
U.S. Treasury securities	$ 1,461.7	3.6%	$ 1,702.3	3.8%	$ 240.6
U.S. Government Agencies	1.9	0.0%	1.8	0.0%	(0.1)
Obligations of States and Political Subdivisions	1,893.1	4.7%	2,256.2	5.1%	363.1
Debt Securities Issued by Foreign Governments	243.3	0.6%	274.9	0.6%	31.6
Corporate Securities:					
U.S. Corporate	25,268.0	62.7%	27,901.5	62.9%	2,633.5
Foreign Corporate	7,707.3	19.1%	8,313.8	18.8%	606.5
Residential Mortgage-Backed Securities:					
Government Agency	322.0	0.8%	332.8	0.8%	10.8
Non Agency RMBS	685.0	1.7%	735.3	1.7%	50.3
CMBS	2,038.4	5.1%	2,139.2	4.8%	100.8
Asset-Backed Securities	316.0	0.8%	319.1	0.7%	3.1
Collateralized Loan Obligations	359.4	0.9%	356.9	0.8%	(2.5)
Total	$ 40,296.1	100.0%	$ 44,333.8	100.0%	$ 4,037.7

	December 31, 2018								
	Carrying Value		% of Total	Fair Value		% of Total	Gains/ (Losses)	
				($ in Millions)				
U.S. Treasury securities	$	1,818.0	4.6%	$	1,871.5	4.8%	$	53.5
U.S. Government Agencies		2.2	0.0%		2.2	0.0%		-
Obligations of States and Political Subdivisions		2,069.8	5.2%		2,253.3	5.7%		183.5
Debt Securities Issued by Foreign Governments		262.1	0.7%		262.5	0.7%		0.4
Corporate Securities:								
U.S. Corporate		22,866.2	58.1%		22,559.1	57.5%		(307.1)
Foreign Corporate		7,825.8	19.9%		7,793.6	19.9%		(32.2)
Residential Mortgage-Backed Securities:								
Government Agency		736.0	1.9%		728.9	1.8%		(7.1)
Non Agency RMBS		988.8	2.5%		1,026.6	2.6%		37.8
CMBS		2,023.4	5.1%		1,991.0	5.1%		(32.4)
Asset-Backed Securities		507.9	1.3%		504.9	1.3%		(3.0)
Collateralized Loan Obligations		261.3	0.7%		256.0	0.6%		(5.3)
Total	$	39,361.5	**100.0%**	$	39,249.6	**100.0%**	$	(111.9)

	December 31, 2017							
	Carrying Value		% of Total	Fair Value		% of Total	Gains/ (Losses)	
				($ in Millions)				
U.S. Treasury securities	$	2,469.8	6.5%	$	2,508.4	6.2%	$	38.6
U.S. Government Agencies		3.0	0.0%		2.9	0.0%		(0.1)
Obligations of States and Political Subdivisions		2,189.4	5.7%		2,486.8	6.2%		297.4
Debt Securities Issued by Foreign Governments		219.9	0.6%		229.0	0.6%		9.1
Corporate Securities:								
U.S. Corporate		21,917.5	57.5%		23,217.2	57.8%		1,299.7
Foreign Corporate		7,340.7	19.3%		7,717.7	19.2%		377.0
Residential Mortgage-Backed Securities:								
Government Agency		588.6	1.5%		593.5	1.5%		4.9
Non Agency RMBS		855.9	2.2%		904.9	2.3%		49.0
CMBS		1,945.7	5.1%		1,945.8	4.8%		0.1
Asset-Backed Securities		382.2	1.0%		381.4	0.9%		(0.8)
Collateralized Loan Obligations		212.0	0.6%		214.7	0.5%		2.7
Total	$	38,124.7	**100.0%**	$	40,202.3	**100.0%**	$	2,077.6

	December 31, 2016							
	Carrying Value		% of Total	Fair Value		% of Total	Gains/ (Losses)	
				($ in Millions)				
U.S. Treasury securities	$	1,597.5	4.5%	$	1,571.7	4.3%	$	(25.8)
U.S. Government Agencies		3.7	0.0%		3.6	0.0%		(0.1)
Obligations of States and Political Subdivisions		2,246.0	6.3%		2,462.4	6.8%		216.4
Debt Securities Issued by Foreign Governments		209.2	0.6%		210.5	0.6%		1.3
Corporate Securities:								
U.S. Corporate		21,114.7	59.5%		21,803.8	59.7%		689.1
Foreign Corporate		6,828.1	19.3%		7,024.1	19.2%		196.0
Residential Mortgage-Backed Securities:								
Government Agency		666.3	1.9%		672.9	1.8%		6.6
Non Agency RMBS		704.9	2.0%		715.0	2.0%		10.1
CMBS		1,554.8	4.4%		1,546.1	4.2%		(8.7)
Asset-Backed Securities		339.5	1.0%		337.5	0.9%		(2.0)
Collateralized Loan Obligations		182.7	0.5%		182.6	0.5%		(0.1)
Total	$	35,447.4	100.0%	$	36,530.2	100.0%	$	1,082.8

Guardian's corporate credit portfolio is well diversified. Guardian has aggregate per issuer limits to attempt to limit the maximum exposure to an issuer to a set percentage of the securities portfolio. This reduces the impact of default risk or of a single issuer having a material negative impact on the portfolio.

Mortgage-Backed and Other Asset-Backed Securities (Structured Securities)

Asset Backed, Commercial Mortgage Backed, Collateralized Loan Obligations and Residential Mortgage Backed Securities (Structured Securities) of $3.7 billion consist mainly (91.5% as of September 30, 2019) of Agency and Non-Agency RMBS as well as CMBS and CLOs of generally high quality, which are supported by well diversified collateral. See "Management's Discussion and Analysis of Financial Condition and Results of

Operations—Analysis of Results of Operations—For the Nine Months Ended September 30, 2019 and 2018—Net Realized Capital Gains After Tax and Transfers to IMR" for additional information regarding RMBS held in Guardian's investment portfolio. Guardian believes that its $2.0 billion CMBS portfolio as of September 30, 2019 is well diversified by property type and geography and is primarily invested at the top of the capital structure (69% is senior and 20% AM classes as of September 30, 2019) with well-managed credit quality and vintage positioning (underweight 2014 and 2015 vintages with 11% combined) with adequate credit enhancement averaging 32%.

Asset Backed, Commercial Mortgage Backed, Collateralized Loan Obligations and Residential Mortgage Backed Securities (Structured Securities) of $4.5 billion consist mainly (88.8% as of December 31, 2018) of Agency and Non-Agency RMBS as well as CMBS and CLOs of generally high quality, which are supported by well diversified collateral. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Analysis of Results of Operations—For the Years Ended December 31, 2018, 2017 and 2016—Net Realized Capital Gains After Tax and Transfers to IMR" for additional information regarding RMBS held in Guardian's investment portfolio. As of December 31, 2018, Guardian had no direct subprime exposure through the origination of residential mortgage loans or purchases of unsecuritized whole-loan pools. As of December 31, 2018, December 31, 2017 and December 31, 2016, Guardian had Agency (Fannie Mae or Freddie Mac) mortgage backed exposure with a carrying value of $736 million, $589 million and $666 million, respectively.

The following tables show the types of mortgage-backed and asset-backed securities held at September 30, 2019 and as of December 31, 2018, 2017 and 2016.

	September 30, 2019											
	Carrying Value	% of Total	Fair Value	% of Total	Gains/ (Losses)	NAIC 1	NAIC 2	NAIC 3	NAIC 4	NAIC 5	NAIC 6	Total
			($ in Millions)				Carrying Value ($ in Millions)					
Residential Mortgage-Backed Securities:												
Government Agency	$ 322.0	8.7%	$ 332.8	8.6%	$ 10.8	$ 322.0	$ -	$ -	$ -	$ -	$ -	$ 322.0
Non-Agency RMBS	685.0	18.4%	735.3	18.9%	50.3	520.2	57.2	9.1	24.6	3.4	70.5	685.0
CMBS	2,038.4	54.8%	2,139.2	55.1%	100.8	2,038.4	-	-	-	-	-	2,038.4
Asset Backed Securities (ABS)	316.0	8.5%	319.1	8.2%	3.1	260.3	55.7	-	-	-	-	316.0
Collateralized Loan Obligations (CLO)	359.4	9.6%	356.9	9.2%	(2.5)	359.4	-	-	-	-	-	359.4
Total	$ 3,720.8	100.0%	$ 3,883.3	100.0%	$ 162.5	$3,500.3	$ 112.9	$ 9.1	$ 24.6	$ 3.4	$ 70.5	$ 3,720.8

	December 31, 2018											
	Carrying Value	% of Total	Fair Value	% of Total	Gains/ (Losses)	NAIC 1	NAIC 2	NAIC 3	NAIC 4	NAIC 5	NAIC 6	Total
			($ in Millions)				Carrying Value ($ in Millions)					
Residential Mortgage-Backed Securities:												
Government Agency	$ 736.0	16.3%	$ 728.9	16.1%	$ (7.1)	$ 736.0	–	–	–	–	–	$ 736.0
Non-Agency RMBS	988.8	21.9%	1,026.6	22.8%	37.8	881.0	65.5	3.4	37.2	–	1.7	988.8
CMBS	2,023.4	44.8%	1,991.0	44.2%	(32.4)	2,023.4	–	–	–	–	–	2,023.4
Asset Backed Securities (ABS)	507.9	11.2%	504.9	11.2%	(3.0)	446.7	61.2	–	–	–	–	507.9
Collateralized Loan Obligations (CLO))	261.3	5.8%	256.0	5.7%	(5.3)	261.3	–	–	–	–	–	261.3
Total	$ 4,517.4	100.0%	$ 4,507.4	100.0%	$ (10.0)	$ 4,348.4	$ 126.7	$ 3.4	$ 37.2	$ –	$ 1.7	$ 4,517.4

	December 31, 2017											
	Carrying Value	% of Total	Fair Value	% of Total	Gains/ (Losses)	NAIC 1	NAIC 2	NAIC 3	NAIC 4	NAIC 5	NAIC 6	Total
			($ in Millions)				Carrying Value ($ in Millions)					
Residential Mortgage-Backed Securities:												
Government Agency	$ 588.6	14.8%	$ 593.5	14.7%	$ 4.9	$ 588.6	–	–	–	–	–	$ 588.6
Non-Agency RMBS	855.9	21.5%	904.9	22.4%	49.0	822.5	22.0	7.8	0.9	2.7	–	855.9
CMBS	1,945.7	48.8%	1,945.8	48.2%	(4.7)	1,945.7	–	–	–	–	–	1,945.7
Asset Backed Securities (ABS)	382.3	9.6%	381.5	9.4%	(2.1)	322.8	58.5	1.0	–	–	–	382.3
Collateralized Loan Obligations (CLO))	212.0	5.3%	214.7	5.3%	(0.1)	212.0	–	–	–	–	–	212.0
Total	$ 3,984.5	100.0%	$ 4,040.4	100.0%	$ (9.8)	$ 3,891.6	$ 80.5	$ 8.8	$ 0.9	$ 2.7	$ –	$ 3,984.5

	December 31, 2016											
	Carrying Value	% of Total	Fair Value	% of Total	Gains/ (Losses)	NAIC 1	NAIC 2	NAIC 3	NAIC 4	NAIC 5	NAIC 6	Total
	($ in Millions)					Carrying Value ($ in Millions)						
Residential Mortgage-Backed Securities:												
Government Agency.........	$ 666.3	19.3%	$ 672.9	19.4%	$ 6.6	$ 666.3	$ —	$ —	$ —	$ —	$ —	$ 666.3
Non-Agency RMBS	704.9	20.5%	715.0	20.7%	10.1	699.6	5.3	—	—	—	—	704.9
CMBS..................................	1,554.8	45.1%	1,546.1	44.8%	(4.7)	1,554.8	—	—	—	—	—	1,554.8
Asset Backed Securities (ABS)	339.6	9.8%	337.5	9.8%	(2.1)	290.3	49.3	—	—	—	—	339.6
Collateralized Loan Obligations (CLO)).........	182.7	5.3%	182.6	5.3%	(0.1)	182.7	—	—	—	—	—	182.7
Total....................................	**$ 3,448.3**	**100.0%**	**$ 3,454.1**	**100.0%**	**$ (9.8)**	**$3,393.7**	**$ 54.6**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 3,448.3**

Bond Portfolio Surveillance and Under-Performing Investments

Generally, bonds are valued at amortized cost using the constant yield interest method. Bond transactions are recorded on a trade date basis, except for private placement bonds which are recorded on the funding date.

The fair value of bonds is based on values provided by the NAIC's SVO when available. If SVO values are not available, quoted market values provided by other third-party organizations are used. If quoted market values are unavailable, fair value is estimated by discounting expected future cash flows using current market rates applicable to yield, credit quality, and maturity of the investment or using quoted market values for comparable investments.

Guardian actively manages portfolio risks and provides a daily mark-to-market valuation for all of its public securities. Daily total rates of return are calculated on this actively managed portfolio and a performance attribution review is performed on a quarterly basis. Credit risk analysis is ongoing.

To identify underperforming investments, Guardian conducts a semi-annual management review of all bonds including those in default, not-in-good standing, or valued below 80% of cost. In addition, a credit report is provided quarterly with other investment related materials and reviewed with the Investment Committee of the Board. Guardian considers the following factors in the evaluation of whether a non-interest related decline in value is other-than-temporary: (a) the financial condition and near-term prospects of the issuer; (b) the likelihood that Guardian will be able to collect all amounts due according to the contractual terms of a debt security in effect at the date of acquisition; (c) its ability and intent to hold the investment for a period of time sufficient to allow for an anticipated recovery in value and (d) the period and degree to which the market value has been below cost. Guardian considers the following factors in the evaluation of whether an interest related decline in value is other-than-temporary: (a) its near-term intent to sell; (b) its contractual and regulatory obligations and (c) its ability to hold the investment until anticipated recovery of the cost of the investment.

Additionally, Guardian considers qualitative and quantitative factors such as material declines in issuer revenues or margins, significant uncertainty regarding the issuer's industry, debt service coverage or cash flow ratios that fall below industry-specific thresholds, violation of financial covenants, trading of public securities at a substantial discount due to specific credit concerns, and other subjective factors that relate to the issuer.

Guardian actively reviews the bond portfolio to estimate the likelihood and amount of financial defaults or write-downs in the portfolio and to make timely decisions as to the potential sale or renegotiation of terms of specific investments.

Guardian employs a systematic methodology to evaluate declines in fair value below book value. The methodology to evaluate declines in fair value utilizes a quantitative and qualitative process ensuring that available evidence concerning the declines is evaluated in a disciplined manner. The book values of investments are written down to fair value when a decline in value is considered to be other-than-temporary. See "—Impairments."

Common Stocks

Guardian's common stocks include investments in public equities, mutual funds, and the net equity in unconsolidated subsidiaries and affiliates. Investments in insurance subsidiaries are stated at underlying statutory surplus adjusted for unamortized goodwill.

The table below details the carrying value of common stocks of Guardian's unaffiliated and affiliated companies as of the dates indicated:

	As of September 30, 2019	As of December 31, 2018	2017	2016
	($ in Millions)			
Common Stocks – Unaffiliated[(1)]	$ 755	$ 661	$ 536	$ 438
Investment in Common Stock Affiliates:				
BLICOA	$ 217	$ 193	$ 189	$ 202
GIAC	478	455	310	260
Park Avenue Life Insurance Company	56	50	41	64
Other Affiliated Companies	478	452	455	518
Total Investment in Common Stock Affiliates:	**$ 1,229**	**$ 1,150**	**$ 995**	**$ 1,044**

(1) See "—Statement of Financial Position—Assets" for a discussion of the change in common stocks during 2018 as compared to 2017 and 2016.

Mortgage Loans

Mortgage loans represented 8.7% of the total investments in the general account as of September 30, 2019. Mortgage loans represented 8.5% of the total investments in the general account as of December 31, 2018, 7.9% as of December 31, 2017 and 7.4% as of December 31, 2016. Mortgage loans consist of whole loans on commercial real estate.

Commercial Mortgage Loans

Guardian's commercial mortgage loan portfolio, which includes mezzanine loans, consisted of fixed rate loans on completed, income-producing properties.

As of September 30, 2019, 98% of the commercial mortgage loan portfolio consisted of bullet loans. As of December 31, 2018, 2017 and 2016, 98%, 97% and 96%, respectively, of the commercial mortgage loan portfolio consisted of bullet loans. Bullet loans are loans that do not fully amortize over their term.

Guardian had 9 bullet loans totaling $32 million scheduled to mature during 2019. As of September 30, 2019, 7 loans were paid in full for $20 million, 1 loan was rolled over voluntarily for $5 million and 1 loan for $7 million is pending repayment at par. Past experience with regard to bullet maturities, however, is not necessarily indicative of future results. Guardian had no mortgage loans with a valuation allowance as of September 30, 2019 and December 31, 2018, 2017 and 2016.

The maturities of Guardian's commercial mortgage loans are well-diversified as per the table below, and Guardian carefully monitors and manages them in light of its liquidity position.

The following tables set forth the commercial mortgage loan portfolio by maturity:

Commercial Loans by Maturity

Year of Maturity	As of September 30, 2019		
	Carrying Value ($ in millions)	Number of Loans	Percent
2019	$ 6.7	1	0.1%
2020	168.4	12	3.5%
2021	213.5	23	4.4%
2022	461.3	21	9.6%
2023	551.2	21	11.4%
2024	470.9	21	9.7%
2025	901.5	42	18.7%
2026	448.9	24	9.3%
2027	786.3	46	16.3%
2028	167.2	13	3.5%
2029	359.9	12	7.5%
2030	36.8	1	0.7%
2031	204.4	6	4.2%
2034	41.7	1	0.9%
2036	8.7	1	0.2%
Total	$ 4,827.4	245	100.0%

Year of Maturity	As of December 31, 2018		
	Carrying Value ($ in millions)	Number of Loans	Percent
2019	$ 32.6	9	0.7%
2020	173.2	14	3.8%
2021	244.5	26	5.4%
2022	498.4	22	11.0%
2023	513.3	20	11.4%
2024	396.5	20	8.8%
2025	943.3	43	20.9%
2026	356.0	20	7.9%
2027	763.6	45	16.9%
2028	167.9	13	3.7%
2029	227.7	6	5.0%
2030	36.8	1	0.8%
2031	114.4	6	2.5%
2034	43.3	1	1.0%
2036	8.9	1	0.2%
Total	$ 4,520.4	247	100.0%

	As of December 31, 2017		
Year of Maturity	Carrying Value ($ in millions)	Number of Loans	Percent
2018	$ 269.2	38	6.7%
2019	67.3	12	1.7%
2020	210.9	16	5.3%
2021	255.1	27	6.4%
2022	510.0	23	12.7%
2023	422.7	18	10.6%
2024	369.3	22	9.2%
2025	570.3	29	14.3%
2026	366.9	21	9.2%
2027	721.9	45	18.0%
2028	34.6	1	0.9%
2029	33.3	2	0.8%
2031	114.4	6	2.9%
2034	45.4	1	1.1%
2036	9.3	1	0.2%
Total	$ 4,000.6	262	100.0%

	As of December 31, 2016		
Year of Maturity	Carrying Value ($ in millions)	Number of Loans	Percent
2017	$ 241.8	26	7.0%
2018	349.8	47	10.1%
2019	80.3	15	2.3%
2020	255.8	19	7.4%
2021	326.2	29	9.4%
2022	411.3	22	11.8%
2023	241.3	15	7.0%
2024	280.6	19	8.1%
2025	569.0	29	16.4%
2026	364.1	21	10.5%
2027	110.0	4	3.2%
2028	35.3	1	1.0%
2029	21.8	1	0.6%
2031	127.3	7	3.7%
2034	47.4	1	1.4%
2036	9.6	1	0.3%
Total	$ 3,471.6	257	100.0%

The following tables set forth the commercial mortgage loan portfolio by property type and geographic distribution:

Commercial Loans by Property Type

	September 30,		December 31,					
	2019		2018		2017		2016	
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	($ in Millions)							
Office	$ 430.1	8.9%	$ 398.5	8.8%	$ 515.3	12.9%	$ 609.5	17.6%
Apartments	2,596.6	53.8%	2,311.8	51.1%	1,872.5	46.8%	1,463.6	42.2%
Industrial & other	588.9	12.2%	595.3	13.2%	313.8	7.8%	365.9	10.5%
Retail	1,041.7	21.6%	1,042.0	23.1%	1,122.8	28.1%	853.1	24.6%
Hotels	170.1	3.5%	172.8	3.8%	176.2	4.4%	179.5	5.2%
Total	**$ 4,827.4**	**100.0%**	**$ 4,520.4**	**100.0%**	**$ 4,000.6**	**100.0%**	**$ 3,471.6**	**100.0%**

Commercial Loans by Geographic Distribution

	September 30,		December 31,					
	2019		2018		2017		2016	
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	($ in Millions)							
New England[(1)]	$ 342.2	7.1%	$ 299.7	6.6%	$ 269.6	6.7%	$ 190.9	5.5%
Mid Atlantic[(2)]	700.7	14.5%	593.0	13.1%	530.8	13.3%	552.8	15.9%
South Atlantic[(3)]	1,325.0	27.5%	1,180.3	26.1%	1,033.6	25.8%	836.4	24.1%
East North Central[(4)]	174.9	3.6%	176.8	3.9%	126.3	3.1%	123.2	3.5%
East South Central[(5)]	117.1	2.4%	117.6	2.6%	118.4	3.0%	55.6	1.6%
West North Central[(6)]	56.9	1.2%	56.6	1.3%	9.3	0.2%	10.2	0.3%
West South Central[(7)]	551.9	11.4%	600.9	13.3%	350.6	8.8%	227.2	6.5%
Mountain[(8)]	201.0	4.2%	152.2	3.4%	171.4	4.3%	133.8	3.9%
Pacific[(9)]	1,357.7	28.1%	1,343.3	29.7%	1,390.6	34.8%	1,341.4	38.6%
Total	**$4,827.4**	**100.0%**	**$ 4,520.4**	**100.0%**	**$ 4,000.6**	**100.0%**	**$ 3,471.6**	**100.0%**

(1) New England states are CT, MA, ME, NH, RI and VT.
(2) Mid-Atlantic states are PA, NJ and NY.
(3) South Atlantic states are DE, DC, FL, GA, MD, NC, SC, VA and WV.
(4) East North Central states are IL, IN, MI, OH and WI.
(5) East South Central states are AL, KY, MS and TN.
(6) West North Central states are IA, KS, MN, MO, NE, ND and SD.
(7) West South Central states are AR, LA, OK and TX.
(8) Mountain Region states are AZ, CO, ID, MT, NV, NM, UT and WY.
(9) Pacific Region states are AK, CA, HI, OR and WA.

As of September 30, 2019, Guardian's commercial mortgage whole loan exposure to Nevada ($32 million), Arizona ($10 million), Florida ($357 million) and California ($1,056 million) totaled $1.5 billion. This represents 30.1% of the total commercial mortgage whole loan portfolio and this aggregation has an average loan-to-value ("LTV") of 47.2% as compared to 50.7% for the entire commercial mortgage whole loan portfolio. These loans are performing well with no delinquencies.

The following tables set forth the commercial loan portfolio by LTV range, year of origination and delinquency rate:

Commercial Mortgage Loans by LTV Range[1]

	As of September 30, 2019			
	Carrying Value	Number of Loans	Average Loan Amount	Percent of Portfolio
50% LTV or below	$ 1,203.4	102	$ 11.8	24.9%
51%–60% LTV	2,072.2	86	24.1	42.9%
61%–70% LTV	1,544.5	56	27.6	32.0%
71%–75% LTV	7.3	1	7.3	0.2%
75%–80% LTV	-	-	-	-
Greater than 80% LTV	-	-	-	-
Total	**$ 4,827.4**	**245**	**$ 19.7**	**100.0%**

	As of December 31, 2018			
	Carrying Value	Number of Loans	Average Loan Amount	Percent of Portfolio
50% LTV or below	$ 1,122.2	108	$ 10.4	24.8%
51%–60% LTV	1,843.8	82	22.5	40.8%
61%–70% LTV	1,320.6	48	27.5	29.2%
71%–75% LTV	233.8	9	26.0	5.2%
75%–80% LTV	–	–	–	–
Greater than 80% LTV	–	–	–	–
Total	**$ 4,520.4**	**247**	**$ 18.3**	**100.0%**

	As of December 31, 2017			
	Carrying Value	Number of Loans	Average Loan Amount	Percent of Portfolio
50% LTV or below	$ 1,221.8	125	$ 9.8	30.5%
51%–60% LTV	1,382.7	72	19.2	34.6%
61%–70% LTV	1,150.1	50	23.0	28.7%
71%–75% LTV	203.0	12	16.9	5.1%
75%–80% LTV	43.0	3	14.3	1.1%
Greater than 80% LTV	–	–	–	–
Total	**$ 4,000.6**	**262**	**$ 15.3**	**100.0%**

	As of December 31, 2016			
	Carrying Value	Number of Loans	Average Loan Amount	Percent of Portfolio
50% LTV or below	$ 1,116.8	125	$ 8.9	32.2%
51%–60% LTV	1,040.1	58	17.9	30.0%
61%–70% LTV	1,005.8	53	19.0	29.0%
71%–75% LTV	198.4	11	18.0	5.7%
75%–80% LTV	63.7	7	9.1	1.8%
Greater than 80% LTV	46.9	3	15.6	1.4%
Total	**$ 3,471.6**	**257**	**$ 13.5**	**100.0%**

(1) The LTV represents the year end 2018 loan balance divided by the value of the property utilizing the most recent property financial statements. The value of the property is based on the 2017 year end property net operating income divided by a market capitalization rate. 2018 financial information for such properties is not generally available until the second or third quarter of 2019.

The following tables set forth the carrying value of the commercial loan portfolio by property type and vintage:

Carrying Value of Commercial Mortgage Loans

As of September 30, 2019 ($ in Millions)

	2011 & Prior	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Total**
Office	$ 68.5	$ 16.8	$ 3.1	$ 6.7	$ 169.8	$ 34.9	$ 12.3	$ 74.0	$ 44.0	$ 430.1
Apartments	62.8	120.5	70.1	159.7	349.6	409.0	557.1	517.5	350.3	2,596.6
Industrial	36.1	-	7.3	57.0	-	-	84.4	303.9	-	488.7
Retail	120.2	54.0	10.4	87.3	134.4	140.4	387.6	53.3	54.1	1,041.7
Hotels	-	-	-	-	72.4	97.7	-	-	-	170.1
Other	23.6	26.0	-	23.0	27.6	-	-	-	-	100.2
Total	**$ 311.2**	**$ 217.3**	**$ 90.9**	**$ 333.7**	**$ 753.8**	**$ 682.0**	**$1,041.4**	**$ 948.7**	**$ 448.4**	**$4,827.4**

As of December 31, 2018 ($ in Millions)

	2010 & Prior	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**Total**
Office	$ 74.2	$ 4.3	$ 17.3	$ 3.2	$ 6.7	$ 171.1	$ 35.1	$ 12.5	$ 74.1	$ 398.5
Apartments	34.3	30.1	122.1	109.1	193.2	351.6	397.1	557.3	516.9	2,311.7
Industrial	36.0	6.1	–	7.4	58.0	–	–	84.4	302.1	494.0
Retail	129.5	25.6	69.9	10.7	88.8	135.7	140.7	387.8	53.3	1,042.0
Hotels	–	–	–	–	–	72.9	99.9	–	–	172.8
Other	24.2	–	26.5	–	23.0	27.7	–	–	–	101.4
Total	**$ 298.2**	**$ 66.1**	**$ 235.8**	**$ 130.4**	**$ 369.7**	**$ 759.0**	**$ 672.8**	**$1,042.0**	**$ 946.4**	**$4,520.4**

As of December 31, 2017 ($ in Millions)

	2009 & Prior	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**
Office	$ 225.7	$ 35.9	$ 4.5	$ 17.9	$ 3.4	$ 6.9	$ 172.9	$ 35.3	$ 12.8	$ 515.3
Apartments	54.4	14.3	35.4	124.1	160.2	204.9	354.3	367.6	557.3	1,872.5
Industrial	51.2	–	6.5	–	7.7	59.3	–	–	84.4	209.1
Retail	256.3	–	26.4	71.8	10.9	90.7	137.4	141.3	388.0	1,122.8
Hotels	–	–	–	–	–	–	73.5	102.7	-	176.2
Other	26.7	–	–	27.1	–	23.0	27.9	–	–	104.7
Total	**$ 614.3**	**$ 50.2**	**$ 72.8**	**$ 240.9**	**$ 182.2**	**$ 384.8**	**$ 766.0**	**$ 646.9**	**$ 1,042.5**	**$4,000.6**

As of December 31, 2016 ($ in Millions)

	2008 & Prior	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**Total**
Office	$ 335.6	$ 48.5	$ 36.7	$ 4.7	$ 34.5	$ 3.6	$ –	$ 115.5	$ 30.5	$ 609.5
Apartments	71.5	–	31.7	65.2	126.0	212.8	219.4	373.1	363.8	1,463.6
Industrial	102.1	3.8	–	6.8	4.9	7.9	60.6	–	–	186.2
Retail	354.9	–	–	27.2	73.6	11.2	92.6	139.1	154.6	853.1
Hotels	–	–	–	–	–	–	–	74.0	105.5	179.5
Other	3.3	24.9	–	–	27.7	1.7	30.0	87.0	5.1	179.7
Total	**$ 867.3**	**$ 77.2**	**$ 68.4**	**$ 104.0**	**$ 266.8**	**$ 237.1**	**$ 402.5**	**$ 788.8**	**$ 659.5**	**$3,471.6**

Residential Mortgage Loans

Guardian does not originate any residential mortgages but invests in residential mortgage loan pools, which may contain mortgages of subprime credit quality.

Mortgage Loan Portfolio Surveillance and Under-Performing Investments

Guardian actively monitors, manages, and directly services its commercial mortgage loan portfolio. Guardian performs or reviews all aspects of loan origination and portfolio management, including lease analysis, property transfer analysis, economic and financial reviews, tenant analysis, and management of default and bankruptcy proceedings.

Guardian's $4.8 billion commercial mortgage loan portfolio as of September 30, 2019 is well-diversified geographically and by property type. Guardian's underwriting seeks to effectively protect the company from cyclical market challenges. The portfolio's current delinquency rate is 0%. Guardian utilized what it considers to be conservative underwriting and valuation standards in originating loans and anticipates that the portfolio should continue to perform well relative to the industry. In monitoring and evaluating the portfolio, Guardian has used models and stress tests, including interest rate shock and severe recession scenarios, using CoStar Portfolio Strategy risk model, a provider of real estate market consulting services focusing on real estate market analysis and forecasting. Guardian recently stress tested the individual loan values in the $4.8 billion commercial mortgage whole loan portfolio by employing increased vacancy rates and higher capitalization rates reflective of deteriorating market conditions. Even under these stress tests, the majority of the assets that secure Guardian's mortgages continue to support the debt service, with a minimal amount of projected loss. However, given the inherent limitations and underlying assumptions of quantitative modeling, there can be no assurances of Guardian's ability to maintain sufficient liquidity under actual liquidity needs.

Guardian revalues underperforming properties each year and reinspects these properties at least every other year based on internal quality ratings. The criteria used to determine whether a current or potential problem exists includes borrower bankruptcies, major tenant bankruptcies, requests for restructuring, delinquent tax payments, late payments, loan-to-value or debt service coverage deficiencies, and overall vacancy levels.

There were no current or potential problem mortgage loans consisting of restructured mortgage loans as of September 30, 2019 and as of December 31, 2018, 2017 and 2016. There were no commercial mortgage loans in process of foreclosure or in default as of December 31, 2018, 2017 and 2016. The AVR contains a mortgage loan component, which totaled $43 million, $37 million, $32 million and $31 million as of September 30, 2019 and as of December 31, 2018, December 31, 2017 and December 31, 2016, respectively. See "Investment Reserves."

Real Estate

Guardian's real estate portfolio includes real estate properties it occupies and real estate it originally acquired as investments or through foreclosure or deed in lieu of foreclosure. As of September 30, 2019, Guardian had 3 properties in its portfolio that were acquired via foreclosure. As of December 31, 2018, Guardian had 1 property in its portfolio that was acquired via foreclosure during 2018. As of December 31, 2017, Guardian had 2 properties in its portfolio that were acquired via foreclosure during 2017. As of December 31, 2016, Guardian did not have any foreclosed real estate.

The following tables illustrate the diversity of Guardian's real estate portfolio by property type and geographic distribution:

Real Estate Property by Property Type (Excludes Home Office Properties)

	September 30,		December 31					
	2019		2018		2017		2016	
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
				($ in Millions)				
Office	$ 80.8	31.3%	$ 114.0	34.8%	$ 81.3	23.8%	$ 56.5	15.7%
Apartments	139.7	54.1%	175.7	53.6%	182.8	53.6%	222.4	61.6%
Industrial & other	37.6	14.6%	38.0	11.6%	76.9	22.6%	78.4	21.7%
Retail	-	0.0%	-	0.0%	-	0.0%	3.7	1.0%
Hotels	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total	$ 258.1	100.0%	$ 327.7	100.0%	$ 341.0	100.0%	$ 361.0	100.0%

Real Estate by Geographic Distribution (Excludes Home Office Properties)

	September 30,		December 31,					
	2019		2018		2017		2016	
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
				($ in Millions)				
New England[(1)]	$ 28.2	10.9%	$ 59.7	18.2%	$ 61.9	18.2%	$ 63.2	17.5%
Mid Atlantic[(2)]	–	0.0%	–	0.0%	–	0.0%	–	0.0%
South Atlantic[(3)]	75.6	29.3%	109.1	33.3%	97.1	28.4%	103.7	28.7%
East North Central[(4)]	26.7	10.3%	26.8	8.2%	26.1	7.7%	–	0.0%
East South Central[(5)]	–	0.0%	–	0.0%	–	0.0%	–	0.0%
West North Central[(6)]	–	0.0%	–	0.0%	–	0.0%	–	0.0%
West South Central[(7)]	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Mountain[(8)]	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Pacific[(9)]	127.6	49.5%	132.1	40.3%	155.9	45.7%	194.1	53.8%
Total	$ 258.1	100.0%	$ 327.7	100.0%	$ 341.0	100.0%	$ 361.0	100.0%

(1) New England states are CT, MA, ME, NH, RI and VT.
(2) Mid-Atlantic states are PA, NJ and NY.
(3) South Atlantic states are DE, DC, FL, GA, MD, NC, SC, VA and WV.
(4) East North Central states are IL, IN, MI, OH and WI.
(5) East South Central states are AL, KY, MS and TN.
(6) West North Central states are IA, KS, MN, MO, NE, ND and SD.
(7) West South Central states are AR, LA, OK and TX.
(8) Mountain Region states are AZ, CO, ID, MT, NV, NM, UT and WY.
(9) Pacific Region states are AK, CA, HI, OR and WA.

As of September 30, 2019, Guardian's real estate portfolio consisted of 18 properties with a carrying value of $261 million, of which $3 million was occupied by Guardian. The portfolio uses leverage to increase return, with $239 million in third-party non-recourse debt outstanding as of September 30, 2019. As of December 31, 2018, Guardian's real estate portfolio consisted of 18 properties with a statement value of $331 million, of which $3 million was occupied by Guardian. As of December 31, 2017, Guardian's real estate portfolio consisted of 21 properties with a statement value of $345 million, of which $4 million was occupied by Guardian. As of December 31, 2016, Guardian's real estate portfolio consisted of 25 properties with a statement value of $374 million, of which $13 million was occupied by Guardian. The portfolio uses leverage to increase return, with $212 million, $270 million and $219 million in third party non-recourse debt outstanding as of December 31, 2018, 2017 and 2016, respectively.

Guardian reviews individual property valuations on an annual basis. Internal valuations are conducted by Guardian's Asset Managers. Appropriate appraisal valuation methodologies are employed on a case-by-case basis (including Income Approach, Sales Comparison Approach and Cost Approach). Guardian reviews these valuations for technical accuracy, methodology, and the appropriateness of the assumed rates of return. Generally, external valuations are conducted on an ad hoc basis as determined by management or joint venture ownership requirements. As of September 30, 2019, Guardian's real estate and other invested asset AVR totaled $446 million. As of December 31, 2018, Guardian's real estate and other invested asset AVR totaled $399 million.

Private Equity Limited Partnership Investments by Type

	September 30, 2019		December 31, 2018		December 31, 2017		December 31, 2016	
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	($ in Millions)							
Private Equity Investments	$ 1,559	62.2%	$ 1,401	62.4%	$ 1,080	54.7%	$ 922	50.2%
Real Estate Investments	36	1.5	45	2.0	29	1.5	132	7.2
Other Alternative Investments	158	6.3	78	3.5	41	2.0	71	3.9
Affiliated LLCs	752	30.0	720	32.1	824	41.8	710	38.7
Total	$ 2,505	100.0%	$ 2,244	100.0%	$ 1,974	100.0%	$ 1,835	100.0%

Real Estate Joint Ventures by Property Type

	September 30, 2019		December 31, 2018		December 31, 2017		December 31, 2016	
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	($ in Millions)							
Office	$ 15.7	78.8%	$ 15.6	51.5%	$ 15.3	100.0%	$ 34.1	35.4%
Apartment	4.2	21.2%	14.7	48.5%	-	0.0%	16.3	16.9%
Industrial & other	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Retail	-	0.0%	-	0.0%	-	0.0%	46.0	47.7%
Hotels	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total	$ 19.9	100.0%	$ 30.3	100.0%	$ 15.3	100.0%	$ 96.4	100.0%

Real Estate Joint Ventures by Geographic Distribution

	September 30, 2019		December 31, 2018		December 31, 2017		December 31, 2016	
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	($ in Millions)							
New England(1)	$ 4.2	21.2%	$ 14.7	48.5%	$ -	0.0%	$ -	0.0%
Mid Atlantic(2)	15.7	78.8%	15.6	51.5%	15.3	100.0%	14.9	15.5%
South Atlantic(3)	-	0.0%	-	0.0%	-	0.0%	46.0	47.7%
East North Central(4)	-	0.0%	-	0.0%	-	0.0%	19.2	19.9%
East South Central(5)	-	0.0%	-	0.0%	-	0.0%	-	0.0%
West North Central(6)	-	0.0%	-	0.0%	-	0.0%	-	0.0%
West South Central(7)	-	0.0%	-	0.0%	-	0.0%	4.7	4.9%
Mountain(8)	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Pacific(9)	-	0.0%	-	0.0%	-	0.0%	11.6	12.0%
Other(10)	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total	19.9	100.0%	$ 30.3	100.0%	$ 15.3	100.0%	$ 96.4	100.0%

(1) New England states are CT, MA, ME, NH, RI and VT.
(2) Mid-Atlantic states are PA, NJ and NY.
(3) South Atlantic states are DE, DC, FL, GA, MD, NC, SC, VA and WV.
(4) East North Central states are IL, IN, MI, OH and WI.
(5) East South Central states are AL, KY, MS and TN.
(6) West North Central states are IA, KS, MN, MO, NE, ND and SD.
(7) West South Central states are AR, LA, OK and TX.
(8) Mountain Region states are AZ, CO, ID, MT, NV, NM, UT and WY.
(9) Pacific Region states are AK, CA, HI, OR and WA.

Note: The reduction in the 2016 real estate joint ventures in the three prior tables resulted from transfers to a wholly-owned subsidiary (GIS - $234 million in real estate joint venture assets as of December 31, 2016).

Derivatives

Derivative instruments are used to attempt to manage Guardian's exposure to fluctuations in interest rates, foreign currency risk, credit risk and equity market risk. A variety of derivative instruments are used including futures, swaps, and foreign exchange forward contracts, among others.

The following table summarizes the notional amount and estimated fair value by derivative type for the periods indicated:

Derivative Financial Instruments

	Notional Amount				Estimated Fair Value Asset/(Liability)			
	September	December 31,			September	December 31		
	2019	2018	2017	2016	2019	2018	2017	2016
	($ in Millions)							
Foreign currency swaps	$ 1,292.5	$1,009.8	$ 816.2	$ 435.0	$ 90.3	$ 9.7	$ (52.7)	$ 16.9
Equity Index Options	$ 49.4	$ 25.3	$ 10.2	$ 1.5	$ 1.0	$ 0.1	$ 0.2	$ 0.0
Credit default swaps	$ 0.0	$ 0.0	$ 0.0	$ 950.0	$ 0.0	$ 0.0	$ 0.0	$ (14.7)
Exchange traded futures1)	$ 506.0	$ 601.2	$ 367.9	$ 649.6				

1) Futures are reported on a gross basis, on a net basis the notional values were $456.2 million, $500.8 million, $163.0 million and $(224.0) million as of September 30, 2019, December 31, 2018, December 31, 2017 and December 31, 2016 respectively.

Futures fair value (Variation Margin) is settled daily in full.

There were no currency forwards outstanding as of September 30, 2019.

Policy Loans

Policy loans are permitted to the extent of such policy's contractual limits. Policy loans represent loans to a policyholder on the security of the cash surrender value of the policy. As of September 30, 2019, the policy loan balance was $3.780 billion, and as of December 31, 2018, December 31, 2017 and December 31, 2016, the policy loan balance was $3.635 billion, $3.520 billion and $3.405 billion, respectively. All policy loans are at fixed interest rates. The interest rates range from 4.0% to 8.0%, with over 94% of the loans at 8%.

Cash, Cash Equivalents and Short-term Investments

Cash includes amounts on deposit with banks. Cash equivalents are stated at amortized cost and consist of liquid investments having maturities of three months or less at time of purchase. Short-term investments, including money market funds, are stated at cost or amortized cost and consist primarily of investments having maturities greater than three months from date of purchase, but less than one year to maturity. Fair values for such investments approximate carrying value. The following table details cash, cash equivalents and short-term investments for the periods indicated.

Cash, Cash Equivalents and Short-term Investments

	September 30,	December 31,		
	2019	2018	2017	2016
		($ in Millions)		
Cash in banks	$ (57)	$ (41)	$ (26)	$ 6
Cash Equivalents:				
Repos and commercial paper	1,407	703	25	790
Total Cash and Cash Equivalents	1,350	662	(1)	796
Short–Term Investments:				
Money market funds and treasury bills	29	70	555	26
Totals	**$ 1,379**	**$ 732**	**$ 554**	**$ 822**

Investment Reserves

Guardian establishes and records write-downs or investment reserves in accordance with statutory practice.

Guardian determines the fair value of bonds in accordance with principles established by the SVO using criteria that include the net worth and capital structure of the borrower, the value of the collateral, the presence of additional credit support, and its evaluation of the borrower’s ability to compete in a relevant market.

In the case of real estate and commercial mortgage loans, Guardian makes borrower and property-specific assessments as well.

In compliance with regulatory requirements, Guardian maintains an AVR. The AVR is a contingency reserve to offset potential losses of stocks, real estate investments, partnerships and LLCs, as well as credit-related declines in bonds, mortgage loans and derivatives.

As of September 30, 2019, the AVR totaled $1,021 million, which represents a 16.2% increase from December 31, 2018. As of December 31, 2018, the AVR totaled $879 million, which represents a 6.1% increase from December 31, 2017. As of December 31, 2017, the AVR totaled $829 million, which represents a 2.4% increase from December 31, 2016. This increase was primarily due to the required basic contribution that is part of the AVR calculation. The AVR is at 89.9% of its maximum level of reserve at September 30, 2019.

Quantitative and Qualitative Information about Market Risk

All non-guaranteed separate account assets and liabilities have been excluded from the following discussion since all market risks associated with those accounts are assumed by GIAC contract holders.

Assets, such as bonds, stocks, mortgage loans on real estate, policy loans, and derivatives are financial instruments, which are subject to the risk of market volatility and potential market disruptions. These risks may reduce the value of Guardian’s financial instruments or impact future cash flows and earnings from those instruments.

Guardian’s primary market risk exposure is changes in interest rates, which can cause changes in the fair value, cash flows, and earnings of certain financial instruments. To manage its exposure to interest rate changes, Guardian uses what it believes to be sophisticated quantitative asset/liability management techniques designed to match the market sensitivity of assets with the liabilities they support to reduce the net economic impact to changes in interest rates. In addition, Guardian invests a significant portion of its investment allocation in high quality bonds in order to maintain and manage liquidity and reduce the risk of default in the portfolio.

See “—Hedging Programs.”

GIAC stopped selling VAs with living benefit riders as of February 17, 2017. The VAs that are purchased with a living benefit rider are primarily in the form of GMWBs. The profitability of these products can vary as

GIAC's obligation changes with interest rate and equity market volatility. GIAC has a reinsurance agreement with a third-party reinsurer that reinsures 90% of various GMWB riders that were written through December 2008 and introduced prior to September 2008. That reinsurer is an admitted reinsurer in New York. The financial strength ratings of this reinsurer from S&P and Moody's are AA- and Aa3, respectively. The reinsurance treaty remains in effect for any business written on these riders through December 2008. The business written on new rider forms introduced in September 2008 and after, which were not covered by the treaty, as well as the 10% of the risks on riders introduced prior to September 2008 that are not reinsured, are subject to a hedging program, as described below under "—Hedging Programs—GIAC GMWB Rider Hedging Program." While the hedging program is designed to mitigate equity risk and interest rate tail risk associated with these riders, it is not currently hedging all risks associated with such riders, such as volatility risks associated with policyholder withdrawals in equity markets subject to sustained volatility. There can be no assurance that this hedging program will reduce all the risks associated with those riders. See "Risk Factors—Risk Factors Related to Guardian—Guarantees embedded in GMWB riders sold with variable annuity contracts expose GIAC to certain risks."

The reserves on contracts with living benefit riders were $6,931 million as of September 30, 2019. The reserves on contracts with living benefit riders were $6,642 million as of December 31, 2018, $7,793 million as of December 31, 2017 and $7,304 million as of December 31, 2016.

Risks Related to Credit Markets

Credit risk is the risk that issuers of investments owned by Guardian may default or that other parties may not be able to pay amounts due to it. Guardian attempts to manage its investments to limit credit risk by diversifying its portfolio among various security types and industry sectors and limiting the exposure to issuers.

Guardian is exposed to credit-related losses in the event of non-performance by counterparties to various financial instruments. In order to reduce counterparty risk, Guardian and certain of its counterparties require collateral to be posted in the amount owed under each of these transactions, subject to thresholds and minimum transfer amounts that are functions of the rating on the counterparty's long-term, unsecured, unsubordinated debt.

Guardian regularly monitors counterparty credit ratings and exposures, investment positions and valuations, and the value of collateral posted to ensure counterparties are credit-worthy and the concentration of its exposure. Guardian monitors this exposure as part of its management of its overall credit exposures.

Hedging Programs

Macro Dynamic Hedging Program

Guardian currently maintains what it refers to as a macro dynamic hedging program which uses exchange traded futures contracts to hedge on a macro level against volatility impact on capital. The macro dynamic hedging program seeks to protect statutory capital from volatility resulting from mark-to-market assets.

The hedging program is currently using exclusively exchange traded derivatives such as equity index futures.

While Guardian's hedging program attempts to protect capital from volatility of mark-to-market assets, various factors may adversely affect the ability of the program to achieve its goal. These factors may include operational risks associated with the execution of the program, liquidity risks in the futures market, the availability of suitable instruments to replicate the option valuation model related sensitivity calculations, model risks, basis risks between the futures and underlying indices, continuity of trading in the futures markets in periods of distress, and changes in the relevant regulatory environment at the federal and state levels and the cost of hedging. The macro dynamic hedging program effectively links Guardian's ability or tolerance to take certain capital markets risks to a desired level of maximum pre-tax loss. Therefore, following this hedging strategy, an adverse impact to Guardian's capital could result from a lack of operating earnings, credit impairments or other factors and will not be covered by this macro hedging program.

There can be no assurances that the macro dynamic hedging program will protect Guardian's capital from volatility of mark-to-market assets.

See "Financial and Accounting Matters—Critical Accounting Policies."

GIAC GMWB Rider Hedging Program

Within GIAC, short and long positions in exchange traded futures based on Treasuries and various stock indexes are used to hedge the firm's statutory and economic obligations associated with writing GMWB riders in connection with GIAC's VA business. This hedging program is used only to the extent those riders are not reinsured to a third party reinsurer. GIAC has a reinsurance agreement with a third-party reinsurer that reinsures 90% of the risk under various GMWB riders that were written through December 2008 and introduced prior to September 2008. The reinsurance treaty remains in effect for any business written on these riders through December 2008. The business written on new rider forms introduced in September 2008 and after, which were not covered by the treaty, as well as the 10% of the risks on riders introduced prior to September 2008 that are not reinsured, are subject to a hedging program.

As part of this hedging program, Guardian periodically rebalances hedge positions. The hedge rebalancing is linked to the sensitivities of the liabilities being hedged to equity and interest rate risk. The sensitivities are calculated daily, based on policy by policy daily updates of in-force liabilities and current equity markets and interest rate levels. Futures positions are designed to partially offset a combination of statutory and economic liability sensitivities in accordance with the parameters of the hedging program. Equity index futures positions used in this hedging program attempt to offset the equity risk sensitivity of the liabilities. Treasury index futures are used to hedge the interest rate risk of the liabilities. Volatility risk is not hedged at the current time, but will be considered when appropriate. All risk from the riders is accordingly not hedged by this program, including risks associated with sustained volatility in equity markets and policyholder withdrawals. There can be no assurances that this hedging program will reduce the risks associated with these riders. See "Risk Factors—Risk Factors Related to Guardian—Guarantees embedded in GMWB riders sold with variable annuity contracts expose GIAC to certain risks."

Seed Capital Hedging

In the past, as appropriate Guardian has hedged directly equity market risks associated with seed capital investments it has made in mutual funds advised by its former subsidiary, RS Investment Management Co. LLC. The hedges were executed with equity index futures.

Foreign Currency Risk Hedging Program

Within the general account of Guardian, currency derivatives are used to manage the currency risk inherent in the firm's foreign denominated private placement transactions. Currency hedging is accomplished using currency swaps. Currency hedges are accounted for under hedge accounting rules.

Credit Default Risk Hedging and Replications

Guardian employs credit default swaps to hedge credit risks in its investment portfolios as needed. Credit risk in corporate bonds is hedged using credit default swaps, when viewed as warranted by Guardian, which considers liquidity, market volatility, fundamentals, issuer exposure and other relevant factors in making this determination. Guardian also used cleared and uncleared credit default swaps to enter into replication transactions to achieve exposure to desired market segments. Guardian uses both cleared and uncleared credit default swaps. Credit default swaps positions may involve credit exposure to derivative counterparties in bilateral uncleared transactions or to the clearing house of the central clearing counterparty involved. Guardian uses two way collateral arrangements with all its counterparties to manage this risk.

Interest Rate Hedging Programs

Guardian partially hedges interest rate risk with derivatives in the GIAC GMWB rider hedging program (see above). In the course of asset/liability management Guardian or its affiliates may also use derivatives to manage interest rate risk. Guardian is using interest rate hedges and replications implemented with Treasury futures to manage its interest rate risk exposures. In addition, Guardian hedges the interest rate risk due to timing between the accumulation of assets supporting funding agreement backed notes and the issuance of the liability as described in "—FA-Backed Notes Interest Rate Hedging" below. Guardian also has partially hedged the interest rate risk associated with the anticipated issuance of surplus notes. There is no guarantee that the employed interest rate risk hedging program will offset the interest rate risk exposure intended to be hedged.

Deferred Compensation (Company Plan) Liability Hedging

Guardian offers a non-qualified deferred compensation plan to certain individuals such as eligible employees, retirees and directors. Deferred compensation growth is linked to the performance of equity and fixed income investments with observable returns. Guardian had employed a hedging program to hedge the equity linked company liabilities associated with the deferred compensation plan. The instruments used to hedge these liabilities are equity index futures. There are no guarantees that the company plan liability hedging program will offset the equity linked company liabilities associated with its deferred compensation plan.

Replications

Guardian has used and may use derivatives to enter into replications of permitted securities such as Treasury futures to replicate Treasury Bond Interest rate exposure, CMBX to quickly gain exposure to a diversified portfolio of CMBX bonds.

FA-Backed Notes Interest Rate Hedging

In 2019, Guardian acquired the assets to support the issuance of one funding agreement backing note issued by Guardian Life Global Funding. In 2018, Guardian acquired the assets to support the issuance of one funding agreement backing note issued by Guardian Life Global Funding. In 2017, Guardian acquired assets to support the issuance of one funding agreement backing note issued by Guardian Life Global Funding. In 2016, Guardian acquired assets to support the issuance of two funding agreements backing notes issued by Guardian Life Global Funding. Guardian hedged the interest rate risk of those assets and note liabilities using Treasury futures

Index Participation Rider Hedging

In 2019 Guardian used over the counter equity index options to hedge the equity risk of the associated Index Participation Rider liabilities of certain participating whole life policies.

Other Hedging Programs

Guardian has employed in the past, may be employing or may employ in the future other hedging programs not listed above such as rate lock hedging for private placements and commercial mortgages origination, hedging equity linked features of its products and other similar derivative programs under its Derivative Use Plan.

DIRECTORS AND EXECUTIVE OFFICERS OF GUARDIAN

Set forth below is information regarding the directors and executive officers of Guardian as of January 15, 2020:

Name	Title	Since[2]
John J. Brennan	Director[1]	2011
Lloyd E. Campbell	Director[1]	2006
Richard E. Cavanagh	Director[1]	1998
Nancy E. Cooper	Director[1]	2012
Deborah L. Duncan	Lead Director[1][3]	2006
William C. Freda	Director[1]	2014
Christopher T. Jenny	Director[1]	2017
Deanna M. Mulligan	Director	2011
	and Chief Executive Officer	2008
Gary A. Norcross	Director[1]	2017
Karen B. Peetz	Director[1]	2019
Vivek Sankaran	Director[1]	2018
Dean Del Vecchio	Executive Vice President, Chief of Operations and Chief Information Officer	2013
Eric R. Dinallo	Executive Vice President and General Counsel	2017
Michael N. Ferik	Executive Vice President, Individual Markets	2009
Jean LaTorre	Executive Vice President	2019
Andrew J. McMahon	President	2017
Kevin Molloy	Executive Vice President and Chief Financial Officer	2019
Brian L. Scanlon	Executive Vice President, Commercial and Government Markets	2019
Diana L. Scott	Executive Vice President and Chief Human Resources Officer	2018
Thomas G. Sorell, CFA	Executive Vice President, Chief Investment Officer	1994

The address of each of the directors and executive officers listed above is The Guardian Life Insurance Company of America, 10 Hudson Yards, New York, New York, 10001. Guardian's main telephone number is (212) 919-8000.

(1) Independent non–employee director.
(2) First year of affiliation with Guardian.
(3) Ms. Duncan was appointed Lead Director, effective January 1, 2017.

Directors' Biographical Information

Set forth below is a description of the business positions held by the directors during at least the past five years (ages as of January 15, 2020).

John J. Brennan, age 65, is the former Chairman and Chief Executive Officer of The Vanguard Group, from which he retired in December 2009. He is also a former Chairman of FINRA. He is currently Chairman Emeritus of The Vanguard Group and Chairman of the Vanguard Charitable Endowment Program. He is Chairman of the Board of Trustees of the University of Notre Dame, and is a Director of American Express Company and Rockefeller Capital Management. Mr. Brennan is also a former director of LPL Financial.

Lloyd E. Campbell, age 62, has been a consultant with Spencer Stuart since 2008. Mr. Campbell is also Special Advisor to Aurora Management Partners LLC. He is also a former Senior Advisor of Rothschild Inc., former Director of Argyle Securities Corporation, Spartech Corporation and the Alderwoods Group, and a past Trustee of Georgetown University.

Richard E. Cavanagh, age 73, is the former President and Chief Executive Officer of The Conference Board, Inc. Mr. Cavanagh served in that position from 1995 to 2007. Previously, Mr. Cavanagh was Executive Dean of the John F. Kennedy School of Government at Harvard University, where he is currently a faculty member. Mr. Cavanagh is a Director and Independent Chairman of the BlackRock Mutual Funds family, a Director and Senior Advisor of the Fremont Group, L.L.C. He is the past National Chairman of Volunteers for America and is a former Trustee and Chairman of Educational Testing Service.

Nancy E. Cooper, age 66, is the former Chief Financial Officer and Executive Vice President of CA Technologies, Inc. Ms. Cooper served in that position from 2006–2011. She is also a former Chief Financial Officer and Senior Vice President of IMS Health, Inc., former Partner of General Atlantic and former Vice President of IBM. She is a Director of Aptiv PLC, Brunswick Corporation and The Mosaic Company, and a former Director of Teradata Corporation.

Deborah L. Duncan, age 64, is a Senior Advisor, member of the Board of Advisors, and former Executive Vice President and Chief Financial Officer of Fremont Group, L.L.C. Ms. Duncan is a Director of Fremont Investors, Inc., Director and Secretary, X2X Media Group and Director of the S.D. Bechtel Foundation. She is also Chair of the Board of Trustees of Smith College.

William C. Freda, age 67, is the retired Senior Partner and Vice Chairman of Deloitte, former Chairman of Global Insurance Committee at Deloitte Touche Tohmatsu Limited (DTTL), and former Managing Partner of U.S. Financial Services Industry Practice of Deloitte LLP. Mr. Freda is Chairman of Hamilton Insurance Group, a Director of State Street Corporation, and a Trustee at Bentley University. He is a former Director of DTTL, former Chairman of American Institute of Certified Public Accountants' (AICPA) Insurance Companies Committee, former Chairman of AICPA's Mutual Life Insurance Task Force, former U.S. Representative for the International Accounting Standards Committee's Insurance Steering Committee, former Chairman of Board of Trustees at Catholic Community Services, and former Chairman of Board of Trustees at United Way of Essex and West Hudson.

Christopher T. Jenny, age 64, is a former President and Senior Partner of The Parthenon Group and a former Partner of Bain & Company. Mr. Jenny is Chairman of Jennus Innovation and is a Director of CBRE Group, Inc., Mobile Virtual Player and PLT4M. Mr. Jenny also serves on the boards of the New England Baptist Hospital and the Sudbury Valley Trustees, a regional land conservation trust.

Deanna M. Mulligan, age 56, has been the Chief Executive Officer and a Director of Guardian since 2011. Previously, she served as the President and Chief Executive Officer of Guardian from 2011 to 2019 and as President and Chief Operating Officer of Guardian in 2010. Ms. Mulligan joined Guardian in 2008 as the Executive Vice President, Individual Life and Disability. She serves as a Director of The Vanguard Group, Inc., Trustee of the Vanguard Funds, Director of the Partnership for New York City, Trustee of the Economic Club of New York, Member of the Department of Financial Services State Insurance Advisory Board, Director of the Committee Encouraging Corporate Philanthropy, Trustee of the Bruce Museum and is a Director and the former Chair of the American Council of Life Insurers. Ms. Mulligan is also a former Director of Arch Capital Group Ltd. and a former Trustee of RS Investment Trust and RS Variable Products Trust. Ms. Mulligan is also a member of the Stanford Graduate School of Business Advisory Council, and a former member of the President's Advisory Council on Financial Capability for Young Americans. Prior to joining Guardian in 2008, Ms. Mulligan founded DMM Management Solutions LLC where she served as President from 2007 to 2008. Previously, she held several other management positions at McKinsey & Company, AXA Financial, Inc. and New York Life Insurance Company.

Gary A. Norcross, age 54, has been the President and Chief Executive Officer of FIS since 2015 and Chairman since 2018. He is also a Member of the Dean's Executive Advisory Board of the Sam M. Walton School of Business for the University of Arkansas. Mr. Norcross is a Director of the YMCA of Florida's First Coast and the Knowledge is Power Program's (KIPP) Jacksonville Schools. Mr. Norcross is also a Director of Zenmonics, Inc.

Karen B. Peetz, age 64, is the former President of The Bank of New York Mellon. Ms. Peetz served in that position from 2013 to 2016. Prior to her appointment as President, Ms. Peetz led The Bank of New York Mellon's Financial Markets and Treasury Services Group. Ms. Peetz is a Director of Ingersoll Rand, John Hopkins University and the Global Lyme Alliance. Ms. Peetz is also the former Board Chair of United Way New York City and Pennsylvania State University. She is a former Senior Vice President of JPMorgan Chase.

Vivek Sankaran, age 57, has been the President and Chief Executive Officer of Albertsons Companies, Inc. since April 2019. Previously, he served as the Chief Executive Officer of Frito-Lay North America (“Frito-Lay”) from January 2019 to April 2019 and the President and Chief Operating Officer of Frito-Lay from 2016 to 2018. Mr. Sankaran served as Chief Operating Officer and as Chief Commercial Officer of PepsiCo North America from 2009 to 2016. Mr. Sankaran is a Director of the Safe Water Network and is a former Partner of McKinsey & Company.

Executive Officers’ Biographical Information

Set forth below is a description of the business positions held during the past five years by the executive officers (other than Ms. Mulligan whose biographical data is described above) (ages as of January 15, 2020) listed above.

Eric R. Dinallo, age 56, has been the Executive Vice President and General Counsel of Guardian since December 2017. Prior to joining Guardian, he was a Partner and Co–Head of the Insurance Group and Member of the White Collar and Regulatory Defense Group of the law firm of Debevoise & Plimpton LLP, from 2010 to 2017, where he represented financial services firms, including Guardian, on issues related to regulation, compliance, litigation and transactions. His prior experience also includes senior–level leadership positions as Superintendent of Insurance for New York State, Global Head of Regulatory Affairs at Morgan Stanley and General Counsel at Willis Holdings. Mr. Dinallo also serves as an Adjunct Professor of Business and Society at New York University Stern School of Business since 2009.

Dean Del Vecchio, age 53, has been the Executive Vice President, Chief of Operations and Chief Information Officer since March 2019, prior to which he was Executive Vice President, Chief Information Officer & Head of Enterprise Shared Services from 2016. Previously, he had been the Senior Vice President, Chief Information Officer of Guardian. Prior to joining Guardian, he was the Senior Vice President, Chief Information Officer and Head of IT Shared Services at News Corp. Dow Jones from 2005 to 2013.

Michael N. Ferik, age 47, has been the Executive Vice President, Individual Markets of Guardian since January 2020, a position he previously held from 2016 to 2017. Previously, he had been the Executive Vice President and Chief Financial Officer of Guardian from 2017 to December 2019 and the Senior Vice President, Life Insurance and Wealth Management, of Guardian from 2009 to 2016. Prior to joining Guardian, he held a senior management position with AXA Equitable, Life Products and Annuities and an engagement management position with McKinsey & Company. Mr. Ferik also held a Vice President & Actuary position with Manulife (Singapore).

Jean LaTorre, CFA, age 56, joined Guardian as an Executive Vice President on December 31, 2019 and, effective February 3, 2020, will assume the position of Chief Investment Officer of Guardian. Prior to joining Guardian, Ms. LaTorre spent 28 years at Aetna, Inc., where she held several investment positions, most recently as Chief Investment Officer and Corporate Economist since 2008.

Andrew J. McMahon, age 52, has been the President of Guardian since January 2020, prior to which he was the Executive Vice President, Individual Markets, Enterprise Strategy and Customer Development, of Guardian from March 2019 to December 2019. Previously, he had been the Executive Vice President, Strategy & Customer Development of Guardian from December 2017 through February 2019. Prior to joining Guardian, he was the Chief Executive Officer and Founder of Vitae Advisors, LLC from 2014 to 2017, and he served in multiple roles at AXA Financial from 2005 to 2014, including Head of Strategic Initiatives Group, Chairman/COO of AXA Advisors, and, ultimately, as the President of AXA Financial.

Kevin Molloy, age 49, has been the Executive Vice President and Chief Financial Officer of Guardian since January 2020. Previously, he served as the Chief Financial Officer, Individual Markets of Guardian from August 2019 to December 2019. Prior to joining Guardian, Mr. Molloy served in multiple roles at AXA Equitable and its affiliates from 1999 to 2019, including Chief Financial Officer of AXA Global Life; Senior Executive Director, Group Retirement; and most recently, Managing Director, Head of Investor Relations.

Brian L. Scanlon, age 47, has been the Executive Vice President, Commercial and Government Markets since January 2020. Previously, he had been the Executive Vice President of Business Development and Chief Marketing Officer of Guardian from July 2019 to December 2019. Prior to joining Guardian, Mr. Scanlon served as Chief Strategy Officer for The Thomson Reuters Corporation from 2014 to 2019. Previously, Mr. Scanlon was a Partner in the Corporate Finance and Strategy Practice at McKinsey.

Diana L. Scott, age 60, has been the Executive Vice President and Chief Human Resources Officer of Guardian since September 2018. Prior to joining Guardian, Ms. Scott served as Chief Human Resources Officer for the global logistics and REIT company Prologis, Inc. from 2013 to 2018. Previously, Ms. Scott spent 15 years at John Hancock Financial, the U.S. division of Toronto-based Manulife Financial Corporation, where she held a variety of management positions, including Senior Vice President of Human Resources, General Manager of the John Hancock Freedom 529 college savings plan and General Manager of the Group Insurance Division.

Thomas G. Sorell, CFA, age 64, has been the Executive Vice President and Chief Investment Officer of Guardian and certain other Guardian subsidiaries since 2003. Effective as of February 3, 2020, Mr. Sorell will assume the position of Executive Vice President, Advisor to the CEO. Previously, Mr. Sorell was a Senior Managing Director, Head of Guardian's Fixed Income Department, and Co–Portfolio Manager of a number of Guardian–sponsored fixed income funds.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Except as described below, there are no potential conflicts of interest between the duties to Guardian of any of the members of the Board of Directors and their respective private interests or other duties.

In the ordinary course of its insurance operations, Guardian and its insurance subsidiaries have from time to time provided insurance coverage to a number of corporations of which the directors of Guardian are or were officers or directors. However, such coverage is primarily the result of sales efforts and is not tied to the membership on Guardian's Board of Directors of any one or more individuals or to a relative or spouse of such individual.

Some of the directors carry one or more life insurance policies issued by Guardian and its insurance subsidiaries. These policies give owners voting rights as prescribed by the New York Insurance Law, but in the aggregate such directors and officers who are policyholders hold an insignificant percentage of the aggregate voting rights in Guardian.

GLOSSARY

The following Glossary includes general definitions of certain insurance terms as well as other terms relating specifically to Guardian.

Admitted assets: Assets which are included in an insurance company's financial statements to measure surplus as determined in accordance with state insurance laws. Other assets, consisting principally of amounts due from insurance agents, prepaid expenses and furniture and equipment are treated as "nonadmitted assets" for statutory accounting purposes.

Annual Statement: The reports filed annually with state insurance regulatory authorities that contain financial and other information on a calendar year basis and are prepared in accordance with statutory accounting practices. The form of the annual statement is prescribed by the NAIC.

Annuity: A contract that pays or permits the election of a periodic income benefit for the life of a person, the lives of two or more persons or a specific period of time.

Apportioned Dividend Liability: The estimated amount of all dividends declared by Guardian's Board of Directors prior to the end of the statement year which are not yet paid or due at the end of the year.

Asset Valuation Reserve ("AVR"): The reserve required by insurance regulators to stabilize statutory surplus from non interest-related fluctuations in the market value of bonds, stocks, mortgage loans, real estate and other invested assets.

Carrying Value: The value of an asset as carried on an insurance company's balance sheet, as determined in accordance with SAP.

Cash Value: The amount of cash available to a policyholder on the surrender of a life insurance policy or annuity contract.

Cede: When an insurer reinsures its liability with another insurer (a "cession"), it "cedes" business and is referred to as the "ceding company."

Disability Income Insurance: Insurance which provides income payments to the insured when employment is interrupted or terminated because of illness, sickness or accident. The level, timing and duration of payments vary by policy type.

Dividend Scales: The schedule of amounts payable as dividends on participating policies based on experience factors relating to, among other things, investment results, mortality, lapse rates, expenses, premium taxes and policy loan interest and utilization rates.

Equity Real Estate: An investment asset category which combines wholly owned real estate and interests in real estate joint ventures.

GAAP: Accounting Principles Generally Accepted in the United States of America.

General Account: The aggregate of an insurer's assets other than those allocated to Separate Accounts.

General Account Assets: The assets held in the General Account associated with the operations of an insurance company which include bonds, mortgages, real estate, equity interests, policy loans, cash and short-term investments and other invested assets.

Insurance Subsidiaries: Collectively, the significant operating insurance subsidiaries of Guardian, mainly GIAC.

Interest Maintenance Reserve ("IMR"): The reserve required by insurance regulators to capture interest rate-related realized capital gains and losses (net of taxes) on fixed income investments (primarily bonds and mortgage loans), which are amortized into net investment income over the estimated remaining periods to maturity of the investments sold.

Investment Reserves: Collectively, the AVR and other investment reserves.

Lapse: Termination of a policy because of surrender, failure to pay a premium or lack of sufficient cash value to maintain in-force status.

Lapse Rate: The ratio of the amount of lapses during a period to the amount of insurance in force or amount of premium at the beginning of the period.

Morbidity: Rates and duration of disability varying by such things as age, gender and duration since disability, used in pricing and valuing disability income insurance products.

Mortality: Rates of death, varying by such parameters as age, gender and health, used in pricing and valuing life and annuity products.

National Association of Insurance Commissioners ("NAIC"): The national association of state insurance regulators that sets guidelines for statutory policies, procedures and reporting for insurance enterprises.

Participating Policyholder: A policyholder who participates in the divisible surplus of an insurance company through policyholder dividends to the extent declared by an insurer's Board of Directors.

Persistency: Measurement of life insurance or other insurance policies remaining in force from year to year.

Policy: A life, accident, health, annuity, property or casualty contract, issued by an insurance company to an individual or group, that provides financial protection to an insured, owner or beneficiary.

Policyholder Dividends: Premiums for participating policies are set with margins designed and intended to allow for certain refund provisions, usually called policyholder dividends, paid over the term of the policy, if and as declared by the insurer's board of directors, and adjusted, over time, to reflect the actual experience of the class of policies involved.

Reinsurance: The acceptance by one or more insurers, called reinsurers, of a portion of risk underwritten by another insurer who has directly written the coverage in return for a portion of the premium relating thereto. The legal rights of the insured generally are not affected by the reinsurance transaction and the insurance enterprise issuing the insurance contract remains liable to the insured for payment of policy benefits.

Risk Based Capital ("RBC"): A regulatory measure of the minimum amount of capital needed for an insurance company to support its overall business in light of both its size and risk profile.

Separate Accounts: Investment accounts maintained by an insurer to which funds have been allocated for certain policies under provisions of relevant state insurance law. The investments in each Separate Account are maintained separately from those in other Separate Accounts and the General Account. The investment results of the Separate Account assets normally are passed through to the relevant policyholders.

Statutory Accounting Practices ("SAP"): Those accounting practices prescribed or permitted by an insurer's domiciliary state insurance regulator for purposes of financial reporting to insurance regulators.

Statutory Reserves: Amounts established pursuant to state insurance laws that an insurer must have available to provide for future obligations with respect to all policies. Reserves are liabilities on the balance sheet of financial statements prepared in conformity with statutory accounting practices.

Statutory Surplus: As determined under statutory basis accounting principles, the amount remaining after all liabilities, including loss reserves, are subtracted from all admitted assets. Admitted assets are assets of an insurer permitted by a state to be taken into account in determining the insurer's financial condition for statutory purposes.

Surrenders and Withdrawals: Surrenders of life insurance policies and annuity contracts for their entire net cash surrender values and withdrawals of a portion of such values.

Term Life: Life insurance which provides insurance protection for a fixed period (which generally may be renewed at an increased premium) and has no cash value.

Total Adjusted Capital: Guardian adopted the NAIC's definition of total adjusted capital for purposes of comparison with RBC; defined as Surplus plus AVR plus half the Apportioned Dividend Liability.

Unassigned Surplus: The undistributed and unappropriated amount of statutory surplus. This excludes surplus notes and special surplus funds. Special surplus funds are voluntary or general contingency reserves which are not actual liabilities of the company.

Underwriting: The process of examining, accepting or rejecting insurance risks, and classifying those accepted, in order to charge an appropriate premium for each risk accepted.

Universal Life Insurance: Life insurance under which (1) premiums are generally flexible, (2) the level of death benefits may be adjusted and (3) explicit expense, interest, and mortality rates are used to accumulate cash value.

Variable Universal Life Insurance: Same as Universal Life Insurance, except the interest element is replaced by actual performance of one or more Separate Accounts; the entire investment risk is borne by the policyholder.

Whole Life Insurance: These policies provide guaranteed death benefits and guaranteed cash values in return for periodic fixed premium payments or, in the case of single premium whole life policies, a lump sum payment when the policy is issued. Participating whole life insurance provides dividends based on actual experience more favorable than expense, interest, mortality, and persisting assumptions underlying guarantees.

INDEX TO AUDITED STATUTORY FINANCIAL STATEMENTS

Report of Independent Auditors

To the Board of Directors of
The Guardian Life Insurance Company of America:

We have audited the accompanying statutory financial statements of The Guardian Life Insurance Company of America, which comprise the statutory basis balance sheets as of December 31, 2018, 2017 and 2016 and the related statutory basis statements of operations, changes in policyholders' surplus, and of cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.
The effects on the financial statements of the variances between the statutory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America are material.

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Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2018, 2017 and 2016, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities and surplus of the Company as of December 31, 2018, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services described in Note 2.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the statutory-basis financial statements taken as a whole. The supplemental Schedule 1 – Selected Financial Data, Investment Risk Interrogatories, and Summary Investment Schedule (collectively, the "supplemental schedules") of the Company as of December 31, 2018, 2017 and 2016, and for the years then ended are presented to comply with the National Association of Insurance Commissioners' Annual Statement Instructions and Accounting Practices and Procedures Manual and for purposes of additional analysis and are not a required part of the statutory-basis financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the statutory-basis financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the statutory-basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory-basis financial statements or to the statutory-basis financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the statutory-basis financial statements taken as a whole.

PricewaterhouseCoopers LLP

February 27, 2019

The Guardian Life Insurance Company of America

Audited Statutory Basis
Financial Statements and Supplemental Schedules
December 31, 2018 and 2017

The Guardian Life Insurance Company of America

Statutory Basis Balance Sheets

(In Millions)

	As of December 31, 2018	As of December 31, 2017
Admitted Assets		
Bonds	$ 39,361	$ 38,125
Common and preferred stocks	1,811	1,531
Mortgage loans	4,520	4,001
Real estate (net of encumbrances: 2018 - $212; 2017 - $219)	331	345
Policy loans	3,635	3,520
Other invested assets	2,675	2,299
Receivable for securities	5	80
Cash, cash equivalents and short-term investments	732	554
Total invested assets	53,070	50,455
Due and accrued investment income	415	430
Premiums deferred and uncollected	1,115	1,091
Current federal and foreign income tax recoverable and interest thereon	201	127
Net deferred tax asset	650	587
Reinsurance recoverable from affiliate	2,803	2,641
Other assets	235	238
Total admitted assets	$ 58,489	$ 55,569
Liabilities		
Reserves for policy benefits	$ 44,258	$ 41,778
Policyholder dividends payable and other contract liabilities	3,753	3,550
Interest maintenance reserve	301	531
Asset valuation reserve	879	829
Other liabilities	2,126	2,197
Total liabilities	51,317	48,885
Policyholders' surplus	5,974	5,487
Surplus notes	1,198	1,197
Total liabilities and policyholders' surplus	$ 58,489	$ 55,569

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America

Statutory Basis Statements of Operations

(In Millions)

	For the Years Ended December 31, 2018	2017
Revenues		
Premiums, annuity considerations and fund deposits	$ 8,381	$ 8,112
Net investment income	2,132	2,106
Other income	344	441
Total revenues	10,857	10,659
Benefits and Expenses		
Benefit payments to policyholders and beneficiaries	4,535	4,449
Net increase to policy benefit reserves	2,481	2,409
Commissions and operating expenses	2,445	2,383
Total benefits and expenses	9,461	9,241
Income from operations before policyholder dividends and taxes	1,396	1,418
Policyholder dividends	(966)	(903)
Income from operations before taxes and realized capital losses	430	515
Income tax benefit/(expense)	52	(65)
Income from operations before net realized capital losses	482	450
Net realized capital losses	(172)	(27)
Net income	$ 310	$ 423

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America

Statutory Basis Statements of Change in Policyholders' Surplus

(In Millions)

	For the Years Ended December 31,	
	2018	**2017**
Beginning of year balance	$ 6,684	$ 6,172
Adjustments to surplus:		
Net income	310	423
Change in net unrealized capital gains, net of tax	144	26
Change in asset valuation reserve	(50)	(19)
Change in surplus notes	1	352
Change in net deferred taxes	49	(391)
Change in non-admitted assets	28	233
Change in pension funded status	8	(110)
Other changes, net	(2)	(2)
Net adjustments to unassigned surplus	488	512
End of year balance	$ 7,172	$ 6,684

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America

Statutory Basis Statements of Cash Flows

(In Millions)

	For the Years Ended December 31, 2018	2017
Cash flows from operating activities:		
Premiums and other income received	$ 8,373	$ 8,097
Investment income	2,186	2,110
Other income	149	130
Benefits and loss related payments	(4,831)	(4,582)
Commissions, expenses and taxes paid	(2,469)	(2,431)
Dividends paid	(870)	(847)
Other, net	23	(12)
Net cash provided by operating activities	2,561	2,465
Cash flows from investing activities:		
Proceeds from investments sold or matured:		
Bonds	12,450	14,248
Common and preferred stocks	204	363
Mortgage loans	471	495
Real estate	66	107
Other investments	380	398
Proceeds from investments sold or matured	13,571	15,611
Cost of investments acquired:		
Bonds	13,961	16,841
Common and preferred stocks	443	316
Mortgage loans	993	1,033
Real estate	45	85
Other investments	717	751
Cost of investments acquired	16,159	19,026
Net increase in policy loans, net of repayments	115	115
Net cash used in investing activities	(2,703)	(3,530)
Cash from financing and miscellaneous activities:		
Cash provided:		
Surplus note	1	352
Net deposits on deposit-type contracts and other insurance liabilities	319	445
Net cash provided by financing and miscellaneous activities	320	797
Net (decrease) increase in cash, cash equivalents and short-term invesments	178	(268)
Cash , cash equivalents and short-term investments, beginning of year	554	822
Cash, cash equivalents and short-term investments, end of year	$ 732	$ 554

See notes to statutory basis financial statements.

NOTE 1 – ORGANIZATION

The Guardian Life Insurance Company of America ("Guardian" or the "Company") provides financial services to customers throughout the United States. The Company provides a full range of insurance, investment, securities brokerage and other financial products and services including individual life and disability insurance, group life and health insurance, annuities, pension and retirement related investments and administration and asset management.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:
The accompanying statutory basis financial statements have been prepared on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services (the "Department"), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). Insurance companies domiciled in New York are required to prepare statutory basis financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP"), subject to certain deviations prescribed or permitted by the Department.

The Department recognizes only statutory accounting practices prescribed or permitted by the state of New York for determining and reporting the financial condition and results of operations of an insurance company ("New York SAP"). The NAIC promulgates the NAIC SAP, which include accounting guidelines referred to as Statements of Statutory Accounting Principles ("SSAPs"). The Department adopted NAIC SAP with certain modifications, through the passage of Regulation 172, effective January 1, 2001, as amended.

A reconciliation of the Company's Net Income and Surplus at December 31, 2018 and 2017 between NAIC SAP and practices prescribed by the State of New York is shown below:

	2018	2017
Statutory Net Income, New York basis	$ 310	$ 423
State Prescribed Practices:		
Deferred premiums asset impact (1)	4	7
Admission of unearned reinsurance premium asset (2)	(4)	(5)
Statutory Net Income, NAIC SAP basis	$ 310	$ 425

	2018	2017
Statutory Surplus, New York basis	$ 7,171	$ 6,684
State Prescribed Practices:		
Deferred premiums asset impact (1)	151	143
Admission of unearned reinsurance premium asset (2)	(67)	(62)
Statutory Surplus, NAIC SAP basis	$ 7,255	$ 6,765

1) Department Circular Letter No. 11
2) Department Regulation 172

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial statements prepared on a New York SAP basis vary from financial statements prepared in accordance with GAAP primarily because on a statutory basis: 1) costs related to acquiring business, principally commissions and certain policy issue expenses, are charged to income in the year incurred; 2) life insurance and annuity reserves are based on statutory mortality and interest requirements, without consideration of withdrawals and company experience; 3) life insurance enterprises are required to establish a formula-based asset valuation reserve (“AVR”) by a direct charge to surplus to offset potential investment losses; 4) realized gains and losses resulting from changes in interest rates on fixed income investments are deferred in the interest maintenance reserve (“IMR”) and amortized into investment income over the remaining life of the investment sold; 5) bonds are carried principally at amortized cost; 6) certain reinsurance transactions are accounted for as reinsurance for statutory purposes and as financing transactions under GAAP, and assets and liabilities are reported net of reinsurance for statutory purposes and gross of reinsurance for GAAP; 7) certain “non-admitted assets” (furniture and office equipment, leasehold improvements, capitalized internally developed non-operating system software, and prepaid pension costs) must be excluded under statutory reporting through a charge to surplus; 8) investments in common stock of the Company’s wholly-owned and majority owned subsidiaries are accounted for using the equity method, where earnings of such subsidiaries are recognized in surplus only when dividends are distributed is income recognized; 9) gross deferred tax assets and changes in deferred tax assets (“DTAs”) and liabilities (“DTLs”), except those relating to changes in unrealized gains and losses, are recognized as a separate component of surplus. Deferred tax assets not meeting certain criteria are non-admitted; 10) investments in Other invested assets, where the Company has a controlling financial interest, are accounted for using the equity method for statutory purposes and consolidated under GAAP; and 11) if in the aggregate, the Company has a net negative cash balance, it is reported as a negative asset for statutory purposes and recorded as a liability under GAAP. The effect on the financial statements of the Company from the differences between New York SAP and GAAP are material and disclosed in Note 19.

Use of Estimates:
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. As a provider of life insurance products, the Company’s operating results in any given period depend on estimates of policy reserves required to provide for future policyholder benefits. The development of policy reserves for insurance and investment contracts requires management to make estimates and assumptions regarding mortality, lapse, expense and investment experience. Such estimates are primarily based on historical experience and, in many cases, state insurance laws that require specific mortality, morbidity, and investment assumptions to be used by the Company and may preclude the use of lapse and expense assumptions. Actual future results could differ from these estimates. Management monitors actual experience, and where circumstances warrant, revises its assumptions and the related reserve estimates. The Company regularly invests in mortgage loans, mortgage-backed securities and other securities subject to prepayment and/or call risk. Significant changes in prevailing interest rates and/or geographic conditions may adversely affect the timing and amount of cash flows on such investments, as well as their related values. In addition, the amortization of market premium and accretion of market discount for mortgage-backed securities is based on historical experience and estimates of future payment experience underlying mortgage loans. Actual prepayment timing could differ from original estimates resulting in adjustments to asset values and amortization or accretion recorded in future periods.

Admitted Assets:
Assets are stated at "admitted asset" values, which are values required by or permitted to be reported to the Department in accordance with its rules and regulations. Certain assets designated as "non-admitted assets" (approximately $128 million and $156 million at December 31, 2018 and December 31, 2017, respectively), consisting principally of deferred tax assets, leasehold improvements, electronic data processing equipment and computer software, and prepaid pension costs are charged directly to unassigned surplus.

Investments:
See Note 3 and Note 4 regarding the accounting policy, reported statement value and estimated fair value of the Company’s investment in bonds, common and preferred stocks, mortgage loans, real estate and derivatives.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Short-Term Investments:
Cash includes amounts on deposit with banks. Cash equivalents are stated at amortized cost and consist of investments having maturities of three months or less at time of purchase. Money Market Funds are included in cash equivalents and are stated at the Net Asset Value which is equivalent to the fair value. Certain short-term investments are stated at amortized cost and consist primarily of investments having maturities greater than three months from date of purchase, but less than one year to maturity. Fair values for such investments approximate carrying value, because of the relatively short period of time between their origination and expected maturity and collectability.

Policy Loans:
Policy loans are stated at unpaid principal balance. The carrying amount approximates fair value since loans on policies have no defined maturity date and reduce the amount payable at death or at surrender of the contract.

Other Invested Assets:
Other invested assets consist primarily of joint ventures, limited liability companies (LLCs), and other forms of partnerships. These investments are valued at the Company's share of equity in the partnerships' LLC or joint ventures' net assets. All distributions are recorded as income or return of capital based on information received from the partnerships. The change in equity is recorded as unrealized gains (losses) on the Company's books and is charged directly to surplus. Other invested assets also include investments in surplus notes which are carried at amortized cost.

Other Assets:
Other assets consist primarily of receivables from subsidiaries (see Note 11), receivables related to reinsurance ceded (see Note 9), amounts receivable relating to Administrative Services Only ("ASO") uninsured plans, premium tax offsets, and electronic data processing equipment.

Investment Reserves:
In compliance with statutory requirements, the Company maintains the AVR and the IMR. The AVR is intended to stabilize policyholders' surplus against market fluctuations in the value of equities and credit related declines in the value of bonds, mortgage loans and equity investments. Changes in the AVR are recorded directly to surplus. The IMR defers net after-tax realized capital gains (losses) which result from changes in the overall level of interest rates for fixed income investments and amortizes these net capital gains (losses) into income over the remaining stated life of the investments sold. The Company uses the group method of calculating the IMR.

Insurance Revenue and Expense Recognition:
Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Benefit payments to policyholders and beneficiaries include death benefits, disability benefits, matured endowments and surrender benefits and are charged to expense when incurred.

Reserves for Policy Benefits:
See Note 5 regarding the methods and assumptions used to establish the Company's reserves for future insurance policy benefits.

Other Liabilities:
Other liabilities consist primarily of general expenses due or accrued, liabilities for employees and agents, commissions payable, unearned investment income, amounts withheld or retained by the company as agent or trustee, miscellaneous reinsurance liabilities, assessments, and tax reserves liabilities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Taxes:
The provision for federal income taxes is based on income from operations currently taxable. Realized gains and losses are reported net of the applicable federal income taxes. Deferred federal income tax assets are admitted to the extent they can be realized within three years subject to a 15% limitation of capital and surplus with increases or decreases reflected as adjustments to surplus (See Note 8). The Company is required to establish a tax loss contingency if it is more likely than not that a tax position will not be sustained. The amount of the contingency reserve is management's best estimate of the amount of the original tax benefit that could be reversed upon audit, unless the best estimate is greater than 50% of the original tax benefit, in which case the reserve is equal to the entire tax benefit.

Dividends to Policyholders:
The liability for dividends to policyholders principally consists of dividends expected-to-be paid during the subsequent year and are determined by means of formulas that reflect the relative contribution of each group of policies to the results of operations. Policyholder dividends are approved annually by the Board of Directors, and a portion of the policyholder dividends approved annually are guaranteed by the Board of Directors.

Other Contract Liabilities
Other contract liabilities include liabilities for deposit type contracts such as funding agreements (see Note 5), claims in the course of settlement, and premiums received in advance.

Benefit Plans:
The Company has non-contributory defined benefit pension plans covering substantially all eligible of the Company's employees. The benefits are based primarily on years of service and compensation. Assets of the pension plans are invested in a diversified portfolio that primarily consists of corporate bonds and common stocks. All assets are managed by the Company or its affiliates.

Reinsurance:
The Company enters into reinsurance agreements in the normal course of its insurance business to reduce overall risk (see Note 9 for reinsurance ceded and Note 10 for reinsurance assumed). The Company remains liable for reinsurance ceded if the reinsurer fails to meet its obligation on the business it has assumed. The Company evaluates the financial condition of its reinsurers to minimize its exposure to significant losses from reinsurer insolvencies.

Net Investment Income and Capital Gains:
Net investment income includes interest and dividends received or accrued on investments. It also includes amortization of any purchase premium or discount using the interest method, adjusted retrospectively or prospectively for any change in estimated yield to maturity. Investment income due and accrued that is deemed uncollectible is charged against net investment income in the period such determination is made. Net investment income is reduced by investment management expenses, interest expense on the Company's outstanding surplus note and real estate depreciation.

Realized investment gains and losses are reported in income based upon specific identification of securities sold. Realized losses include valuation adjustments for other-than-temporary declines in investments. Unrealized investment gains and losses on financial instruments carried at fair value represent changes in the reported fair value and are recorded directly to surplus.

Assessments:
Under state insurance guaranty fund laws, insurers doing business in a state can be assessed, up to prescribed limits, for certain obligations of insolvent insurance companies to policyholders and claimants. Amounts assessed to each company are typically related to its proportion of business written in each state. The Company's policy is to accrue assessments when the entity for which the insolvency relates has met its state of domicile's statutory definition of insolvency, the amount of the loss is reasonably estimable and the related premium upon which the assessment is based is written. In most states, the definition is met with a declaration of financial insolvency by a court of competent jurisdiction. In certain states there must also be a final order of liquidation. As of December 31, 2018 and December 31, 2017, the liability balance included in other liabilities was $5 million and $9 million, respectively for assessments. Some states permit member insurers to recover assessments through full or partial premium tax offsets. The related premium tax offsets included in other assets were $17 million and $21 million as of December 31, 2018 and December 31, 2017, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On March 1, 2017, the Commonwealth Court of Pennsylvania entered into an order of liquidation for Penn Treaty Network America Insurance Company, and its subsidiary American Network Insurance Company ("Penn Treaty"), providers of long-term care insurance. As a result of the liquidation, the Company used the most current cost estimate provided by the National Organization of Life and Health Guaranty Associations (NOLHGA) to determine the estimated fund assessments and premium tax offsets. As of December 31, 2018, the Company recognized a discounted assessment liability of $5 million (undiscounted of $6 million) offset by a discounted premium tax offset of $17 million (undiscounted of $19 million) using a discount rate of 3.5%. The assessment is included in other liabilities of $5 million and in other assets of $17 million as stated above. As of December 31, 2017, the Company recognized a discounted assessment liability of $8 million (undiscounted of $8 million) offset by a discounted premium tax offset of $16 million (undiscounted of $19 million) using a discount rate of 3.5%. The assessment is included in other liabilities of $9 million and in other assets of $21 million stated above. The Company expects a majority of the assessments to be paid over the next year and a majority of the premium tax offset to be realized over the next 6 years.

The below table provide additional information on the Penn Treaty fund assessment liability and premium tax offset recoverables:

	Liability			Recoverables		
Name of the Insolvency	**Number of Jurisdictions**	**Range of Years**	**Weighted average number of years**	**Number of Jurisdictions**	**Range of Years**	**Weighted average number of years**
Penn Treaty	50	1 - 3 years	2 years	40	1 - 20 years	7 years

NOTE 3 – INVESTMENTS

Investments are valued in accordance with methods prescribed by the Securities Valuation Office of the NAIC ("SVO"). The Company obtains the fair value of financial instruments held in its portfolio that are either carried at fair value on the face of the financial statements or disclosed in the notes to the financial statements at fair value, from a number of sources. These sources include published market quotes for active market exchange traded instruments, third party pricing vendors, investment banks which are lead market makers in certain markets, broker quotes and the use of internal valuation models that use market observable inputs when available and Company derived inputs when external inputs are not available or deemed to be inaccurate. Unrealized gains and losses on investments carried at fair value are recorded directly in unassigned surplus. The investment portfolio is reviewed for investments that may have experienced a decline in value considered to be other-than-temporary. The Company considers several factors in determining whether other-than-temporary declines exist: duration and extent to which the fair value of the security has been less than cost; financial condition of the issuer; the near term prospects for recovery of the fair value of a security; discounted estimated future cash flows; and the intent and ability of the Company to hold the security to allow for an anticipated recovery in value. Impairments that are considered other-than-temporary are included in net realized capital losses.

The Company's investment portfolio includes securities with a 5GI NAIC designation. There were two securities that have a 5GI NAIC designation with an aggregated book adjusted carrying value and aggregate fair value of $9 million as of December 31, 2018. There were two securities that have a 5GI NAIC designation with a book adjusted carrying value and fair value of $10 million as of December 31, 2017.

Valuation methods for the various types of investments held are as follows:

Bonds - Bonds are stated principally at amortized cost with bond premiums and discounts amortized using the scientific interest method. Those bonds which are rated 6 by the NAIC are reported at the lower of amortized cost or fair value. Mortgage-backed bonds are carried at amortized cost using the interest method considering anticipated prepayments at the date of purchase. Significant changes in future anticipated cash flows from the original purchase assumptions are accounted for using the retrospective and prospective adjustment method utilizing the Public Securities Association standard prepayment rates. There were forty-six securities that were sold, redeemed or disposed of with an aggregate amount of $13 million in investment income from prepayment penalties and acceleration fees as of December 31, 2018. There were fifty-six securities that were sold, redeemed or disposed of with an aggregate amount of $29 million in investment income from prepayment penalties and acceleration fees as of December 31, 2017.

Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from issuers or broker- dealers through information services or internal estimates and are consistent with current interest rates and the economic environment. There were fifty-four securities that were sold, redeemed or disposed of with an aggregate amount of $401 million and $3.3 million in investment income from prepayment penalties as of December 31, 2018. There were forty-six securities that were sold, redeemed or disposed of with an aggregate amount of $504 million and $8 million in investment income from prepayment penalties as of December 31, 2017.

The Company changes from the retrospective method to the prospective method when an other than temporary impairment has been recorded on a structured loan-backed security.

Preferred stocks - Preferred stocks are carried at amortized cost if they have an NAIC SVO rating of 1 to 3 or the lower of book value or fair value based on the rating of 4 to 6.

Common stocks - Common stocks of unaffiliated companies are stated at fair value, which is based on quoted market price. For common stocks without quoted market prices, fair value is estimated using independent pricing services or internally developed pricing models. Investments in subsidiaries are included in common stocks and are valued at equity in the underlying net assets. Undistributed earnings or losses of subsidiaries and unrealized appreciation or depreciation on common stocks are reflected as unrealized capital gains and losses directly in Surplus.

NOTE 3 – INVESTMENTS (CONTINUED)

Foreign Currency Translation - All of the Company's insurance operations are conducted in the United States of America on a U.S. dollar-denominated basis. The Company does make bond, equity and other investments that are denominated in foreign currencies or issued by entities doing business in other countries. Investments denominated in a foreign currency are translated to U.S. dollars at each reporting date using then-current market foreign exchange rates. Translation gains or losses relating to fluctuations in market exchange rates are reported as a change in unrealized capital gains and losses until the related investment security is sold or matures, at which time a realized capital gain or loss is reported. Transactions denominated in a foreign currency, such as receipt of foreign-denominated interest or dividends, are translated to U.S. dollars based on the actual exchange rate at the time of the transaction.

NOTE 3 – INVESTMENTS (CONTINUED)

The amortized cost basis and estimated fair value of bonds and the cost basis and estimated fair value of preferred stock and common stocks at December 31, 2018 and December 31, 2017 is as follows:

	Amortized Cost/ Cost*	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
December 31, 2018		(In millions)		
U.S. Government	$ 1,821	$ 60	$ (6)	$ 1,875
All other Government	70	-	-	70
States, Territories, and Possessions	317	33	(2)	348
U.S. Political Subdivisions	251	20	(1)	270
U.S. Special Revenue	2,534	147	(23)	2,658
Industrial and Miscellaneous	34,353	653	(993)	34,013
Hybrid	6	1	-	7
Affiliated Bonds	9	-	-	9
Total Bonds	$ 39,361	$ 914	$ (1,025)	$ 39,250
Common stocks - unaffiliated	$ 695	20	(54)	$ 661
Investment in subsidiaries	1,366	20	(236)	1,150
Total Common Stocks	2,061	$ 40	$ (290)	1,811
Preferred Stocks - Perpetual	$ -	-	-	-
Total Preferred Stocks	-	$ -	$ -	-
Total Common and Preferred Stocks	$ 2,061	$ 40	$ (290)	$ 1,811

	Amortized Cost/ Cost*	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
December 31, 2017		(In millions)		
U.S. Government	$ 2,475	$ 46	$ (8)	$ 2,513
All other Government	65	-	-	65
States, Territories, and Possessions	336	52	-	388
U.S. Political Subdivisions	262	30	-	292
U.S. Special Revenue	2,517	231	(9)	2,739
Industrial and Miscellaneous	32,455	1,874	(140)	34,189
Hybrid	5	1	-	6
Affiliated Bonds	10	-	-	10
Total Bonds	$ 38,125	$ 2,234	$ (157)	$ 40,202
Common stocks - unaffiliated	$ 513	55	(32)	$ 536
Investment in subsidiaries	1,316	18	(339)	995
Total Common Stocks	1,829	73	(371)	1,531
Preferred Stocks - Perpetual	$ -	-	-	-
Total Preferred Stocks	-	$ -	$ -	-
Total Common and Preferred Stocks	$ 1,829	$ 73	$ (371)	$ 1,531

* Includes unrealized FX adjustments

NOTE 3 – INVESTMENTS (CONTINUED)

The Company invests in high quality securities that are diversified by asset class, issuer and industry. At December 31, 2018 approximately 4.8% of the portfolio is invested in securities issued or backed by the United States Government or its agencies. No other single issuer accounts for more than 1.8% of the portfolio at December 31, 2018.

The amortized cost and estimated fair value of debt securities at December 31, 2018 by contractual maturity are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations.

	2018	
	Amortized Cost	Estimated Fair Value
	(In millions)	
Due in one year or less	$ 406	$ 407
Due after one year through five years	6,718	6,697
Due after five years through ten years	10,494	10,259
Due after ten years	15,314	15,323
Sinking fund bonds, mortgage backed securities and asset backed securities	6,429	6,564
Total	$ 39,361	$ 39,250

The net change in unrealized capital gains (losses) included in surplus for year ended December 31, 2018 and 2017 is summarized as follows:

	2018	2017
	(In millions)	
Changes in net unrealized capital gains (losses) attributable to:		
Bonds (NAIC 6 rated)	$ -	$ 4
Preferred Stocks (NAIC 4, 5 and 6 rated)	-	-
Common stocks unaffiliated	(57)	31
Common stocks affiliated	103	(21)
Foreign currency translation	(52)	59
Other	159	(47)
Total change in net unrealized capital gains (losses)	153	26
Tax benefit	(9)	-
Total change in net unrealized gains, net of tax	$ 144	$ 26

Proceeds from sales, maturities and all other bond cash dispositions amounted to $12,450 million and $14,248 million for the years ended December 31, 2018 and 2017, respectively. Gross gains of $106 million and $413 million and gross losses of $301 million and $147 million were realized on sales of bonds for the years ended December 31, 2018 and 2017, respectively. These amounts are pre-tax and pre-IMR.

Proceeds from sales of investments in preferred stock amounted to $0 million and $69 million for the years ended December 31, 2018 and 2017, respectively. Gross gains of $0 million and $28 million and gross losses of $0 million and $0 million were realized on sales of preferred stock for the years ended December 31, 2018 and 2017, respectively. These amounts are pre-tax.

NOTE 3 – INVESTMENTS (CONTINUED)

Proceeds from sales of investments in common stock amounted to $204 million and $294 million for the years ended December 31, 2018 and 2017, respectively. Gross gains of $22 million and $22 million and gross losses of $30 million and $6 million were realized on sales of common stock for the years ended December 31, 2018 and 2017, respectively. These amounts are pre-tax.

During 2018 and 2017, there were no restructured loans.

During 2018 and 2017, the Company had non-cash transactions related to the exchange or conversion of bonds that it held as investments in the amount of $2,309 million and $2,236 million.

During 2018 and 2017, the Company had non-cash transactions related to the exchange or merger activity related to common stock that it held as investments in the amount of $88 million and $0 million.

During 2018 and 2017, the Company had no non-cash transactions related to the exchange or conversion of preferred stock that it held as investments.

Unrealized Losses:
The Company's investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2018 and December 31, 2017 are shown below:

December 31, 2018	**Less than 12 Months**		**12 Months or More**		**Total**	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government	$ 333	$ (3)	$ 177	$ (3)	$ 510	$ (6)
All other Government	-	-	10	-	10	-
States, Territories and Possessions	47	(1)	27	(1)	74	(2)
U.S. Political Subdivisions	43	(1)	-	-	43	(1)
U.S. Special Revenue	747	(12)	295	(11)	1,042	(23)
Industrial and Miscellaneous	15,257	(690)	5,299	(303)	20,556	(993)
Hybrid	1	-	-	-	1	-
Total Bonds	$ 16,428	$ (707)	$ 5,808	$ (318)	$ 22,236	$ (1,025)
Common stocks - unaffiliated	435	(46)	48	(8)	483	(54)
Total temporarily impaired securities	$ 16,863	$ (753)	$ 5,856	$ (326)	$ 22,719	$ (1,079)

NOTE 3 – INVESTMENTS (CONTINUED)

December 31, 2017	**Less than 12 Months**		**12 Months or More**		**Total**	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government	$ 967	$ (6)	$ 57	$ (2)	$ 1,024	$ (8)
All other Government	15	-	-	-	15	-
States, Territories and Possessions	13	-	17	-	30	-
U.S. Political Subdivisions	-	-	-	-	-	-
U.S. Special Revenue	207	(2)	343	(7)	550	(9)
Industrial and Miscellaneous	4,523	(54)	2,764	(86)	7,287	(140)
Hybrid	-	-	-	-	-	-
Total Bonds	$ 5,725	$ (62)	$ 3,181	$ (95)	$ 8,906	$ (157)
Common stocks - unaffiliated	8	(1)	119	(31)	127	(32)
Total temporarily impaired securities	$ 5,733	$ (63)	$ 3,300	$ (126)	$ 9,033	$ (189)

The Company's investment portfolio includes individual securities that are in an unrealized loss position and have not been recognized as other-than-temporary impairments. There were one thousand six hundred and thirty-nine securities in an unrealized loss position for greater than 12 months with a book value of $6,182 million and a fair value of $5,856 as of December 31, 2018. There were four hundred and sixty-four securities in an unrealized loss position for greater than 12 months with a book value of $3,426 million and a fair value of $3,300 as of December 31, 2017.

In reaching the conclusion that these impairments are not other-than-temporary, management considered many factors including: duration and severity of impairment, discounted cash flow analysis, investment sector stability, creditworthiness, financial condition of issuer, and intent and ability to hold to allow for recovery in value.

NOTE 3 – INVESTMENTS (CONTINUED)

Mortgage Loans:
Mortgage loans are carried at amortized cost. Valuation reserves are established for potential declines in the value of the mortgage loans. As of December 31, 2018 and December 31, 2017 there were no valuation reserves established for any of the Company's mortgage loans. Other-than-temporary impairments on loans are charged to net realized capital losses and are not adjusted for subsequent recoveries in value. There were no other-than-temporary impairments on mortgage loans for the years ended December 31, 2018 and 2017, respectively.

The Company's $4,520 million and $4,001 million of investments in mortgage loans on real estate on December 31, 2018 and December 31, 2017 consist of loans on commercial real estate properties. Of these amounts $2,225 million and $1,682 million were mortgage loans in which the Company was a participant at December 31, 2018 and December 31, 2017. The Company had $34 million and $0 million in co-lender loan exposure as of December 31, 2018 and December 31, 2017. The largest concentrations of commercial real estate mortgage loans are for properties located in California and Texas ($1,055 million or 23.35% and $601 million or 13.29%) at December 31, 2018. The largest concentrations of commercial real estate mortgage loans are for properties located in California and Texas ($1,209 million or 30.24% and $351 million or 8.76%) at December 31, 2017. The Company estimates the fair value of mortgage loans on real estate to be $4,496 million and $4,085 million at December 31, 2018 and December 31, 2017, respectively. Fair value was determined based upon the present value of the scheduled future cash flows of each loan based on the average term to maturity discounted at the appropriate U.S. Treasury rate, adjusted for the current market spread for a similar quality mortgage. The minimum and maximum range of lending rates on new mortgage loans were between 3.56% and 5.00% originated during 2018. The maximum percentage of any single mortgage loan to the value of the security for loans that originated in 2018 was 63.83% at origination date.

Management monitors its mortgage loan portfolio on an ongoing basis for events or circumstances that could indicate that it will not receive all of its contractually due principal and interest payments in accordance with the loan agreements. In May and November of each year, the entire portfolio is screened based on debt service coverage, loan to value ratio, delinquency over 90 days and if there are indications that balloon payments due at maturity will not be made to determine if any other than temporary impairments might need to be recorded.

Interest received on impaired loans that were previously modified in a troubled debt restructuring is either applied against the principal or reported as revenue according to management's judgment as to the collectability of principal. There were no mortgages with interest more than 180 days past due at December 31, 2018 or December 31, 2017, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

The following table set forth the credit quality indicators as of December 31, 2018 and December 31, 2017, based upon the recorded investment gross of allowance for credit losses.

Mortgage Loans

	Debt Service Coverage Ratio - December 31, 2018						
	Greater than 2.0X	1.8X to 2.0X	1.5X to <1.8X	1.2X to <1.5X	1.0X to <1.2X	Less than 1.0X	Grand Total
Loan-to-Value Ratio							
0% - 49.99%	$ 880	$ 62	$ 98	$ 75	$ 6	$ 1	$ 1,122
50% - 59.99%	1,161	299	281	102	-	-	1,843
60% - 69.99%	1,025	65	189	42	-	-	1,321
70% - 79.99%	167	-	-	21	46	-	234
80% - 89.99%	-	-	-	-	-	-	-
90% - 100%	-	-	-	-	-	-	-
Greater than 100%	-	-	-	-	-	-	-
Total	$ **3,233**	$ **426**	$ **568**	$ **240**	$ **52**	$ **1**	$ **4,520**

Mortgage Loans

	Debt Service Coverage Ratio - December 31, 2017						
	Greater than 2.0X	1.8X to 2.0X	1.5X to <1.8X	1.2X to <1.5X	1.0X to <1.2X	Less than 1.0X	Grand Total
Loan-to-Value Ratio							
0% - 49.99%	$ 939	$ 62	$ 178	$ 24	$ 19	$ -	$ 1,222
50% - 59.99%	798	263	181	120	21	-	1,383
60% - 69.99%	715	-	276	103	52	4	1,150
70% - 79.99%	140	18	-	38	47	3	246
80% - 89.99%	-	-	-	-	-	-	-
90% - 100%	-	-	-	-	-	-	-
Greater than 100%	-	-	-	-	-	-	-
Total	$ **2,592**	$ **343**	$ **635**	$ **285**	$ **139**	$ **7**	$ **4,001**

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NOTE 3 – INVESTMENTS (CONTINUED)

Real Estate:

Real estate investments are reported in the financial statements at cost, less any valuation adjustment, encumbrances and accumulated depreciation of buildings and other improvements using a straight line method over a 40 year period for the buildings and the estimated useful life of the improvements. An investment in real estate is considered impaired when the projected undiscounted net cash flow from the investment is less than depreciated cost. When the Company determines that an investment in real estate is impaired, a valuation adjustment is recorded to reduce the carrying value to estimated fair value, after encumbrances, based on appraisal of the property. The valuation adjustment is included in realized capital gains (losses).

Real estate was comprised of the following for the years ended December 31, 2018 and December 31, 2017:

	2018	2017
	(In millions)	
Investment real estate	$ 328	$ 341
Properties occupied by the Company	3	4
Total real estate	$ 331	$ 345

The Company had accumulated depreciation totaling $108 million and $102 million at December 31, 2018 and December 31, 2017, respectively. The Company recorded depreciation expense of $18 million for 2018 and $19 million for 2017. There was one property with carrying value of $7.3 million, above its combined fair value of $7 million at December 31, 2018. There were two properties with carrying value of $22 million, above their combined fair value of $20 million at December 31, 2017. There was no other-than-temporary impairment taken on real estate in 2018. There was one other-than-temporary impairment of $4 million taken on real estate in 2017. The fair values were determined by a third party and internal appraisals. There were four home office properties with carrying value of $10 million that were sold in 2017 resulting in a gain of $2 million.

Restricted Assets and Special Deposits:

The Company had admitted restricted assets of $79 million and $12 million at December 31, 2018 and 2017, respectively. Of these amounts, there were deposits with states as required by certain insurance laws of $4 million in 2018 and $4 million 2017 and pledged as collateral for futures trading of $12 and $8 million in 2018 and 2017, respectively. These amounts are included in Bonds in the Statutory Basis Balance Sheets. There were $12 million of FHLBNY stock purchased by the Company in 2018 which are classified as restricted general account investments within "Common and preferred stocks". Also, as of December 31, 2018, the Company pledged mortgage loans with a carrying value of $51 million that support outstanding funding agreements with the FHLBNY. There were no FHLBNY restricted stock or mortgage loan pledged as collateral in 2017. Total admitted restricted assets were 0.14% and 0.02% of the Company's total admitted assets at December 31, 2018 and 2017, respectively. There were no non-admitted restricted assets in 2018 or 2017.

Investment in Subsidiaries:

Investment in affiliated limited liability subsidiaries are included in Other invested assets while investment in all other subsidiaries are included in Common stocks on the Statutory Basis Balance Sheets and totaled $1,869 million and $1,819 million at December 31, 2018 and December 31, 2017, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

The Company’s major subsidiaries are as follows:

Guardian Insurance and Annuity Company ("GIAC") is a stock life insurance company organized primarily for the sale of variable deferred annuities, fixed deferred and immediate annuity contracts, and variable life insurance policies. For variable products, contracts are sold by insurance agents who are licensed by Park Avenue Securities LLC ("PAS"), wholly-owned by GIAC, and are either registered representatives of PAS or of broker-dealer firms that have entered into sales agreements with GIAC. Effective September 1, 2016, GIAC sold its Group 401(k) in-force business to Ameritas Life Insurance Corp., a Nebraska corporation (“Buyer”) and entered into an indemnity reinsurance agreement with the Buyer on a 100% modified coinsurance basis for the liabilities until the Buyer can obtain all of the required regulatory and contract holder approvals to novate the GIAC Group 401(k) in-force contracts through Assumption Reinsurance.

Berkshire Life Insurance Company of America (“BLICOA”) is a stock life company whose primary business is the sale and administration of disability insurance business.

Park Avenue Life Insurance Company (“PALIC”) primary business is the administration of life insurance business (principally term and universal life products). Although PALIC is licensed in 48 states and the District of Columbia, it does not currently write new business.

First Commonwealth, Inc. (“FCW”) provides dental, vision and hearing care coverage for government and commercial customers.

Guardian Investor Services (“GIS”) is a wholly-owned non-insurance limited liability company that provides investment advisory services and related services to the mutual funds, variable investment trusts, private investment unit trust, institutional and other clients through Park Avenue Institutional Advisers (“PAIA”), wholly-owned subsidiary of GIS. GIS provides absence management services to organizations and also holds investments in real estate operating entities and joint ventures, residual interests in collateralized loan obligation securities and investments in early stage companies. On December 31, 2018, GIS recognized a loss on its sale of its dental service organization (“DSO”) business.

NOTE 3 – INVESTMENTS (CONTINUED)

Selected financial information for the Company's significant subsidiaries is highlighted below:

	2018	2017
	(In millions)	
GIAC (Statutory basis)		
Total assets	$ 13,310	$ 17,360
Total liabilities	12,855	17,050
Net income	$ 148	$ 26
BLICOA (Statutory basis)		
Total assets	$ 3,928	$ 3,718
Total liabilities	3,735	3,529
Net (loss)/income	$ (13)	$ 11
PALIC (Statutory basis)		
Total assets	$ 233	$ 236
Total liabilities	183	195
Net income	$ 6	$ 5
FCW (GAAP basis)		
Total assets	$ 589	$ 586
Total liabilities	118	112
Net income	$ 32	$ 28
GIS (GAAP basis)		
Total assets	$ 2,202	$ 1,962
Total liabilities	1,468	1,129
Net (loss)/income	$ (48)	$ 2

NOTE 3 – INVESTMENTS (CONTINUED)

Investment in Subsidiaries
The following table provides additional information on non-insurance subsidiaries.

December 31, 2018

Description of SCA Investment (Per SSAP No 97)	% of SCA Ownership	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of Filing to NAIC	Type of NAIC Filing (Sub-1, Sub-2, or Resubmission of Disallowed Filing)	NAIC Response Received (yes/no)	NAIC Valuation (Amount)	NAIC Disallowed Entity's Valuation Method, Resubmission Required (yes/no)	Code
				(In millions)						
Managed Dental Care of California	100%	$ 4	$ -	$ 4	12/31/2017	Sub-2	Y	$ 4	no	I
First Commonwealth	100%	440	-	440	12/31/2017	Sub-2	Y	443	no	I
Innovative Underwriters	100%	7	7	-	-	Sub-2	n/a	-	n/a	I
Guardian Investors Services, LLC	100%	720	-	720	-	n/a	n/a	-	n/a	I
Guardian Acqusition I, LLC	100%	27	27	-		n/a	n/a	-	n/a	I
Aggregate Total		**$ 1,198**	**$ 34**	**$ 1,164**				**$ 447**		

December 31, 2017

Description of SCA Investment (Per SSAP No 97)	% of SCA Ownership	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of Filing to NAIC	Type of NAIC Filing (Sub-1, Sub-2, or Resubmission of Disallowed Filing)	NAIC Response Received (yes/no)	NAIC Valuation (Amount)	NAIC Disallowed Entity's Valuation Method, Resubmission Required (yes/no)	Code
				(In millions)						
Managed Dental Care of California	100%	$ 4	$ -	$ 4	12/30/2016	Sub-2	Y	$ 5	no	I
First Commonwealth	100%	443	-	443	12/30/2016	Sub-2	Y	508	no	I
Innovative Underwriters	100%	6	6	-	-	Sub-2	n/a	-	n/a	I
Guardian Investors Services, LLC	100%	824	-	824	-	n/a	n/a	-	n/a	I
Guardian Acqusition I, LLC	100%	24	24	-		n/a	n/a	-	n/a	I
Aggregate Total		**$ 1,301**	**$ 30**	**$ 1,271**				**$ 513**		

NOTE 3 – INVESTMENTS (CONTINUED)

NET INVESTMENT INCOME

Net investment income, including accrual of discounts and amortization of premiums, arose from the following sources for the years ended December 31, 2018 and December 31, 2017:

	2018	2017
	(In millions)	
Bonds	$ 1,637	$ 1,611
Preferred stocks	-	-
Unaffiliated common stocks	13	24
Affiliated common stocks	45	47
Mortgage loans	171	166
Real estate	64	69
Policy loans	262	253
Cash and short-term investments	13	6
Other (mainly private equities)	154	155
Gross investment income	2,359	2,331
Less investment expenses	(227)	(225)
Net investment income	$ 2,132	$ 2,106

NET REALIZED CAPITAL (LOSSES) GAINS

Net realized capital losses were derived from the following sources for the years ended December 31, 2018 and December 31, 2017:

	2018	2017
	(In millions)	
Bonds	$ (208)	$ 255
Preferred stocks	-	28
Common stocks (unaffiliated & affiliated)	(8)	15
Mortgage loans	-	(7)
Real estate	25	12
Other invested assets	(171)	5
Derivatives and hedging losses gains	(17)	(18)
Other realized losses	-	1
Total net realized capital gains	(379)	291
Capital gains tax benefit/(expense)	51	(152)
Transfer from/(to) IMR (net of tax)	156	(166)
Net realized capital losses	$ (172)	$ (27)

The net realized capital loss amount above includes other-than-temporary impairment losses of $192 million and $54 million for the years ended December 31, 2018 and December 31, 2017, respectively. Of the $192 million for 2018, $59 million relates to impairments that reduced surplus which were driven primarily by $39 million for GIS' sale of the DSO business and $14 million in bonds. The remaining $133 million relates primarily to $90 million in investment tax credit investments and $30 million for private equities. Of the $54 million for 2017, $15 million relates to impairments that reduced surplus which consists of $11 million in bonds and $4 million in real estate. The remaining $39 million relates to private equities.

NOTE 3 – INVESTMENTS (CONTINUED)

Derivative Financial Instruments:
The Company enters into derivative transactions in order to mitigate ("hedge") certain risks pertaining to its assets, liabilities and surplus from fluctuations in interest rates, foreign currency exchange rates and market volatility. Derivatives are either exchange traded or contracted over-the-counter. The majority of the Company's over-the-counter derivatives are bilateral contracts between the Company and a single counterparty. The Company's remaining over-the-counter derivatives are cleared and settled through central clearing counterparties.

Derivatives that are designated as hedges for accounting purposes and meet the qualifications for hedge accounting are reported on a basis consistent with the asset or liability being hedged (i.e. at amortized cost). Derivatives that are used to mitigate risk but are not designated as hedges for accounting purposes or do not meet the qualifications for hedge accounting treatment are reported at fair value.

To qualify for hedge accounting the hedge relationship must be designated and formally documented at inception. This documentation details the risk management objective and strategy for the hedge, the derivative used in the hedge, the asset or liability being hedged, and the methodology for assessing hedge effectiveness. The hedge must also be "highly effective" with an assessment of its effectiveness performed both at inception and on an ongoing basis over the life of the hedge.

Derivative transactions expose the Company to the risk that the counterparty may not be able to fulfill its obligations under the terms set forth in the contract. The Company manages this counterparty risk by entering into transactions with counterparties that maintain a minimum credit rating, by performing ongoing review of a counterparties' credit standing, by adhering to established limits for credit exposure to any single counterparty and requiring collateral posting subject to thresholds and minimum transfer amounts in accordance with counterparty agreements to support credit risk associated with counterparty exposures which further reduces the Company's exposure to default by the counterparty. The Company is required to establish a margin account for all of its futures contracts. All of the futures contracts that the Company has entered into are exchange traded. Margin payments are required for futures contract and contract gains or losses are settled daily in cash, therefore the futures contracts are carried at zero value on the Company's balance sheets. The contract amount of futures contracts represents the extent of the Company's involvement, but not future cash requirements, as open positions are typically closed out prior to the delivery date of the contract. The Company does not offset the statement values for derivatives executed with the same counterparty, even if a master netting arrangement is in place. The Company also does not offset the right to claim collateral against the obligation to return such collateral.

The Company has no embedded credit derivatives that expose it to the possibility of being required to make future payments. The Company also does not have any derivative contracts with financing premiums.

Hedging – Designated As Hedging Instruments
The Company designates and accounts for its foreign currency swaps as cash flow hedges and certain equity index futures, treasury futures and S&P equity option as fair value hedges.

Foreign currency swaps are used to mitigate the foreign exchange risk for investments in specifically identified private placement bonds denominated in foreign currencies over a period of up to 15 years. Foreign currency swaps obligate the Company and a counterparty to exchange the foreign currency denominated interest and principal payments receivable on foreign denominated bonds for U.S. dollar payments based on currency exchange rates specified at the inception of the transaction. Foreign exchange gains or losses on these contracts are reported as a change in unrealized gains or losses until the maturity or sale of the hedged foreign currency bond at which time a realized capital gain or loss is recognized.

Equity index futures are used to mitigate the change in value of the liability the Company has to participants in its deferred compensation plans that allocate their plan account balances to equity funds offered under the plan. Equity index futures obligate the Company to pay or receive from a counterparty a cash amount based on a specified equity market index at a predefine price as of a future date applied to the notional amount of the contracts. The change in the fair value of the futures contracts is recorded in current period earnings as income or expense which offsets the operating gain or loss from the change in value of its deferred compensation liability. If the hedge is deemed to be ineffective for any period of time, the change in the fair value of the futures contracts for that time period is recorded in surplus as an unrealized gain or loss.

NOTE 3 – INVESTMENTS (CONTINUED)

Treasury futures are used to mitigate the portion of the change in fair value related to a change in interest rates on specifically identified assets acquired by the Company and held in its general account to support the Funding Agreements ("FA") and the specifically identified portion of a liability incurred by the Company pertaining to FA that are issued by the Company to back Medium Term Notes ("MTN") issued by a special purpose entity.

The Company enters into short positions (sells) treasury futures contracts prior to the issuance of the FA-MTN in order to lock-in the interest rate component of the return of the designated assets at their date of acquisition. When the FA-MTN is issued the Company enters into long position (purchases) treasury futures contracts in order to mitigate the change in the fair value of the designated net liability due to the effects of interest rate changes. The change in the fair value of the futures contracts is recorded in current period earnings as income or expense which offsets the operating gain or loss incurred by the Company on the change in value of its FA liability.

Treasury futures obligate the Company to take or receive delivery of certain Treasury Bonds at a specified price at a future date.

S&P equity options are used by the Company as a risk management strategy to reduce the projected dividend liability exposure on its Index Participation Feature ("IPF") which is a rider on certain whole life contracts. The Company uses a combination of short positions (sell) and long positions (purchases) of over-the-counter European call options on the S&P 500 index with expiration of one year to mitigate the dividend liability exposure based on the future return on S&P 500 index for the annual period of the monthly segment being hedged between the guaranteed floor rate and the cap rate on the participating balances. The change in the fair value of the options contracts is recorded in current period earnings as income or expense which offsets the operating gain or loss incurred by the Company on the change in the amount of the dividend liability.

Hedging – Not Designated As Hedging Instruments

The Company enters into other derivative transactions that mitigate economic risks but are not designated as a hedge for accounting purposes or do not qualify for hedge accounting treatment. These derivative instruments are reported at fair value on the balance sheet as either other invested assets or other liabilities. Changes in the fair value of these instruments are reported as a change in unrealized capital gains or losses until the maturity or termination of the contract, at which time a realized capital gain or loss is recorded.

Treasury futures are used to mitigate the key rate duration mismatch between the designated segment of the general account asset portfolio and the custom composite benchmarks for that segment designed to incorporate certain interest rate characteristics of the liabilities that those assets support. Treasury futures obligate the Company to take or receive delivery of certain Treasury Bonds at a specified price at a future date.

Foreign currency futures are used to mitigate the foreign exchange risk of investments in foreign denominated bonds securities. Foreign currency futures are exchange traded and settled daily. Foreign currency futures obligate the Company to exchange a specified amount of foreign currency at a specified rate on a future date.

Equity index futures are used to mitigate market fluctuations of the Company's portfolio of unaffiliated common stock and other mark to market assets and to minimize the volatility associated with certain liabilities. Equity index futures obligate the Company to pay or receive from a counterparty a cash amount based on a specified equity market index at a predefine price as of a future date applied to the notional amount of the contracts.

NOTE 3 – INVESTMENTS (CONTINUED)

Foreign currency forwards are used to mitigate the foreign exchange risk for investments in foreign denominated bonds or foreign denominated equity investments. Foreign currency forwards obligate the Company and the counterparty to exchange U.S. dollars and another currency at a specified future date and at a specified price.

Credit default swaps index ("CDX") are used to reduce the credit risk exposure on a specified portfolio of corporate bonds. The Company purchases CDX contracts in which it receives payments if there is a credit event on one or more of the specified securities contained in the index. These payments would be used to offset any credit losses recorded on the portfolio of bonds being hedged.

The Company also entered into short positions (sells) treasury futures contracts in order to lock in the interest rate as of the date the hedge was entered into for a surplus note that was issued in January 2017.

Replications

The Company purchased treasury futures as part of a replication transaction used to manage interest rate exposure. Statutory accounting guidance requires a cash instrument (high quality bond) with the same par value as the notional amount of the derivative and at least the same duration as the treasury futures to be held by the Company in order to cover the change in value of the treasury futures. The combining of the treasury futures and the cash instrument creates the replication (synthetic bond). If the replicated asset and cash instrument are carried at amortized cost so is the derivative. Otherwise, the derivative is carried at fair value.

NOTE 3 – INVESTMENTS (CONTINUED)

The effects of the Company's use of derivative instruments on the Balance Sheets and Statements of Operations:

December 31, 2018	Notional Amount	Statement Value Assets	Statement Value Liabilities	Change in Unrealized Capital Gains (Losses)	Net Realized Capital Gains (Losses)	Net Investment Income	Gain/(loss) from Operations
				(in millions)			
Derivatives designated as hedging instruments:							
Foreign currency swaps	$ 1,011	$ -	$ -	$ 53	$ -	$ -	$ -
Equity index futures	204	-	-	-	-	-	(24)
Treasury futures	102	-	-	-	3	-	-
S&P equity options	13	-	-	-	-	-	-
Derivatives not designated as hedging instruments:							
Treasury futures	254	-	-	2	(14)	-	-
Equity index futures	-	-	-	-	(1)	-	-
Credit default swap index	-	-	-	-	(5)	-	-
Total derivatives	$ 1,584	$ -	$ -	$ 55	$ (17)	$ -	$ (24)

December 31, 2017	Notional Amount	Statement Value Assets	Statement Value Liabilities	Change in Unrealized Capital Gains (Losses)	Net Realized Capital Gains (Losses)	Net Investment Income	Gain/(loss) from Operations
				(in millions)			
Derivatives designated as hedging instruments:							
Foreign currency swaps	$ 816	$ 13	$ -	$ (63)	$ -	$ -	$ -
Equity index futures	213	-	-	-	-	-	36
Treasury futures	88	-	-	-	(15)	-	-
S&P equity options	5	-	-	-	-	-	-
Derivatives not designated as hedging instruments:							
Treasury futures	45	-	-	1	(1)	-	-
Equity index futures	1	-	-	-	-	-	-
Credit default swap index	-	-	-	-	(1)	-	-
Total derivatives	$ 1,168	$ 13	$ -	$ (62)	$ (17)	$ -	$ 36

Repurchase Agreements:
The Company periodically enters into repurchase agreements whereby securities will be resold at a predefined price. There were no repurchase agreements as of December 31, 2018 and December 31, 2017, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

Reverse Repurchase Agreements:
The Company periodically enters into reverse repurchase arrangements whereby certain securities are loaned, primarily with major brokerage firms. The Company's policy requires a minimum of 95% of the fair value of the loaned securities as collateral, calculated on a daily basis, in the form of either cash or securities. Collateral assets received and related liabilities due counterparties are included in the Statutory Basis Balance Sheets as "Other Liabilities". There were no open reverse repurchase agreements on December 31, 2018 or December 31, 2017.

Securities Lending
There were no securities on loan at December 31, 2018 or December 31, 2017.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Statutory guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's view of market assumptions based on internally developed data in the absence of observable market information. The guidance requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs when determining the fair value of an asset or liability. The statement classifies all assets and liabilities carried or disclosed at fair value in one of the following three categories:

Level 1 – inputs are quoted market prices available in active markets for identical assets or liabilities on the reporting date.

Level 2 – inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – inputs are unobservable where there is little or no market activity for the asset or liability and the Company makes estimates and assumptions based on internally derived information.

The estimated fair values presented below have been determined using available information and valuation methodologies. The estimated fair value for financial instruments held by the Company was determined by management after considering the following sources of information: published market quotes for active exchange traded instruments, third party pricing vendors, quotes from investment banks that are lead market makers in certain markets, independent broker quotations, or the use of internal valuation models that use market observable inputs when available and Company derived inputs when external inputs are not available or deemed to be inaccurate. Considerable judgment is applied in interpreting data to develop the estimates of fair value. Accordingly, such amounts are management's estimate of the value that would be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies from period to period based on available information and market conditions could have a material effect on the estimated fair values.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Bonds, preferred and common stocks:
Estimated fair values for bonds, other than private placement securities, preferred stock and common stock are valued based on quoted prices from active markets when available (Level 1).

When the Company cannot obtain a quoted market price directly it relies on values provided by a third party pricing vendor. This is the pricing source for the majority of the Company's marketable securities. Prices received from a third party vendor are generally considered to be Level 2.

Pricing vendors utilize pricing models developed for individual asset classes which incorporate available market data. These market inputs include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data which include market research publications. The pricing vendor may obtain broker quotes for securities when sufficient information is not available to fully evaluate a security. For broker-quoted only securities, quotes from market makers or broker-dealers are obtained from sources recognized to be market participants.

Portfolio managers review the values assigned by the pricing vendor for reasonableness. In doing so, they compare the prices received from the pricing vendor to prices of similar securities, price ranges in that asset class or industry or prices from internally generated position reports. If there is a discrepancy with the price received from the vendor, the portfolio manager may communicate this difference to the pricing vendor and present the vendor with additional market data regarding that security in order to insure the pricing vendor has sufficient information needed to accurately price the security. The pricing vendor will then independently validate and evaluate that data and determine if a price change is warranted.

In the rare instance when a portfolio manager finds a difference in his or her assessment of fair value and the vendor price, after performing the preceding procedures, the portfolio manager may request replacement of the vendor price by a supportable value that is believed to be more representative of the security price. Any replacement of the vendor price is subject to an internal approval process.

The fair values of private placement bonds are determined by using an internal pricing model or for a small amount of securities, assigned individual broker prices. There were seventy-seven private placement bonds that were individually priced. These assigned individual prices are usually obtained from an external broker ("hand priced") and are considered to be Level 3.

The significant inputs used for the internal pricing model consist of (i) a broker supplied price matrix, (ii) treasury rates and (iii) credit ratings from certain nationally recognized securities rating organizations ("NRSRO") ("external ratings") or a credit rating assigned internally by the Company's Private Placement Investment Management Group ("internal ratings").

Private placement bonds with an applicable external credit rating of BB or above, for which the corresponding matrix price is used, are classified as Level 2. A private placement bond with an applicable external credit rating of below BB is classified as Level 3 due to the limited amount of market data available for these securities.

Bonds are carried at amortized cost unless they are rated 6 by the NAIC SVO in which case they are reported at the lower of amortized cost or fair value. There no bonds rated 6 by the NAIC SVO and carried at fair value on December 31, 2018 and December 31, 2017. Impaired bonds carried at fair value on December 31, 2018 and December 31, 2017 were $40 million and $7 million, respectively.

Preferred stock is carried at amortized cost if they have a NAIC SVO rating of 1, 2 or 3 and at lower or cost or fair value if the rating assigned is 4, 5 or 6. There were no preferred stocks carried at fair value on December 31, 2018 and December 31, 2017. Unaffiliated common stocks are reported at fair value.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives:
Derivative instruments are valued through the use of quoted market prices for exchange-traded derivatives (Level 1), third party pricing model and a third party pricing service for over-the-counter ("OTC") traded derivatives (Level 2) and by using internally developed estimates and assumptions when no quoted market price or third party vendor price is available (Level 3).

The third party pricing model used to determine fair value, when quoted market values are not available, is based on market standard valuation methodologies and inputs that are assumed to be consistent with what market participants would use when pricing the instruments. The significant inputs to the pricing models for most over-the-counter derivatives are inputs that are observable in the market or can be derived principally from or corroborated by observable market data. Significant observable inputs include: interest rates, foreign currency exchange rates, interest rate curves, credit curves and volatility.

The methodology used by the third party pricing service for derivative investments is the same as that described above under the bonds, preferred and common stocks section.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables summarize the Company's financial instruments carried at fair value by their fair value/NAV hierarchy levels for the period ending December 31, 2018 and December 31, 2017:

	December 31, 2018					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
Assets			(In millions)			
Impaired Bonds	$ -	$ 40	$ -	$ 40	$ -	$ 40
Common Stock	-	579	12	591	70	661
Total Assets	$ -	$ 619	$ 12	$ 631	$ 70	$ 701
Liabilities						
Derivative instruments	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ -	$ -	$ -	$ -

	December 31, 2017					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
Assets			(In millions)			
Impaired Bonds	$ -	$ -	$ 7	$ 7	$ -	$ 7
Common Stock	-	457	-	457	79	536
Total Assets	$ -	$ 457	$ 7	$ 464	79	543
Liabilities						
Derivative instruments	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ -	$ -	$ -	$ -

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table summarizes changes to the Company's financial instruments carried at fair value and classified as level 3 in the fair value hierarchy for the year ended December 31, 2018.

Level 3 Roll Forward	As of December 31, 2018			
(In Millions)	NAIC 6 Bonds	Impaired Bonds	Common Stock	Total
Fair Value , beginning of period	$ -	$ 7	$ -	$ 7
Total gains or (losses) (realized or unrealized):				-
Included in net income	-	-	-	-
Included in surplus	-	-	-	-
Purchases, sales, issuances, and settlements:				-
Purchases	-	-	12	12
Sales	-	(7)	-	(7)
Issuances	-	-	-	-
Settlements	-	-	-	-
Transfers into Level 3	-	-	-	-
Transfers out of Level 3	-	-	-	-
Fair value, end of period	$ -	$ -	$ 12	$ 12

Transfers into and out of Level 3 are recognized at the end of the reporting period. During 2018, the Company transferred one security into Level 3. The transfers in and out of level 3 were determined by the observable/unobservable inputs used in pricing the securities.

Level 3 Roll Forward	As of December 31, 2017			
(In Millions)	NAIC 6 Bonds	Impaired Bonds	Common Stock	Total
Fair Value , beginning of period	$ -	$ -	$ -	$ 0
Total gains or (losses) (realized or unrealized):				-
Included in net income	-	-	-	-
Included in surplus	-	-	-	-
Purchases, sales, issuances, and settlements:				-
Purchases	-	-	-	-
Sales	-	-	-	-
Issuances	-	-	-	-
Settlements	-	-	-	-
Transfers into Level 3	-	7	-	7
Transfers out of Level 3	-	-	-	-
Fair value, end of period	$ -	$ 7	$ -	7

Transfers into and out of Level 3 are recognized at the end of the reporting period. During 2017, the Company transferred one security into Level 3. The transfers in and out of level 3 were determined by the observable/unobservable inputs used in pricing the securities.

NOTE 5 – RESERVES FOR POLICY BENEFITS

Reserves for policy benefits represent the estimated net present value of future policy benefits, less future policy premiums, established using actuarial methods based on mortality and morbidity experience tables and valuation interest rates prescribed by the Department. Actual future experience will generally differ from assumptions used to determine these reserves.

Reserves for future policy benefits on life insurance issued in 1988 and later are calculated principally on the New Jersey Reserve Method or the Commissioners Reserve Valuation Method using the 1980 Commissioners' Standard Ordinary ("CSO"), the 2001 CSO, and the 2017 CSO mortality tables. Reserves on life policies issued before 1988 are calculated principally on the Net Level Premium Reserve Method using the American Experience, 1941, 1958 and 1980 CSO mortality tables. Annuity contract reserves are principally calculated using the 1983 Group Mortality table and the various Individual Annuity mortality tables. Assumed interest rates principally range from 2.5% to 5.5 % for direct business.

The reserves for Group Life Waiver and LTD reported claims are determined on a seriatim basis. Life waiver of premium reserves are determined primarily using the 1970 Inter-company Group Life Disability Table for claims incurred on or before December 31, 2008 and the 2005 Group Term Life Waiver Reserve Valuation Table for claims incurred on or after January 1, 2009. The interest rate is 4.0% for claims incurred on or before December 31, 2012 and 3.5% for claims incurred on or after January 1, 2013. Long-term disability reserves are determined using the 2012 Group Long-Term Disability Valuation Table for claims incurred on or after January 1, 2017 and Table 95a for claims incurred on or before December 31, 2016 for the first 24 months after disablement, and the 1987 Commissioners' Group Disability Table for greater than 24 months of disablement. The interest rates range from 2.75% to 5.0%, depending on the year of incurral. Short Term Disability (STD), Dental, and Medical claims incurred but not yet reported ("IBNR") reserves are estimated based on the Company's historical experience. Dental and Medical reserves include reasonable allowances for potential adverse deviation.

The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium paid beyond the date of death. The larger of legally computed reserves and cash surrender values on a policy-by-policy basis are held as liabilities. Plans, except for second-to-die plans, charge additional premiums for substandard lives based upon actual issue age. Second-to-die plans develop substandard reserves using the rated up age. Mean reserves are based on appropriate multiples of standard rates of mortality. As of December 31, 2018, the Company had $15 billion of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of New York. The reserves to cover the above insurance totaled $35 million. The Tabular Interest, the Tabular Less Actual Reserve Released and the Tabular Cost have been determined by formula. For the determination of Tabular Interest on funds not involving life for each valuation rate of interest, the tabular interest is calculated as the product of such valuation rate of interest times the average of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

At December 31, 2018 and December 31, 2017 the withdrawal characteristics of the Company's annuity reserves and deposit liabilities were as follows:

	As of December 31, 2018				
	(1) General Account	(2) Separate Account with Guarantees	(3) Separate Account Non Guaranteed	(4) Total	(4) % of Total
A. Subject to discretionary withdrawal:					
(1) With market value adjustment	$ 10	$ -	$ -	$ 10	0.5%
(2) At book value less current surrender charge of 5% or more	57	-	-	57	2.6%
(3) At fair value	-	-	-	-	-
(4) Total with adjustment or at fair value (Total of 1 through 3)	$ 67	$ -	$ -	$ 67	3.1%
(5) At book value without adjustment (with minimal or no charge or adjustment)	$ 511	$ -	$ -	$ 511	23.9%
B. Not subject to discretionary withdrawal	$ 1,565	$ -	$ -	$ 1,565	73.0%
C. Total (gross: direct + assumed)	$ 2,143	$ -	$ -	$ 2,143	100.0%
D. Reinsurance ceded	-	-	-	-	-
E. Total (net)* (C)- (D)	$ 2,143	$ -	$ -	$ 2143	100.0%

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities

	As of December 31, 2017				
	(1) General Account	(2) Separate Account with Guarantees	(3) Separate Account Non Guaranteed	(4) Total	(4) % of Total
A. Subject to discretionary withdrawal:					
(1) With market value adjustment	$ 10	$ -	$ -	$ 10	0.5%
(2) At book value less current surrender charge of 5% or more	60	-	-	60	3.3%
(3) At fair value	-	-	-	-	0.0%
(4) Total with adjustment or at fair value (Total of 1 through 3)	$ 70	$ -	$ -	$ 70	3.8%
(5) At book value without adjustment (with minimal or no charge or adjustment)	$ 546	$ -	$ -	$ 546	29.6%
B. Not subject to discretionary withdrawal	$ 1,227	$ -	$ -	$ 1,227	66.6%
C. Total (gross: direct + assumed)	$ 1,843	$ -	$ -	$ 1,843	100.0%
D. Reinsurance ceded	-	-	-	-	0.0%
E. Total (net)* (C)- (D)	$ 1,843	$ -	$ -	$ 1,843	100.0%

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

Note Programs

Funding agreements are investment contracts whose reserve liabilities are equal to the account value and are established by contract deposits, increased by interest credited and decreased by contract coupon payments and maturities. Contract holders do not have the right to terminate the contract prior to the contractually stated maturity date. Credited interest rates vary by contract and can be fixed or floating. Under the note programs, the Company creates special purpose entities ("SPEs"), which are investment vehicles or trusts, for the purpose of issuing medium-term notes to investors. Proceeds from the sale of the medium-term notes issued by these SPEs are used to purchase funding agreements from the Company. The medium term notes are secured by the funding agreements with the note issuer granting a security interest in the funding agreement to the indenture trustee for the notes. The payment terms of any particular series of notes are matched by the payment terms of the funding agreement securing the series. The Company has a $3.0 billion Global Medium-Term Note Program of which $1.5 billion notes have been issued with $1.5 billion remaining outstanding as of December 31, 2018. The $1.5 billion and $1.2 billion is included in "Policyholder dividends payable and other contract liabilities" in the Statutory Basis Balance Sheets as of December 31, 2018 and December 31, 2017, respectively.

NOTE 6 – PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

Gross deferred and uncollected life insurance premiums represent premiums due to be received from policy owners through the next policy anniversary date. Net deferred and uncollected life insurance premiums represent only the portion of gross premiums related to mortality charges and interest. Deferred and uncollected life insurance premiums at December 31, 2018 and December 31, 2017 were as follows:

	2018 (In millions)		2017 (In millions)	
Type	**Gross**	**Net**	**Gross**	**Net**
Ordinary new business	$ 63	$ 62	$ 64	$ 64
Ordinary renewal	696	598	674	581
Group life	179	359	175	351
Totals	$ 938	$ 1,019	$ 913	$ 996

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS

Defined Benefit Plans:
The Company sponsors non-contributory defined benefit pension plans covering all eligible employees. These include tax-qualified plans, as well as nonqualified plans that provide benefits to certain participants in excess of ERISA limits for qualified plans. The Company's policy is to fully fund the obligations of qualified plans in accordance with ERISA requirements.

In addition to pension benefits, the Company provides certain health care, dental and life insurance benefits ("postretirement benefits") for retired employees. Substantially all of the employees and representatives may become eligible for these benefits if they reach retirement age while working for the Company.

In accordance with NAIC SAP, the costs associated with these required benefits are expensed over the period that the participant provides services to the Company, including recognition of assets and liabilities based on the funded status of the related plans. Pension assets are then non-admitted and thereby excluded from surplus.

Effective January 1, 2013, the Company adopted Statement of Statutory Accounting Principle No. 92, Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14 ("SSAP 92") and Statement of Statutory Accounting Principle No. 102, Accounting for Pensions, A Replacement of SSAP No. 89 ("SSAP 102"). These new statutory accounting standards require that estimates of the projected benefit obligations and accumulated benefit obligations include future benefit obligations due to non-vested participants. They also require that the Company's surplus as reported in the statements of financial position fully reflect any net liability related to the plans' projected benefit obligations, reduced by the fair value of any plan assets, including unrecognized net experience losses and prior service costs. Based on the funded status of the plans at December 31, 2012, the new standards reduced surplus by approximately $260 million. The new standard permitted the Company an election to recognized this surplus reduction over a period of up to ten years, which the Company elected.

The table below discloses the remaining unrecognized transition impact:

Surplus Impact at Transition		
Transition Liability	$	260
Amount Recognized on January 1, 2013		(59)
Accelerated Transition Liability recognized due to funded status gains – December 31, 2013		(120)
Remaining Transition Liability - December 31, 2013		81
Transition amount recognized during 2014		(19)
Transition amount recognized during 2015		(33)
Transition amount recognized during 2016		(13)
Transition amount recognized during 2017		(13)
Transition amount recognized during 2018		(3)
Remaining Transition Liability - December 31, 2018	$	0

At December 31, 2018 there is no remaining transition impact to be recognized.

Plan Amendments
On September 8, 2016, the Company announced a plan amendment to freeze The Guardian Retirement Plan for Field Clerical Employees effective December 31, 2016. The plan amendment affects only the Field Clerical defined benefit pension plan. The announcement of the plan freeze resulted in a plan curtailment. As a result of this amendment, all plan participants ceased accruing additional benefits under the plan effective December 31, 2016. As of December 31, 2016, all active plan participants who completed one year of service (were hired no later than January 1, 2016) were fully vested in their accrued benefit. On September 26, 2016, the Company filed a determination letter with the Internal Revenue Service requesting approval to terminate the plan.

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

On May 23, 2017, the Company received a favorable determination letter from the IRS. From September to October 2017, Plan participants who were not yet receiving annuity payments were offered a one-time opportunity to receive their benefit in a lump sum payment. Lump sum payments were mailed to participants in December 2017 and paid out using the Field Clerical defined benefit pension plan assets. The December 2017 Lump Sum payments attributable to Field Clerical defined benefit pension plan were $35.3 million and resulted in a partial settlement. As a result, a settlement charge of $10.5 million was recognized as of December 31, 2017, equal to a pro rata portion of the aggregate unamortized net loss (including the gain or loss resulting from re-measurement of the plan assets at fair value). The pro rata factor is computed as the percentage reduction in the projected benefit obligation due to the partial settlement.

On February 16, 2018 the Company contributed $18.1 million to the Field Clerical plan to cover a funding shortfall in the plan. On February 20, 2018 the Company made a cash payment to purchase a group annuity contract to settle the remaining obligations to participants in the Field Clerical plan. As of December 31, 2018 the Company has no further obligation relating to the Field Clerical Pension Plan.

On February 21, 2017, the Company announced a plan amendment to close the Home Office Employees' Retirement Plan to employees hired on or after January 1, 2018. Home Office employees hired on or after January 1, 2018 will be offered a new defined contribution plan.

Components of Net Periodic Benefit Expense

The components of net periodic pension and postretirement benefits expense including the amount of unrecognized items amortized into expense for the years ended December 31 are as follows:

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
	(In millions)			
Service cost	$ 78	$ 76	$ 5	$ 6
Interest cost	97	100	9	9
Expected return on plan assets	(147)	(131)	(10)	(9)
Amortization of transition amount	1	1	-	-
Amortization of prior service costs	-	-	-	(2)
Amortization of actuarial net loss	76	58	(2)	3
Curtailment	-	-	2	-
Settlement	25	11	-	-
Net periodic expense	$ 130	$ 115	$ 4	$ 7

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Changes in the projected benefit obligations and plan assets during the years ended December 31, 2018 and December 31, 2017 were as follows (in millions):

	Pension Benefits		Postretirement Benefits	
Change in benefit obligation	**2018**	**2017**	**2018**	**2017**
Benefit obligation, at beginning of period	$ 2,719	$ 2,352	$ 249	$ 226
Service cost	78	76	5	6
Interest cost	98	101	9	9
Actuarial loss	(176)	282	(15)	20
Settlements	(88)	(37)	-	-
Benefits paid	(126)	(74)	(13)	(12)
Other	-	19	-	-
Benefit obligation, at end of period	$ 2,505	$ 2,719	$ 235	$ 249

	Pension Benefits		Postretirement Benefits	
Change in fair value of plan assets	**2018**	**2017**	**2018**	**2017**
Plan assets, at beginning of period	$ 2,072	$ 1,766	$ 145	$ 134
Actual return on plan assets	(106)	252	(7)	23
Employer contributions	231	146	-	-
Settlements	(88)	(37)	-	-
Benefits paid	(126)	(74)	(13)	(12)
Other	(10)	19	(10)	-
Plan assets, at end of period	$ 1,973	$ 2,072	$ 115	$ 145

	Pension Benefits		Postretirement Benefits	
Funded status	**2018**	**2017**	**2018**	**2017**
Funded status at end of period	$ (532)	$ (647)	$ (120)	$ (104)
Unrecognized transition liability	1	1	-	-
Unrecognized prior service costs	-	1	7	4
Unrecognized actuarial net loss	865	889	60	61
Net amount recognized	$ 334	$ 244	$ (53)	$ (39)

	Pension Benefits		Postretirement Benefits	
Recognized as of December 31	**2018**	**2017**	**2018**	**2017**
Prepaid benefit cost	$ -	$ -	$ -	$ 11
Less assets non admitted	-	-	-	(11)
Accrued liability	(532)	(647)	(120)	(112)
Net amount recognized	$ (532)	$ (647)	$ (120)	$ (112)

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Unrecognized actuarial net gains or losses represent cumulative amounts by which plan experience for return on plan assets or changes in benefit obligations has been more or less favorable than assumed. These net differences are recognized in surplus, and in future years recognized as components of expense.

The amounts below are estimated to be amortized from surplus into net periodic benefit cost in 2019 as follows:

	Pension Benefits	Other Benefits
	(In millions)	
Net transition obligation	$ 1	$ -
Net prior service cost	-	(2)
Net loss	84	4
	$ 85	$ 2

Assumptions

Weighted average assumptions used in calculating the benefit obligations were as follows:

	Pension Benefits		Post Retirement Benefits	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Discount rate	4.40%	3.80%	4.40%	3.75%
Rate of compensation increase	3.00%	3.00%	n/a	n/a

Weighted average assumptions used in calculating the net periodic benefit cost were as follows:

	Pension Benefits For the Years Ended		Post Retirement Benefits For the Years Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Discount rate	3.80%	4.35%	3.75%	4.30%
Rate of compensation increase	3.00%	3.00%	n/a	n/a
Expected return on plan assets:				
Assets in trust account	7.60%	7.80%	7.60%	7.80%
Assets held under insurance contract/other	n/a	n/a	n/a	n/a

Assumed health care cost trend rates were as follows:

	As of December 31, 2018	2017
Medical & Prescription Pre - Age 65	7.25%, grading to 4.5% over 12 years	7.5%, grading to 4.5% over 13 years

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

The trend rates above reflect the Company's current claim experience and management's expectation that future rates of growth will decline. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. At December 31, 2018, a one-percent-point increase assumed health care cost trend rates would have increased the total service/interest cost components and accumulated postretirement benefit obligation ("APBO") for postretirement benefits by $0.1 million and $1.6 million, respectively. A one percentage-point decrease in assumed healthcare cost trend rates would have decreased the total service/interest cost components and accumulated postretirement benefit obligation for postretirement benefits by $0.1 million and $1.5 million, respectively. At December 31, 2017, a one-percent-point increase assumed health care cost trend rates would have increased the total service/interest cost components and accumulated postretirement benefit obligation ("APBO") for postretirement benefits by $0.1 million and $2.0 million, respectively. A one percentage-point decrease in assumed healthcare cost trend rates would have decreased the total service/interest cost components and accumulated postretirement benefit obligation for postretirement benefits by $0.1 million and $1.9 million, respectively.

The accumulated benefit obligations ("ABO") for the funded and unfunded pension plans were $1,910 million and $378 million, respectively, at December 31, 2018 and $2,072 million and $413 million, respectively, at December 31, 2017. The APBO for the postretirement plans was $235 million at December 31, 2018 and $249 million at December 31, 2017.

For the pension plans with ABO in excess of plan assets, the projected benefit obligations, accumulated benefit obligations, and fair value of plan assets were $2,505 million, $2,288 million, and $1,973 million respectively at December 31, 2018 and $2,719 million, $2,485 million, and $2,072 million respectively at December 31, 2017.

Prior to 2017, the pension plans held immediate participation guarantee group annuity ("IPG") contracts purchased from the Company. These contracts were expected to provide future benefits to plan participants specifically covered by these contracts of $18 million at December 31, 2016. During 2017, the contract liabilities totaling $19 million were transferred into the obligations of the pension plans and are reflected in the Projected Benefit Obligations of the plans. The IPG contracts are no longer active.

With respect to the Company's pension plans, the actuarially calculated funding amount ranges from the minimum amount the Company would be required to contribute to the maximum amount that would be deductible for tax purposes. Contribution amounts in excess of the minimum amounts are deemed voluntary. Amounts in excess of the maximum amount would be subject to an excise tax and may not be deductible under the Internal Revenue Code. The Company made contributions totaling $218 million and $142 million in 2018 and 2017, respectively.

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Benefit Payments
The following table discloses the expected benefit payments for the Company's pension and postretirement plans.

Estimated Future Payments	Pension Benefits	Other Benefits
	(In millions)	
2019	$ 149	$ 12
2020	152	13
2021	155	14
2022	160	15
2023-2027	166	16
2024-2028	875	87

Plan Assets
The Company's pension and postretirement plans' asset allocation by major asset class at December 31, 2018 and December 31, 2017, and the target allocation for 2019, are as follows:

	Target Allocation	Percentage of Plan Assets at	
Asset Category	2019	As of December 31, 2018	As of December 31, 2017
U.S. Stocks	10%-50%	31%	31%
International Stocks	5%-15%	6%	6%
Non-convertible Bonds	45%-75%	63%	63%
Convertible Bonds	0%-10%	0%	0%
		100%	100%

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

The investment strategy with respect to the Company's pension plan assets is to preserve capital and to seek investment returns with a goal of fully funding the plan.

The expected rate of return was 7.6% for the year ending December 31, 2018 and 7.8% for the year ending December 31, 2017. These rates of return are an aggregation of expected returns within each asset category. The return with respect to each asset class considers both historical returns and the future expectations for such returns.

Target allocations of assets are determined with the objective of maximizing returns and minimizing volatility of net assets through adequate asset diversification and partial liability immunization. Adjustments are made to target allocations based on the Company's assessment of the impact of economic factors and market conditions.

The following table summarizes the Master Trust's financial instruments carried at fair value hierarchy levels. The fair values were estimated using the same methodology described in Note 4.

	As of December 31, 2018 (In millions)			
Description	**Level 1**	**Level 2**	**Level 3**	**Estimated Fair Value**
Common stocks	$ -	$ 580	$ -	$ 580
Fixed maturities				
U.S. Government	-	-	-	-
All other Government	-	4	-	4
States, Territories	-	3	-	3
Political Subdivisions	-	1	-	1
Special revenue	-	4	-	4
Industrial and Miscellaneous	-	1,297	-	1,297
Total Fixed maturities	-	1,309	-	1,309
Total	$ -	$ 1,889	$ -	$ 1,889

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

	As of December 31, 2017 (In millions)			
Description	**Level 1**	**Level 2**	**Level 3**	**Estimated Fair Value**
Common stocks	$ -	$ 639	$ -	$ 639
Fixed maturities				
U.S. Government	144	-	-	144
All other Government	-	5	-	5
States, Territories	-	3	-	3
Political Subdivisions	-	1	-	1
Special revenue	-	6	-	6
Industrial and Miscellaneous	-	1,207	-	1,207
Total Fixed maturities	144	1,222	-	1,366
Total	$ 144	$ 1,861	$ -	$ 2,005

There were no financial instruments carried at fair value and classified as Level 3 for the years ending December 31, 2018 and 2017.

Defined Contribution Plans

The Company sponsors defined contribution plans. Home office employees are covered by an investment and profit sharing plan pension plans 401(k)/401(a). Employees can invest up to 3% of their salary matched by an equal amount from the Company. They are also allowed an additional 10% (if not highly paid) of non-matched contributions. In addition, the Company provides a profit sharing allocation in proportion to salary. For home office employees hired on or after January 1, 2018, the Company also makes a non-elective contribution to the Plan based on the age, years of service, and compensation of the participant. Field representatives are covered by a 401(k)/401(a) investment plan in which they can invest up to 3% of their salary matched by an equal amount from the Company. They are also allowed an additional 12% (if not highly paid) of non-matched contributions. The assets for both home office plans and the field representative's plan are held in a trust. Full time agents and general agents are covered by non-contributory plans. The Company contributed $31 million to these plans in 2018 and $29 million in 2017. The Company funds these plans and reflects the funded amounts as a liability.

NOTE 8 – INCOME TAXES

Consolidated Federal Income Tax Return

The Company's federal income tax return is consolidated with the following entities:

- Guardian Insurance & Annuity Company, Inc. and its subsidiaries,
- Park Avenue Life Insurance Company,
- Sentinel American Life Insurance Company,
- Family Service Life Insurance Company,
- Managed Dental Care of California,
- Managed Dental Guard of Texas,
- Managed Dental Guard of New Jersey,
- Innovative Underwriters Inc.,
- Berkshire Life Insurance Company of America
- First Commonwealth, Inc. and its subsidiaries
- Reed Group Ltd,
- GIS Canada Holdings Corp,
- Guardian Abbey LLC,
- STX Healthcare Management Services, Inc.,
- Vital Smiles, Inc.

The Company files a consolidated federal income tax return as parent, with its subsidiaries. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net capital losses, which it may incur, or to recoup its net operating or capital losses carried forward as an offset to future net income or capital gains subject to federal income taxes.

The Internal Revenue Code limits the amount of non-life insurance losses that may offset life insurance company taxable income. The consolidated income tax liability is allocated among the members of the group pursuant to a tax allocation agreement. In accordance with the tax allocation agreement, each qualifying member of the group computes its tax provision and liability on a separate return basis, but may, where applicable, recognize benefits of net operating losses and capital losses utilized in the consolidated group. Subsidiary tax liabilities/benefits are settled subsequent to the filing of the federal income tax return.

The Company does not anticipate any significant changes to its tax contingencies within the next 12 months.

NOTE 8 – INCOME TAXES (CONTINUED)

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes.

The Tax Cuts and Jobs Act ("the Act") was enacted into law on December 22, 2017. Effective January 1, 2018, the Act reduces the corporate tax rate to 21%. The Act also included several provisions that impact life insurance companies, including the elimination of the net operating loss carryback and changing the calculation of life insurance tax reserves. As a result, the Company performed a review of its grouping of temporary differences and modified its grouping methodology for advanced premium in the admissibility calculation. The net surplus impact primarily as a result of the Act was $140 million reduction in unassigned surplus.

The Company included reasonable estimates for certain effects of the Act and recorded provisional amounts as of December 31, 2017. The Company recorded provisional amounts for tax reserves which resulted in an increase in both deferred tax assets and deferred tax liabilities of $142 million. The Company also recorded a provisional amount of $28 million for the amount of deferred tax assets expected to be realized following the balance sheet date as part of 11 (b) of the admissibility calculation.

As of December 31, 2018, the Company completed the evaluation of the impact to tax reserves and recorded additional $10 million to gross DTA and gross DTL. The Company also completed the evaluation of the amount of deferred tax assets expected to be realized following the balance sheet date as part of 11 (b) of the admissibility calculation. As a result, the Company admitted $121 million gross DTA under 11 (b) as of December 31, 2018. Changes to these amounts are recognized as a change in accounting estimate.

The components of the net deferred tax asset recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2018		
	Ordinary	Capital	Total
Gross Deferred Tax Assets	$ 1,451	$ 61	$ 1,512
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	1,451	61	1,512
Deferred Tax Assets Nonadmitted	-	-	-
Subtotal Net Admitted Deferred Tax Asset	1,451	61	1,512
Deferred Tax Liabilities	766	96	862
Net Admitted Deferred Tax Asset	$ 685	$ (35)	$ 650

	December 31, 2017		
	Ordinary	Capital	Total
Gross Deferred Tax Assets	$ 1,385	$ 37	$ 1,422
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	1,385	37	1,422
Deferred Tax Assets Nonadmitted	23	-	23
Subtotal Net Admitted Deferred Tax Asset	1,362	37	1,399
Deferred Tax Liabilities	737	75	812
Net Admitted Deferred Tax Asset	$ 625	$ (38)	$ 587

	Change		
	Ordinary	Capital	Total
Gross Deferred Tax Assets	$ 66	$ 24	$ 90
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	66	24	90
Deferred Tax Assets Nonadmitted	(23)	-	(23)
Subtotal Net Admitted Deferred Tax Asset	89	24	113
Deferred Tax Liabilities	29	21	50
Net Admitted Deferred Tax Asset	$ 60	$ 3	$ 63

At December 31, 2017, gross DTAs and DTLs were reduced by $947 million and $541 million, respectively due to the Act.

A valuation allowance is recorded if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's management has concluded that the deferred income tax assets are more likely than not to be realized. Therefore, no valuation allowance has been provided.

NOTE 8 – INCOME TAXES (CONTINUED)

Admission calculation components SSAP No. 101 (Paragraph 11)

The Company follows the guidance in Statement of Statutory Accounting Principles No. 101 - Income Taxes, A Replacement of SSAP No. 10R and SSAP No.10 ("SSAP 101"). SSAP 101 included a similar calculation for limitation of gross deferred tax assets as SSAP 10R for insurers that maintain a minimum of 300% of their authorized control level RBC computed without net deferred tax assets. The Company exceeded the 300% minimum RBC requirement at December 31, 2018 and 2017.

	December 31, 2018		
	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks.*	$ -	$ 39	$ 39
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	672	-	672
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	672	-	672
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	N/A	N/A	977
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a. and b. above) offset by gross deferred tax liabilities.	779	22	801
Deferred tax assets admitted as the result of application of SSAP No. 101.Total (a. + b. + c.)	$ 1,451	$ 61	$ 1,512

	December 31, 2017		
	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	$ -	$ 37	$ 37
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	550	-	550
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	550	-	550
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	N/A	N/A	914
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a. and b. above) offset by gross deferred tax liabilities.	812	-	812
Deferred tax assets admitted as the result of application of SSAP No. 101.Total (a. + b. + c.)	$ 1,362	$ 37	$ 1,399

	Change		
	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	$ -	$ 2	$ 2
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	122	-	122
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	122	-	122
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	N/A	N/A	63
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a.	(33)	22	(11)
Deferred tax assets admitted as the result of application of SSAP No. 101.Total (a. + b. + c.)	$ 89	$ 24	$ 113

*Due to the new tax law eliminating the net operating loss carryback, the Company can no longer admit its ordinary DTA under SSAP 101 Paragraph 11a.

	2018	2017
Ratio percentage used to determine recovery period and threshold limitation amount	950%	1050%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation	$ 7,952	$ 7,458

NOTE 8 – INCOME TAXES (CONTINUED)

Impact of Tax Planning Strategies

	December 31, 2018	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	$ 1,451	61
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.0%	2.4%
3. Net Admitted Adjusted Gross DTAs amount	1,451	61
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	2.4%

	December 31, 2017	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	$ 1,385	37
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.0%	2.5%
3. Net Admitted Adjusted Gross DTAs amount	1,362	37
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	6.1%

	Change	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	66	24
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax	0.0%	-0.1%
3. Net Admitted Adjusted Gross DTAs amount from	89	24
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	-3.7%

Does the Company's tax-planning strategies include the use of reinsurance? Yes ______ No X

All DTL were recognized as of December 31, 2018 and December 31, 2017

Current income taxes incurred consisted of the following major components:

Description	December 31, 2018	December 31, 2017	Change
(In millions)			
Federal income tax expense on operating income	$ 62	$ 97	$ (35)
Prior year overaccrual	(114)	(32)	(82)
Contingent tax	-	-	-
Current Federal operations income tax expense /(benefit)	$ (52)	$ 65	$ (117)
Federal income tax expense/(benefit) on capital gains/(losses)	$ (79)	$ 141	$ (220)
Prior year underaccrual	28	11	17
Current Federal capital gain income tax expense/(benefit)	$ (51)	$ 152	$ (203)
Federal and foreign income taxes incurred	$ (103)	$ 217	$ (320)

NOTE 8 – INCOME TAXES (CONTINUED)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	2018	2017	Change
DTAs Resulting from Book/Income Tax Differences In:		(In millions)	
Ordinary:			
Reserves	$ 611	$ 582	$ 29
Policy acquisition costs	280	258	22
Dividend provision	200	180	20
Liabilities for employees and agents	99	100	(1)
Non admitted assets	219	222	(3)
Contract liabilities and unpaid claims	1	1	-
Leasehold improvement	9	12	(3)
Other	32	30	2
Gross ordinary DTA - (admitted and nonadmitted)	$ 1,451	$ 1,385	$ 66
Statutory valuation allowance adjustment - ordinary	-	-	-
Total ordinary DTA - (nonadmitted)	-	23	(23)
Admitted ordinary DTA	1,451	1,362	89
Capital:			
Impaired securities	57	32	25
Other	4	5	(1)
Gross capital DTA - (admitted and nonadmitted)	61	37	24
Total capital DTA - (nonadmitted)	-	-	-
Admitted capital DTA	61	37	24
Total admitted DTA	$ 1,512	$ 1,399	$ 113
DTLs Resulting from Book/Income Tax Differences In:			
Ordinary:			
Deferred and uncollected premiums	$ 234	$ 229	$ 5
Advanced Premium	69	66	3
Reserve Transition Adjustment (8 Year)	133	142	(9)
Guaranteed dividend	130	120	10
Other invested assets	73	68	5
Pension	62	43	19
Reserves 10 Year spread	11	13	(2)
Other	54	56	(2)
Ordinary DTL	$ 766	$ 737	$ 29
Capital:			
Unrealized capital gains	42	25	17
Deferred gain	54	49	5
Other	-	1	(1)
Capital DTL	96	75	21
Total DTL	$ 862	$ 812	$ 50
Net admitted DTA/(DTL)	$ 650	$ 587	$ 63

The Change in net deferred income taxes is comprised of the following:

	2018	2017	Change
Adjusted gross deferred tax assets	$ 1,512	$ 1,422	$ 90
Total Deferred Tax Liabilities	862	812	50
Net deferred tax assets (liabilities)	$ 650	$ 610	$ 40
Tax effect of net unrealized gains (losses)			9
Change in net deferred income tax			$ 49

Changes in net deferred income tax, including changes attributable to changes in tax rates and changes in tax status, if any, shall be recognized as a separate component of gains and losses in unassigned funds (Surplus).

NOTE 8 – INCOME TAXES (CONTINUED)

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant book to tax adjustments causing this difference were the following:

	December 31, 2018	Effective Tax Rate
	(In millions)	
Net gain from operations after dividends to policyholders and before Federal income tax @ 21%	$ (179)	
Net realized capital gains (losses) @ 21%	223	
Provision calculated at statutory rate	44	21.00%
Tax effect of:		
Interest maintenance reserve	(48)	(22.91%)
Tax Exempt Interest	(7)	(3.34%)
Affiliated Dividends	(10)	(4.77%)
Affordable Care Act Excise Tax	9	4.30%
Tax Credit	(89)	(42.48%)
Capital Loss Carryback	(32)	(15.27%)
Return to Provision	(34)	(16.23%)
Realized Loss - GIS Investment	12	5.73%
Other	3	1.42%
Total statutory income tax expense/(benefit)	$ (152)	(72.55%)
Federal income taxes incurred	(103)	(49.16%)
Change in net deferred income taxes	(49)	(23.39%)
Total statutory income tax expense/(benefit)	$ (152)	(72.55%)

Operating Loss and Tax Credit Carryforwards

As of December 31, 2018, the Company does not have any net ordinary loss carryforwards, capital loss carryforwards or tax credit carryforwards.

The following are income taxes incurred in prior years that are available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
		(In millions)	
2018	$ -	$ -	$ -
2017	-	171	171
2016	-	152	152
Total	$ -	$ 323	$ 323

As of December 31, 2018, the Company does not have any deposits admitted pursuant to the Internal Revenue Code Section 6603.

NOTE 9 – REINSURANCE CEDED

In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding business to reinsurers under various modified coinsurance agreements, coinsurance agreements, and combinations thereof, and yearly renewable term agreements. These agreements provide for reinsurance of selected individual life and disability policies and group life and group health contracts. Under the terms of the modified coinsurance agreements, reserves related to the reinsured business and the corresponding assets are held by the Company. The Company retains the primary obligation to the policyholder for reinsured policies. Failure of reinsurers to honor their obligations could result in losses to the Company; consequently, the Company evaluates the financial condition of its reinsurers in order to minimize its exposure to losses from reinsurer insolvencies.

The effects of these ceding agreements on the components of gain from operations in the accompanying statutory basis statements of operations are as follows:

	2018	2017
	(In millions)	
Premiums, annuity considerations and fund deposits	$ (458)	$ (463)
Commissions and expense allowances (other income)	118	121
Total revenues	(340)	(342)
Benefit payments to policyholders and beneficiaries	(365)	(350)
Net reductions to policy benefit reserves	(30)	(49)
Commissions and operating expenses	1	2
Total expenses	(394)	(397)
Net gain on operations from reinsurance ceded	$ 54	$ 55

NOTE 10 – REINSURANCE ASSUMED

The Company enters into various modified coinsurance agreements, coinsurance agreements, and combinations thereof and yearly renewable term agreements that provide reinsurance on life insurance, annuities, credit life, disability insurance, and credit accident and health business. Under the terms of the various reinsurance treaties, the Company assumed (net of retrocession) approximately $2.9 billion face amount of life insurance at December 31, 2018 and $3.3 billion at December 31, 2017. Under the terms of modified coinsurance agreements, reserves related to the reinsured business and the corresponding assets are held by the ceding company.

The Company entered into a coinsurance agreement with BLICOA an affiliated insurance company effective January 1, 2013. Under the agreement, the Company assumed 80% of the net individual disability insurance (IDI) originally ceded to BLICOA from the Company via the July 1, 2001 coinsurance treaty as well as 80% of the IDI and multi-life (ML) business written by BLICOA since the 2001 treaty. The reinsurance is on a funds withheld basis with supporting invested assets remaining in BLICOA.

Also, as part of the terms of the agreement, the Company can request that BLICOA pay an amount equal to the Annual Funds Withheld Increase to the Company. In 2018 the Company did not request that BLICOA pay an amount equal to the Annual Funds Withheld Increase it recorded in 2017. In 2017 the Company did not request that BLICOA pay an amount equal to the Annual Funds Withheld Increase it recorded in 2016.

The Company entered into one Individual Life Yearly Renewable Term reinsurance agreement with an affiliated insurance company GIAC, effective January 1, 2011. The agreement covers GIAC's current form Secondary Guarantee Universal Life and Survivorship Universal Life plans having policy effective dates of January 1, 2011 and later. Reinsurance under the agreement is assumed on an automatic 90% first dollar quota share basis.

NOTE 10 – REINSURANCE ASSUMED (CONTINUED)

The following tables outline the effects of these assumption agreements on the accompanying Statutory Basis Statements of Operations.

Reinsurance Assumed from Affiliates

	2018	2017
	(In millions)	
Premiums, annuity considerations and fund deposits	$ 671	$ 659
Reserve adjustments on reinsurance (other income)	29	22
Total revenues	700	681
Benefit payments to policyholders and beneficiaries	290	258
Net additions to policy benefit reserves	118	138
Commissions and operating expenses	237	225
Total expenses	645	621
Net gain on operations from reinsurance assumed	$ 55	$ 60

Reinsurance Assumed from Non-Affiliates

	2018	2017
	(In millions)	
Premiums, annuity considerations and fund deposits	$ 2	$ 3
Total revenues	2	3
Benefit payments to policyholders and beneficiaries	1	(1)
Net reductions to policy benefit reserves	-	(2)
Commissions and operating expenses	2	4
Total expenses	3	1
Net gain/(loss) on operations from reinsurance assumed	$ (1)	$ 2

Total Reinsurance Assumed

	2018	2017
	(In millions)	
Premiums, annuity considerations and fund deposits	$ 673	$ 662
Reserve adjustments on reinsurance (other income)	29	22
Total revenues	702	684
Benefit payments to policyholders and beneficiaries	291	257
Net additions to policy benefit reserves	118	136
Commissions and operating expenses	239	229
Total expenses	648	622
Net gain on operations from reinsurance assumed	$ 54	$ 62

NOTE 11 – RELATED PARTY TRANSACTIONS

In 2018 and 2017, the Company made the following capital contributions to its real estate joint ventures and affiliates which are an addition to Other invested assets in the Statutory Basis Balance Sheets:

	2018	2017
	(In millions)	
Guardian Abbey, LLC	$ 2	$ 1
Airside Park, LLC	1	-
Chelsea Place Apts, LLC	15	-
Hanover Mark Center (1)	32	-
Total	$ 50	$ 1

(1) Capital contributions were made by transferring mortgage loan investments.

In 2018 and 2017, the Company made the following capital contributions to its subsidiaries:

	2018	2017
	(In millions)	
GIAC	$ 50	$ 50
GIS	-	112
FCW	-	58
Guardian Acquisition I, LLC	2	25
Total	$ 52	$ 245

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

The capital contribution to GIS and Guardian Acquisition I, LLC are recorded as an addition to Other invested assets in the Statutory Basis Balance Sheets, while the capital contributions to GIAC and FCW are recorded as an addition to Common and preferred stocks in the Statutory Basis Balance Sheets.

Of the $112 million contribution to GIS in 2017, $90 million was made by transferring Access Professional Dental Care, LLC and Access Dental Services, LLC and its subsidiaries, previously wholly owned subsidiaries of FCW, and $2 million was related to the transfer of real estate joint venture LLCs.

In 2018 and 2017, the Company received net returns of capital of $3 million and $60 million respectively from its real estate joint ventures. These distributions are a reduction to Other invested assets in the Statutory Basis Balance Sheets.

In 2018 and 2017, the Company also received returns of capital from its subsidiaries as follows:

	2018	2017
	(In millions)	
FCW	$ -	$ 113
GIS	54	-
Park Avenue Life Insurance Company	-	25
Total	$ 54	$ 138

The return of capital from GIS is recorded as a reduction to Other invested assets in the Statutory Basis Balance Sheets, while the returns of capital from FCW and Park Avenue Life Insurance Company are recorded as a reduction to Common and preferred stocks in the Statutory Basis Balance Sheets.

Of the $113 million return of capital from FCW in 2017, $90 million was a transfer of Access Professional Dental Care, LLC and Access Dental Services, LLC and its subsidiaries, wholly owned subsidiaries of FCW.

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

In 2018 and 2017, the Company received the following dividends from its affiliates and subsidiaries which are recorded as Net investment income in the Statutory Basis Statements of Operations:

	2018	2017
	(In millions)	
BLICOA	$ 2	$ 3
Managed Dental Care of California ("MDC")	5	5
Managed Dental Guard of Texas, Inc. (TX)	2	1
FCW	35	37
Innovative Underwriters, Inc.	-	1
	$ 44	$ 47

The Company has expense sharing agreements with its subsidiaries. During 2018 and 2017, the Company had net billings of $ 295 million and $278 million, respectively, under the expense sharing agreements. Amounts billed to subsidiaries are included in Commissions and operating expenses in the Statutory Basis Statements of Operations. The unpaid net receivable balance due from subsidiaries relevant to these agreements was $28 million and $31 million on December 31, 2018 and December 31, 2017, respectively, and are included in Other assets and Other liabilities in the Statutory Basis Balance Sheets.

Effective May 1, 2017, the Company (Lender) amended its revolving line of credit agreement with GIAC (Borrower) from $350 million to $750 million. The terms of the credit agreement state that future drawing, if any, (not at the time overdue) shall bear interest at a rate per annum equal to (a) the Prime Rate plus 1.00% if a Prime Rate Loan or (b) the Eurodollar Rate plus 1.00% if a Eurodollar Rate Loan. In the event any drawing on the line of credit becomes due, whether by acceleration or otherwise, it shall bear interest at a rate per annum equal to the Prime Rate plus 2.00%. Additionally, a commitment fee equal to 0.125% per annum of the amount of this line of credit shall be paid by Borrower to Lender, such amount to be paid in quarterly installments on the last day of each March, June, September and December or on the termination of this line of credit. For value received, the Borrower, promises to pay on the maturity date or dates determined by the Lender, the principal sum of $750 million or the aggregate unpaid principal sum of all Loans which the Lender actually makes to the Borrower, whichever amount is less, together with interest in arrears payable on each Interest Due Date at a rate computed on the basis of a 360-day year for the actual number of days in each interest period. The line of credit agreement shall have an initial term of 364 days beginning with the date first stated above, and shall automatically renew for successive periods of 364 days, unless the Lender notifies the Borrower of its intention not to renew the line of credit agreement not less than sixty (60) days prior to the expiration of the then existing term. GIAC is in compliance with certain financial covenants imposed by the line of credit agreement. As of December 31, 2018, and 2017 there were no outstanding drawings on the line of credit. Interest income and commitment income of $1 million and $3 million for the twelve months ended December 31, 2018 and 2017, respectively, are included in Net investment income in the Statutory Basis Statements of Operations.

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

Effective January 3, 2017, the Company (Lender) has a revolving line of credit agreement with GIS (Borrower) for $300 million. The terms of the credit agreement state that future drawing, if any, (not at the time overdue) shall bear interest at a rate per annum equal to (a) the Prime Rate plus 1.00% if a Prime Rate Loan or (b) the Eurodollar Rate plus 1.00% if a Eurodollar Rate Loan. In the event any drawing on the line of credit becomes due, whether by acceleration or otherwise, it shall bear interest at a rate per annum equal to the Prime Rate plus 2.00%. Additionally, a commitment fee equal to 0.125% per annum of the amount of this line of credit shall be paid by Borrower to Lender, such amount to be paid in monthly installments no later than the last day of each month or on the termination of this line of credit. For value received, the Borrower, promises to pay on the maturity date or dates determined by the Lender, the principal sum of $300 million, or the aggregate unpaid principal sum of all Loans which the Lender actually makes to the Borrower, whichever amount is less, together with interest in arrears payable on each Interest Due Date at a rate computed on the basis of a 360-day year for the actual number of days in each interest period. The line of credit agreement shall have an initial term of 364 days beginning with the date first stated above, and shall automatically renew for successive periods of 364 days, unless the Lender notifies the Borrower of its intention not to renew the line of credit agreement not less than sixty (60) days prior to the expiration of the then existing term. GIS is in compliance with certain financial covenants imposed by the line of credit agreement. As of December 31, 2018 and 2017, the amounts of drawings on the line of credit amounted to $0 million and $25 million respectively, and are included in Cash, cash equivalents and short-term investments in the Statutory Basis Balance Sheets. Interest income and commitment income of $2 million and $1 million as of December 31, 2018 and December 31, 2017 respectively, are included in Net investment income in the Statutory Basis Statements of Operations.

Related Party Commitments:

The Company provides financial guarantees on behalf of some of its subsidiaries and affiliates as listed below. Per the statutory accounting guidance SSAP 5R, a liability has not been recorded on the Company's Statutory Basis Balance Sheets for any of these guarantees.

The Company continues to provide MDC, a subsidiary, a written letter of financial support for $5 million of which $1.5 million was funded in prior years. This amount was recorded as an additional investment in MDC. The letter was necessary for regulatory purposes in order to guarantee additional capital infusion to its California dental subsidiary as needed. At this time, MDC is not expected to further draw on the remaining $3.5 million as the subsidiary has $5 million more capital than is required by California.

As of December 31, 2018, and 2017, the Company had no commitments to make capital contributions to its' subsidiaries.

Settlement of Intercompany Transactions:

In accordance with NAIC SAP, all transactions between related parties are required to have a written agreement that provides for a timely settlement of amounts owed, including a specific due date. Amounts over ninety days due are to be non-admitted along with any uncollected receivable from a related party that is not part of a written agreement. The Company has determined that written agreements are in place for all intercompany transactions and that these written agreements contain specific due dates. As of December 31, 2018, there was no intercompany receivable that was more than 90 days past due.

NOTE 12 – LIABILITY FOR UNPAID CLAIMS AND CLAIM RESERVES

Activity in the liability for unpaid accident and health claims and claim reserves is summarized as follows and is included in Reserves for policy benefits on the Statutory Basis Balance Sheets:

	2018	2017
	(In millions)	
Balance of unpaid claims and claim reserves, net of reinsurance recoverable, at January 1	$ 3,957	$ 3,788
Incurred related to:		
Current year	2,409	2,349
Prior years	(187)	(146)
Affiliated reinsurance	82	87
Total incurred	2,304	2,290
Paid related to:		
Current year	1,573	1,531
Prior years	377	354
Affiliated reinsurance	246	236
Total paid	2,196	2,121
Balance of unpaid claims and claim reserves, net of reinsurance recoverable, at December 31	$ 4,065	$ 3,957

The affiliated reinsurance for the years ended December 31, 2018 and December 31, 2017 is primarily due to an intercompany reinsurance agreement between the Company and BLICOA effective January 1, 2013.

The amount of incurred claims related to prior years was a reduction $187 million and $146 million for the years ended December 31, 2018 and December 31, 2017, respectively, primarily due to favorable claim experience on the Company's long-term disability reserves, driven by favorable development of both the reported and unreported claim reserves.

Loss / Claim Adjustment Expenses:
The balance in the liability for unpaid accident and health claim adjustment expenses was $94 million and $84 million as of December 31, 2018 and December 31, 2017, respectively. The Company incurred $58 million and paid $48 million of claims adjustment expenses in 2018 of which $15 million of the paid amount was attributable to insured or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years. Estimated anticipated salvage and subrogation related to the liability for unpaid claims / losses is not material and therefore does not reduce the liability.

The liability for unpaid accident and health claims and claim adjustment expenses represents the Company's best estimate with a margin; however, there may be future adjustments to this estimate and related assumptions. Such adjustments, reflecting any variety of new and adverse trends, could possibly be significant and result in increase in liabilities. As of December 31, 2018, and 2017, the Company had no significant changes in methodologies and assumptions used in calculating the liability. The Company updates its experience study annually for recent company claim experience used to set the liability for unpaid claims.

NOTE 13 – ASO PLANS

The net gain from operations from ASO uninsured plans and the uninsured portion of partially insured plans was as follows during the years ended December 31, 2018 and December 31, 2017:

	2018		
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
		(In millions)	
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 3.0	$ -	$ 3.0
Total net other income or expenses (including interest paid to or received from plans)	1.0	-	1.0
Net gain from operations	2.0	-	2.0
Total claim payment volume	577	-	577

	2017		
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
		(In millions)	
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 23.3	$ -	$ 23.3
Total net other income or expenses (including interest paid to or received from plans)	8.2	-	8.2
Net gain from operations	15.1	-	15.1
Total claim payment volume	519	-	519

NOTE 14 – LEASES

New York Home Office Building:
In June 1998, the Company executed a 21-year lease for its New York home office facility. A portion of the property is subleased to tenants under lease terms expiring through 2019. The lease is classified as operating. Rental expense for the property was $21 million for the year ended December 31, 2018 and $21 million for the year ended December 31, 2017. Sublease income was $9 million for the year ended December 31, 2018 and $9 million for the year ended December 31, 2017.

On January 9, 2017, the Company exercised its purchase option on the building. If the terms contained in the purchase option agreement are met the Company will be required to pay the $147 million purchase price to the seller on September 30, 2019. During 2017, the Company entered into an agreement to sell the building which is expected to close in late 2019 and is not expected to result in a loss.

The following is a schedule by year of the minimum rental payments due under the lease:

	(In millions)
Year ending December 31,	
2019	$ 16
Total	$ 16

The minimum aggregate sublease income is as follows:

	(In millions)
Year ending December 31,	
2019	$ 10
Total	$ 10

NOTE 14 – LEASES (CONTINUED)

Other Leases:
The Company has additional lease agreements that are operating leases principally for the rental of real estate. Rental expense for these properties was $24 million for year ended December 31, 2018 and $22 million for the year ended December 31, 2017.

The Company's major office facility leases are primarily used for administrative and business support operations are as follows:

- On September 13, 2017, the Company signed a seventeen-year five month lease agreement for its New York home office facility. The Company expects to begin using the building in second quarter of 2019 as a replacement of the current New York home office facility. The Company is obligated to pay approximately $15 million in annual base rent plus operating expenses and taxes beginning in February 2019.
- On March 8, 2017, the Company signed a fifteen-year lease agreement for its New Jersey home office facility. The Company began using the building in the first quarter of 2018 and is obligated to pay approximately $3 million in annual base rent plus operating expenses and taxes.
- On August 11, 2016, the Company signed a ten-year lease agreement for its Spokane home office facility. The Company began using the building in March 2017 and is obligated to pay approximately $1 million in annual base rent which includes operating expenses and taxes.
- On January 26, 2015 the Company signed a twenty-year lease agreement with GLICA Bethlehem, LLC. Under the terms of the lease agreement GLICA Bethlehem, LLC built an office building in Bethlehem, PA according to specifications provided by the Company. The Company began using the building in June 2016 and is obligated to pay approximately $5 million in annual base rent plus operating expenses and taxes.

The following is a schedule by year of the minimum rental payments due under the lease:

	(In millions)
Year ending December 31,	
2019	37
2020	36
2021	35
2022	32
2023	31
Total	$ 171

The minimum aggregate sublease income is as follows:

	(In millions)
Year ending December 31,	
2019	7
2020	7
2021	6
2022	5
2023	4
Total	$ 29

The Company guarantees the leases for some of its agents and one of its downstream affiliates. The fair value of the guarantees as of December 31, 2018 is estimated to be $1.0 million. The remaining lease obligations that are guaranteed as of December 31, 2018 is $19.2 million.

NOTE 15 – COMMITMENTS

Commitments to fund real estate, private equities, mortgage loans, and private placements in the normal course of business totaled $1,367 million and $1,393 million as of December 31, 2018 and December 31, 2017, respectively.

NOTE 16 – LITIGATION

The Company is engaged in various litigations arising out of its business operations. Due to the uncertainties inherent in litigation, it is difficult to determine the ultimate loss the Company will experience in these litigations. However, the Company has established accruals where the amount of the loss is probable and the amount can be reasonably estimated. In the opinion of management, based on current information at December 31, 2018, any losses resulting from such litigations would not have a material adverse effect on the financial position of the Company.

NOTE 17 – LINES OF CREDIT

During 2018 the Company closed its unsecured credit lines with various lenders. The interest rate on these lines when they were open was calculated on a base rate such as the bank's Prime rate plus a spread which varies from 0 - 125bps depending on the bank, or LIBOR plus a spread which varies from 75 - 125bps depending on the bank. The Company did not use the lines of credit during 2018 or 2017 and had $0 million outstanding liability at December 31, 2018 and December 31, 2017.

The Company became a member of the Federal Home Loan Bank of New York ("FHLBNY") on February 13, 2018. Membership allows the Company access to the FHLBNY's financial services, including the ability to obtain collateralized loans and to issue collateralized funding agreements. The Company's strategy is to utilize these funds as a source to improve spread lending liquidity and as a source of backup liquidity. FHLBNY borrowings and funding agreements are currently collateralized by qualifying mortgage loans but can also be collateralized with qualifying corporate bonds or U.S. Treasury securities, the fair value of which must be maintained at certain specified levels relative to outstanding borrowings. FHLBNY membership requires the Company to own member stock in the amount of 12.5 bps of the Company's assets which is remeasured annually based on the prior years December 31 balance. This capital is locked up for five years should the Company decide to end its membership. Borrowings require the purchase of activity-based stock in an amount equal to 4.5% of outstanding borrowings. All FHLBNY stock purchased by the Company is classified as restricted general account investments within "Common and preferred stocks," and the carrying value of these investments was $12 million as of December 31, 2018.

The Company's capacity to borrow is limited to 5% of admitted assets which is the regulatory limit on the amount of collateral that a New York domiciled insurance company can pledge for a loan. As of December 31, 2018, that limit was approximately $2,924 million.

As of December 31, 2018, the Company had pledged assets with a fair value of $39 million supporting outstanding funding agreements totaling $37 million, which are included in "Policyholder dividends payable and other contract liabilities."

NOTE 18 – POLICYHOLDERS' SURPLUS

There were no special contingency reserves included in policyholder's surplus at December 31, 2018 or December 31, 2017. The Company holds other reserves totaling $4 million at December 31, 2018 and $46 million at December 31, 2017 as required by New York State law for aviation business and Arkansas permanent surplus requirements. Surplus at December 31, 2018 and December 31, 2017 is as follows:

	2018	2017
	(In millions)	
Accumulated earnings	$ 8,425	$ 7,921
Unrealized loss - common stock	(250)	(298)
Asset valuation reserve	(879)	(829)
Nonadmitted asset values	(128)	(156)
Total unassigned surplus	7,168	6,638
State required segregated surplus	4	46
Surplus	$ 7,172	$ 6,684

NOTE 19 – FINANCIAL INFORMATION

The following reconciles the New York SAP net income and surplus of Guardian as reported to regulatory authorities to consolidated GAAP income and GAAP equity:

	2018	2017
	(In millions)	
Statutory net income	$ 310	$ 423
Adjustments to GAAP basis:		
Realized capital gains	252	328
Capitalization of deferred policy acquisition costs	159	64
Future policy benefits	(1,121)	(1,131)
Elimination of IMR amortization	(74)	(99)
Establishment of deferred federal income taxes	(63)	404
Service fees	1,157	1,131
Policyholder dividends	34	34
Elimination of interest on affiliate reinsurance	(138)	(146)
Other	95	(101)
Consolidated GAAP income	$ 611	$ 907

	2018	2017
	(In millions)	
Statutory surplus	$ 7,172	$ 6,684
Adjustments to GAAP basis:		
Capitalization of deferred policy acquisition costs	4,602	3,442
Deferred software costs	33	22
Future policy benefits	(8,304)	(7,835)
Elimination of IMR	301	531
Elimination of AVR	879	829
Establishment of additional deferred federal income taxes	(966)	(1,206)
Policyholder dividends	470	435
Notes payable	(2,313)	(1,977)
Unrealized gains on investments and GAAP adjustments of affiliates	9,464	11,203
Consolidated GAAP equity	$ 11,338	$ 12,128

NOTE 20 – SURPLUS NOTES

On October 6, 2009, the Company issued Surplus Notes ("2009 Notes") with a principal balance of $400 million, bearing interest at 7.375%, and a maturity date of September 30, 2039. Proceeds from the issuance of the 2009 Notes were $392.4 million, net of discounts and fees. The 2009 Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and are administered by The Bank of New York Mellon as fiscal agent. Interest on these 2009 Notes is scheduled to be paid semiannually on March 31 and September 30 of each year. The 2009 Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the 2009 Notes are not part of the legal liabilities of the Company. The 2009 Notes do not repay principal prior to maturity. Each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the 2009 Notes may be redeemed at the option of the Company at any time (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the 2009 Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding accrued interest as of the date on which the 2009 Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 50 basis points. On December 28, 2017 and January 9, 2018, the Company redeemed 2009 Notes with a principal balance of $166.9 million and a carrying value of $165.7 million as part of an exchange transaction (see paragraph regarding the exchange transaction below). The Company paid $17 million in interest for the years ended December 31, 2018 and $33 million in December 31, 2017, respectively.

On June 19, 2014 the Company issued Surplus Notes ("2014 Notes") with a principal balance of $450 million, bearing interest at 4.875%, and a maturity date of June 19, 2064. Proceeds from the issuance of the 2014 Notes were $444.6 million, net of discounts and fees. The 2014 Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and are administered by The Bank of New York Mellon as fiscal agent. Interest on these 2014 Notes is scheduled to be paid semiannually on June 19 and December 19 of each year. The 2014 Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the 2014 Notes are not part of the legal liabilities of the Company. The 2014 Notes do not repay principal prior to maturity. Each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the 2014 Notes may be redeemed at the option of the Company at any time (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the 2014 Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding accrued interest as of the date on which the 2014 Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 25 basis points. The Company paid $22 million in interest for the years ended December 31, 2018 and December 31, 2017, respectively.

On January 24, 2017, the Company issued a Surplus 2017 Notes ("2017 Notes") with a principal balance of $350 million, bearing interest at 4.850%, and a maturity date of January 24, 2077. Proceeds from the issuance were $343.6 million, net of discounts and fees. On December 28, 2017 and January 9, 2018, the Company issued an additional amount of the 2017 Notes with a principal balance of $229.3 million as part of an exchange transaction (see paragraph regarding the exchange transaction below). All of the 2017 Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and will be administered by The Bank of New York Mellon as fiscal agent. Interest on these 2017 Notes is scheduled to be paid semiannually on January 24 and July 24 of each year. The 2017 Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the 2017 Notes are not part of the legal liabilities of the Company. The 2017 Notes do not repay principal prior to maturity. Each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the 2017 Notes may be redeemed at the option of the Company at any time (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the 2017 Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding accrued interest as of the date on which the 2017 Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 30 basis points. The Company paid $28 million in interest for the year ended December 31, 2018 and $8 million in December 31, 2017, respectively.

NOTE 20 – SURPLUS NOTES (CONTINUED)

The Company completed an exchange transaction in which it issued additional 2017 Notes in exchange for redeemed 2009 Notes. They were settled predominately on December 27, 2017 with a minimal amount settling on January 8, 2018. The 2009 Notes had a principal balance of $166.9 million ($165.7 million carrying value) and the additional 2017 Notes had a principal balance of $229.3 million ($170.5 million carrying value). Of the $63.6 million discount at the time of the exchange, $4.8 million pertaining to inducement for note holders to exchange their notes, was recorded as expense on the transaction date along with an increase to the carrying value of 2017 Notes. The remaining $58.8 million will be charged to the Statutory Basis Statements of Operations over the life of the 2017 Notes.

NOTE 21 – UNCLAIMED PROPERTY

The Company holds reserves for potential liability totaling $0 million at December 31, 2018 and $7 million at December 31, 2017, respectively. The Company has recorded paid claims of $0.2 million in 2018 and $3 million in 2017.

NOTE 22 – AFFORDABLE CARE ACT FEE

The health insurance industry assessment mandated by the Patient Protection and Affordable Care Act of 2010 was levied on health insurers beginning in 2014 based on a ratio of an insurer's net health insurance premiums written for the previous calendar year compared to the total premiums written by U.S. health insurance industry for that year. The Company recorded a liability for the amount of its expected fee as of January 1, 2018 of $42 million. The Company paid the actual fee amount of $42 million to the U.S. Treasury in September 2018. The 2018 was based on $2,106 million of dental and vision premiums written in 2017. The Company's Total Adjusted Capital on December 31, 2017 was $8,044 million and the Authorized Control Level reported on its December 31, 2017 RBC was $709 million. After adjusting for $42 million recorded in special surplus that pertains to the 2018 fee the Company's Total Adjusted Capital was $8,002 million and its RBC Authorized Control Level was $709 million. An RBC action level would not have been triggered had the fee for 2018 been reported as of December 31, 2017.

The Consolidated Appropriations Act, 2016 imposed a moratorium on the health insurance industry assessment mandated by the Affordable Care Act for the 2019 calendar year. Therefore, no liability was established for the 2019 calendar year.

NOTE 23 – SUBSEQUENT EVENTS

The Company considers events occurring after the balance sheet date but prior to February 27, 2019, the issuance of the financial statements, to be subsequent events requiring disclosure. There were no subsequent events for the period ended December 31, 2018.

Guardian Life Insurance Company of America
Annual Statement for the Year Ended December 31, 2018
Schedule 1 - Selected Financial Data

The following is a summary of certain financial data included in other exhibits and schedules subjected to audit procedures by independent auditors and utilized by actuaries in the determination of reserves.

			2018 Annual Statement References
Investment Income Earned			Exhibit of Net Investment Income
Government Bonds	$	49,983,105	
Bonds Exempt From US Tax			
Other Bonds (unaffiliated)		1,587,189,696	
Bonds of Affiliates			
Preferred Stocks (unaffiliated)			
Preferred Stocks of Affiliates			
Common Stocks (unaffiliated)		13,061,905	
Common Stocks of Affiliates		44,861,912	
Mortgages Loans		171,274,195	
Real Estate		64,366,284	
Contract Loans		261,514,891	
Cash/Short-term Investments		16,066,803	
Other Invested Assets		146,983,711	
Derivative Instruments		870,066	
Aggregate Write-Ins for Investment Income		2,877,304	
Gross Investment Income	$	2,359,049,872	
Real Estate Owned - Book Value less Encumbrances	$	331,120,710	Schedule A - Part 1
Mortgage Loans - Book Value:			
Farm Mortgages	$	-	Schedule B - Part 1
Residential Mortgages		-	
Commercial Mortgages		4,520,388,807	
Total Mortgage Loans	$	4,520,388,807	
Mortgage Loans by Standing - Book Value:			
Good Standing		4,520,388,807	Schedule B, Part 1
Good Standing with Restructured Terms		-	Schedule B, Part 1
Interest overdue more than 90 days, not in foreclosure		-	Schedule B, Part 1
Foreclosure in Process		-	Schedule B, Part 1
Other Long Term Assets - Statement Value		2,668,255,046	Schedule BA, Part 1
Bonds and Stocks of Parents, Subsidiaries and Affiliates - Book Value			Schedule D - Summary by Country
Bonds		39,361,489,909	
Preferred Stocks		-	
Common Stocks		1,818,094,454	

Schedule 1 - Selected Financial Data - Continued

		2018 Annual Statement References
Bonds and Short Term Investments by Class & Maturity		Schedule D, Part 1A Sec 1
Bonds by Maturity - Statement Value		
Due within one year or less	$ 1,676,048,037	
Over 1 year through 5 years	9,113,775,656	
Over 5 years through 10 years	12,818,016,202	
Over 10 years through 20 years	4,834,836,571	
Over 20 years	11,691,559,280	
Total by Maturity	$ 40,134,235,746	
Bonds by Class - Statement Value		
Class 1	$ 23,878,909,398	
Class 2	14,403,476,718	
Class 3	728,323,870	
Class 4	962,412,857	
Class 5	159,455,715	
Class 6	1,657,188	
Total by Class	$ 40,134,235,746	
Total Bonds Publicly Traded	27,540,600,959	
Total Bonds Privately Placed	12,593,634,787	
Preferred Stocks - Statement Value	-	Schedule D, Part 2, Sec. 1
Common Stocks - Market Value	1,818,094,454	Schedule D, Part 2, Sec. 2
Short Term Investments - Book Value	69,914,540	Schedule DA, Part 1
Options, Caps Floors, Collars, Swaps and Forwards	23,039,270	Schedule DB, Part A,
Futures Contracts	12,605,307	Schedule DB, Part B,
Cash on Deposit	(40,849,414)	Schedule E, Part 1
Life Insurance In Force		Exhibit of Life Insurance
Industrial	-	
Ordinary	388,194,163	
Credit Life	-	
Group Life	3,177,711	
Amount of Accidental Death Insurance In Force Under Ordinary Policies	1,022,200	Exhibit of Life Insurance
Life Insurance Policies with Disability Provisions In Force		Exhibit of Life Insurance
Industrial	-	
Ordinary	209,003,854	
Credit Life	-	
Group Life	271,026,371	
Supplementary Contracts In Force		Exhibit of Number of Policies,
Ordinary - Not Involving Life Contingencies	-	Contracts,Certificates,Income Payable,
Amount on Deposit	215,489,145	Account Values In Force for Supplementary
Income Payable	71	Contracts, Annuities, A&H and Other Policies
Ordinary - Involving Life Contingencies		
Income Payable	450	

Schedule 1 - Selected Financial Data - Continued

		2018 Annual Statement References
Group - Not Involving Life Contingencies		
Amount on Deposit	38,048,437	
Income Payable	-	
Group - Involving Life Contingencies		
Amount on Deposit	-	
Income Payable	-	
Annuities - Ordinary		Exhibit of Number of Policies,
Immediate - Amount of Income Payable	588,539	Contracts,Certificates,Income Payable,
Deferred - Fully Paid Account Balance	63,035,345	Account Values In Force for Supplementary
Deferred - Not Fully Paid - Account Balance	131,935,557	Contracts, Annuities, A&H and Other Policies
Annuities - Group		
Amount of Income Payable	76,071	Exhibit of Number of Policies,
Fully Paid Account Balance	-	Contracts,Certificates,Income Payable,
Not Fully Paid - Account Balance	-	Account Values In Force for Supplementary
		Contracts, Annuities, A&H and Other Policies
Accident and Health Insurance - Premiums In Force		
Ordinary	-	
Group	3,231,459,038	
Credit	-	
Other	529,960,367	
Deposit Funds and Dividend Accumulations		Exhibit of Number of Policies,
Deposit Funds - Account Balance	25,440,268	Contracts,Certificates,Income Payable,
Dividend Accumulations - Account Balance	96,728,343	Account Values In Force for Supplementary
		Contracts, Annuities, A&H and Other Policies
Claim Payments 2018		Schedule O, Part 1
Group Accident and Health Year - Ended December 31, 2015		Section A
2018	1,564,470	
2017	1,745,216	
2016	1,769,074	
2015	1,698,467	
2014	1,601,114	
Prior	645,911	
Other Accident & Health		Section B
2018	33,016	
2017	36,067	
2016	26,245	
2015	27,351	
2014	18,448	
Prior	136,827	
Credit Accident & Health	-	Section C
2018	-	
2017	-	
2016	-	
2015	-	
2014	-	
Prior	-	

Schedule 1 - Selected Financial Data - Continued

		2018 Annual Statement References
Other Coverages that use developmental methods to calculate Claims Reserves:		Section D
2018	-	
2017	-	
2016	-	
2015	-	
2014	-	
Prior	-	
Other Coverages that use developmental methods to calculate Claims Reserves:		Section E
2018	-	
2017	-	
2016	-	
2015	-	
2014	-	
Prior	-	
Other Coverages that use developmental methods to calculate Claims Reserves:		Section F
2018	-	
2017	-	
2016		
2015	-	
2014	-	
Prior	-	
Other Coverages that use developmental methods to calculate Claims Reserves:		Section G
2018	-	
2017	-	
2016	-	
2015	-	
2014	-	
Prior	-	

The Guardian Life Insurance Company of America
Investments of Reporting Entities
December 31, 2018

Section 2 Investment Risk Interrogatories

Answer the following interrogatories by stating the applicable U.S dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of the annual statement.
$58,487,911,818

2. Ten largest exposures to a single issuer/borrower/investment.

	Issuer	Description of Exposure		Amount	Percentage of Total Admitted Assets
2.01	GUARDIAN INVESTOR SERVICES	LLC	$	720,060,194	1.2%
2.02	GUARDIAN INS & ANNUITY CO.	STOCK	$	455,313,103	0.8%
2.03	FIRST COMMON WEALTH INS CO	STOCK	$	440,355,510	0.8%
2.04	ISHARES MSCI EAFE INDEX	STOCK	$	276,480,170	0.5%
2.05	GILEAD SCIENCES INC	BONDS/STOCK	$	259,858,614	0.4%
2.06	COMCAST CORP.	BONDS/STOCK	$	238,739,702	0.4%
2.07	MICROSOFT CORP	BONDS/STOCK	$	212,512,348	0.4%
2.08	SIMON PROPERTY GROUP	BONDS/STOCK	$	209,625,881	0.4%
2.09	JP MORGAN CHASE & CO	BONDS/STOCK	$	201,278,193	0.3%
2.10	SHELL INTERNATIONAL FIN	STOCK	$	194,594,315	0.3%

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating:

	Bonds		Amount	% of Total Admitted Assets	Preferred Stocks		Amount	% of Total Admitted Assets
3.01	NAIC-1	$	23,878,909,398	40.8%	P/RP-1	$	-	0.0%
3.02	NAIC-2	$	14,403,476,718	24.6%	P/RP-2	$		0.0%
3.03	NAIC-3	$	728,323,870	1.2%	P/RP-3	$		0.0%
3.04	NAIC-4	$	962,412,857	1.6%	P/RP-4	$		0.0%
3.05	NAIC-5	$	159,455,715	0.3%	P/RP-5	$		0.0%
3.06	NAIC-6	$	1,657,188	0.0%	P/RP-6	$	-	0.0%

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assts?
Yes [ ] No [X]

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

4.02	Total admitted assets held in foreign investments	$	7,088,499,557	12.1%
4.03	Foreign-currency-denominated investments	$	835,536,709	1.4%
4.04	Insurance liabilities denominated in that same foreign currency	$	-	0.0%

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

		1	2
5.01 Countries rated NAIC-1	$	6,484,980,647	11.1%
5.02 Countries rated NAIC-2	$	314,314,305	0.5%
5.03 Countries rated NAIC-3 or below	$	289,204,604	0.5%

6. Largest foreign investment exposures to a single country, categorized by NAIC sovereign rating:

		1	2
Countries rated NAIC-1			
6.01 Country: UNITED KINGDOM	$	1,698,907,336	2.9%
6.02 Country: AUSTRALIA	$	1,329,414,920	2.3%
Countries rated NAIC-2:			
6.03 Country: MEXICO	$	314,314,305	0.5%
6.04 Country:	$		0.0%
Countries rated NAIC-3 or below			
6.05 Country: TRINIDAD	$	22,401,279	0.0%
6.06 Country: BAHAMAS	$	22,000,000	0.0%

7. Aggregate unhedged foreign currency exposure:	$	-	0.0%

8. Aggregate unhedged foreign currency exposure categorized by the country's NAIC sovereign rating:

		1	2
8.01 Countries rated NAIC-1	$		0.0%
8.02 Countries rated NAIC-2	$		0.0%
8.03 Countries rated NAIC-3 or below	$	-	0.0%

9. Largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:

		1	2
Countries rated NAIC-1:			
9.01 Country:	$		0.0%
9.02 Country:	$		0.0%
Countries rated NAIC-2:			
9.03 Country:	$		0.0%
9.04 Country:	$		0.0%
Countries rated NAIC-3 or below			
9.05 Country:	$	-	0.0%
9.06 Country:	$	-	0.0%

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	Issuer	NAIC	3	4
10.01	SHELL INTERNATIONAL FIN	1	$ 194,594,315	0.3%
10.02	SUMITOMO MITSUI FINL GRP	1	$ 163,727,178	0.3%
10.03	AMERICAN MOVIL SA DE CV	1	$ 143,006,467	0.2%
10.04	HSBC HOLDINGS PLC	1	$ 111,619,917	0.2%
10.05	MITSUBISHI UFJ FIN GRP	1	$ 104,501,193	0.2%
10.06	STATOILHYDRO ASA- SPON ADR	1	$ 98,518,085	0.2%
10.07	COMMONWEALTH BANK AUST	1	$ 77,918,286	0.1%
10.08	BHP BILLITON FIN USA	1	$ 77,037,513	0.1%
10.09	SIEMENS FINANCIERINGSMAT	1	$ 73,197,245	0.1%
10.10	CREDIT SUISSE GROUP	2	$ 73,011,103	0.1%

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure.

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 11.01 is yes, detail is not required for the remainder of interrogatory 11

11.02	Total admitted assets held in Canadian investments	$ -	0.0%
11.03	Canadian-currency-denominated investments	$ -	0.0%
11.04	Canadian-denominated insurance liabilities	$ -	0.0%
11.05	Unhedged Canadian currency exposure	$ -	0.0%

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	1	2	3
12.02	Aggregate statement value of investments with contractual sales restrictions		
	Largest three investments with contractual sales restrictions:		
		$ -	0.0%
12.03		$ -	0.0%
12.04		$ -	0.0%
12.05		$ -	0.0%

13. Amounts and percentages of admitted assets held in the largest ten equity interests:

13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets?
Yes [ ] No [X]

If response to 13.01 is yes, responses are not required for the remainder of Interrogatory 13.

	1 Name of Issuer	2	3
13.02	GUARDIAN INVESTOR SERVICES	$ 720,060,194	1.2%
13.03	GUARDIAN INS & ANNUITY CO.	$ 455,313,103	0.8%
13.04	FIRST COMMON WEALTH INS CO	$ 440,355,510	0.8%
13.05	ISHARES MSCI EAFE INDEX	$ 276,480,170	0.5%
13.06	BERKSHIRE LIFE INSURANCE CO	$ 192,658,737	0.3%
13.07	VICTORY MUTUAL FUNDS	$ 70,329,573	0.1%
13.08	SPDR GOLD TRUST	$ 54,316,605	0.1%
13.09	INVESCO DB	$ 53,789,935	0.1%
13.10	SPDR TRUST SERIES 1	$ 53,419,150	0.1%
13.11	PARK AVENUE LIFE INSURANCE COMPANY	$ 50,430,486	0.1%

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01. Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 14.01 is yes, responses are not required for the remainder of Interrogatory 14.

	1	2	3
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities Largest three investments held in nonaffiliated, privately placed equities:	$ -	0.0%
14.03		$ -	0.0%
14.04		$ -	0.0%
14.05		$ -	0.0%

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

	1	2	3
15.02		$	0.0%
15.03		$	0.0%
15.04		$	0.0%
15.05		$	0.0%

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets?
Yes [ ] No [X]

If response to 16.01 is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	Type (Residential, Commercial, Agriculature)		2	3
16.02	COMMERCIAL	$	201,125,000	0.3%
16.03	COMMERCIAL	$	195,000,000	0.3%
16.04	COMMERCIAL	$	192,800,000	0.3%
16.05	COMMERCIAL	$	152,095,332	0.3%
16.06	COMMERCIAL	$	112,128,005	0.2%
16.07	COMMERCIAL	$	111,300,000	0.2%
16.08	COMMERCIAL	$	109,706,507	0.2%
16.09	COMMERCIAL	$	100,000,000	0.2%
16.10	COMMERCIAL	$	91,927,528	0.2%
16.11	COMMERCIAL	$	91,649,851	0.2%

Amount and percentages of the reporting entity’s total admitted assets held in the following categories of mortgage loans:

			Loans	
16.12	Construction Loans	$	65,006,714	0.1%
16.13	Mortgage loans over 90 days past due	$	-	0.0%
16.14	Mortgage loans in the process of foreclosure	$	-	0.0%
16.15	Mortgage loans foreclosed	$	-	0.0%
16.16	Restructured mortgage loans	$	-	0.0%

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as

		Residential			Commercial			Agriculature		
	Loan-to-Value		1	2		3	4		5	6
17.01	above 95%	$	-	0.0%	$		0.0%	$	-	0.0%
17.02	91% to 95%	$	-	0.0%	$		0.0%	$	-	0.0%
17.03	81% to 90%	$	-	0.0%	$		0.0%	$	-	0.0%
17.04	71% to 80%	$	-	0.0%	$	7,652,966	0.1%	$	-	0.0%
17.05	below 70%	$	-	0.0%	$	4,512,735,841	7.7%	$	-	0.0%

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 18.01. is yes, responses are not required for the remainder of Interrogatory 18

Largest five investments in any one parcel or group of contiguous parcels of real estate.

	Description 1		2	3
18.02		$		0.0%
18.03		$		0.0%
18.04		$		0.0%
18.05		$		0.0%
18.06		$		0.0%

19. Report aggregate amounts and percentages of the reporting entity’s total admitted assets held in investments held in mezzanine real estate loans: 0 0.00%

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity’s total admitted assets?
Yes [X] No [ ]

If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.

	1	2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loadns:		
	Largest three investments held in mezzanine real $	$ -	0.0%
19.03		$ -	0.0%
19.04		$ -	0.0%
19.05		$ -	0.0%

20. Amounts and percentages of the reporting entity’s total admitted assets subject to the following types of agreements:

		At Year-end		At End of Each Quarter		
				1st Qtr	2nd Quarter	3rd Quarter
		1	2	3	4	5
20.01	Securities lending (do not include assets held as collateral for such transactions)	$ -	0.0%	$ -	$ -	$ -
20.02	Repurchase agreements	$ -	0.0%	$ -	$ -	$ -
20.03	Reverse repurchase agreements	$ -	0.0%	$ -	$	$ -
20.04	Dollar repurchase agreements	$ -	0.0%	$ -	$ -	$ -
20.05	Dollar reverse repurchase agreements	$ -	0.0%	$ -	$ -	$ -

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floor:

	Owned		Written	
	1	2	3	4
21.01 Hedge	$ -	0.0%	$ -	0.0%
21.02 Income generation	$ -	0.0%	$ -	0.0%
21.03 Other	$ -	0.0%	$ -	0.0%

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	At Year-end		At End of Each Quarter		
			1st Qtr	2nd Qtr	3rd Qtr
	1	2	3	4	5
22.01 Hedging	$ 15,072,443	0.0%	$ 21,502,305	$ 13,414,894	$ 13,754,039
22.02 Income generation	$ -	0.0%	$ -	$ -	$
22.03 Replications	$ -	0.0%	$ -	$ -	$ -
22.04 Other	$	0.0%	$ -	$ -	$ -

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for future contracts:

	At Year-end		At End of Each Quarter		
			1st Quarter	2nd Quarter	3rd Quarter
	1	2	3	4	5
23.01 Hedging	$ 12,884,600	0.0%	$ 12,660,280	$ 16,203,460	$ 18,460,520
23.02 Income generation	$ -	0.0%	$ -	$ -	$ -
23.03 Replications	$ -	0.0%	$ -	$ -	$ -
23.04 Other	$ -	0.0%	$ -	$ -	$ -

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA
As of December 31, 2018

Appendix A-001
Section 3. Summary Investment Schedule

Investment Categories	Gross Investment Holdings*		Admitted Assets as Reported in the Annual Statement			
	Amount	Percentage	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage
1. Bonds:						
1.1 US Treasury Securities	1,813,560,142	3.415%	$ 1,813,560,142		$ 1,813,560,142	3.417%
1.2 US Government agency and corporate obligations (excluding mortgage-backed securities):						
1.21 Issued by US Government Agencies	-	0.00%	-		-	0.00%
1.22 Issued by US Government-sponsored agencies	-	0.00%	-		-	0.000%
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	70,000,000	0.132%	70,000,000		70,000,000	0.132%
1.4 Securities issued by states, territories and possessions and political subdivisions in the US:						
1.41 States, territories and possessions general obligations	316,930,150	0.597%	316,930,150		316,930,150	0.597%
1.42 Political subdivisions of states, territories and possessions political subdivisions	250,801,064	0.472%	250,801,064		250,801,064	0.473%
general obligations		0.00%			-	0.00%
1.43 Revenue and assessment obligations	1,502,071,619	2.828%	1,502,071,619.00		1,502,071,619	2.830%
1.44 Industrial development and similar obligations		0.00%			-	0.00%
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	822,233	0.002%	822,233.00		822,233	0.002%
1.512 Issued or guaranteed by FNMA and FHLMC	718,027,338	1.352%	718,027,338.00		718,027,338	1.353%
1.513 All other	-	0.000%	-		-	0.000%
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	314,069,825	0.591%	314,069,825		314,069,825	0.592%
1.522 Issued by non-U.S. Government issuers and collaterized by mortgage-					-	
backed securities issued or guaranteed by agencies shown in Line 1.521		0.00%			-	0.00%
1.523 All other	3,609,007,694	6.795%	3,608,938,316		3,608,938,316	6.800%
2. Other debt and other fixed income securities (excluding short term):					-	
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	23,311,935,143	43.895%	23,311,935,143		23,311,935,143	43.926%
2.2 Unaffiliated non-U.S. securities (including Canada)	7,445,284,851	14.019%	7,445,284,851		7,445,284,851	14.029%
2.3 Affiliated securities	9,049,182	0.017%	9,049,182		9,049,182	0.017%
3. Equity interests:						
3.1 Investments in mutual funds	441,880,682	0.832%	441,880,682		441,880,682	0.833%
3.2 Preferred stocks:						
3.21 Affiliated	-	0.000%	-		-	0.00%
3.22 Unaffiliated	-	0.00%	-		-	0.00%
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated	-	0.000%	-		-	0.000%
3.32 Unaffiliated	219,397,626	0.413%	219,397,626		219,397,626	0.413%
3.4 Other equity securities:					-	
3.41 Affiliated	1,156,816,159	2.178%	1,150,134,000		1,150,134,000	2.167%
3.42 Unaffiliated		0.000%			-	0.000%
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated	-	0.000%	-		-	0.000%
3.52 Unaffiliated	-	0.000%	-		-	0.000%
4. Mortgage loans:						
4.1 Construction and land development	-	0.000%	-		-	0.00%
4.2 Agricultural	-	0.000%	-		-	0.000%
4.3 Single family residential properties	-	0.000%	-		-	0.00%
4.4 Multifamily residential properties	-	0.000%	-		-	0.000%
4.5 Commercial loans	4,482,273,809	8.440%	4,482,273,809		4,482,273,809	8.446%
4.6 Mezzanine real estate loans	38,115,000	0.072%	38,115,000		38,115,000	0.072%
5. Real Estate Investments:						
5.1 Property occupied by company	3,440,085	0.006%	3,440,085		3,440,085	0.006%
5.2 Property held for production of income (includes $26,142,802) of property acquired	-		-		-	
in satisfaction of debt)	327,680,624	0.617%	327,680,624		327,680,624	0.617%
5.3 Property held for sale ($0 including property acquired in the satisfaction of debt)	-	0.000%	-		-	0.000%
6. Contract loans	3,636,057,584	6.846%	3,634,864,040		3,634,864,040	6.849%
7. Deriatives	36,668,080	0.069%	36,668,080		36,668,080	0.069%
8. Receivables for securities	4,906,049	0.009%	4,906,049		4,906,049	0.009%
9. Securities Lending (Line 10, Asset Page reinvested collateral)	-	0.000%	-		-	
10. Cash and short-term investments	731,896,387	1.378%	731,896,387		731,896,387	1.379%
11. Other invested assets	2,668,255,046	5.024%	2,637,749,307		2,637,749,307	4.970%
12. Total Invested Assets	$ 53,108,946,373	100.00%	$ 53,070,495,553		$ 53,070,495,553	100.00%

* Gross Investment Holdings as valued in compliance with NAIC Accounting Practices & Procedures Manual

The Guardian Life Insurance Company of America

Audited Statutory Basis
Financial Statements and Supplemental Schedules
December 31, 2017 and 2016

The Guardian Life Insurance Company of America

Statutory Basis Balance Sheets

(In Millions)

	As of December 31, 2017	As of December 31, 2016
Admitted Assets		
Bonds	$ 38,125	$ 35,243
Common and preferred stocks	1,531	1,522
Mortgage loans	4,001	3,472
Real estate	345	374
Policy loans	3,520	3,405
Other invested assets	2,299	2,054
Receivable for securities	80	27
Cash, cash equivalents and short-term investments	554	822
Total invested assets	50,455	46,919
Due and accrued investment income	430	384
Premiums deferred and uncollected	1,091	1,058
Current federal and foreign income tax recoverable and interest thereon	127	106
Net deferred tax asset	587	727
Reinsurance recoverable from affiliate	2,641	2,472
Other assets	238	218
Total admitted assets	$ 55,569	$ 51,884
Liabilities		
Reserves for policy benefits	$ 41,778	$ 39,369
Policyholder dividends payable and other contract liabilities	3,550	3,107
Interest maintenance reserve	531	464
Asset valuation reserve	829	810
Other liabilities	2,197	1,962
Total liabilities	48,885	45,712
Policyholders' surplus	5,487	5,327
Surplus notes	1,197	845
Total liabilities and policyholders' surplus	$ 55,569	$ 51,884

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America

Statutory Basis Statements of Operations

(In Millions)

	For the Years Ended December 31, 2017	For the Years Ended December 31, 2016
Revenues		
Premiums, annuity considerations and fund deposits	$ 8,112	$ 7,768
Net investment income	2,106	2,052
Other income	441	421
Total revenues	10,659	10,241
Benefits and Expenses		
Benefit payments to policyholders and beneficiaries	4,449	4,293
Net increase to policy benefit reserves	2,409	2,330
Commissions and operating expenses	2,383	2,262
Total benefits and expenses	9,241	8,885
Gain from operations before policyholder dividends and taxes	1,418	1,356
Policyholder dividends	(903)	(839)
Gain from operations before taxes and realized capital losses	515	517
Income tax expense	(65)	(141)
Income from operations before net realized capital losses	450	376
Net realized capital losses	(27)	(8)
Net income	$ 423	$ 368

See notes to statutory basis financial statements

The Guardian Life Insurance Company of America

Statutory Basis Statements of Change in Policyholders' Surplus

(In Millions)

	For the Years Ended December 31,	
	2017	2016
Beginning of year balance	$ 6,172	$ 6,090
Adjustments to surplus:		
Net income	423	368
Change in net unrealized capital gains (losses), net of tax	26	(111)
Change in reserve on account of change in valuation basis	-	(8)
Change in asset valuation reserve	(19)	(11)
Change in surplus note	352	-
Change in net deferred taxes	(391)	92
Change in non-admitted assets	233	(84)
Change in pension funded status	(110)	(159)
Other changes, net	(2)	(5)
Net adjustments to unassigned surplus	512	82
End of year balance	$ 6,684	$ 6,172

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America

Statutory Basis Statements of Cash Flows

(In Millions)

	For the Years Ended December 31, 2017	2016
Cash flows from operating activities:		
Premiums and other income received	$ 8,097	$ 7,756
Investment income	2,110	2,110
Other income	130	196
Benefits and loss related payments	(4,582)	(4,308)
Commissions, expenses and taxes paid	(2,431)	(2,290)
Dividends paid	(847)	(822)
Other, net	(12)	22
Net cash provided by operating activities	2,465	2,664
Cash flows from investing activities:		
Proceeds from investments sold or matured:		
Bonds	14,248	15,042
Common and preferred stocks	363	538
Mortgage loans	495	574
Real estate	107	81
Other investments	398	457
Proceeds from investments sold or matured	15,611	16,692
Cost of investments acquired:		
Bonds	16,841	18,451
Common and preferred stocks	316	464
Mortgage loans	1,033	664
Real estate	85	16
Other investments	751	517
Cost of investments acquired	19,026	20,112
Net increase in policy loans, net of repayments	115	68
Net cash used in investing activities	(3,530)	(3,488)
Cash from financing and miscellaneous activities:		
Cash provided:		
Surplus note	352	-
Net deposits on deposit-type contracts and other insurance liabilities	445	868
Net cash provided by financing and miscellaneous activities	797	868
Net (decrease) increase in cash, cash equivalents and short-term invesments	(268)	44
Cash , cash equivalents and short-term investments, beginning of year	822	778
Cash, cash equivalents and short-term investments, end of year	$ 554	$ 822

See notes to statutory basis financial statements.

NOTE 1 – ORGANIZATION

The Guardian Life Insurance Company of America ("Guardian" or the "Company") provides financial services to customers throughout the United States. The Company provides a full range of insurance, investment, securities brokerage and other financial products and services including individual life and disability insurance, group life and health insurance, annuities, pension and retirement related investments and administration and asset management.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:
The accompanying statutory basis financial statements have been prepared on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services (the "Department"), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). Insurance companies domiciled in New York are required to prepare statutory basis financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP"), subject to certain deviations prescribed or permitted by the Department.

The Department recognizes only statutory accounting practices prescribed or permitted by the state of New York for determining and reporting the financial condition and results of operations of an insurance company ("New York SAP"). The NAIC promulgates the NAIC SAP, which include accounting guidelines referred to as Statements of Statutory Accounting Principles ("SSAPs"). The Department adopted NAIC SAP with certain modifications, through the passage of Regulation 172, effective January 1, 2001, as amended.

A reconciliation of the Company's Net Income and Surplus at December 31, 2017 and 2016 between NAIC SAP and practices prescribed by the State of New York is shown below:

	2017	2016
Statutory Net Income, New York basis	$ 423	$ 368
State Prescribed Practices:		
Deferred premiums asset impact (1)	7	7
Admission of unearned reinsurance premium asset (2)	(5)	(5)
Statutory Net Income, NAIC SAP basis	$ 425	$ 370

	2017	2016
Statutory Surplus, New York basis	$ 6,684	$ 6,172
State Prescribed Practices:		
Deferred premiums asset impact (1)	143	133
Admission of unearned reinsurance premium asset (2)	(62)	(55)
Statutory Surplus, NAIC SAP basis	$ 6,765	$ 6,250

1) Department Circular Letter No. 11
2) Department Regulation 172

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial statements prepared on a New York SAP basis vary from financial statements prepared in accordance with GAAP primarily because on a statutory basis: 1) costs related to acquiring business, principally commissions and certain policy issue expenses, are charged to income in the year incurred; 2) life insurance and annuity reserves are based on statutory mortality and interest requirements, without consideration of withdrawals and company experience; 3) life insurance enterprises are required to establish a formula-based asset valuation reserve ("AVR") by a direct charge to surplus to offset potential investment losses; 4) realized gains and losses resulting from changes in interest rates on fixed income investments are deferred in the interest maintenance reserve ("IMR") and amortized into investment income over the remaining life of the investment sold; 5) bonds are carried principally at amortized cost; 6) certain reinsurance transactions are accounted for as reinsurance for statutory purposes and as financing transactions under GAAP, and assets and liabilities are reported net of reinsurance for statutory purposes and gross of reinsurance for GAAP; 7) certain "non-admitted assets" (furniture and office equipment, leasehold improvements, capitalized internally developed non-operating system software, and prepaid pension costs) must be excluded under statutory reporting through a charge to surplus; 8) investments in common stock of the Company's wholly-owned and majority owned subsidiaries are accounted for using the equity method, where earnings of such subsidiaries are recognized in surplus; only when dividends are distributed is income recognized; 9) gross deferred tax assets and changes in deferred tax assets ("DTAs") and liabilities ("DTL's"), except those relating to changes in unrealized gains and losses, are recognized as a separate component of surplus. Deferred tax assets not meeting certain criteria are non-admitted; 10) investments in Other invested assets, where the Company has a controlling financial interest, are accounted for using the equity method for statutory purposes and consolidated under GAAP; and 11) if in the aggregate, the Company has a net negative cash balance, it is reported as a negative asset for statutory purposes and recorded as a liability under GAAP. The effect on the financial statements of the Company from the differences between New York SAP and GAAP are material and disclosed in Note 19.

Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. As a provider of life insurance products, the Company's operating results in any given period depend on estimates of policy reserves required to provide for future policyholder benefits. The development of policy reserves for insurance and investment contracts requires management to make estimates and assumptions regarding mortality, lapse, expense and investment experience. Such estimates are primarily based on historical experience and, in many cases, state insurance laws that require specific mortality, morbidity, and investment assumptions to be used by the Company and may preclude the use of lapse and expense assumptions. Actual future results could differ from these estimates. Management monitors actual experience, and where circumstances warrant, revises its assumptions and the related reserve estimates. The Company regularly invests in mortgage loans, mortgage-backed securities and other securities subject to prepayment and/or call risk. Significant changes in prevailing interest rates and/or geographic conditions may adversely affect the timing and amount of cash flows on such investments, as well as their related values. In addition, the amortization of market premium and accretion of market discount for mortgage-backed securities is based on historical experience and estimates of future payment experience underlying mortgage loans. Actual prepayment timing could differ from original estimates resulting in adjustments to asset values and amortization or accretion recorded in future periods.

Admitted Assets:

Assets are stated at "admitted asset" values, which are values required by or permitted to be reported to the Department in accordance with its rules and regulations. Certain assets designated as "non-admitted assets" (approximately $156 million and $389 million at December 31, 2017 and December 31, 2016, respectively), consisting principally of deferred tax assets, leasehold improvements, electronic data processing equipment and computer software, and prepaid pension costs are charged directly to unassigned surplus.

Investments:

See Note 3 and Note 4 regarding the accounting policy, reported statement value and estimated fair value of the Company's investment in bonds, common and preferred stocks, mortgage loans, real estate and derivatives.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Short-Term Investments:
Cash includes amounts on deposit with banks. Cash equivalents are stated at amortized cost and consist of investments having maturities of three months or less at time of purchase. Money Market Funds are included in cash equivalents are stated at the Net Asset Value which is equivalent to the fair value. Certain short-term investments, are stated at amortized cost and consist primarily of investments having maturities greater than three months from date of purchase, but less than one year to maturity. Fair values for such investments approximate carrying value, because of the relatively short period of time between their origination and expected maturity and collectability.

Policy Loans:
Policy loans are stated at unpaid principal balance. The carrying amount approximates fair value since loans on policies have no defined maturity date and reduce the amount payable at death or at surrender of the contract.

Other Invested Assets:
Other invested assets consist primarily of joint ventures, limited liability companies (LLCs), and other forms of partnerships. These investments are valued at the Company's share of equity in the partnerships' LLC or joint ventures' net assets. All distributions are recorded as income or return of capital based on information received from the partnerships. The change in equity is recorded as unrealized gains (losses) on the Company's books and is charged directly to surplus. Other invested assets also include investments in surplus notes which are carried at amortized cost.

Other Assets:
Other assets consist primarily of receivables from subsidiaries (see Note 11), receivables related to reinsurance ceded (see Note 9), amounts receivable relating to Administrative Services Only ("ASO") uninsured plans, premium tax offsets, and electronic data processing equipment.

Investment Reserves:
In compliance with statutory requirements, the Company maintains the AVR and the IMR. The AVR is intended to stabilize policyholders' surplus against market fluctuations in the value of equities and credit related declines in the value of bonds, mortgage loans and equity investments. Changes in the AVR are recorded directly to surplus. The IMR defers net after-tax realized capital gains (losses) which result from changes in the overall level of interest rates for fixed income investments and amortizes these net capital gains (losses) into income over the remaining stated life of the investments sold. The Company uses the group method of calculating the IMR.

Insurance Revenue and Expense Recognition:
Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Benefit payments to policyholders and beneficiaries include death benefits, disability benefits, matured endowments and surrender benefits and are charged to expense when incurred.

Reserves for Policy Benefits:
See Note 5 regarding the methods and assumptions used to establish the Company's reserves for future insurance policy benefits.

Other Liabilities:
Other liabilities consist primarily of general expenses due or accrued, liabilities for employees and agents, commissions payable, unearned investment income, amounts withheld or retained by the company as agent or trustee, miscellaneous reinsurance liabilities, assessments, and tax reserves liabilities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Taxes:
The provision for federal income taxes is based on income from operations currently taxable. Realized gains and losses are reported net of the applicable federal income taxes. Deferred federal income tax assets are admitted to the extent they can be realized within three years subject to a 15% limitation of capital and surplus with increases or decreases reflected as adjustments to surplus (See Note 8). The Company is required to establish a tax loss contingency if it is more likely than not that a tax position will not be sustained. The amount of the contingency reserve is management's best estimate of the amount of the original tax benefit that could be reversed upon audit, unless the best estimate is greater than 50% of the original tax benefit, in which case the reserve is equal to the entire tax benefit.

Dividends to Policyholders:
The liability for dividends to policyholders principally consists of dividends expected-to-be paid during the subsequent year and are determined by means of formulas that reflect the relative contribution of each group of policies to the results of operations. Policyholder dividends are approved annually by the Board of Directors, and a portion of the policyholder dividends approved annually are guaranteed by the Board of Directors.

Other Contract Liabilities
Other contract liabilities include liabilities for deposit type contracts such as funding agreements (see Note 5), claims in the course of settlement, and premiums received in advance.

Benefit Plans:
The Company has non-contributory defined benefit pension plans covering substantially all of the Company's employees. The benefits are based primarily on years of service and compensation. Assets of the pension plans are invested in a diversified portfolio that primarily consists of corporate bonds and common stocks. All assets are managed by the Company or its affiliates.

Reinsurance:
The Company enters into reinsurance agreements in the normal course of its insurance business to reduce overall risk (see Note 9 for reinsurance ceded and Note 10 for reinsurance assumed). The Company remains liable for reinsurance ceded if the reinsurer fails to meet its obligation on the business it has assumed. The Company evaluates the financial condition of its reinsurers to minimize its exposure to significant losses from reinsurer insolvencies.

Net Investment Income and Capital Gains:
Net investment income includes interest and dividends received or accrued on investments. It also includes amortization of any purchase premium or discount using the interest method, adjusted retrospectively or prospectively for any change in estimated yield to maturity. Investment income due and accrued that is deemed uncollectible is charged against net investment income in the period such determination is made. Net investment income is reduced by investment management expenses, interest expense on the Company's outstanding surplus note and real estate depreciation.

Realized investment gains and losses are reported in income based upon specific identification of securities sold. Realized losses include valuation adjustments for other-than-temporary declines in investments. Unrealized investment gains and losses on financial instruments carried at fair value represent changes in the reported fair value and are recorded directly to surplus.

Assessments:
Under state insurance guaranty fund laws, insurers doing business in a state can be assessed, up to prescribed limits, for certain obligations of insolvent insurance companies to policyholders and claimants. Amounts assessed to each company are typically related to its proportion of business written in each state. The Company's policy is to accrue assessments when the entity for which the insolvency relates has met its state of domicile's statutory definition of insolvency, the amount of the loss is reasonably estimable and the related premium upon which the assessment is based is written. In most states, the definition is met with a declaration of financial insolvency by a court of competent jurisdiction. In certain states there must also be a final order of liquidation. As of December 31, 2017 and December 31, 2016, the liability balance included in other liabilities was $9 million and $28 million, respectively for assessments. Some states permit member insurers to recover assessments through full or partial premium tax offsets. The related premium tax offsets included in other assets were $21 million and $17 million as of December 31, 2017 and December 31, 2016, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On March 1, 2017, the Commonwealth Court of Pennsylvania entered into an order of liquidation for Penn Treaty Network America Insurance Company, and its subsidiary American Network Insurance Company ("Penn Treaty"), providers of long-term care insurance. As a result of the liquidation, the Company used the most current cost estimate provided by the National Organization of Life and Health Guaranty Associations (NOLHGA) to determine the estimated fund assessments and premium tax offsets. As of December 31, 2017, the Company recognized a discounted assessment liability of $8 million (undiscounted of $8 million) offset by a discounted premium tax offset of $16 million (undiscounted of $19 million) using a discount rate of 3.5%. The assessment is included in other liabilities of $9 million and in other assets of $21 million stated above. The Company expects a majority of the assessments to be paid over the next 2 years and a majority of the premium tax offset to be realized over the next 7 years.

The below table provide additional information on the Penn Treaty fund assessment liability and premium tax offset recoverables:

	Liability			Recoverables		
Name of the Insolvency	**Number of Jurisdictions**	**Range of Years**	**Weighted average number of years**	**Number of Jurisdictions**	**Range of Years**	**Weighted average number of years**
Penn Treaty	50	1 - 3 years	2 years	40	1 - 20 years	7 years

Reclassifications:

Certain amounts in prior year's presentation have been reclassified to conform to the current presentation. The reclassification had no effect on previously reported net income or surplus. The investment in surplus notes totaling $204 million have been reclassified from the Bonds to Other Invested Assets on Statutory Basis Balance Sheet for December 31, 2016.

NOTE 3 – INVESTMENTS

Investments are valued in accordance with methods prescribed by the Securities Valuation Office of the NAIC ("SVO"). The Company obtains the fair value of financial instruments held in its portfolio that are either carried at fair value on the face of the financial statements or disclosed in the notes to the financial statements at fair value, from a number of sources. These sources include published market quotes for active market exchange traded instruments, third party pricing vendors, investment banks which are lead market makers in certain markets, broker quotes and the use of internal valuation models that use market observable inputs when available and Company derived inputs when external inputs are not available or deemed to be inaccurate. Unrealized gains and losses on investments carried at fair value are recorded directly in unassigned surplus. The investment portfolio is reviewed for investments that may have experienced a decline in value considered to be other-than-temporary. The Company considers several factors in determining whether other-than-temporary declines exist: duration and extent to which the fair value of the security has been less than cost; financial condition of the issuer; the near term prospects for recovery of the fair value of a security; discounted estimated future cash flows; and the intent and ability of the Company to hold the security to allow for an anticipated recovery in value. Impairments that are considered other-than-temporary are included in net realized capital losses.

The Company's investment portfolio includes securities with a 5* NAIC designation. There were two securities that have a 5* NAIC designation with an aggregated book adjusted carrying value and aggregate fair value of $10 million as of December 31, 2017. There were two securities that have a 5* NAIC designation with a book adjusted carrying value and fair value of $14 million as of December 31, 2016.

Valuation methods for the various types of investments held are as follows:

Bonds - Bonds are stated principally at amortized cost with bond premiums and discounts amortized using the scientific interest method. Those bonds which are rated 6 by the NAIC are reported at the lower of amortized cost or fair value. Mortgage-backed bonds are carried at amortized cost using the interest method considering anticipated prepayments at the date of purchase. Significant changes in future anticipated cash flows from the original purchase assumptions are accounted for using the retrospective and prospective adjustment method utilizing the Public Securities Association standard prepayment rates. There were fifty-six securities that were sold, redeemed or disposed of with an aggregate amount of $29 million in investment income from prepayment penalties and acceleration fees as of December 31, 2017.

Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from issuers or broker- dealers through information services or internal estimates and are consistent with current interest rates and the economic environment. There were forty-six securities that were sold, redeemed or disposed of with an aggregate amount of $504 million and $8 million in investment income from prepayment penalties as of December 31, 2017.

The Company changes from the retrospective method to the prospective method when an other than temporary impairment has been recorded on a structured loan-backed security.

Preferred stocks - Preferred stocks are carried at amortized cost if they have an NAIC SVO rating of 1 to 3 or the lower of book value or fair value based on the rating of 4 to 6.

Common stocks - Common stocks of unaffiliated companies are stated at fair value, which is based on quoted market price. For common stocks without quoted market prices, fair value is estimated using independent pricing services or internally developed pricing models. Investments in subsidiaries are included in common stocks and are valued at equity in the underlying net assets. Undistributed earnings or losses of subsidiaries and unrealized appreciation or depreciation on common stocks are reflected as unrealized capital gains and losses directly in Surplus.

NOTE 3 – INVESTMENTS (CONTINUED)

Foreign Currency Translation - All of the Company's insurance operations are conducted in the United States of America on a U.S. dollar-denominated basis. The Company does make bond, equity and other investments that are denominated in foreign currencies or issued by entities doing business in other countries. Investments denominated in a foreign currency are translated to U.S. dollars at each reporting date using then-current market foreign exchange rates. Translation gains or losses relating to fluctuations in market exchange rates are reported as a change in unrealized capital gains and losses until the related investment security is sold or matures, at which time a realized capital gain or loss is reported. Transactions denominated in a foreign currency, such as receipt of foreign-denominated interest or dividends, are translated to U.S. dollars based on the actual exchange rate at the time of the transaction.

NOTE 3 – INVESTMENTS (CONTINUED)

The amortized cost basis and estimated fair value of bonds and the cost basis and estimated fair value of preferred stock and common stocks at December 31, 2017 and December 31, 2016 is as follows:

December 31, 2017	Amortized Cost/ Cost*	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
	(In millions)			
U.S. Government	$ 2,475	$ 46	$ (8)	$ 2,513
All other Government	65	-	-	65
States, Territories, and Possessions	336	52	-	388
U.S. Political Subdivisions	262	30	-	292
U.S. Special Revenue	2,517	231	(9)	2,739
Industrial and Miscellaneous	32,455	1,874	(140)	34,189
Hybrid	5	1	-	6
Affiliated Bonds	10	-	-	10
Total Bonds	$ 38,125	$ 2,234	$ (157)	$ 40,202
Common stocks - unaffiliated	$ 513	55	(32)	$ 536
Investment in subsidiaries	1,316	18	(339)	995
Total Common Stocks	1,829	$ 73	$ (371)	1,531
Preferred Stocks - Perpetual	$ -	-	-	-
Total Preferred Stocks	-	$ -	$ -	-
Total Common and Preferred Stocks	$ 1,829	$ 73	$ (371)	$ 1,531

December 31, 2016	Amortized Cost/ Cost*	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
	(In millions)			
U.S. Government	$ 1,602	$ 5	$ (31)	$ 1,576
All other Government	37	-	-	37
States, Territories and Possessions	390	47	(5)	432
U.S. Political Subdivisions	230	22	-	252
U.S. Special revenue	2,274	179	(19)	2,434
Industrial and Miscellaneous	30,662	1,313	(460)	31,515
Hybrid	48	2	(1)	49
Total Bonds	$ 35,243	$ 1,568	$ (516)	$ 36,296
Common stocks - unaffiliated	$ 445	34	(41)	$ 438
Investment in subsidiaries	1,346	39	(341)	1,044
Total Common Stocks	1,791	73	(382)	1,482
Preferred Stocks - Perpetual	$ 40	10	-	50
Total Preferred Stocks	40	$ 10	$ -	50
Total Common and Preferred Stocks	$ 1,831	$ 83	$ (382)	$ 1,532

* Includes unrealized FX adjustments

NOTE 3 – INVESTMENTS (CONTINUED)

The Company invests in high quality securities that are diversified by asset class, issuer and industry. At December 31, 2017 approximately 6.5% of the portfolio is invested in securities issued or backed by the United States Government or its agencies. No other single issuer accounts for more than 1.5% of the portfolio at December 31, 2017.

The amortized cost and estimated fair value of debt securities at December 31, 2017 by contractual maturity are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations.

	2017	
	Amortized Cost	Estimated Fair Value
	(In millions)	
Due in one year or less	$ 461	$ 468
Due after one year through five years	9,499	9,692
Due after five years through ten years	9,572	9,937
Due after ten years	12,846	14,072
Sinking fund bonds, mortgage backed securities and asset backed securities	5,747	6,033
Total	$ 38,125	$ 40,202

The net change in unrealized capital gains (losses) included in surplus for year ended December 31, 2017 and 2016 is summarized as follows:

	2017	2016
	(In millions)	
Changes in net unrealized capital gains (losses) attributable to:		
Bonds (NAIC 6 rated)	$ 4	$ (4)
Preferred Stocks (NAIC 4, 5 and 6 rated)	-	6
Common stocks unaffiliated	31	21
Common stocks affiliated	(21)	(54)
Foreign currency translation	59	(28)
Other	(47)	(72)
Total change in net unrealized capital gains (losses)	26	(131)
Tax (expense) benefit	-	20
Total change in net unrealized gains (losses), net of tax	$ 26	$ (111)

Proceeds from sales, maturities and paydowns of investments in bonds amounted to $14,248 million and $15,522 million for the years ended December 31, 2017 and 2016, respectively. Gross gains of $413 million and $602 million and gross losses of $147 million and $202 million were realized on sales of bonds for the years ended December 31, 2017 and 2016, respectively. These amounts are pre-tax and pre-IMR.

Proceeds from sales, maturities and paydowns of investments in preferred stock amounted to $69 million and $153 million for the years ended December 31, 2017 and 2016, respectively. Gross gains of $28 million and $4 million and gross losses of $0 million and $15 million were realized on sales of preferred stock for the years ended December 31, 2017 and 2016, respectively. These amounts are pre-tax.

NOTE 3 – INVESTMENTS (CONTINUED)

Proceeds from sales, maturities and paydowns of investments in common stock amounted to $294 million and $560 million for the years ended December 31, 2017 and 2016, respectively. Gross gains of $22 million and $19 million and gross losses of $6 million and $13 million were realized on sales of common stock for the years ended December 31, 2017 and 2016, respectively. These amounts are pre-tax.

During 2017 and 2016, there were no restructured loans.

During 2017 and 2016, the Company had non-cash transactions related to the exchange or conversion of bonds that it held as investments in the amount of $2,236 million and $806 million.

During 2017 and 2016, the Company had non-cash transactions related to the exchange or merger activity related to common stock that it held as investments in the amount of $0 million and $2 million.

During 2017 and 2016, the Company had no non-cash transactions related to the exchange or conversion of preferred stock that it held as investments.

Unrealized Losses:
The Company's investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2017 and December 31, 2016 are shown below:

December 31, 2017	**Less than 12 Months**		**12 Months or More**		**Total**	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government	$ 967	$ (6)	$ 57	$ (2)	$ 1,024	$ (8)
All other Government	15	-	-	-	15	-
States, Territories and Possessions	13	-	17	-	30	-
U.S. Political Subdivisions	-	-	-	-	-	-
U.S. Special Revenue	207	(2)	343	(7)	550	(9)
Industrial and Miscellaneous	4,523	(54)	2,764	(86)	7,287	(140)
Hybrid	-	-	-	-	-	-
Total Bonds	$ 5,725	$ (62)	$ 3,181	$ (95)	$ 8,906	$ (157)
Common stocks - unaffiliated	8	(1)	119	(31)	127	(32)
Total temporarily impaired securities	$ 5,733	$ (63)	$ 3,300	$ (126)	$ 9,033	$ (189)

NOTE 3 – INVESTMENTS (CONTINUED)

December 31, 2016	**Less than 12 Months**		**12 Months or More**		**Total**	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government	$ 1,126	$ (31)	$ 4	$ -	$ 1,130	$ (31)
All other Government	17	-	-	-	17	-
States, Territories and Possessions	122	(5)	4	-	126	(5)
U.S. Political Subdivisions	35	-	-	-	35	-
U.S. Special Revenue	678	(18)	8	(1)	686	(19)
Industrial and Miscellaneous	10,177	(380)	985	(80)	11,162	(460)
Hybrid	1	-	21	(1)	22	(1)
Total Bonds	$ 12,156	$ (434)	$ 1,022	$ (82)	$ 13,178	$ (516)
Common stocks - unaffiliated	150	(19)	62	(22)	212	(41)
Total temporarily impaired securities	$ 12,306	$ (453)	$ 1,084	$ (104)	$ 13,390	$ (557)

The Company's investment portfolio includes individual securities that are in an unrealized loss position and have not been recognized as other-than-temporary impairments. There were four hundred and sixty-four securities in an unrealized loss position for greater than 12 months with a book value of $3,426 million and a fair value of $3,300 as of December 31, 2017. There were six hundred and seventy two securities in an unrealized loss position for greater than 12 months with a book value of $1,188 million and a fair value of $1,084 million as of December 31, 2016.

In reaching the conclusion that these impairments are not other-than-temporary, management considered many factors including: duration and severity of impairment, discounted cash flow analysis, investment sector stability, creditworthiness, financial condition of issuer, and intent and ability to hold to allow for recovery in value.

NOTE 3 – INVESTMENTS (CONTINUED)

Mortgage Loans:
Mortgage loans are valued at amortized cost. Valuation reserves are established for potential declines in the value of the mortgage loans. As of December 31, 2017 and December 31, 2016 there were no valuation reserves established for any of the Company's mortgage loans. Other-than-temporary impairments on loans are charged to net realized capital losses and are not adjusted for subsequent recoveries in value. There were no other-than-temporary impairments on mortgage loans for the years ended December 31, 2017 and 2016, respectively.

The Company's $4,001 million and $3,472 million of investments in mortgage loans on real estate on December 31, 2017 and December 31, 2016 consist of loans on commercial real estate properties. Of these amounts $1,682 million and $1,356 million were mortgage loans in which the Company was a participant at December 31, 2017 and December 31, 2016. The Company had $0 million and $30 million in co-lender loan exposure as of December 31, 2017 and December 31, 2016. The largest concentrations of commercial real estate mortgage loans are for properties located in California and Texas ($1,209 million or 30.24% and $351 million or 8.76%) at December 31, 2017. The largest concentrations of commercial real estate mortgage loans are for properties located in California and Texas ($1,183 million or 34.07% and $224 million or 6.45%) at December 31, 2016. The Company estimates the fair value of mortgage loans on real estate to be $4,085 million and $3,549 million at December 31, 2017 and December 31, 2016, respectively. Fair value was determined based upon the present value of the scheduled future cash flows of each loan based on the average term to maturity discounted at the appropriate U.S. Treasury rate, adjusted for the current market spread for a similar quality mortgage. The minimum and maximum range of lending rates on new mortgage loans were between 3.20% and 4.32% originated during 2017. The maximum percentage of any single mortgage loan to the value of the security originated in 2017 was 69.92% at origination date.

Management monitors its mortgage loan portfolio on an ongoing basis for events or circumstances that could indicate that it will not receive all of its contractually due principal and interest payments in accordance with the loan agreements. In May and November of each year, the entire portfolio is screened based on debt service coverage, loan to value ratio, delinquency over 90 days and if there are indications that balloon payments due at maturity will not be made to determine if any other than temporary impairments might need to be recorded.

Interest received on impaired loans that were previously modified in a troubled debt restructuring is either applied against the principal or reported as revenue according to management's judgment as to the collectability of principal. There were no mortgages with interest more than 180 days past due at December 31, 2017 or December 31, 2016, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

The following table set forth the credit quality indicators as of December 31, 2017 and December 31, 2016, based upon the recorded investment gross of allowance for credit losses.

Mortgage Loans

	Debt Service Coverage Ratio - December 31, 2017						
	Greater than 2.0X	1.8X to 2.0X	1.5X to <1.8X	1.2X to <1.5X	1.0X to <1.2X	Less than 1.0X	Grand Total
Loan-to-Value Ratio							
0% - 49.99%	$ 939	$ 62	$ 178	$ 24	$ 19	$ -	$ 1,222
50% - 59.99%	798	263	181	120	21	-	1,383
60% - 69.99%	715	-	276	103	52	4	1,150
70% - 79.99%	140	18	-	38	47	3	246
80% - 89.99%	-	-	-	-	-	-	-
90% - 100%	-	-	-	-	-	-	-
Greater than 100%	-	-	-	-	-	-	-
Total	**$ 2,592**	**$ 343**	**$ 635**	**$ 285**	**$ 139**	**$ 7**	**$ 4,001**

Mortgage Loans

	Debt Service Coverage Ratio - December 31, 2016						
	Greater than 2.0X	1.8X to 2.0X	1.5X to <1.8X	1.2X to <1.5X	1.0X to <1.2X	Less than 1.0X	Grand Total
Loan-to-Value Ratio							
0% - 49.99%	$ 670	$ 215	$ 131	$ 57	$ 37	$ 2	$ 1,112
50% - 59.99%	559	138	238	64	3	-	1,002
60% - 69.99%	471	18	218	245	55	5	1,012
70% - 79.99%	73	37	16	72	93	8	299
80% - 89.99%	-	22	7	-	-	-	29
90% - 100%	18	-	-	-	-	-	18
Greater than 100%	-	-	-	-	-	-	-
Total	**$ 1,791**	**$ 430**	**$ 610**	**$ 438**	**$ 188**	**$ 15**	**$ 3,472**

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NOTE 3 – INVESTMENTS (CONTINUED)

Real Estate:

Real estate investments are reported in the financial statements at cost, less any valuation adjustment, encumbrances and accumulated depreciation of buildings and other improvements using a straight line method over a 40 year period for the buildings and the estimated useful life of the improvements. An investment in real estate is considered impaired when the projected undiscounted net cash flow from the investment is less than depreciated cost. When the Company determines that an investment in real estate is impaired, a valuation adjustment is made to reduce the carrying value to estimated fair value, after encumbrances, based on appraisal of the property. The valuation adjustment is included in realized capital gains (losses).

Real estate was comprised of the following for the years ended December 31, 2017 and December 31, 2016:

	2017	2016
	(In millions)	
Investment real estate	$ 341	$ 361
Properties held for sale - Company Occupied	-	10
Properties occupied by the Company	4	3
Total real estate	$ 345	$ 374

The Company had accumulated depreciation totaling $102 million and $121 million at December 31, 2017 and December 31, 2016, respectively. The Company recorded depreciation expense of $19 million for 2017 and $19 million for 2016. There were two properties with carrying value of $22 million, above their combined fair value of $20 million at December 31, 2017. There were four properties with carrying value of $24 million, above their combined fair value of $20 million at December 31, 2016. There was one other-than-temporary impairment of $4 million taken on real estate in 2017. There were no other-than-temporary impairment in 2016. The fair values were determined by a third party and internal appraisals. As of December 31, 2016 the Company had four home office properties held for sale with carrying value of $10 million. These properties were sold in 2017 resulting in a gain of $2 million.

Restricted Assets and Special Deposits:

The Company had admitted restricted assets of $12 million and $23 million at December 31, 2017 and 2016, respectively. Of these amounts, there were deposits with states as required by certain insurance laws of $4 million in 2017 and $4 million 2016 and pledged as collateral for futures trading of $8 million and $20 million in 2017 and 2016, respectively. These amounts are included in Bonds in the Statutory Basis Balance Sheets. Total admitted restricted assets were 0.02% and 0.05% of the Company's total admitted assets at December 31, 2017 and 2016, respectively. There were no non-admitted restricted assets in 2017 or 2016.

Investment in Subsidiaries:

Investment in affiliated limited liability subsidiaries are included in Other invested assets while investment in all other subsidiaries are included in Common stocks on the Statutory Basis Balance Sheets and totaled $1,819 million and $1,754 million at December 31, 2017 and December 31, 2016, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

The Company's major subsidiaries are as follows:

Guardian Insurance and Annuity Company ("GIAC") is a stock life insurance company organized primarily for the sale of variable deferred annuities, fixed deferred and immediate annuity contracts, and variable life insurance policies. For variable products, contracts are sold by insurance agents who are licensed by Park Avenue Securities LLC ("PAS"), wholly-owned by GIAC, and are either registered representatives of PAS or of broker-dealer firms that have entered into sales agreements with GIAC. Effective September 1, 2016, GIAC sold its Group 401(k) in-force business to Ameritas Life Insurance Corp., a Nebraska corporation ("Buyer") and entered into an indemnity reinsurance agreement with the Buyer on a 100% modified coinsurance basis for the liabilities until the Buyer can obtain all of the required regulatory and contract holder approvals to novate the GIAC Group 401(k) in-force contracts through Assumption Reinsurance.

Berkshire Life Insurance Company of America ("BLICOA") is a stock life company whose primary business is the sale and administration of disability insurance business.

Park Avenue Life Insurance Company ("PALIC") primary business is the administration of life insurance business (principally term and universal life products). Although PALIC is licensed in 48 states and the District of Columbia, it does not currently write new business.

First Commonwealth, Inc. ("FCW") provides dental care coverage and/or arranges for dental care services to be provided to its subscribers primarily on a prepaid basis. It also provides Indemnity/Preferred Provider Organization ("PPO") dental coverage, and administrative claim services. Through its subsidiary, Premier, FCW also operates as a dental health care service plan under the California Geographic Managed Care Program ("GMC") and the Los Angeles Prepaid Health Plan ("LAPHP"), which are administered by the California Department of Health Services and were created by the State legislature to ensure access, quality of care, and cost-effectiveness for beneficiaries of the Medi-Cal Program. On January 29, 2016, FCW acquired 100% interest in Avesis Incorporated at a purchase price of $262 million. The total assets acquired were $317 million which includes $268 million in goodwill and intangible assets and total liabilities acquired were $55 million.

Guardian Investor Services ("GIS") is a wholly-owned non-insurance limited liability company that provides investment advisory services and related services to the mutual funds, variable investment trusts, private investment unit trust, institutional and other clients through Park Avenue Institutional Advisers ("PAIA"), wholly-owned subsidiary of GIS. GIS also provides absence management services to organizations and dental practice management services to dental clinics. GIS holds investments in real estate operating entities and joint ventures, residual interests in collateralized loan obligation securities and investments in early stage companies.

- During 2016, GIS received $234 million of real estate operating entities and joint ventures from the Company. GIS also received a contribution of $130 million from the Company which represents the common stock of Reed Group, Ltd., a Colorado corporation that provides absence management services.

- On August 24, 2016, GIS acquired 100% interest in STX Healthcare Management Service, Inc., a dental service organization, at a purchase price of $79 million in cash. The total assets acquired were $94 million which includes $80 million in goodwill and intangible assets and total liabilities acquired were $15 million.

- On December 17, 2015, GIS entered into a definitive agreement to sell its majority interest (as of December 31, 2015, GIS owns a 94.0% interest in RS) in RS to Victory Capital. The transaction closed on July 29, 2016.

NOTE 3 – INVESTMENTS (CONTINUED)

Selected financial information for the Company's significant subsidiaries is highlighted below:

	2017	2016
	(In millions)	
GIAC (Statutory basis)		
Total assets	$ 17,360	$ 16,783
Total liabilities	17,050	16,523
Net income (loss)	$ 26	$ (140)
BLICOA (Statutory basis)		
Total assets	$ 3,718	$ 3,527
Total liabilities	3,529	3,325
Net income	$ 11	$ 18
PALIC (Statutory basis)		
Total assets	$ 236	$ 268
Total liabilities	195	204
Net income	$ 5	$ 6
FCW (GAAP basis)		
Total assets	$ 586	$ 701
Total liabilities	112	161
Net income	$ 28	$ 25
GIS (GAAP basis)		
Total assets	$ 1,962	$ 1,432
Total liabilities	1,129	712
Net income (loss)	$ 2	$ (3)

NOTE 3 – INVESTMENTS (CONTINUED)

Investment in Subsidiaries

The following table provides additional information on non-insurance subsidiaries.

December 31, 2017

Description of SCA Investment (Per SSAP No 97)	% of SCA Ownership	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of Filing to NAIC	Type of NAIC Filing (Sub-1, Sub-2, or Resubmission of Disallowed Filing)	NAIC Response Received (yes/no)	NAIC Valuation (Amount)	NAIC Disallowed Entity's Valuation Method, Resubmission Required (yes/no)	Code
				(In millions)						
Managed Dental Care of California	100%	$ 4	$ -	$ 4	12/30/2016	Sub-2	Y	$ 5	no	I
First Commonwealth	100%	443	-	443	12/30/2016	Sub-2	Y	508	no	I
Innovative Underwriters	100%	6	6	-	-	Sub-2	n/a	-	n/a	I
Guardian Investors Services, LLC	100%	824	-	824	-	n/a	n/a	-	n/a	I
Guardian Acqusition I, LLC	100%	24	24	-		n/a	n/a	-	n/a	I
Aggregate Total		**$ 1,301**	**$ 30**	**$ 1,271**				**$ 513**		

December 31, 2016

Description of SCA Investment (Per SSAP No 97)	% of SCA Ownership	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of Filing to NAIC	Type of NAIC Filing (Sub-1, Sub-2, or Resubmission of Disallowed Filing)	NAIC Response Received (yes/no)	NAIC Valuation (Amount)	NAIC Disallowed Entity's Valuation Method, Resubmission Required (yes/no)	Code
				(In millions)						
Managed Dental Care of California	100%	$ 5	$ -	$ 5	6/30/2016	Sub-2	Y	$ 6	no	I
First Commonwealth	100%	508	-	508	12/30/2016	Sub-2	Y	420	no	I
Innovative Underwriters	100%	6	6	-	-	Sub-2	n/a	-	n/a	I
Guardian Investors Services, LLC	100%	710	-	710	-	n/a	n/a	-	n/a	I
Aggregate Total		**$ 1,229**	**$ 6**	**$ 1,223**				**$ 426**		

NOTE 3 – INVESTMENTS (CONTINUED)

NET INVESTMENT INCOME

Net investment income, including accrual of discounts and amortization of premiums, arose from the following sources for the years ended December 31, 2017 and December 31, 2016:

	2017	2016
	(In millions)	
Bonds	$ 1,611	$ 1,545
Preferred stocks	-	7
Unaffiliated common stocks	24	9
Affiliated common stocks	47	12
Mortgage loans	166	169
Real estate	69	73
Policy loans	253	247
Cash and short-term investments	6	4
Other (mainly private equities)	155	181
Gross investment income	2,331	2,247
Less investment expenses	(225)	(195)
Net investment income	$ 2,106	$ 2,052

NET REALIZED CAPITAL (LOSSES) GAINS

Net realized capital losses were derived from the following sources for the years ended December 31, 2017 and December 31, 2016:

	2017	2016
	(In millions)	
Bonds	$ 255	$ 401
Preferred stocks	28	(11)
Common stocks (unaffiliated & affiliated)	15	5
Mortgage loans	(7)	(2)
Real estate	12	29
Other invested assets	5	(8)
Derivatives and hedging losses gains	(18)	(46)
Other realized losses	1	-
Total net realized capital gains	291	368
Capital gains tax expense	(152)	(164)
Transfer to IMR (net of tax)	(166)	(212)
Net realized capital losses	$ (27)	$ (8)

Included in Other Invested Assets is $15.5 million net losses related to the transfer of twenty real estate joint venture LLC's to GIS in 2016.

The net realized capital loss figure above includes other-than-temporary impairment losses of $54 million and $46 million for the years ended December 31, 2017 and December 31, 2016, respectively. Of the $54 million for 2017, $15 million relates to impairments that reduced surplus which consists of $11 million in bonds and $4 million in real estate. The remaining $39 million relates to private equities. The $46 million relates to private equities.

NOTE 3 – INVESTMENTS (CONTINUED)

Derivative Financial Instruments:
The Company enters into derivative transactions in order to mitigate ("hedge") certain risks pertaining to its assets, liabilities and surplus from fluctuations in interest rates, foreign currency exchange rates and market volatility. Derivatives are either exchange traded or contracted over-the-counter. The majority of the Company's over-the-counter derivatives are bilateral contracts between the Company and a single counterparty. The Company's remaining over-the-counter derivatives are cleared and settled through central clearing counterparties.

Derivatives that are designated as hedges for accounting purposes and meet the qualifications for hedge accounting are reported on a basis consistent with the asset or liability being hedged (i.e. at amortized cost). Derivatives that are used to mitigate risk but are not designated as hedges for accounting purposes or do not meet the qualifications for hedge accounting treatment are reported at fair value.

To qualify for hedge accounting the hedge relationship must be designated and formally documented at inception. This documentation details the risk management objective and strategy for the hedge, the derivative used in the hedge, the asset or liability being hedged, and the methodology for assessing hedge effectiveness. The hedge must also be "highly effective" with an assessment of its effectiveness performed both at inception and on an ongoing basis over the life of the hedge.

Derivative transactions expose the Company to the risk that the counterparty may not be able to fulfill its obligations under the terms set forth in the contract. The Company manages this counterparty risk by entering into transactions with counterparties that maintain a minimum credit rating, by performing ongoing review of a counterparties' credit standing, by adhering to established limits for credit exposure to any single counterparty and requiring collateral posting subject to thresholds and minimum transfer amounts in accordance with counterparty agreements to support credit risk associated with counterparty exposures which further reduces the company's exposure to default by the counterparty. The Company is required to establish a margin account for all of its futures contracts. All of the futures contracts that the Company has entered into are exchange traded. Margin payments are required for futures contract and contract gains or losses are settled daily in cash, therefore the futures contracts are carried at zero value on the Company's balance sheets. The contract amount of futures contracts represents the extent of the Company's involvement, but not future cash requirements, as open positions are typically closed out prior to the delivery date of the contract. The Company does not offset the statement values for derivatives executed with the same counterparty, even if a master netting arrangement is in place. The Company also does not offset the right to claim collateral against the obligation to return such collateral.

The Company has no embedded credit derivatives that expose it to the possibility of being required to make future payments. The Company also does not have any derivative contracts with financing premiums.

Hedging – Designated As Hedging Instruments
The Company designates and accounts for its foreign currency swaps as cash flow hedges and certain equity index futures, treasury futures and S&P equity option as fair value hedges.

Foreign currency swaps are used to mitigate the foreign exchange risk for investments for specifically identified private placement bonds denominated in foreign currencies over a period of up to 15 years. Foreign currency swaps obligate the Company and a counterparty to exchange the foreign currency denominated interest and principal payments receivable on foreign denominated bonds for U.S. dollar payments based on currency exchange rates specified at the inception of the transaction. Foreign exchange gains or losses on these contracts are reported as a change in unrealized gains or losses until the maturity or sale of the hedged foreign currency bond at which time a realized capital gain or loss is recognized.

Equity index futures are used to mitigate the change in value of the liability the Company has to participants in its deferred compensation plans that allocate their plan account balances to equity funds offered under the plan. Equity index futures obligate the Company to pay or to receive an amount based on a specified equity market index as of a future date applied to the notional amount of the contract. The change in the fair value of the futures contracts are recorded as income or expense which offsets the impact on gain from operation of the change in value of its deferred compensation liability. If the hedge is deemed to be ineffective for any period of time, the change in the fair value of the futures contracts for that time period is recorded in surplus as an unrealized gain or loss.

NOTE 3 – INVESTMENTS (CONTINUED)

Treasury futures are used to mitigate the portion of the change in fair value related to a change in interest rates on specifically identified assets acquired by the Company and held in its general account to support the Funding Agreements ("FA") and the specifically identified portion of a liability incurred by the Company pertaining to FA that are issued by the Company to back Medium Term Notes ("MTN") issued by a special purpose entity.

The Company enters into short positions (sells) treasury futures contracts prior to the issuance of the FA-MTN in order to lock-in the interest rate component of the return of the designated assets at their date of acquisition. When the FA-MTN is issued the Company enters into long position (purchases) treasury futures contracts in order to mitigate the change in the fair value of the designated net liability due to the effects of interest rate changes. The change in the fair value of the futures contracts are recorded in current period earnings as income or expense which offsets the operating gain or loss incurred by the Company on the change in value of its FA liability.

Treasury futures obligate the Company to take or receive delivery of certain Treasury Bonds at a specified price at a future date.

S&P equity options are used by the Company as a risk management strategy to reduce the projected dividend liability exposure on its Index Participation Feature ("IPF") which is a rider on certain whole life contracts. The Company uses a combination of short positions (sell) and long positions (purchases) of over-the-counter European call options on the S&P 500 index with expiration of one year to mitigate the dividend liability exposure based on the future return on S&P 500 index for the annual period of the monthly segment being hedged between the guaranteed floor rate and the cap rate on the participating balances. The change in the fair value of the options contracts are recorded in current period earnings as income or expense which offsets the operating gain or loss incurred by the Company on the change in the amount of the dividend liability.

Hedging – Not Designated As Hedging Instruments

The Company enters into other derivative transactions that mitigate economic risks but are not designated as a hedge for accounting purposes or do not qualify for hedge accounting treatment. These derivative instruments are reported at fair value on the balance sheet as either other invested assets or other liabilities. Changes in the fair value of these instruments are reported as a change in unrealized capital gains or losses until the maturity or termination of the contract, at which time a realized capital gain or loss is recorded.

Treasury futures are used to mitigate the key rate duration mismatch between the designated segment of the general account asset portfolio and the custom composite benchmarks for that segment designed to incorporate certain interest rate characteristics of the liabilities that those assets support. Treasury futures obligate the Company to take or receive delivery of certain Treasury Bonds at a specified price at a future date.

Foreign currency futures are used to mitigate the foreign exchange risk of investments in foreign denominated bonds securities. Foreign currency futures are exchange traded and settled daily. Foreign currency futures obligate the Company to exchange a specified amount of foreign currency at a specified rate on a future date.

Equity index futures are used to mitigate market fluctuations of the Company's portfolio of unaffiliated common stock and other mark to market assets and to minimize the volatility associated with certain liabilities. Equity index futures obligate the Company to pay or receive from a counterparty a cash amount based on a specified equity market index at a predefine price as of a future date applied to the notional amount of the contracts.

NOTE 3 – INVESTMENTS (CONTINUED)

Foreign currency forwards are used to mitigate the foreign exchange risk for investments in foreign denominated bonds or foreign denominated equity investments. Foreign currency forwards obligate the Company and the counterparty to exchange U.S. dollars and another currency at a specified future date and at a specified price.

Credit default swaps index ("CDX") are used to reduce the credit risk exposure on a specified portfolio of corporate bonds. The Company purchases CDX contracts in which it receives payments if there is a credit event on one or more of the specified securities contained in the index. These payments would be used to offset any credit losses recorded on portfolio of bonds being hedged.

The Company also entered into short positions (sells) treasury futures contracts in order to lock in the interest rate as of the date the hedge was entered into for a surplus note that was issued in January 2017.

Replications

The Company purchased treasury futures as part of a replication transaction used to manage interest rate exposure. Statutory accounting guidance requires a cash instrument (high quality bond) with the same par value as the notional amount of the derivative and at least the same duration as the treasury futures to be held by the Company in order to cover the change in value of the treasury futures. The combining of the treasury futures and the cash instrument creates the replication (synthetic bond). If the replicated asset and cash instrument are carried at amortized cost so is the derivative. Otherwise, the derivative is carried at fair value.

NOTE 3 – INVESTMENTS (CONTINUED)

The effects of the Company's use of derivative instruments on the Balance Sheets and Statements of Operations:

December 31, 2017	Notional Amount	Statement Value Assets	Statement Value Liabilities	Change in Unrealized Capital Gains (Losses)	Net Realized Capital Gains (Losses)	Net Investment Income	Gain/(loss) from Operations
	(in millions)						
Derivatives designated as hedging instruments:							
Foreign currency swaps	$ 816	$ 13	$ -	$ (63)	$ -	$ -	$ -
Equity index futures	213	-	-	-	-	-	36
Treasury futures	88	-	-	-	(15)	-	-
S&P equity options	5	-	-	-	-	-	-
Derivatives not designated as hedging instruments:							
Treasury futures	45	-	-	1	(1)	-	-
Equity index futures	1	-	-	-	-	-	-
Credit default swap index	-	-	-	-	(1)	-	-
Total derivatives	$ 1,168	$ 13	$ -	$ (62)	$ (17)	$ -	$ 36

December 31, 2016	Notional Amount	Statement Value Assets	Statement Value Liabilities	Change in Unrealized Capital Gains (Losses)	Net Realized Capital Gains (Losses)	Net Investment Income	Gain/(loss) from Operations
	(in millions)						
Derivatives designated as hedging instruments:							
Foreign currency swaps	$ 422	$ 34	$ -	$ 24	$ -	$ -	$ -
Equity index futures	-	-	-	-	-	-	20
Treasury futures	-	-	-	-	-	-	-
S&P equity options	1	-	-	-	-	-	-
Derivatives not designated as hedging instruments:							
Treasury futures	-	-	-	(1)	(41)	-	-
Foreign currency futures	-	-	-	-	-	-	-
Equity index futures	3	-	-	-	-	-	-
Foreign currency forwards	-	-	-	-	-	-	-
Credit default swap index	950	-	15	-	(4)	-	-
Total derivatives	$ 1,376	$ 34	$ 15	$ 23	$ (45)	$ -	$ 20

Repurchase Agreements:

The Company periodically enters into repurchase agreements whereby securities will be resold at a specified date and price. There were no repurchase agreements as of December 31, 2017 and December 31, 2016, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

Reverse Repurchase Agreements:
The Company periodically enters into reverse repurchase arrangements whereby certain securities are loaned, primarily with major brokerage firms. The Company's policy requires a minimum of 95% of the fair value of the loaned securities as collateral, calculated on a daily basis, in the form of either cash or securities. Collateral assets received and related liabilities due counterparties are included in the Statutory Basis Balance Sheets as "Other Liabilities". There were no open reverse repurchase agreements on December 31, 2017 or December 31, 2016.

Securities Lending
There were no securities on loan at December 31, 2017 or December 31, 2016.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Statutory guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's view of market assumptions based on internally developed data in the absence of observable market information. The guidance requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs when determining the fair value of an asset or liability. The statement classifies all assets and liabilities carried or disclosed at fair value in one of the following three categories:

Level 1 – inputs are quoted market prices available in active markets for identical assets or liabilities on the reporting date. Assets included in this category include fixed maturity instruments.

Level 2 – inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model derived valuations whose inputs are observable or whose significant value drivers are observable. These types of instruments include fixed maturity instruments (impaired bonds), unaffiliated common stock, and derivative instruments that are not actively traded.

Level 3 – inputs are unobservable where there is little or no market activity for the asset or liability and the Company makes estimates and assumptions based on internally derived information. Instruments held in this category include fixed maturity instruments (impaired bonds).

The estimated fair values presented below have been determined using available information and valuation methodologies. The estimated fair value for financial instruments held by the Company was determined by management after considering the following sources of information: published market quotes for active exchange traded instruments, third party pricing vendors, quotes from investment banks that are lead market makers in certain markets, independent broker quotations, or the use of internal valuation models that use market observable inputs when available and Company derived inputs when external inputs are not available or deemed to be inaccurate. Considerable judgment is applied in interpreting data to develop the estimates of fair value. Accordingly, such amounts are management's estimate of the value that would be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies from period to period based on available information and market conditions could have a material effect on the estimated fair values.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Bonds, preferred and common stocks:
Estimated fair values for bonds, other than private placement securities, preferred stock and common stock are valued based on quoted prices from active markets when available (Level 1).

When the Company cannot obtain a quoted market price directly it relies on values provided by a third party pricing vendor. This is the pricing source for the majority of the Company's marketable securities. Prices received from a third party vendor are generally considered to be Level 2.

Pricing vendors utilize pricing models developed for individual asset classes which incorporate available market data. These market inputs include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data which include market research publications. The pricing vendor may obtain broker quotes for securities when sufficient information is not available to fully evaluate a security. For broker-quoted only securities, quotes from market makers or broker-dealers are obtained from sources recognized to be market participants.

Portfolio managers review the values assigned by the pricing vendor for reasonableness. In doing so, they compare the prices received from the pricing vendor to prices of similar securities, price ranges in that asset class or industry or prices from internally generated position reports. If there is a discrepancy with the price received from the vendor, the portfolio manager may communicate this difference to the pricing vendor and present the vendor with additional market data regarding that security in order to insure the pricing vendor has sufficient information needed to accurately price the security. The pricing vendor will then independently validate and evaluate that data and determine if a price change is warranted.

In the rare instance when a portfolio manager finds a difference in his or her assessment of fair value and the vendor price, after performing the preceding procedures, the portfolio manager may request replacement of the vendor price by a supportable value that is believed to be more representative of the security price. Any replacement of the vendor price is subject to an internal approval process.

The fair values of private placement bonds are determined by using an internal pricing model or for a small amount of securities, assigned individual broker prices. There were seventy-seven private placement bonds that were individually priced. These assigned individual prices are usually obtained from an external broker ("hand priced") and are considered to be Level 3.

The significant inputs used for the internal pricing model consist of (i) a broker supplied price matrix, (ii) treasury rates and (iii) credit ratings from certain nationally recognized securities rating organizations ("NRSRO") ("external ratings") or a credit rating assigned internally by the Company's Private Placement Investment Management Group ("internal ratings").

Private placement bonds with an applicable external credit rating of BB or above, for which the corresponding matrix price is used, are classified as Level 2. A private placement bond with an applicable external credit rating of below BB is classified as Level 3 due to the limited amount of market data available for these securities.

Bonds are carried at amortized cost unless they are rated 6 by the NAIC SVO in which case they are reported at the lower of amortized cost or fair value. There no bonds rated 6 by the NAIC SVO and carried at fair value on December 31, 2017 and December 31, 2016. Impaired bonds carried at fair value on December 31, 2017 and December 31, 2016 were $7 million and $2 million, respectively.

Preferred stock is carried at amortized cost if they have a NAIC SVO rating of 1, 2 or 3 and at lower or cost or fair value if the rating assigned is 4, 5 or 6. There were no preferred stocks carried at fair value on December 31, 2017 and December 31, 2016.

Unaffiliated common stocks are reported at fair value.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives:
Derivative instruments are valued through the use of quoted market prices for exchange-traded derivatives (Level 1), third party pricing model and a third party pricing service for over-the-counter ("OTC") traded derivatives (Level 2) and by using internally developed estimates and assumptions when no quoted market price or third party vendor price is available (Level 3).

The third party pricing model used to determine fair value, when quoted market values are not available, is based on market standard valuation methodologies and inputs that are assumed to be consistent with what market participants would use when pricing the instruments. The significant inputs to the pricing models for most over-the-counter derivatives are inputs that are observable in the market or can be derived principally from or corroborated by observable market data. Significant observable inputs include: interest rates, foreign currency exchange rates, interest rate curves, credit curves and volatility.

The methodology used by the third party pricing service for derivative investments is the same as that described above under the bonds, preferred and common stocks section.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables summarize the Company's financial instruments carried at fair value by their fair value hierarchy levels for the period ending December 31, 2017 and December 31, 2016:

	December 31, 2017					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
	(In millions)					
Assets						
Impaired Bonds	$ -	$ -	$ 7	$ 7	$ -	$ 7
Common Stock	-	457	-	457	79	536
Total Assets	$ -	$ 457	$ 7	$ 464	$ 79	$ 543
Liabilities						
Derivative instruments	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ -	$ -	$ -	$ -

	December 31, 2016					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
	(In millions)					
Assets						
Impaired Bonds	$ -	$ 2	$ -	$ 2	$ -	$ 2
Common Stock	-	366	-	366	72	438
Total Assets	$ -	$ 368	$ -	$ 368	72	440
Liabilities						
Derivative instruments	$ -	$ 15	$ -	$ 15	$ -	$ 15
Total Liabilities	$ -	$ 15	$ -	$ 15	$ -	$ 15

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table summarizes changes to the Company's financial instruments carried at fair value and classified as level 3 in the fair value hierarchy for the year ended December 31, 2017.

Level 3 Roll Forward	As of December 31, 2017		
(In Millions)	NAIC 6 Bonds	Impaired Bonds	Total
Fair Value , beginning of period	$ -	$ -	$ -
Total gains or (losses) (realized or unrealized):			-
Included in net income	-	-	-
Included in surplus	-	-	-
Purchases, sales, issuances, and settlements:			-
Purchases	-	-	-
Sales	-	-	-
Issuances	-	-	-
Settlements	-	-	-
Transfers into Level 3	-	7	7
Transfers out of Level 3	-	-	-
Fair value, end of period	$ -	$ 7	$ 7

Transfers into and out of Level 3 are recognized at the end of the reporting period. During 2017, the Company transferred one security into Level 3. The transfers in and out of level 3 were determined by the observable/unobservable inputs used in pricing the securities.

Level 3 Roll Forward	As of December 31, 2016		
(In Millions)	NAIC 6 Bonds	Impaired Bonds	Total
Fair Value , beginning of period	$ -	$ 8	$ 8
Total gains or (losses) (realized or unrealized):			-
Included in net income	-	-	-
Included in surplus	-	-	-
Purchases, sales, issuances, and settlements:			-
Purchases	-	-	-
Sales	-	(8)	(8)
Issuances	-	-	-
Settlements	-	-	-
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
Fair value, end of period	$ -	$ -	$ -

Transfers into and out of Level 3 are recognized at the end of the reporting period. During 2016, the Company transferred no securities into and out of Level 3. The transfers in and out of level 3 were determined by the observable/unobservable inputs used in pricing the securities.

NOTE 5 – RESERVES FOR POLICY BENEFITS

Reserves for policy benefits represent the estimated net present value of future policy benefits, less future policy premiums, established using actuarial methods based on mortality and morbidity experience tables and valuation interest rates prescribed by the Department. Actual future experience will generally differ from assumptions used to determine these reserves.

Reserves for future policy benefits on life insurance issued in 1988 and later are calculated principally on the New Jersey Reserve Method or the Commissioners Reserve Valuation Method using the 1980 Commissioners' Standard Ordinary ("CSO") and the 2001 CSO mortality tables. Reserves on life policies issued before 1988 are calculated principally on the Net Level Premium Reserve Method using the American Experience, 1941, 1958 and 1980 CSO mortality tables. Annuity contract reserves are principally calculated using the 1983 Group Mortality table and the various Individual Annuity mortality tables. Assumed interest rates principally range from 2.5% to 5.5 % for direct business.

The reserves for Group Life Waiver and LTD reported claims are determined on a seriatim basis. Life waiver of premium reserves are determined primarily using the 1970 Inter-company Group Life Disability Table for claims incurred on or before December 31, 2008 and the 2005 Group Term Life Waiver Reserve Valuation Table for claims incurred on or after January 1, 2009. The interest rate is 4.0% for claims incurred on or before December 31, 2012 and 3.5% for claims incurred on or after January 1, 2013. Long-term disability reserves are determined using the 2012 Group Long-Term Disability Valuation Table for claims incurred on or after January 1, 2017 and Table 95a for claims incurred on or before December 31, 2016 for the first 24 months after disablement, and the 1987 Commissioners' Group Disability Table for greater than 24 months of disablement. The interest rates range from 2.75% to 5.0%, depending on the year of incurral. Short Term Disability (STD), Dental, and Medical claims incurred but not yet reported ("IBNR") reserves are estimated based on the Company's historical experience. Dental and Medical reserves include reasonable allowances for potential adverse deviation.

The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium paid beyond the date of death. The larger of legally computed reserves and cash surrender values on a policy-by-policy basis are held as liabilities. Plans, except for second-to-die plans, charge additional premiums for substandard lives based upon actual issue age. Second-to-die plans develop substandard reserves using the rated up age. Mean reserves are based on appropriate multiples of standard rates of mortality. As of December 31, 2017, the Company had $14 billion of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of New York. The reserves to cover the above insurance totaled $32 million. The Tabular Interest, the Tabular Less Actual Reserve Released and the Tabular Cost have been determined by formula. For the determination of Tabular Interest on funds not involving life for each valuation rate of interest, the tabular interest is calculated as the product of such valuation rate of interest times the average of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

At December 31, 2017 and December 31, 2016 the withdrawal characteristics of the Company's annuity reserves and deposit liabilities were as follows:

	As of December 31, 2017				
	(1) General Account	(2) Separate Account with Guarantees	(3) Separate Account Non Guaranteed	(4) Total	(4) % of Total
A. Subject to discretionary withdrawal:					
(1) With market value adjustment	$ 10	$ -	$ -	$ 10	0.5%
(2) At book value less current surrender charge of 5% or more	60	-	-	60	3.3%
(3) At fair value	-	-	-	-	-
(4) Total with adjustment or at fair value (Total of 1 through 3)	$ 70	$ -	$ -	$ 70	3.8%
(5) At book value without adjustment (with minimal or no charge or adjustment)	$ 546	$ -	$ -	$ 546	29.6%
B. Not subject to discretionary withdrawal	$ 1,227	$ -	$ -	$ 1,227	66.6%
C. Total (gross: direct + assumed)	$ 1,843	$ -	$ -	$ 1,843	100.0%
D. Reinsurance ceded	-	-	-	-	-
E. Total (net)* (C)- (D)	$ 1,843	$ -	$ -	$ 1843	100.0%

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities

	As of December 31, 2016				
	(1) General Account	(2) Separate Account with Guarantees	(3) Separate Account Non Guaranteed	(4) Total	(4) % of Total
A. Subject to discretionary withdrawal:					
(1) With market value adjustment	$ 10	$ -	$ -	$ 10	0.7%
(2) At book value less current surrender charge of 5% or more	63	-	-	63	4.3%
(3) At fair value	-	-	-	-	-
(4) Total with adjustment or at fair value (Total of 1 through 3)	$ 73	$ -	$ -	$ 73	5.0%
(5) At book value without adjustment (with minimal or no charge or adjustment)	$ 548	$ -	$ -	$ 548	37.4%
B. Not subject to discretionary withdrawal	$ 846	$ -	$ -	$ 846	57.7%
C. Total (gross: direct + assumed)	$ 1,467	$ -	$ -	$ 1,467	100.0%
D. Reinsurance ceded	-	-	-	-	-
	$ 1,467	$ -	$ -	$ 1467	100.0%

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

Note Programs

Funding agreements are investment contracts whose reserve liabilities are equal to the account value and are established by contract deposits, increased by interest credited and decreased by contract coupon payments and maturities. Contract holders do not have the right to terminate the contract prior to the contractually stated maturity date. Credited interest rates vary by contract and can be fixed or floating.

Under the note programs, the Company creates special purpose entities ("SPEs"), which are investment vehicles or trusts, for the purpose of issuing medium-term notes to investors. Proceeds from the sale of the medium-term notes issued by these SPEs are used to purchase funding agreements from the Company. The medium term notes are secured by the funding agreements with the note issuer granting a security interest in the funding agreement to the indenture trustee for the notes. The payment terms of any particular series of notes are matched by the payment terms of the funding agreement securing the series. The Company has a $3.0 billion Global Medium-Term Note Program of which $1.2 billion notes have been issued with $1.2 billion remaining outstanding as of December 31, 2017. The $1.2 billion and $800 million is included in "Policyholder dividends payable and other contract liabilities" in the Statutory Basis Balance Sheets as of December 31, 2017 and December 31, 2016, respectively.

NOTE 6 – PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

Gross deferred and uncollected life insurance premiums represent premiums due to be received from policy owners through the next policy anniversary date. Net deferred and uncollected life insurance premiums represent only the portion of gross premiums related to mortality charges and interest. Deferred and uncollected life insurance premiums at December 31, 2017 and December 31, 2016 were as follows:

	2017 (In millions)		2016 (In millions)	
Type	**Gross**	**Net**	**Gross**	**Net**
Ordinary new business	$ 64	$ 64	$ 67	$ 67
Ordinary renewal	674	581	656	569
Group life	175	351	168	341
Totals	$ 913	$ 996	$ 891	$ 977

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS

Defined Benefit Plans:
The Company sponsors non-contributory defined benefit pension plans covering all eligible employees. These include tax-qualified plans, as well as nonqualified plans that provide benefits to certain participants in excess of ERISA limits for qualified plans. The Company's policy is to fully fund the obligations of qualified plans in accordance with ERISA requirements.

In addition to pension benefits, the Company provides certain health care, dental and life insurance benefits ("postretirement benefits") for retired employees. Substantially all of the employees and representatives may become eligible for these benefits if they reach retirement age while working for the Company.

In accordance with NAIC SAP, the costs associated with these required benefits are expensed over the period that the participant provides services to the Company, including recognition of assets and liabilities based on the funded status of the related plans. Pension assets are then non-admitted and thereby excluded from surplus.

Effective January 1, 2013, the Company adopted Statement of Statutory Accounting Principle No. 92, Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14 ("SSAP 92") and Statement of Statutory Accounting Principle No. 102, Accounting for Pensions, A Replacement of SSAP No. 89 ("SSAP 102"). These new statutory accounting standards require that estimates of the projected benefit obligations and accumulated benefit obligations include future benefit obligations due to non-vested participants. They also require that the Company's surplus as reported in the statements of financial position fully reflect any net liability related to the plans' projected benefit obligations, reduced by the fair value of any plan assets, including unrecognized net experience losses and prior service costs. Based on the funded status of the plans at December 31, 2012, the new standards reduced surplus by approximately $260 million. The new standard permitted the Company an election to recognized this surplus reduction over a period of up to ten years, which the Company elected.

Plan Amendments
On September 8, 2016, the Company announced a plan amendment to freeze The Guardian Retirement Plan for Field Clerical Employees effective December 31, 2016. The plan amendment affects only the Field Clerical defined benefit pension plan. The announcement of the plan freeze resulted in a plan curtailment. As a result of this amendment, all plan participants ceased accruing additional benefits under the plan effective December 31, 2016. As of December 31, 2016, all active plan participants who completed one year of service (were hired no later than January 1, 2016) were fully vested in their accrued benefit. On September 26, 2016, the Company filed a determination letter with the Internal Revenue Service requesting approval to terminate the plan.

On May 23, 2017, the Company received a favorable determination letter from the IRS. From September to October 2017, Plan participants who were not yet receiving annuity payments were offered a one-time opportunity to receive their benefit in a lump sum payment. Lump sum payments were mailed to participants in December 2017 and paid out using the Field Clerical defined benefit pension plan assets. The December 2017 Lump Sum payments attributable to Field Clerical defined benefit pension plan were $35.3 million and resulted in a partial settlement. As a result, a settlement charge of $10.5 million was recognized as of December 31, 2017, equal to a pro rata portion of the aggregate unamortized net loss (including the gain or loss resulting from re-measurement of the plan assets at fair value). The pro rata factor is computed as the percentage reduction in the projected benefit obligation due to the partial settlement.

On September 8, 2016, the Company announced that all postretirement benefits offered to Field Clerical employees, Full Time Agents and General Agents ended on December 31, 2016. Field Clerical employees, Full Time Agents and General Agents eligible for postretirement benefits received a Special Transition Benefit in December 2016. The Special Transition Benefit was a one-time, lump sum cash payment in lieu of life insurance coverage and the contribution Guardian provides to retirees to help pay for retiree medical and dental coverage. The Company recorded a curtailment gain to recognize a reduction in the accrued postretirement benefit obligation for removing Field Clerical employees, Full Time Agents and General Agents who were not eligible for postretirement benefits as of December 31, 2016.

On February 21, 2017, the Company announced a plan amendment to close the Home Office Employees' Retirement Plan to employees hired on or after January 1, 2018. Home Office employees hired on or after January 1, 2018 will be offered a new defined contribution plan.

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

The table below discloses the remaining unrecognized transition impact:

Surplus Impact at Transition		
Transition Liability	$	260
Amount Recognized on January 1, 2013		(59)
Accelerated Transition Liability recognized due to funded status gains – December 31, 2013		(120)
Remaining Transition Liability - December 31, 2013		81
Transition amount recognized during 2014		(19)
Transition amount recognized during 2015		(33)
Transition amount recognized during 2016		(13)
Transition amount recognized during 2017		(13)
Remaining Transition Liability - December 31, 2017	$	3

The table below discloses the anticipated recognition of the remaining transition impact:

Minimum Transition Liability:	Anticipated Amortization	Remaining Transition Liability
2018	3	-

Components of Net Periodic Benefit Expense

The components of net periodic pension and postretirement benefits expense including the amount of unrecognized items amortized into expense for the years ended December 31 are as follows:

	Pension Benefits		Postretirement Benefit	
	2017	2016	2017	2016
	(In millions)			
Service cost	$ 76	$ 71	$ 6	$ 6
Interest cost	100	95	9	11
Expected return on plan assets	(131)	(132)	(9)	(10)
Amortization of transition amount	1	1	-	-
Amortization of prior service costs	-	-	(2)	(8)
Amortization of actuarial net loss	58	46	3	17
Curtailment	-	-	-	(6)
Settlement	11	-	-	2
Net periodic expense	$ 115	$ 81	$ 7	$ 12

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Changes in the projected benefit obligations and plan assets during the years ended December 31, 2017 and December 31, 2016 were as follows (in millions):

	Pension Benefits		Postretirement Benefits	
Change in benefit obligation	**2017**	**2016**	**2017**	**2016**
Benefit obligation, at beginning of period	$ 2,352	$ 2,038	$ 226	$ 240
Service cost	76	71	6	6
Interest cost	101	95	9	11
Actuarial loss	282	229	20	9
Curtailments	-	(9)	-	(9)
Settlements	(37)	-	-	(18)
Benefits paid	(74)	(72)	(12)	(13)
Other	19	-	-	-
Benefit obligation, at end of period	$ 2,719	$ 2,352	$ 249	$ 226

	Pension Benefits		Postretirement	
Change in fair value of plan assets	**2017**	**2016**	**2017**	**2016**
Plan assets, at beginning of period	$ 1,766	$ 1,672	$ 134	$ 134
Actual return on plan assets	252	151	23	13
Employer contributions	146	15	-	-
Settlements	(37)	-	-	-
Benefits paid	(74)	(72)	(12)	(13)
Other	19	-	-	-
Plan assets, at end of period	$ 2,072	$ 1,766	$ 145	$ 134

	Pension Benefits		Postretirement	
Funded status	**2017**	**2016**	**2017**	**2016**
Funded status at end of period	$ (647)	$ (586)	$ (104)	$ (92)
Unrecognized transition liability	1	2	-	-
Unrecognized prior service costs	1	1	4	2
Unrecognized actuarial net loss	889	796	61	58
Net amount recognized	$ 244	$ 213	$ (39)	$ (32)

	Pension Benefits		Postretirement	
Recognized as of December 31	**2017**	**2016**	**2017**	**2016**
Prepaid benefit cost	$ -	$ -	$ 11	$ 9
Less assets non admitted	-	-	(11)	(9)
Accrued liability	(647)	(586)	(112)	(85)
Net amount recognized	$ (647)	$ (586)	$ (112)	$ (85)

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Unrecognized actuarial net gains or losses represent cumulative amounts by which plan experience for return on plan assets or changes in benefit obligations has been more or less favorable than assumed. These net differences are recognized in surplus, and in future years recognized as components of expense.

The amounts below are estimated to be amortized from surplus into net periodic benefit cost in 2018 as follows:

	Pension Benefits	Other Benefits
	(In millions)	
Net transition obligation	$ 1	$ -
Net prior service cost	-	(2)
Net loss	75	4
	$ 76	$ 2

Assumptions

Weighted average assumptions used in calculating the benefit obligations were as follows:

	Pension Benefits		Post Retirement Benefits	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Discount rate	3.80%	4.35%	3.75%	4.30%
Rate of compensation increase	3.00%	3.00%	n/a	n/a

Weighted average assumptions used in calculating the net periodic benefit cost were as follows:

	Pension Benefits For the Years Ended		Post Retirement Benefits For the Years Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Discount rate	4.35%	4.75%	4.30%	4.70%
Rate of compensation increase	3.00%	3.00%	n/a	3.00%
Expected return on plan assets:				
Assets in trust account	7.80%	8.00%	7.80%	8.00%
Assets held under insurance contract/other	n/a	4.35%	n/a	4.35%

Assumed health care cost trend rates were as follows:

	As of December 31,	
	2017	2016
Medical & Prescription Pre - Age 65	7.5%, grading to 4.5% over 13 years	6.3%, grading to 4.5% over 10 years

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

The trend rates above reflect the Company's current claim experience and management's expectation that future rates of growth will decline. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. At December 31, 2017, a one-percent-point increase assumed health care cost trend rates would have increased the total service/interest cost components and accumulated postretirement benefit obligation ("APBO") for postretirement benefits by $0.1 million and $2.0 million, respectively. A one percentage-point decrease in assumed healthcare cost trend rates would have decreased the total service/interest cost components and accumulated postretirement benefit obligation for postretirement benefits by $0.1 million and $1.9 million, respectively. At December 31, 2016, a one-percentage-point increase assumed health care cost trend rates would have increased the total service/interest cost components and accumulated postretirement benefit obligation for postretirement benefits by $0.1 million and $1.5 million, respectively. A one percentage-point decrease in assumed healthcare cost trend rates would have decreased the total service/interest cost components and accumulated postretirement benefit obligation for postretirement benefits by $0.1 million and $1.4 million, respectively.

The accumulated benefit obligations ("ABO") for the funded and unfunded pension plans were $2,072 million and $413 million, respectively, at December 31, 2017 and $1,754 million and $335 million, respectively, at December 31, 2016. The APBO for the postretirement plans was $249 million at December 31, 2017 and $226 million at December 31, 2016.

For the pension plans with ABO in excess of plan assets, the projected benefit obligations, accumulated benefit obligations, and fair value of plan assets were $2,719 million, $2,485 million, and $2,072 million respectively at December 31, 2017 and $1,033 million, $917 million, and $583 million respectively at December 31, 2016.

Prior to 2017, the pension plans held immediate participation guarantee group annuity ("IPG") contracts purchased from the Company. These contracts were expected to provide future benefits to plan participants specifically covered by these contracts of $18 million at December 31, 2016. During 2017, the contract liabilities totaling $19 million were transferred into the obligations of the pension plans and are reflected in the Projected Benefit Obligations of the plans. The IPG contracts are no longer active.

With respect to the Company's pension plans, the actuarially calculated funding amount ranges from the minimum amount the Company would be required to contribute to the maximum amount that would be deductible for tax purposes. Contribution amounts in excess of the minimum amounts are deemed voluntary. Amounts in excess of the maximum amount would be subject to an excise tax and may not be deductible under the Internal Revenue Code. The Company made contributions totaling $142 million in 2017 to its pension plans and expects to make a $18.1 million contribution in 2018 to its field clerical defined benefit pension plan.

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Benefit Payments

The following table disclosed the expected benefit payments for the Company's pension and postretirement plans. The expected benefit payments for 2018 include the payments associated with the decision to terminate the Field Clerical defined benefit pension plan.

	Pension Benefits	Other Benefits
Estimated Future Payments	(In millions)	
2018	$ 235	$ 13
2019	140	14
2020	142	14
2021	152	15
2022	149	15
2023-2027	822	85

Plan Assets

The Company's pension and postretirement plans' asset allocation by major asset class at December 31, 2017 and December 31, 2016, and the target allocation for 2018, are as follows:

	Target Allocation	Percentage of Plan Assets at	
Asset Category	**2018**	**As of December 31, 2017**	**As of December 31, 2016**
U.S. Stocks	10%-50%	31%	36%
International Stocks	5%-15%	6%	7%
Non-convertible Bonds	45%-75%	63%	57%
Convertible Bonds	0%-10%	0%	0%
		100%	100%

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

The investment strategy with respect to the Company's pension plan assets is to preserve capital and to seek investment returns with a goal of fully funding the plan.

The expected rate of return was 7.8% for the year ending December 31, 2017 and 8.0% for the year ending December 31, 2016. These rates of return are an aggregation of expected returns within each asset category. The return with respect to each asset class considers both historical returns and the future expectations for such returns.

Target allocations of assets are determined with the objective of maximizing returns and minimizing volatility of net assets through adequate asset diversification and partial liability immunization. Adjustments are made to target allocations based on the Company's assessment of the impact of economic factors and market conditions.

The following table summarizes the Master Trust's financial instruments carried at fair value hierarchy levels. The fair values were estimated using the same methodology described in Note 4.

	As of December 31, 2017 (In millions)			
Description	**Level 1**	**Level 2**	**Level 3**	**Estimated Fair Value**
Common stocks	$ -	$ 639	$ -	$ 639
Fixed maturities				
U.S. Government	144	-	-	144
All other Government	-	5	-	5
States, Territories	-	3	-	3
Political Subdivisions	-	1	-	1
Special revenue	-	6	-	6
Industrial and Miscellaneous	-	1,207	-	1,207
Total Fixed maturities	144	1,222	-	1,366
Total	$ 144	$ 1,861	$ -	$ 2,005

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

	As of December 31, 2016 (In millions)			
Description	**Level 1**	**Level 2**	**Level 3**	**Estimated Fair Value**
Common stocks	$ -	$ 643	$ -	$ 643
Fixed maturities				
U.S. Government	2	-	-	2
All other Government	-	7	-	7
States, Territories	-	3	-	3
Political Subdivisions	-	1	-	1
Special revenue	-	6	-	6
Industrial and Miscellaneous	-	1,025	-	1,025
Total Fixed maturities	2	1,042	-	1,044
Total	$ 2	$ 1,685	$ -	$ 1,687

There were no financial instruments carried at fair value and classified as Level 3 for the years ending December 31, 2017 and 2016.

Defined Contribution Plans

The Company sponsors defined contribution plans. Home office employees are covered by investment and profit sharing plan pension plans 401(k)/401(a). Employees can invest up to 3% of their salary matched by an equal amount from the Company. They are also allowed an additional 10% (if not highly paid) of non-matched contributions. In addition, the Company provides a profit sharing allocation in proportion to salary. Field representatives are covered by a 401(k)/401(a) investment plan in which they can invest up to 3% of their salary matched by an equal amount from the Company. They are also allowed an additional 12% (if not highly paid) of non-matched contributions. The assets for the home office employees and field representatives' plans are held in a trust. Full time agents and general agents are covered by non-contributory plans. The Company contributed $29 million to these plans in 2017 and $24 million in 2016. The Company funds these plans and reflects the funded amounts as a liability.

NOTE 8 – INCOME TAXES

Consolidated Federal Income Tax Return

The Company's federal income tax return is consolidated with the following entities:

- Guardian Insurance & Annuity Company, Inc. and its subsidiaries,
- Park Avenue Life Insurance Company,
- Sentinel American Life Insurance Company,
- Family Service Life Insurance Company,
- Managed Dental Care of California,
- Managed Dental Guard of Texas,
- Managed Dental Guard of New Jersey,
- Innovative Underwriters Inc.,
- Berkshire Life Insurance Company of America
- First Commonwealth, Inc. and its subsidiaries
- Reed Group Ltd,
- GIS Canada Holdings Corp,
- Guardian Abbey LLC,
- STX Healthcare Management Services, Inc.,
- Vital Smiles, Inc.

The Company files a consolidated federal income tax return as parent, with its subsidiaries. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net capital losses, which it may incur, or to recoup its net operating or capital losses carried forward as an offset to future net income or capital gains subject to federal income taxes.

The Internal Revenue Code limits the amount of non-life insurance losses that may offset life insurance company taxable income. The consolidated income tax liability is allocated among the members of the group pursuant to a tax allocation agreement. In accordance with the tax allocation agreement, each qualifying member of the group computes its tax provision and liability on a separate return basis, but may, where applicable, recognize benefits of net operating losses and capital losses utilized in the consolidated group. Subsidiary tax liabilities/benefits are settled subsequent to the filing of the federal income tax return.

The Company does not anticipate any significant changes to its tax contingencies within the next 12 months.

NOTE 8 – INCOME TAXES (CONTINUED)

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes.

The Tax Cuts and Jobs Act ("the Act") was enacted into law on December 22, 2017. Effective January 1, 2018, the Act reduces the corporate tax rate to 21%. The Act also included several provisions that impact life insurance companies, including the elimination of the net operating loss carryback and changing the calculation of life insurance tax reserves. As a result, the Company performed a review of its grouping of temporary differences and modified its grouping methodology for advanced premium in the admissibility calculation. The net surplus impact primarily as a result of the Act was $140 million reduction in unassigned surplus.

The Company included reasonable estimates for certain effects of the Act and recorded provisional amounts as of December 31, 2017. The Company recorded provisional amounts for tax reserves which resulted in an increase in both deferred tax assets and deferred tax liabilities of $142 million. The Company also recorded a provisional amount of $28 million for the amount of deferred tax assets expected to be realized following the balance sheet date as part of 11 (b) of the admissibility calculation. The Company is currently evaluating these provisional amounts and expects to be complete within one year of the enactment date of the Act. Future changes to these provisional amounts, if any, will be recognized as a change in accounting estimate as the necessary information to update the provisional amounts becomes available.

The components of the net deferred tax asset recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2017		
	Ordinary	**Capital**	**Total**
Gross Deferred Tax Assets	$ 1,385	$ 37	$ 1,422
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	1,385	37	1,422
Deferred Tax Assets Nonadmitted	23	-	23
Subtotal Net Admitted Deferred Tax Asset	1,362	37	1,399
Deferred Tax Liabilities	737	75	812
Net Admitted Deferred Tax Asset	$ 625	$ (38)	$ 587

	December 31, 2016		
	Ordinary	**Capital**	**Total**
Gross Deferred Tax Assets	$ 1,895	$ 45	$ 1,940
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	1,895	45	1,940
Deferred Tax Assets Nonadmitted	274	-	274
Subtotal Net Admitted Deferred Tax Asset	1,621	45	1,666
Deferred Tax Liabilities	817	122	939
Net Admitted Deferred Tax Asset	$ 804	$ (77)	$ 727

	Change		
	Ordinary	**Capital**	**Total**
Gross Deferred Tax Assets	$ (510)	$ (8)	$ (518)
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	(510)	(8)	(518)
Deferred Tax Assets Nonadmitted	(251)	-	(251)
Subtotal Net Admitted Deferred Tax Asset	(259)	(8)	(267)
Deferred Tax Liabilities	(80)	(47)	(127)
Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)	$ (179)	$ 39	$ (140)

As a result of the new tax law and rate, gross DTAs and DTLs were reduced by $947 million and $541 million, respectively.

A valuation allowance is recorded if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's management has concluded that the deferred income tax assets are more likely than not to be realized. Therefore, no valuation allowance has been provided.

NOTE 8 – INCOME TAXES (CONTINUED)

Admission calculation components SSAP No. 101 (Paragraph 11)

The Company follows the guidance in Statement of Statutory Accounting Principles No. 101 - Income Taxes, A Replacement of SSAP No. 10R and SSAP No.10 ("SSAP 101"). SSAP 101 included a similar calculation for limitation of gross deferred tax assets as SSAP 10R for insurers that maintain a minimum of 300% of their authorized control level RBC computed without net deferred tax assets. The Company exceeded the 300% minimum RBC requirement at December 31, 2017 and 2016.

	December 31, 2017		
	Ordinary	**Capital**	**Total**
a. Federal income taxes paid in prior years recoverable through loss carrybacks.*	$ -	$ 37	$ 37
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	550	-	550
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	550	-	550
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	N/A	N/A	914
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a. and b. above) offset by gross deferred tax liabilities.	812	-	812
Deferred tax assets admitted as the result of application of SSAP No. 101.Total (a. + b. + c.)	$ 1,362	$ 37	$ 1,399

	December 31, 2016		
	Ordinary	**Capital**	**Total**
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	$ 683	$ 44	$ 727
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	-	-	-
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	N/A	N/A	-
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a. and b. above) offset by gross deferred tax liabilities.	938	1	939
Deferred tax assets admitted as the result of application of SSAP No. 101.Total (a. + b. + c.)	$ 1,621	$ 45	$ 1,666

	Change		
	Ordinary	**Capital**	**Total**
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	$ (683)	$ (7)	$ (690)
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	550	-	550
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	550	-	550
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	N/A	N/A	914
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a. and	(126)	(1)	(127)
Deferred tax assets admitted as the result of application of SSAP No. 101.Total (a. + b. + c.)	$ (259)	$ (8)	$ (267)

*Due to the new tax law eliminating the net operating loss carryback, the Company can no longer admit its ordinary DTA under SSAP 101 Paragraph 11a.

	2017	**2016**
Ratio percentage used to determine recovery period and threshold limitation amount	1050%	996%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation	$ 7,458	$ 6,743

NOTE 8 – INCOME TAXES (CONTINUED)

Impact of Tax Planning Strategies

	December 31, 2017	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	$ 1,385	37
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.0%	2.5%
3. Net Admitted Adjusted Gross DTAs amount	1,362	37
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	6.1%

	December 31, 2016	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	1,895	45
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.0%	2.3%
3. Net Admitted Adjusted Gross DTAs amount	1,621	45
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	6.0%

	Change	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	(510)	(8)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax	0.0%	0.2%
3. Net Admitted Adjusted Gross DTAs amount from	(259)	(8)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the	0.0%	0.1%

Does the Company's tax-planning strategies include the use of reinsurance? Yes ______ No X

All DTL were recognized as of December 31, 2017 and December 31, 2016

Current income taxes incurred consisted of the following major components:

Description	December 31, 2017	December 31, 2016	Change
(In millions)			
Federal income tax expense on operating income	$ 97	$ 169	$ (72)
Prior year overaccrual	(32)	(28)	(4)
Contingent tax	-	-	-
Current Federal operations income tax expense	$ 65	$ 141	$ (76)
Federal income tax expense on capital gains	$ 141	$ 136	$ 5
Prior year underaccrual	11	28	(17)
Current Federal capital gain income tax expense	$ 152	$ 164	$ (12)
Federal and foreign income taxes incurred	$ 217	$ 305	$ (88)

NOTE 8 – INCOME TAXES (CONTINUED)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	2017	2016	Change
DTAs Resulting from Book/Income Tax Differences In:		(In millions)	
Ordinary:			
Reserves	$ 582	$ 617	$ (35)
Policy acquisition costs	258	411	(153)
Dividend provision	180	298	(118)
Liabilities for employees and agents	100	152	(52)
Non admitted assets	222	335	(113)
Contract liabilities and unpaid claims	1	1	-
Leasehold improvement	12	12	-
Other	30	69	(39)
Gross ordinary DTA - (admitted and nonadmitted)	$ 1,385	$ 1,895	$ (510)
Statutory valuation allowance adjustment - ordinary	-	-	-
Total ordinary DTA - (nonadmitted)	23	274	(251)
Admitted ordinary DTA	1,362	1,621	(259)
Capital:			
Impaired securities	32	39	(7)
Other	5	6	(1)
Gross capital DTA - (admitted and nonadmitted)	37	45	(8)
Total capital DTA - (nonadmitted)	-	-	-
Admitted capital DTA	37	45	(8)
Total admitted DTA	$ 1,399	$ 1,666	$ (267)
DTLs Resulting from Book/Income Tax Differences In:			
Ordinary:			
Deferred and uncollected premiums	$ 229	$ 370	$ (141)
Advanced Premium	66	-	66
Reserve Transition Adjustment (8 Year)	142	-	142
Guaranteed dividend	120	202	(82)
Other invested assets	68	86	(18)
Pension	43	64	(21)
Reserves 10 Year spread	13	27	(14)
Other	56	68	(12)
Ordinary DTL	$ 737	$ 817	$ (80)
Capital:			
Unrealized capital gains	25	26	(1)
Deferred gain	49	92	(43)
Other	1	4	(3)
Capital DTL	75	122	(47)
Total DTL	$ 812	$ 939	$ (127)
Net admitted DTA/(DTL)	$ 587	$ 727	$ (140)

The Change in net deferred income taxes is comprised of the following:

	2017	2016	Change
Adjusted gross deferred tax assets	$ 1,422	$ 1,940	$ (518)
Total Deferred Tax Liabilities	812	939	(127)
Net deferred tax assets (liabilities)	$ 610	$ 1,001	$ (391)
Tax effect of net unrealized gains (losses)			-
Change in net deferred income tax			$ (391)

Changes in net deferred income tax, including changes attributable to changes in tax rates and changes in tax status, if any, shall be recognized as a separate component of gains and losses in unassigned funds (Surplus).

NOTE 8 – INCOME TAXES (CONTINUED)

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant book to tax adjustments causing this difference were the following:

	December 31, 2017	Effective Tax Rate
	(In millions)	
Net gain from operations after dividends to policyholders and before Federal income tax @ 35%	$ 181	
Net realized capital gains (losses) @ 35%	43	
Provision calculated at statutory rate	224	35.00%
Tax effect of:		
Interest maintenance reserve	24	3.75%
Affiliated Dividends	(18)	(2.81%)
Pension Adjustment	(38)	(5.94%)
Change in Tax law and rate	423	66.09%
Other	(7)	(1.09%)
Total statutory income taxes	$ 608	95.00%
Federal income taxes incurred	217	33.91%
Change in net deferred income taxes	391	61.09%
Total statutory income taxes	$ 608	95.00%

<u>Operating Loss and Tax Credit Carryforwards</u>

As of December 31, 2017, the Company does not have any net ordinary loss carryforwards, capital loss carryforwards or tax credit carryforwards.

The following are income taxes incurred in prior years that are available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
		(In millions)	
2017	$ -	$ 135	$ 135
2016	-	152	152
2015	-	137	137
Total	$ -	$ 424	$ 424

As of December 31, 2017, the Company does not have any deposits admitted pursuant to the Internal Revenue Code Section 6603.

NOTE 9 – REINSURANCE CEDED

In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding business to reinsurers under various modified coinsurance agreements, coinsurance agreements, and combinations thereof, and yearly renewable term agreements. These agreements provide for reinsurance of selected individual life and disability policies and group life and group health contracts. Under the terms of the modified coinsurance agreements, reserves related to the reinsured business and the corresponding assets are held by the Company. The Company retains the primary obligation to the policyholder for reinsured policies. Failure of reinsurers to honor their obligations could result in losses to the Company; consequently, the Company evaluates the financial condition of its reinsurers in order to minimize its exposure to losses from reinsurer insolvencies.

The effects of these ceding agreements on the components of gain from operations in the accompanying statutory basis statements of operations are as follows:

	2017	2016
	(In millions)	
Premiums, annuity considerations and fund deposits	$ (463)	$ (460)
Commissions and expense allowances (other income)	121	119
Total revenues	(342)	(341)
Benefit payments to policyholders and beneficiaries	(350)	(359)
Net reductions to policy benefit reserves	(49)	(86)
Commissions and operating expenses	2	5
Total expenses	(397)	(440)
Net gain on operations from reinsurance ceded	$ 55	$ 99

NOTE 10 – REINSURANCE ASSUMED

The Company enters into various modified coinsurance agreements, coinsurance agreements, and combinations thereof and yearly renewable term agreements that provide reinsurance on life insurance, annuities, credit life, disability insurance, and credit accident and health business. Under the terms of the various reinsurance treaties, the Company assumed (net of retrocession) approximately $3.3 billion face amount of life insurance at December 31, 2017 and $3.4 billion at December 31, 2016. Under the terms of modified coinsurance agreements, reserves related to the reinsured business and the corresponding assets are held by the ceding company.

The Company entered into a coinsurance agreement with BLICOA an affiliated insurance company effective January 1, 2013. Under the agreement, the Company assumed 80% of the net individual disability insurance (IDI) originally ceded to BLICOA from the Company via the July 1, 2001 coinsurance treaty as well as 80% of the IDI and multi-life (ML) business written by BLICOA since the 2001 treaty. The reinsurance is done on a funds withheld basis with supporting invested assets remaining in BLICOA.

Also, as part of the terms of the agreement, the Company can request that BLICOA pay an amount equal to the Annual Funds Withheld Increase to the Company. In 2017 the Company did not request that BLICOA pay an amount equal to the Annual Funds Withheld Increase it recorded in 2016. In January 2016, as part of the terms of its reinsurance agreement with BLICOA, the Company requested that BLICOA pay a partial amount of the Annual Funds Withheld Increase it recorded in 2015. BLICOA paid the Company the agreed upon settlement amount of $65 million in January 2016. The settlement consisted of $33 million of bonds and $32 million of cash.

The Company entered into one Individual Life Yearly Renewable Term reinsurance agreement with an affiliated insurance company GIAC, effective January 1, 2011. The agreement covers GIAC's current form Secondary Guarantee Universal Life and Survivorship Universal Life plans having policy effective dates of January 1, 2011 and later. Reinsurance under the agreement is assumed on an automatic 90% first dollar quota share basis.

NOTE 10 – REINSURANCE ASSUMED (CONTINUED)

The following tables outline the effects of these assumption agreements on the accompanying Statutory Basis Statements of Operations.

Reinsurance Assumed from Affiliates

		2017		2016
		(In millions)		
Premiums, annuity considerations and fund deposits	$	659	$	639
Reserve adjustments on reinsurance (other income)		22		23
Total revenues		681		662
Benefit payments to policyholders and beneficiaries		258		275
Net additions to policy benefit reserves		138		126
Commissions and operating expenses		225		210
Total expenses		621		611
Net gain on operations from reinsurance assumed	$	60	$	51

Reinsurance Assumed from Non-Affiliates

		2017		2016
		(In millions)		
Premiums, annuity considerations and fund deposits	$	3	$	2
Total revenues		3		2
Benefit payments to policyholders and beneficiaries		(1)		(2)
Net reductions to policy benefit reserves		(2)		(1)
Commissions and operating expenses		4		7
Total expenses		1		4
Net gain/(loss) on operations from reinsurance assumed	$	2	$	(2)

Total Reinsurance Assumed

		2017		2016
		(In millions)		
Premiums, annuity considerations and fund deposits	$	662	$	641
Reserve adjustments on reinsurance (other income)		22		23
Total revenues		684		664
Benefit payments to policyholders and beneficiaries		257		273
Net additions to policy benefit reserves		136		125
Commissions and operating expenses		229		217
Total expenses		622		615
Net gain on operations from reinsurance assumed	$	62	$	49

NOTE 11 – RELATED PARTY TRANSACTIONS

During 2016, the Company sold $27 million of bank loans that it held in its general account to a downstream affiliate, Park Avenue Institutional Advisers CLO LTD 2016-1 (“PAIA CLO 2016-1”). The Company recorded a $1 million loss on the sale of the bank loans in 2016. PAIA CLO 2016-1 is a special purpose vehicle (“SPV”) that was established in the Cayman Islands whose purpose is to be the “Issuer” of one or more classes of notes that are secured by a portfolio of investments held by the Issuer and rated by at least one rating agency (the "Rated Notes"), and one or more classes of notes that are unrated and subordinate in right of payment to the Rated Notes (the "Subordinated Notes"). PAIA CLO 2016-1 issued $363 million in notes in August 2016.

In 2017 and 2016, the Company made the following capital contributions to its real estate joint ventures and affiliates which are an addition to Other invested assets in the Statutory Basis Balance Sheets:

	2017	2016
	(In millions)	
Guardian CapCo, LLC	$ -	$ 3
Truamerica Properties, LLC	-	7
Truamerica Properties II, LLC	-	1
Lowes Capital Partners 2A, LLC	-	3
Lowes Capital Partners 2B, LLC	-	2
Guardian Abbey, LLC	1	1
Guardian Shores, LLC	-	16
Total	$ 1	$ 33

In 2017 and 2016, the Company made the following capital contributions to its subsidiaries:

	2017	2016
	(In millions)	
GIAC	$ 50	$ 100
GIS	112	365
FCW	58	204
Guardian Acquisition I, LLC	25	-
Total	$ 245	$ 669

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

The capital contribution to GIS and Guardian Acquisition I, LLC are recorded as an addition to Other invested assets in the Statutory Basis Balance Sheets, while the capital contributions to GIAC and FCW are recorded as an addition to Common and preferred stocks in the Statutory Basis Balance Sheets.

Of the $112 million contribution to GIS in 2017, $90 million was made by transferring Access Professional Dental Care, LLC and Access Dental Services, LLC and its subsidiaries, previously wholly owned subsidiaries of FCW, and $2 million was related to the transfer of real estate joint venture LLCs.

Of the $365 million contribution to GIS in 2016, $235 million was made by transferring real estate joint venture LLCs and $130 million was made by transferring Reed Group, Ltd., a previously wholly owned subsidiary of FCW.

In 2017, the Company received no returns of capital from its real estate affiliates. In 2016, the Company received returns of capital from its real estate affiliates as follows, which are a reduction to Other invested assets in the Statutory Basis Balance Sheets:

	2016
	(In millions)
Guardian LCP Hospitality I, LLC	$ 1
Guardian Westwood Holdings, LLC	10
Guardian LCP Hospitality Finance, LLC	3
Total	$ 14

In 2017 and 2016, the Company received net returns of capital of $60 million and $56 million respectively from its real estate joint ventures. These distributions are a reduction to Other invested assets in the Statutory Basis Balance Sheets.

In 2017 and 2016, the Company also received returns of capital from its subsidiaries as follows:

	2017	2016
	(In millions)	
BLICOA	$ -	$ 20
FCW	113	158
GIS	-	178
PALIC	25	-
Total	$ 138	$ 356

The return of capital from GIS is recorded as a reduction to Other invested assets in the Statutory Basis Balance Sheets, while the returns of capital from BLICOA, FCW, and PALIC are recorded as an reduction to Common and preferred stocks in the Statutory Basis Balance Sheets.

Of the $113 million return of capital from FCW in 2017, $90 million was a transfer of Access Professional Dental Care, LLC and Access Dental Services, LLC and its subsidiaries, wholly owned subsidiaries of FCW.

Of the $158 million return of capital from FCW in 2016, $130 million was a transfer of Reed Group Ltd., a wholly owned subsidiary of FCW.

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

In 2017 and 2016, the Company received the following dividends from its affiliates and subsidiaries which are recorded as Net investment income in the Statutory Basis Statements of Operations:

	2017	2016
	(In millions)	
BLICOA	$ 3	$ 6
Managed Dental Care of California ("MDC")	5	5
Managed Dental Guard of Texas, Inc. (TX)	1	1
FCW	37	-
Innovative Underwriters, Inc.	1	-
	$ 47	$ 12

The Company has expense sharing agreements with its subsidiaries. During 2017 and 2016, the Company had net billings of $278 million and $296 million, respectively, under the expense sharing agreements. Amounts billed to subsidiaries are included in Commissions and operating expenses in the Statutory Basis Statements of Operations. The unpaid net receivable balance due from subsidiaries relevant to these agreements was $31 million and $29 million on December 31, 2017 and December 31, 2016, respectively, and are included in Other assets and Other liabilities in the Statutory Basis Balance Sheets.

Effective May 1, 2017, the Company (Lender) amended its revolving line of credit agreement with GIAC (Borrower) from $350 million to $750 million. The terms of the credit agreement state that future drawing, if any, (not at the time overdue) shall bear interest at a rate per annum equal to (a) the Prime Rate plus 1.00% if a Prime Rate Loan or (b) the Eurodollar Rate plus 1.00% if a Eurodollar Rate Loan. In the event any drawing on the line of credit becomes due, whether by acceleration or otherwise, it shall bear interest at a rate per annum equal to the Prime Rate plus 2.00%. Additionally, a commitment fee equal to 0.125% per annum of the amount of this line of credit shall be paid by Borrower to Lender, such amount to be paid in quarterly installments on the last day of each March, June, September and December or on the termination of this line of credit. For Value Received, the Borrower, promises to pay on the maturity date or dates determined by the Lender, the principal sum of $750 million or the aggregate unpaid principal sum of all Loans which the Lender actually makes to the Borrower, whichever amount is less, together with interest in arrears payable on each Interest Due Date at a rate computed on the basis of a 360-day year for the actual number of days in each interest period. The line of credit agreement shall have an initial term of 364 days beginning with the date first stated above, and shall automatically renew for successive periods of 364 days, unless the Lender shall notify the Borrower of its intention not to renew the line of credit agreement not less than sixty (60) days prior to the expiration of the then existing term. GIAC is in compliance with certain financial covenants imposed by the line of credit agreement. As of December 31, 2017, and 2016 the amounts of drawings on the line of credit amounted to $0 million and $148 million, respectively, and are included in Cash, cash equivalents and short-term investments in the Statutory Basis Balance Sheets. Interest income and commitment income of $3 million and $2 million as of December 31, 2017 and 2016, respectively, are included in Net investment income in the Statutory Basis Statements of Operations.

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

Effective January 3, 2017, the Company (Lender) has a revolving line of credit agreement with GIS (Borrower) for $300 million. The terms of the credit agreement state that future drawing, if any, (not at the time overdue) shall bear interest at a rate per annum equal to (a) the Prime Rate plus 1.00% if a Prime Rate Loan or (b) the Eurodollar Rate plus 1.00% if a Eurodollar Rate Loan. In the event any drawing on the line of credit becomes due, whether by acceleration or otherwise, it shall bear interest at a rate per annum equal to the Prime Rate plus 2.00%. Additionally, a commitment fee equal to 0.125% per annum of the amount of this line of credit shall be paid by Borrower to Lender, such amount to be paid in monthly installments no later than the last day of each month or on the termination of this line of credit. For Value Received, the Borrower, promises to pay on the maturity date or dates determined by the Lender, the principal sum of $300 million, or the aggregate unpaid principal sum of all Loans which the Lender actually makes to the Borrower, whichever amount is less, together with interest in arrears payable on each Interest Due Date at a rate computed on the basis of a 360-day year for the actual number of days in each interest period. The line of credit agreement shall have an initial term of 364 days beginning with the date first stated above, and shall automatically renew for successive periods of 364 days, unless the Lender shall notify the Borrower of its intention not to renew the line of credit agreement not less than sixty (60) days prior to the expiration of the then existing term. GIS is in compliance with certain financial covenants imposed by the line of credit agreement. As of December 31, 2017, the amounts of drawings on the line of credit amounted to $25 million, and are included in Cash, cash equivalents and short-term investments in the Statutory Basis Balance Sheets. Interest income and commitment income of $1 million as of December 31, 2017, are included in Net investment income in the Statutory Basis Statements of Operations.

The Company (Lender) had a revolving line of credit agreement with RS (Borrower) for $15 million which terminated upon the sale of RS on July 29, 2016.

Related Party Commitments:

The Company provides financial guarantees on behalf of some of its subsidiaries and affiliates as listed below. Per the statutory accounting guidance SSAP 5R, a liability has not been recorded on the Company's Statutory Basis Balance Sheets for any of these guarantees.

The Company continues to provide MDC, a subsidiary, a written letter of financial support for $5 million of which $1.5 million was funded in prior years. This amount was recorded as an additional investment in MDC. The letter was necessary for regulatory purposes in order to guarantee additional capital infusion to its California dental subsidiary as needed. At this time, MDC is not expected to further draw on the remaining $3.5 million as the subsidiary has $5 million more capital than is required by California.

As of December 31, 2017 and 2016, the Company had no commitments to make capital contributions to its' subsidiaries.

Settlement of Intercompany Transactions:

In accordance with NAIC SAP, all transactions between related parties are required to have a written agreement that provides for a timely settlement of amounts owed, including a specific due date. Amounts over ninety days due are to be non-admitted along with any uncollected receivable from a related party that is not part of a written agreement. The Company has determined that written agreements are in place for all intercompany transactions and that these written agreements contain specific due dates. As of December 31, 2017, there was no intercompany receivable that was more than 90 days past due.

NOTE 12 – LIABILITY FOR UNPAID CLAIMS AND CLAIM RESERVES

Activity in the liability for unpaid accident and health claims and claim reserves is summarized as follows and is included in Reserves for policy benefits on the Statutory Basis Balance Sheets:

	2017	2016
	(In millions)	
Balance of unpaid claims and claim reserves, net of reinsurance recoverable, at January 1	$ 3,788	$ 3,574
Incurred related to:		
Current year	2,349	2,283
Prior years	(146)	(90)
Affiliated reinsurance	87	106
Total incurred	2,290	2,299
Paid related to:		
Current year	1,531	1,526
Prior years	354	332
Affiliated reinsurance	236	227
Total paid	2,121	2,085
Balance of unpaid claims and claim reserves, net of reinsurance recoverable, at December 31	$ 3,957	$ 3,788

The affiliated reinsurance for the years ended December 31, 2017 and December 31, 2016 is primarily due to an intercompany reinsurance agreement between the Company and BLICOA effective January 1, 2013.

The amount of incurred claims related to prior years was a reduction $146 million and $90 million for the years ended December 31, 2017 and December 31, 2016, respectively, primarily due to favorable claim experience on the Company's long-term disability reserves, driven by favorable development of both the reported and unreported claim reserves.

Loss / Claim Adjustment Expenses:
The balance in the liability for unpaid accident and health claim adjustment expenses was $84 million and $79 million as of December 31, 2017 and December 31, 2016, respectively. The Company incurred $55 million and paid $50 million of claims adjustment expenses in 2017 of which $15 million of the paid amount was attributable to insured or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years. Estimated anticipated salvage and subrogation related to the liability for unpaid claims / losses is not material and therefore does not reduce the liability.

The liability for unpaid accident and health claims and claim adjustment expenses represents the Company's best estimate with a margin; however, there may be future adjustments to this estimate and related assumptions. Such adjustments, reflecting any variety of new and adverse trends, could possibly be significant and result in increase in liabilities. As of December 31, 2017, and 2016, the Company had no significant changes in methodologies and assumptions used in calculating the liability. The Company updates its experience study annually for recent company claim experience used to set the liability for unpaid claims.

NOTE 13 – ASO PLANS

The net gain from operations from ASO uninsured plans and the uninsured portion of partially insured plans was as follows during the years ended December 31, 2017 and December 31, 2016:

	2017		
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
		(In millions)	
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 23.3	$ -	$ 23.3
Total net other income or expenses (including interest paid to or received from plans)	8.2	-	8.2
Net gain from operations	15.1	-	15.1
Total claim payment volume	519	-	519

	2016		
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
		(In millions)	
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 4.4	$ -	$ 4.4
Total net other income or expenses (including interest paid to or received from plans)	1.5	-	1.5
Net gain from operations	2.9	-	2.9
Total claim payment volume	488	-	488

NOTE 14 – LEASES

New York Home Office Building:
In June 1998, the Company executed a 21-year lease for its New York home office facility. A portion of the property is subleased to tenants under lease terms expiring through 2019. The lease is classified as operating. Rental expense for the property was $21 million for the year ended December 31, 2017 and $21 million for the year ended December 31, 2016. Sublease income was $9 million for the year ended December 31, 2017 and $9 million for the year ended December 31, 2016.

On January 9, 2017, the Company exercised its purchase option on the building. If the terms contained in the purchase option agreement are met the Company will be required to pay the $147 million purchase price to the seller on September 30, 2019. During 2017, the Company entered into an agreement to sell the building which is expected to close in late 2019 and is not expected to result in a loss.

The following is a schedule by year of the minimum rental payments due under the lease:

		(In millions)
Year ending December 31,		
2018	$	21
2019		16
Total	$	37

The minimum aggregate sublease income is as follows:

		(In millions)
Year ending December 31,		
2018	$	9
2019		7
Total	$	16

NOTE 14 – LEASES (CONTINUED)

Other Leases:
The Company has additional lease agreements that are operating leases principally for the rental of real estate. Rental expense for these properties was $22 million for year ended December 31, 2017 and $20 million for the year ended December 31, 2016.

The Company's major office facility leases are primarily used for administrative and business support operations are as follows:

- On September 13, 2017, the Company signed a seventeen-year five month lease agreement for its New York home office facility. The Company expects to begin using the building in January 2019 as a replacement of the current New York home office facility. The Company is obligated to pay approximately $15 million in annual base rent plus operating expenses and taxes.
- On March 8, 2017, the Company signed a fifteen-year lease agreement for its New Jersey home office facility. The Company expects to begin using the building in quarter one of 2018 and is obligated to pay approximately $3 million in annual base rent plus operating expenses and taxes.
- On August 11, 2016, the Company signed a ten-year lease agreement for its Spokane home office facility. The Company began using the building in March.

The following is a schedule by year of the minimum rental payments due under the lease:

		(In millions)
Year ending December 31,		
2018	$	23
2019		36
2020		34
2021		32
2022 - and Thereafter		30
Total	$	155

The minimum aggregate sublease income is as follows:

		(In millions)
Year ending December 31,		
2018	$	6
2019		6
2020		6
2021		5
2022 - and Thereafter		4
Total	$	27

The Company guarantees the leases for some of its agents. The fair value of the guarantees as of December 31, 2017 is estimated to be $1 million. The remaining lease obligations that are guaranteed as of December 31, 2017 is $22 million.

NOTE 15 – COMMITMENTS

Commitments to fund real estate, private equities, mortgage loans, and private placements in the normal course of business totaled $1,393 million and $1,416 million as of December 31, 2017 and December 31, 2016, respectively.

NOTE 16 – LITIGATION

The Company is engaged in various legal actions, in the ordinary course of business, arising out of its insurance, broker-dealer and investment operations. In the opinion of management, any losses together with the ultimate liability resulting from such actions would not have a material adverse effect on the financial position of the Company.

NOTE 17 – LINES OF CREDIT

The Company has $75 million in unsecured credit available. The interest rate on these lines is calculated on a base rate such as the bank's Prime rate plus a spread which varies from 0 - 125bps depending on the bank, or LIBOR plus a spread which varies from 75 - 125bps depending on the bank. The Company did not use the lines of credit during 2017 or 2016 and had $0 outstanding liability at December 31, 2017 and December 31, 2016.

NOTE 18 – POLICYHOLDERS' SURPLUS

There were no special contingency reserves included in policyholder's surplus at December 31, 2017 or December 31, 2016. The Company holds other reserves totaling $46 million at December 31, 2017 and $4 million at December 31, 2016 as required by New York State law for aviation business and Arkansas permanent surplus requirements. Surplus at December 31, 2017 and December 31, 2016 is as follows:

	2017	2016
	(In millions)	
Accumulated earnings	$ 7,921	$ 7,676
Unrealized loss - common stock	(298)	(309)
Asset valuation reserve	(829)	(810)
Nonadmitted asset values	(156)	(389)
Total unassigned surplus	6,638	6,168
State required segregated surplus	46	4
Surplus	$ 6,684	$ 6,172

NOTE 19 – FINANCIAL INFORMATION

The following reconciles the New York SAP net income and surplus of Guardian as reported to regulatory authorities to consolidated GAAP income and GAAP equity:

	2017	2016
	(In millions)	
Statutory net income	$ 423	$ 368
Adjustments to GAAP basis:		
Realized capital gains	328	257
Capitalization of deferred policy acquisition costs	64	61
Future policy benefits	(1,131)	(1,080)
Elimination of IMR amortization	(99)	(122)
Establishment of deferred federal income taxes	404	(1)
Service fees	1,131	1,086
Policyholder dividends	34	5
Elimination of interest on affiliate reinsurance	(146)	(140)
Other	(101)	49
Consolidated GAAP income	$ 907	$ 483

	2017	2016
	(In millions)	
Statutory surplus	$ 6,684	$ 6,172
Adjustments to GAAP basis:		
Capitalization of deferred policy acquisition costs	3,442	3,817
Deferred software costs	22	37
Future policy benefits	(7,835)	(7,342)
Elimination of IMR	531	464
Elimination of AVR	829	810
Establishment of additional deferred federal income taxes	(1,206)	(1,240)
Policyholder dividends	435	401
Notes payable	(1,977)	(1,210)
Unrealized gains on investments and GAAP adjustments of affiliates	11,203	8,714
Consolidated GAAP equity	$ 12,128	$ 10,623

NOTE 20 – SURPLUS NOTE

On October 6, 2009, the Company issued Surplus Notes ("2009 Notes") with a principal balance of $400 million, bearing interest at 7.375%, and a maturity date of September 30, 2039. Proceeds from the issuance of the 2009 Notes were $392.4 million, net of discounts and fees. The 2009 Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and will be administered by The Bank of New York Mellon as fiscal agent. Interest on these 2009 Notes is scheduled to be paid semiannually on March 31 and September 30 of each year. The 2009 Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the 2009 Notes are not part of the legal liabilities of the Company. The 2009 Notes do not repay principal prior to maturity. Each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the 2009 Notes may be redeemed at the option of the Company at any time (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the 2009 Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding accrued interest as of the date on which the 2009 Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 50 basis points. On December 28, 2017 and January 9, 2018, the Company redeemed 2009 Notes with a principal balance of $166.9 million and a carrying value of $165.7 million as part of an exchange transaction (see paragraph regarding the exchange transaction below). The Company paid $33 million in interest for the years ended December 31, 2017 and $30 million in 2016, respectively.

On June 19, 2014 the Company issued Surplus Notes ("2014 Notes") with a principal balance of $450 million, bearing interest at 4.875%, and a maturity date of June 19, 2064. Proceeds from the issuance of the 2014 Notes were $444.6 million, net of discounts and fees. The 2014 Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and will be administered by The Bank of New York Mellon as fiscal agent. Interest on these 2014 Notes is scheduled to be paid semiannually on June 19 and December 19 of each year. The 2014 Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the 2014 Notes are not part of the legal liabilities of the Company. The 2014 Notes do not repay principal prior to maturity. Each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the 2014 Notes may be redeemed at the option of the Company at any time (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the 2014 Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding accrued interest as of the date on which the 2014 Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 25 basis points. The Company paid $22 million in interest for the years ended December 31, 2017 and 2016, respectively.

On January 24, 2017, the Company issued a Surplus 2017 Notes ("2017 Notes") with a principal balance of $350 million, bearing interest at 4.850%, and a maturity date of January 24, 2077. Proceeds from the issuance were $343.6 million, net of discounts and fees. On December 28, 2017 and January 9, 2018, the Company issued an additional amount of the 2017 Notes with a principal balance of $229.3 million as part of an exchange transaction (see paragraph regarding the exchange transaction below). All of the 2017 Notes were issued pursuant to Rule 144A under the Securities Act of 1933, as amended, and will be administered by The Bank of New York Mellon as fiscal agent. Interest on these 2017 Notes is scheduled to be paid semiannually on January 24 and July 24 of each year. The 2017 Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the 2017 Notes are not part of the legal liabilities of the Company. The 2017 Notes do not repay principal prior to maturity. Each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the 2017 Notes may be redeemed at the option of the Company at any time (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the 2017 Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding accrued interest as of the date on which the 2017 Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 30 basis points. The Company paid $8 million in interest for the year ended December 31, 2017.

NOTE 20 – SURPLUS NOTE (CONTINUED)

The Company completed an exchange transaction in which it issued additional 2017 Notes in exchange for redeemed 2009 Notes. They was settled predominately on December 27, 2017 with a minimal amount settling on January 8, 2018. The 2009 Notes had a principal balance of $166.9 million ($165.7 million carrying value) and the additional 2017 Notes had a principal balance of $229.3 million ($170.5 million carrying value). Of the $63.6 million discount at the time of the exchange, $4.8 million pertaining to inducement for note holders to exchange their notes, was recorded as expense on the transaction date along with an increase to the carrying value of 2017 Notes. The remaining $58.8 million will be charged to the Statutory Basis Statements of Operations over the life of the 2017 Notes.

NOTE 21 – UNCLAIMED PROPERTY

The Company holds reserves for potential liability totaling $7 million at December 31, 2017 and $12 million at December 31, 2016, respectively. The Company has recorded paid claims of $3 million in 2017 and $0 million in 2016.

NOTE 22 – AFFORDABLE CARE ACT FEE

The health insurance industry assessment mandated by the Patient Protection and Affordable Care Act of 2010 was levied on health insurers beginning in 2014 based on a ratio of an insurer's net health insurance premiums written for the previous calendar year compared to the total premiums written by U.S. health insurance industry for that year. On January 1, 2018, the Company will record a liability in the amount of $42 million for estimated fee to be paid in September 2018. The estimated fee is based on $2,106 million of dental and vision premiums written in 2017. The Company's Total Adjusted Capital on December 31, 2017 was $8,044 million and the Authorized Control Level reported on its December 31, 2017 RBC was $709 million. After adjusting for $42 million recorded in special surplus that pertains to the estimated 2018 fee the Company's Total Adjusted Capital was $8,002 million and its RBC Authorized Control Level was $709 million. An RBC action level would not have been triggered had the fee for 2018 been reported as of December 31, 2017.

The Consolidated Appropriations Act, 2016 imposed a moratorium on the health insurance industry assessment mandated by the Affordable Care Act for the 2017 calendar year. Therefore there were no health insurance provider fees paid in 2017 and no liability was established.

NOTE 23 – SUBSEQUENT EVENTS

The Company considers events occurring after the balance sheet date but prior to February 27, 2018, the issuance of the financial statements to be subsequent events requiring disclosure. There were no subsequent events for the period ended December 31, 2017.

Guardian Life Insurance Company of America
Annual Statement for the Year Ended December 31, 2017
Schedule 1 - Selected Financial Data

The following is a summary of certain financial data included in other exhibits and schedules subjected to audit procedures by independent auditors and utilized by actuaries in the determination of reserves.

		2017 Annual Statement References
Investment Income Earned		Exhibit of Net Investment Income
Government Bonds	$ 50,594,566	
Bonds Exempt From US Tax		
Other Bonds (unaffiliated)	1,560,400,863	
Bonds of Affiliates		
Preferred Stocks (unaffiliated)		
Preferred Stocks of Affiliates		
Common Stocks (unaffiliated)	24,165,460	
Common Stocks of Affiliates	46,561,675	
Mortgages Loans	166,157,174	
Real Estate	68,979,212	
Contract Loans	253,409,506	
Cash/Short-term Investments	10,263,142	
Other Invested Assets		
Derivative Instruments	161,889,175	
Aggregate Write-Ins for Investment Income	(11,486,758)	
Gross Investment Income	$ 2,330,934,015	
Real Estate Owned - Book Value less Encumbrances	$ 345,067,002	Schedule A - Part 1
Mortgage Loans - Book Value:		
Farm Mortgages	$ -	Schedule B - Part 1
Residential Mortgages	-	
Commercial Mortgages	4,000,576,006	
Total Mortgage Loans	$ 4,000,576,006	
Mortgage Loans by Standing - Book Value:		
Good Standing	4,000,576,006	Schedule B, Part 1
Good Standing with Restructured Terms	-	Schedule B, Part 1
Interest overdue more than 90 days, not in foreclosure	-	Schedule B, Part 1
Foreclosure in Process	-	Schedule B, Part 1
Other Long Term Assets - Statement Value	2,368,508,831	Schedule BA, Part 1
Bonds and Stocks of Parents, Subsidiaries and Affiliates - Book Value		Schedule D - Summary by Country
Bonds	38,124,689,784	
Preferred Stocks	-	
Common Stocks	1,537,827,041	

Schedule 1 - Selected Financial Data - Continued

		2017 Annual Statement References
Bonds and Short Term Investments by Class & Maturity		Schedule D, Part 1A Sec 1
Bonds by Maturity - Statement Value		
Due within one year or less	$ 1,448,993,968	
Over 1 year through 5 years	8,317,634,879	
Over 5 years through 10 years	12,791,918,163	
Over 10 years through 20 years	4,506,262,890	
Over 20 years	11,639,736,750	
Total by Maturity	$ 38,704,546,650	
Bonds by Class - Statement Value		
Class 1	$ 22,232,692,691	
Class 2	14,685,469,862	
Class 3	752,751,004	
Class 4	869,002,798	
Class 5	163,654,737	
Class 6	975,558	
Total by Class	$ 38,704,546,650	
Total Bonds Publicly Traded	26,676,970,920	
Total Bonds Privately Placed	12,027,575,730	
Preferred Stocks - Statement Value	-	Schedule D, Part 2, Sec. 1
Common Stocks - Market Value	1,537,827,055	Schedule D, Part 2, Sec. 2
Short Term Investments - Book Value	25,310,000	Schedule DA, Part 1
Options, Caps Floors, Collars, Swaps and Forwards	(29,961,206)	Schedule DB, Part A,
Futures Contracts	7,795,385	Schedule DB, Part B,
Cash on Deposit	(26,348,883)	Schedule E, Part 1
Life Insurance In Force		Exhibit of Life Insurance
Industrial	-	
Ordinary	370,963,866	
Credit Life	-	
Group Life	59,637	
Amount of Accidental Death Insurance In Force Under		
Ordinary Policies	1,034,677	Exhibit of Life Insurance
Life Insurance Policies with Disability Provisions In Force		Exhibit of Life Insurance
Industrial	-	
Ordinary	199,960,487	
Credit Life	-	
Group Life	-	
Supplementary Contracts In Force		Exhibit of Number of Policies,
Ordinary - Not Involving Life Contingencies	-	Contracts,Certificates,Income Payable,
Amount on Deposit	227,509,779	Account Values In Force for Supplementary
Income Payable	86,209	Contracts, Annuities, A&H and Other Policies
Ordinary - Involving Life Contingencies		
Income Payable	338	

Schedule 1 - Selected Financial Data - Continued

		2017 Annual Statement References
Group - Not Involving Life Contingencies		
Amount on Deposit	44,095,258	
Income Payable	-	
Group - Involving Life Contingencies		
Amount on Deposit	-	
Income Payable	-	
Annuities - Ordinary		Exhibit of Number of Policies,
Immediate - Amount of Income Payable	588,539	Contracts,Certificates,Income Payable,
Deferred - Fully Paid Account Balance	70,480,187	Account Values In Force for Supplementary
Deferred - Not Fully Paid - Account Balance	142,461,177	Contracts, Annuities, A&H and Other Policies
Annuities - Group		
Amount of Income Payable	79,643	Exhibit of Number of Policies,
Fully Paid Account Balance	-	Contracts,Certificates,Income Payable,
Not Fully Paid - Account Balance	-	Account Values In Force for Supplementary
		Contracts, Annuities, A&H and Other Policies
Accident and Health Insurance - Premiums In Force		
Ordinary	-	
Group	3,085,350,014	
Credit	-	
Other	505,734,414	
Deposit Funds and Dividend Accumulations		Exhibit of Number of Policies,
Deposit Funds - Account Balance	25,306,757	Contracts,Certificates,Income Payable,
Dividend Accumulations - Account Balance	99,331,551	Account Values In Force for Supplementary
		Contracts, Annuities, A&H and Other Policies
Claim Payments 2017		Schedule O, Part 1
Group Accident and Health Year - Ended December 31, 2015		Section A
2017	1,523,992	
2016	1,725,073	
2015	1,673,781	
2014	1,588,682	
2013	1,545,258	
Prior	2,101,014	
Other Accident & Health		Section B
2017	29,891	
2016	29,691	
2015	31,526	
2014	21,585	
2013	17,494	
Prior	130,947	
Credit Accident & Health	-	Section C
2017	-	
2016	-	
2015	-	
2014	-	
2013	-	
Prior	-	

Schedule 1 - Selected Financial Data - Continued

		2017 Annual Statement References
Other Coverages that use developmental methods to calculate Claims Reserves:		Section D
2017	-	
2016	-	
2015	-	
2014	-	
2013	-	
Prior	-	
Other Coverages that use developmental methods to calculate Claims Reserves:		Section E
2017	-	
2016	-	
2015	-	
2014	-	
2013	-	
Prior	-	
Other Coverages that use developmental methods to calculate Claims Reserves:		Section F
2017	-	
2016	-	
2015		
2014	-	
2013	-	
Prior	-	
Other Coverages that use developmental methods to calculate Claims Reserves:		Section G
2017	-	
2016	-	
2015	-	
2014	-	
2013	-	
Prior	-	

The Guardian Life Insurance Company of America
Investments of Reporting Entities
December 31, 2017

Section 2 Investment Risk Interrogatories

Answer the following interrogatories by stating the applicable U.S dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of the annual statement.
$55,568,820,448

2. Ten largest exposures to a single issuer/borrower/investment.

	Issuer	Description of Exposure		Amount	Percentage of Total Admitted Assets
2.01	GUARDIAN INVESTOR SERVICES	STOCK	$	823,561,817	1.5%
2.02	FIRST COMMON WEALTH INSURANCE COMPANY	STOCK	$	443,456,590	0.8%
2.03	GUARDIAN INS & ANNUITY CO NY, NY	STOCK	$	310,222,464	0.6%
2.04	JP MORGAN CHASE	BONDS/STOCK	$	261,097,193	0.5%
2.05	ISHARES MSCI EAFE	STOCK	$	220,889,121	0.4%
2.06	GOLDMAN SACHS GROUP INC	BONDS/STOCK	$	205,027,746	0.4%
2.07	GILEAD SCIENCES	BONDS/STOCK	$	201,892,562	0.4%
2.08	AT&T INC	BONDS/STOCK	$	199,265,081	0.4%
2.09	BERKSHIRE LIFE INSURANCE CO OF AMERICA	STOCK	$	189,096,958	0.3%
2.10	SIMON PROPERTY GROUP	BONDS	$	186,745,869	0.3%

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating:

	Bonds		Amount	% of Total Admitted Assets	Preferred Stocks		Amount	% of Total Admitted Assets
3.01	NAIC-1	$	22,232,692,692	57.4%	P/RP-1	$	-	0.0%
3.02	NAIC-2	$	14,685,469,862	37.9%	P/RP-2	$		0.0%
3.03	NAIC-3	$	752,751,004	1.9%	P/RP-3	$		0.0%
3.04	NAIC-4	$	869,002,798	2.2%	P/RP-4	$		0.0%
3.05	NAIC-5	$	163,654,737	0.4%	P/RP-5	$		0.0%
3.06	NAIC-6	$	975,558	0.0%	P/RP-6	$	-	0.0%

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assts?
Yes [ ] No [X]

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

4.02	Total admitted assets held in foreign investments	$	7,842,827,286	20.3%
4.03	Foreign-currency-denominated investments	$	852,015,647	2.2%
4.04	Insurance liabilities denominated in that same foreign currency	$	-	0.0%

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

		1	2
5.01 Countries rated NAIC-1	$	7,275,941,339	18.8%
5.02 Countries rated NAIC-2	$	385,877,296	1.0%
5.03 Countries rated NAIC-3 or below	$	181,008,651	0.5%

6. Largest foreign investment exposures to a single country, categorized by NAIC sovereign rating:

		1	2
Countries rated NAIC-1			
6.01 Country: UNITED KINGDOM	$	1,770,675,039	4.6%
6.02 Country: AUSTRALIA	$	1,210,071,991	3.1%
Countries rated NAIC-2:			
6.03 Country: MEXICO	$	311,696,274	0.8%
6.04 Country: SPAIN	$	64,181,022	0.2%
Countries rated NAIC-3 or below			
6.05 Country: BAHAMAS	$	22,000,000	0.1%
6.06 Country: TRINIDAD	$	18,578,833	0.0%

7. Aggregate unhedged foreign currency exposure:	$	-	0.0%

8. Aggregate unhedged foreign currency exposure categorized by the country's NAIC sovereign rating:

		1	2
8.01 Countries rated NAIC-1	$		0.0%
8.02 Countries rated NAIC-2	$		0.0%
8.03 Countries rated NAIC-3 or below	$	-	0.0%

9. Largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:

		1	2
Countries rated NAIC-1:			
9.01 Country:	$		0.0%
9.02 Country:	$		0.0%
Countries rated NAIC-2:			
9.03 Country:	$		0.0%
9.04 Country:	$		0.0%
Countries rated NAIC-3 or below			
9.05 Country:	$	-	0.0%
9.06 Country:	$	-	0.0%

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	Issuer	NAIC		3	4
10.01	SHELL INTERNATIONAL	1	$	177,418,795	0.5%
10.02	AMERICAN MOVIL	1	$	137,647,489	0.4%
10.03	GE CAPITAL INTL FUNDING	1	$	94,138,297	0.2%
10.04	STATOILHYDRO ASA	1	$	91,420,961	0.2%
10.05	BP CAPITAL MARKETS	1	$	86,898,573	0.2%
10.06	TRANSCANADA PIPELINES	1	$	78,465,295	0.2%
10.07	HSBC HOLDINGS	1	$	78,310,511	0.2%
10.08	SIEMENS FINANCIERINGSMAT	1	$	73,202,410	0.2%
10.09	COMMONWEALTH BANK	1	$	73,198,150	0.2%
10.10	TELEFONICA EMISIONES	2	$	64,181,022	0.2%

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure.

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 11.01 is yes, detail is not required for the remainder of interrogatory 11

11.02	Total admitted assets held in Canadian investments	$	-	0.0%
11.03	Canadian-currency-denominated investments	$	-	0.0%
11.04	Canadian-denominated insurance liabilities	$	-	0.0%
11.05	Unhedged Canadian currency exposure	$	-	0.0%

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	1		2	3
12.02	Aggregate statement value of investments with contractual sales restrictions			
	Largest three investments with contractual sales restrictions:			
		$	-	0.0%
12.03		$	-	0.0%
12.04		$	-	0.0%
12.05		$	-	0.0%

13. Amounts and percentages of admitted assets held in the largest ten equity interests:

13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets?
Yes [ ] No [X]

If response to 13.01 is yes, responses are not required for the remainder of Interrogatory 13.

	1 Name of Issuer	2	3
13.02	GUARDIAN INVESTOR SERVICES	$ 823,561,817	2.1%
13.03	FIRST COMMON WEALTH INSURANCE COMPANY	$ 443,456,590	1.1%
13.04	GUARDIAN INS & ANNUITY CO NY, NY	$ 310,222,464	0.8%
13.05	ISHARED MSCI EAFE	$ 220,889,121	0.6%
13.06	BERKSHIRE LIFE INSURANCE CO OF AMERICA	$ 189,096,958	0.5%
13.07	VICTORY MUTUAL FUNDS	$ 73,889,308	0.2%
13.08	POWERSHARES	$ 68,460,290	0.2%
13.09	SPDR GOLD TRUST	$ 61,471,113	0.2%
13.10	PARK AVENUE LIFE INS COMP	$ 41,186,135	0.1%
13.11	ISHARES SILVER TRUST	$ 15,081,895	0.0%

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01. Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 14.01 is yes, responses are not required for the remainder of Interrogatory 14.

	1	2	3
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities Largest three investments held in nonaffiliated, privately placed equities:	$ -	0.0%
14.03		$ -	0.0%
14.04		$ -	0.0%
14.05		$ -	0.0%

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

	1	2	3
15.02		$	0.0%
15.03		$	0.0%
15.04		$	0.0%
15.05		$	0.0%

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets?
Yes [ ] No [X]

If response to 16.01 is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	Type (Residential, Commercial, Agriculature)		2	3
16.02	COMMERCIAL	$	195,000,000	0.2%
16.03	COMMERCIAL	$	127,625,000	0.2%
16.04	COMMERCIAL	$	116,885,000	0.2%
16.05	COMMERCIAL	$	113,363,464	0.2%
16.06	COMMERCIAL	$	112,498,309	0.1%
16.07	COMMERCIAL	$	111,300,000	0.1%
16.08	COMMERCIAL	$	110,627,860	0.1%
16.09	COMMERCIAL	$	98,504,636	0.1%
16.10	COMMERCIAL	$	93,077,172	0.1%
16.11	COMMERCIAL	$	85,618,153	0.1%

Amount and percentages of the reporting entity’s total admitted assets held in the following categories of mortgage loans:

			Loans	
16.12	Construction Loans	$	82,568,916	0.3%
16.13	Mortgage loans over 90 days past due	$	-	0.0%
16.14	Mortgage loans in the process of foreclosure	$	-	0.0%
16.15	Mortgage loans foreclosed	$	-	0.0%
16.16	Restructured mortgage loans	$	-	0.0%

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as

		Residential			Commercial			Agriculature		
	Loan-to-Value		1	2		3	4		5	6
17.01	above 95%	$	-	0.0%	$		0.0%	$	-	0.0%
17.02	91% to 95%	$	-	0.0%	$		0.1%	$	-	0.0%
17.03	81% to 90%	$	-	0.0%	$	40,386,223	0.0%	$	-	0.0%
17.04	71% to 80%	$	-	0.0%	$	56,722,796	0.1%	$	-	0.0%
17.05	below 70%	$	-	0.0%	$	3,903,466,987	6.8%	$	-	0.0%

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 18.01. is yes, responses are not required for the remainder of Interrogatory 18

Largest five investments in any one parcel or group of contiguous parcels of real estate.

	Description 1		2	3
18.02		$		0.0%
18.03		$		0.0%
18.04		$		0.0%
18.05		$		0.0%
18.06		$		0.0%

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans: 0 0.00%

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.

	1		2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loadns:			
	Largest three investments held in mezzanine real $	$	-	0.0%
19.03		$	-	0.0%
19.04		$	-	0.0%
19.05		$	-	0.0%

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

		At Year-end			At End of Each Quarter	
				1st Qtr	2nd Quarter	3rd Quarter
		1	2	3	4	5
20.01	Securities lending (do not include assets held as collateral for such transactions)	$ -	0.0%	$ -	$ -	$ -
20.02	Repurchase agreements	$ -	0.0%	$ -	$ -	$ -
20.03	Reverse repurchase agreements	$ -	0.0%	$ -	$	$ -
20.04	Dollar repurchase agreements	$ -	0.0%	$ -	$ -	$ -
20.05	Dollar reverse repurchase agreements	$ -	0.0%	$ -	$ -	$ -

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floor:

	Owned		Written	
	1	2	3	4
21.01 Hedge	$ -	0.0%	$ -	0.0%
21.02 Income generation	$ -	0.0%	$ -	0.0%
21.03 Other	$ -	0.0%	$ -	0.0%

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	At Year-end		At End of Each Quarter		
			1st Qtr	2nd Qtr	3rd Qtr
	1	2	3	4	5
22.01 Hedging	$ 12,540,911	0.0%	$ 6,976,680	$ 10,440,493	$ 12,188,113
22.02 Income generation	$ -	0.0%	$ -	$ -	$
22.03 Replications	$ -	0.0%	$ -	$ -	$ -
22.04 Other	$	0.0%	$ -	$ -	$ -

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for future contracts:

	At Year-end		At End of Each Quarter		
			1st Quarter	2nd Quarter	3rd Quarter
	1	2	3	4	5
23.01 Hedging	$ 8,159,950	0.0%	$ 9,988,750	$ 7,772,850	$ 7,795,500
23.02 Income generation	$ -	0.0%	$ -	$ -	$ -
23.03 Replications	$ -	0.0%	$ -	$ -	$ -
23.04 Other	$ -	0.0%	$ -	$ -	$ -

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA
As of December 31, 2017

Appendix A-001
Section 3. Summary Investment Schedule

Investment Categories	Gross Investment Holdings* Amount	Gross Investment Holdings* Percentage	Admitted Assets as Reported in the Annual Statement Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage
1. Bonds:						
1.1 US Treasury Securities	$ 1,597,534,014	3.405%	$ 1,597,534,014		$ 1,597,534,014	3.405%
1.2 US Government agency and corporate obligations (excluding mortgage-backed securities):						
1.21 Issued by US Government Agencies	3,678,572	0.008%	3,678,572		3,678,572	0.008%
1.22 Issued by US Government-sponsored agencies	-	0.00%	-		-	0.000%
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	36,856,331	0.079%	36,856,331		36,856,331	0.079%
1.4 Securities issued by states, territories and possessions and political subdivisions in the US:						
1.41 States, territories and possessions general obligations	390,426,205	0.832%	390,426,205		390,426,205	0.832%
1.42 Political subdivisions of states, territories and possessions political subdivisions		0.00%				
general obligations	229,725,568	0.490%	229,725,568		229,725,568	0.490%
1.43 Revenue and assessment obligations	1,619,718,445	3.452%	1,619,718,445		1,619,718,445	3.452%
1.44 Industrial development and similar obligations	6,089,325	0.013%	6,089,325		6,089,325	0.013%
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA		0.00%			-	0.00%
1.512 Issued or guaranteed by FNMA and FHLMC		0.00%			-	0.00%
1.513 All other	-	0.000%	-		-	0.000%
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.000%			-	0.000%
1.522 Issued by non-U.S. Government issuers and collaterized by mortgage-					-	
backed securities issued or guaranteed by agencies shown in Line 1.521	16,757,832	0.036%	16,757,832		16,757,832	0.036%
1.523 All other	1,456,799,939	3.105%	1,456,799,939		1,456,799,939	3.105%
2. Other debt and other fixed income securities (excluding short term):					-	
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	23,082,259,525	49.193%	23,082,259,525		23,082,259,525	49.197%
2.2 Unaffiliated non-U.S. securities (including Canada)	7,007,505,012	14.935%	7,007,505,012		7,007,505,012	14.936%
2.3 Affiliated securities	1,043,744,923	2.224%	1,043,744,923		1,043,744,923	2.225%
3. Equity interests:						
3.1 Investments in mutual funds	143,257,585	0.305%	143,257,585		143,257,585	0.305%
3.2 Preferred stocks:						
3.21 Affiliated	-	0.000%	-		-	0.00%
3.22 Unaffiliated	40,486,681	0.086%	40,486,681		40,486,681	0.086%
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated	-	0.000%	-		-	0.000%
3.32 Unaffiliated	294,659,581	0.628%	294,659,581		294,659,581	0.628%
3.4 Other equity securities:					-	
3.41 Affiliated	-	0.00%	-		-	0.00%
3.42 Unaffiliated		0.000%			-	0.000%
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated	-	0.000%	-		-	0.000%
3.52 Unaffiliated	-	0.000%	-		-	0.000%
4. Mortgage loans:						
4.1 Construction and land development	93,317,998	0.199%	93,317,998		93,317,998	0.199%
4.2 Agricultural	-	0.000%	-		-	0.000%
4.3 Single family residential properties	-	0.000%	-		-	0.00%
4.4 Multifamily residential properties	-	0.000%	-		-	0.000%
4.5 Commercial loans	3,378,243,690	7.200%	3,378,243,690		3,378,243,690	7.200%
4.6 Mezzanine real estate loans	-	0.00%	-		-	0.00%
5. Real Estate Investments:						
5.1 Property occupied by company	2,965,563	0.006%	2,965,563		2,965,563	0.006%
5.2 Property held for production of income (includes $0 of property acquired					-	
in satisfaction of debt)	360,971,455	0.769%	360,971,455		360,971,455	0.769%
5.3 Property held for sale ($0 including property acquired in the satisfaction of debt)	10,263,514	0.022%	10,263,514		10,263,514	0.022%
6. Contract loans	3,405,117,738	7.257%	3,405,117,738		3,405,117,738	7.258%
7. Deriatives	41,050,789	0.087%	41,050,789		41,050,789	0.087%
8. Receivables for securities	26,819,916	0.057%	26,819,916		26,819,916	0.057%
9. Securities Lending (Line 10, Asset Page reinvested collateral)	-	0.000%	-		-	
10. Cash and short-term investments	821,842,798	1.752%	821,842,798		821,842,798	1.752%
11. Other invested assets	1,811,428,489	3.861%	1,808,240,510		1,808,240,510	3.854%
12. Total Invested Assets	$46,921,521,488	100.00%	$46,918,333,509		$46,918,333,509	100.00%

* Gross Investment Holdings as valued in compliance with NAIC Accounting Practices & Procedures Manual

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LIFE AND ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2019
OF THE CONDITION AND AFFAIRS OF THE

GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

NAIC Group Code 0429 (Current) 0429 (Prior) NAIC Company Code 64246 Employer's ID Number 13-5123390

Organized under the Laws of New York, State of Domicile or Port of Entry NY

Country of Domicile US

Licensed as business type: Life, Accident & Health [X] Fraternal Benefit Societies [ ]

Incorporated/Organized 04/10/1860 Commenced Business 07/16/1860

Statutory Home Office 10 Hudson Yards (Street and Number), New York, NY, US 10001 (City or Town, State, Country and Zip Code)

Main Administrative Office 10 Hudson Yards (Steet and Number)
New York, NY, US 10001 (City or Town, State, Country and Zip Code), 212-598-8000 (Area Code) (Telephone Number)

Mail Address 10 Hudson Yards (Street and Number or P.O. Box), New York, NY, US 10001 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10 Hudson Yards (Steet and Number)
New York, NY, US 10001 (City or Town, State, Country and Zip Code), 212-598-8829 (Area Code) (Telephone Number)

Internet Website Address www.GuardianLife.com

Statutory Statement Contact Haydn Philip Padmore (Name), 212-598-8829 (Area Code) (Telephone Number)
Haydn_Padmore@glic.com (E-mail Address), (FAX Number)

OFFICERS

President and Chief Executive Officer	Deanna Marie Mulligan	SVP, Corporate Controller	John Hunter Flannigan
EVP, Chief Legal Counsel	Eric Robert Dinallo	SVP and Corporate Secretary	Harris Oliner

OTHER

Marc Costantini, EVP, Commercial & Government Markets	Michael Nicholas Ferik, EVP & CFO	Andrew John McMahon #, EVP, Individual Markets, Enterprise Strategy & Customer Development
Diana Lynn Scott, EVP, Chief Human Resources Officer	Michael Slipowitz, SVP, Corporate Chief Actuary	Thomas George Sorell, EVP and Chief Investment Officer

DIRECTORS OR TRUSTEES

John Joseph Brennan	Lloyd Eugene Campbell	Richard Edward Cavanagh
Nancy Elizabeth Cooper	Deborah Leigh Duncan	William Craig Freda
Christopher Thomas Jenny	Deanna Marie Mulligan	Gary Adam Norcross
Karen Bretherick Peetz #	Vivek Sankaran	

State of New York
County of New York SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Deanna M Mulligan	Eric Dinallo	
Deanna Marie Mulligan President and Chief Executive Officer	Eric Robert Dinallo EVP, Chief Legal Counsel	John Hunter Flannigan SVP, Corporate Controller

Subscribed and sworn to before me this
18th day of October, 2019
Lystra M. Dhoray

a. Is this an original filing? Yes [X] No [ ]
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

Lystra M. Dhoray
Notary Public, State of New York
No. 01DH6141127
Qualified in Nassau County
Commission Expires 02/13/2022

ASSETS

		Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1.	Bonds	40,296,058,614		40,296,058,614	39,361,489,909
2.	Stocks:				
	2.1 Preferred stocks				
	2.2 Common stocks	1,990,972,795	6,697,497	1,984,275,298	1,811,412,296
3.	Mortgage loans on real estate:				
	3.1 First liens	4,789,238,665		4,789,238,665	4,482,273,809
	3.2 Other than first liens	38,115,000		38,115,000	38,115,000
4.	Real estate:				
	4.1 Properties occupied by the company (less $ .... encumbrances)	3,062,572		3,062,572	3,440,086
	4.2 Properties held for the production of income (less $ 239,478,279 encumbrances)	258,089,708		258,089,708	327,680,624
	4.3 Properties held for sale (less $ .... encumbrances)				
5.	Cash ($ (57,252,174)), cash equivalents ($ 1,406,932,119) and short-term investments ($ 29,269,359)	1,378,949,304		1,378,949,304	731,896,387
6.	Contract loans (including $ .... premium notes)	3,780,936,061	543,150	3,780,392,911	3,634,864,040
7.	Derivatives	72,573,176		72,573,176	36,668,080
8.	Other invested assets	2,955,951,453	1,886,287	2,954,065,166	2,571,991,864
9.	Receivables for securities	16,462,012		16,462,012	4,906,049
10.	Securities lending reinvested collateral assets				
11.	Aggregate write-ins for invested assets				65,757,442
12.	Subtotals, cash and invested assets (Lines 1 to 11)	55,580,409,360	9,126,934	55,571,282,426	53,070,495,587
13.	Title plants less $ .... charged off (for Title insurers only)				
14.	Investment income due and accrued	422,574,569		422,574,569	414,605,819
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	157,854,236	11,685,431	146,168,805	148,925,206
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)	1,137,232,288		1,137,232,288	966,442,806
	15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ ....)				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	11,242,214		11,242,214	15,354,684
	16.2 Funds held by or deposited with reinsured companies	2,951,132,618		2,951,132,618	2,809,523,763
	16.3 Other amounts receivable under reinsurance contracts	31,340,834		31,340,834	30,644,259
17.	Amounts receivable relating to uninsured plans	55,687,044	336,540	55,350,504	50,151,694
18.1	Current federal and foreign income tax recoverable and interest thereon	98,136,497		98,136,497	201,208,794
18.2	Net deferred tax asset	677,035,192	16,945,308	660,089,884	650,156,035
19.	Guaranty funds receivable or on deposit	13,644,316		13,644,316	16,911,630
20.	Electronic data processing equipment and software	29,926,570	21,388,097	8,538,473	5,780,243
21.	Furniture and equipment, including health care delivery assets ($ ....)	18,366,193	18,366,193		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	33,514,317		33,514,317	21,367,867
24.	Health care ($ ....) and other amounts receivable	31,086,614	31,086,614		
25.	Aggregate write-ins for other than invested assets	120,603,923	48,605,257	71,998,666	87,128,322
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	61,369,786,784	157,540,375	61,212,246,409	58,488,696,709
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	61,369,786,784	157,540,375	61,212,246,409	58,488,696,709
	DETAILS OF WRITE-INS				
1101.	Investments in progress				65,757,442
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)				65,757,442
2501.	Miscellaneous receivable	79,059,642	9,835,861	69,223,781	80,788,274
2502.	PA innovative credit	2,134,387		2,134,387	3,715,415
2503.	Suspense accounts	487,320		487,320	2,474,014
2598.	Summary of remaining write-ins for Line 25 from overflow page	38,922,573	38,769,396	153,178	150,619
2599.	Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	120,603,923	48,605,257	71,998,666	87,128,322

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Aggregate reserve for life contracts $ 41,636,428,255 less $ included in Line 6.3 (including $ Modco Reserve)	41,636,428,255	40,001,244,399
2.	Aggregate reserve for accident and health contracts (including $ Modco Reserve)	4,400,833,782	4,279,624,934
3.	Liability for deposit-type contracts (including $ Modco Reserve)	2,210,076,711	1,924,572,913
4.	Contract claims:		
	4.1 Life	303,884,575	268,659,159
	4.2 Accident and health	257,968,750	264,415,327
5.	Policyholders' dividends/refunds to members $ (20,193,083) and coupons $ due and unpaid	(20,193,083)	(25,645,708)
6.	Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year - estimated amounts:		
	6.1 Policyholders' dividends and refunds to members apportioned for payment (including $ Modco)	982,559,362	978,708,702
	6.2 Policyholders' dividends and refunds to members not yet apportioned (including $ Modco)		
	6.3 Coupons and similar benefits (including $ Modco)		
7.	Amount provisionally held for deferred dividend policies not included in Line 6		
8.	Premiums and annuity considerations for life and accident and health contracts received in advance less $ (18,867,778) discount; including $ 76,752,765 accident and health premiums	334,909,189	328,892,097
9.	Contract liabilities not included elsewhere:		
	9.1 Surrender values on canceled contracts		
	9.2 Provision for experience rating refunds, including the liability of $ 2,086,712 accident and health experience rating refunds of which $ is for medical loss ratio rebate per the Public Health Service Act	2,086,712	2,021,154
	9.3 Other amounts payable on reinsurance, including $ 154,056 assumed and $ 15,977,452 ceded	16,131,508	14,092,041
	9.4 Interest Maintenance Reserve	340,397,575	300,799,805
10.	Commissions to agents due or accrued-life and annuity contracts $ 29,999,136, accident and health $ 79,720,647 and deposit-type contract funds $	109,719,783	124,477,126
11.	Commissions and expense allowances payable on reinsurance assumed	518,144	386,420
12.	General expenses due or accrued	991,635,148	1,041,106,599
13.	Transfers to Separate Accounts due or accrued (net) (including $ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes	38,431,196	35,156,459
15.1	Current federal and foreign income taxes, including $ on realized capital gains (losses)		
15.2	Net deferred tax liability		
16.	Unearned investment income	108,973,349	104,618,235
17.	Amounts withheld or retained by reporting entity as agent or trustee	24,607,528	33,435,970
18.	Amounts held for agents' account, including $ 71,081 agents' credit balances	71,081	260,681
19.	Remittances and items not allocated	63,909,216	46,445,113
20.	Net adjustment in assets and liabilities due to foreign exchange rates		
21.	Liability for benefits for employees and agents if not included above	510,027,862	471,647,204
22.	Borrowed money $ and interest thereon $		
23.	Dividends to stockholders declared and unpaid		
24.	Miscellaneous liabilities:		
	24.01 Asset valuation reserve	1,021,327,854	879,016,646
	24.02 Reinsurance in unauthorized and certified ($) companies		
	24.03 Funds held under reinsurance treaties with unauthorized and certified ($) reinsurers		
	24.04 Payable to parent, subsidiaries and affiliates	19,274,796	23,520,703
	24.05 Drafts outstanding		
	24.06 Liability for amounts held under uninsured plans	2,831,807	9,634,514
	24.07 Funds held under coinsurance	81,064,571	62,056,921
	24.08 Derivatives	1,685,526	12,803,680
	24.09 Payable for securities	136,976,737	89,014,471
	24.10 Payable for securities lending		
	24.11 Capital notes $ and interest thereon $		
25.	Aggregate write-ins for liabilities	54,986,043	45,977,706
26.	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	53,631,123,975	51,316,943,275
27.	From Separate Accounts Statement		
28.	Total liabilities (Lines 26 and 27)	53,631,123,975	51,316,943,275
29.	Common capital stock		
30.	Preferred capital stock		
31.	Aggregate write-ins for other than special surplus funds		
32.	Surplus notes	1,199,376,054	1,198,236,613
33.	Gross paid in and contributed surplus		
34.	Aggregate write-ins for special surplus funds	36,600,618	4,006,732
35.	Unassigned funds (surplus)	6,345,145,762	5,969,510,089
36.	Less treasury stock, at cost:		
	36.1 shares common (value included in Line 29 $)		
	36.2 shares preferred (value included in Line 30 $)		
37.	Surplus (Total Lines 31+32+33+34+35-36) (including $ in Separate Accounts Statement)	7,581,122,434	7,171,753,434
38.	Totals of Lines 29, 30 and 37	7,581,122,434	7,171,753,434
39.	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	61,212,246,409	58,488,696,709
	DETAILS OF WRITE-INS		
2501.	Miscellaneous liabilities	34,550,492	24,719,087
2502.	Deferred gains on real estate	13,165,427	13,165,427
2503.	Claims liabilities for all other lines of business - pools	4,466,878	3,496,624
2598.	Summary of remaining write-ins for Line 25 from overflow page	2,803,246	4,596,568
2599.	Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	54,986,043	45,977,706
3101.			
3102.			
3103.			
3198.	Summary of remaining write-ins for Line 31 from overflow page		
3199.	Totals (Lines 3101 through 3103 plus 3198)(Line 31 above)		
3401.	Affordable Care Act fee	32,593,886	
3402.	Contingency reserve for aviation reinsurance	3,000,000	3,000,000
3403.	Permanent surplus Arkansas requirements	1,000,000	1,000,000
3498.	Summary of remaining write-ins for Line 34 from overflow page	6,732	6,732
3499.	Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)	36,600,618	4,006,732

SUMMARY OF OPERATIONS

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1.	Premiums and annuity considerations for life and accident and health contracts	6,491,432,712	6,222,019,167	8,387,469,774
2.	Considerations for supplementary contracts with life contingencies	3,792,605	1,665,051	2,332,897
3.	Net investment income	1,656,677,309	1,555,027,305	2,131,926,933
4.	Amortization of Interest Maintenance Reserve (IMR)	38,075,870	56,892,953	74,032,528
5.	Separate Accounts net gain from operations excluding unrealized gains or losses			
6.	Commissions and expense allowances on reinsurance ceded	61,687,306	60,083,610	79,759,468
7.	Reserve adjustments on reinsurance ceded			
8.	Miscellaneous Income:			
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
	8.2 Charges and fees for deposit-type contracts			
	8.3 Aggregate write-ins for miscellaneous income	214,814,109	184,697,297	187,319,791
9.	Totals (Lines 1 to 8.3)	8,466,479,911	8,080,385,383	10,862,841,391
10.	Death benefits	919,888,510	842,431,483	1,118,520,365
11.	Matured endowments (excluding guaranteed annual pure endowments)	1,098,063	387,795	458,156
12.	Annuity benefits	1,462,134	2,342,123	4,823,043
13.	Disability benefits and benefits under accident and health contracts	1,729,746,403	1,475,363,433	1,996,286,267
14.	Coupons, guaranteed annual pure endowments and similar benefits			
15.	Surrender benefits and withdrawals for life contracts	1,136,647,645	1,057,486,257	1,416,225,117
16.	Group conversions	700,033	671,574	928,743
17.	Interest and adjustments on contract or deposit-type contract funds	53,869,456	45,757,017	63,486,067
18.	Payments on supplementary contracts with life contingencies	1,099,484	1,120,276	1,486,371
19.	Increase in aggregate reserves for life and accident and health contracts	1,756,392,704	1,928,886,840	2,481,188,327
20.	Totals (Lines 10 to 19)	5,600,904,431	5,354,446,798	7,083,402,456
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	440,894,783	412,865,791	558,208,365
22.	Commissions and expense allowances on reinsurance assumed	170,671,839	175,036,918	235,689,650
23.	General insurance expenses and fraternal expenses	1,063,960,610	1,012,471,686	1,382,618,716
24.	Insurance taxes, licenses and fees, excluding federal income taxes	158,680,291	195,053,546	239,049,864
25.	Increase in loading on deferred and uncollected premiums	(104,326,513)	(95,465,430)	(3,067,937)
26.	Net transfers to or (from) Separate Accounts net of reinsurance			
27.	Aggregate write-ins for deductions	50,829,355	16,320,365	(28,934,392)
28.	Totals (Lines 20 to 27)	7,381,614,795	7,070,729,674	9,466,966,722
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	1,084,865,115	1,009,655,709	1,395,874,670
30.	Dividends to policyholders and refunds to members	683,285,931	655,871,988	965,922,894
31.	Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	401,579,185	353,783,721	429,951,776
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	(49,402,358)	11,586,495	(52,314,100)
33.	Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	450,981,542	342,197,226	482,265,876
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ 53,293,215 (excluding taxes of $ 20,647,423 transferred to the IMR)	(157,977,092)	(41,335,791)	(171,844,857)
35.	Net income (Line 33 plus Line 34)	293,004,451	300,861,436	310,421,018
	CAPITAL AND SURPLUS ACCOUNT			
36.	Capital and surplus, December 31, prior year	7,171,753,434	6,683,677,303	6,683,677,303
37.	Net income (Line 35)	293,004,451	300,861,436	310,421,018
38.	Change in net unrealized capital gains (losses) less capital gains tax of $ 29,531,118	218,077,048	122,100,387	184,607,050
39.	Change in net unrealized foreign exchange capital gain (loss)	(38,568,681)	(26,679,193)	(40,789,923)
40.	Change in net deferred income tax	43,217,839	(4,830,099)	48,568,312
41.	Change in nonadmitted assets	(29,896,084)	15,132,755	28,552,486
42.	Change in liability for reinsurance in unauthorized and certified companies			
43.	Change in reserve on account of change in valuation basis, (increase) or decrease			
44.	Change in asset valuation reserve	(142,311,208)	(65,854,700)	(50,162,582)
45.	Change in treasury stock			
46.	Surplus (contributed to) withdrawn from Separate Accounts during period			
47.	Other changes in surplus in Separate Accounts Statement			
48.	Change in surplus notes	1,139,441	1,150,306	1,165,381
49.	Cumulative effect of changes in accounting principles			(2,620,067)
50.	Capital changes:			
	50.1 Paid in			
	50.2 Transferred from surplus (Stock Dividend)			
	50.3 Transferred to surplus			
51.	Surplus adjustment:			
	51.1 Paid in			
	51.2 Transferred to capital (Stock Dividend)			
	51.3 Transferred from capital			
	51.4 Change in surplus as a result of reinsurance			
52.	Dividends to stockholders			
53.	Aggregate write-ins for gains and losses in surplus	64,706,196	84,754,628	8,334,456
54.	Net change in capital and surplus for the year (Lines 37 through 53)	409,369,000	426,635,519	488,076,131
55.	Capital and surplus, as of statement date (Lines 36 + 54)	7,581,122,434	7,110,312,822	7,171,753,434
	DETAILS OF WRITE-INS			
08.301.	Interest on funds withheld assumed	115,109,734	112,819,536	137,708,653
08.302.	Other reserve adjustment on reinsurance	63,096,710	29,509,685	(15,695,402)
08.303.	Experience refund	24,939,528	28,924,033	38,463,309
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	11,668,137	13,444,043	26,843,230
08.399.	Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	214,814,109	184,697,297	187,319,791
2701.	Reserve adjustment on reinsurance assumed	40,696,420	5,839,955	(44,871,147)
2702.	Other miscellaneous expenses	6,813,117	8,037,975	7,230,452
2703.	Interest expense on funds held ceded	1,890,449	1,628,386	2,325,200
2798.	Summary of remaining write-ins for Line 27 from overflow page	1,429,368	814,049	6,381,104
2799.	Totals (Lines 2701 through 2703 plus 2798)(Line 27 above)	50,829,355	16,320,365	(28,934,392)
5301.	Change in pension assets/liabilities	64,706,196	84,304,628	7,884,456
5302.	Prior period correction		450,000	450,000
5303.				
5398.	Summary of remaining write-ins for Line 53 from overflow page			
5399.	Totals (Lines 5301 through 5303 plus 5398)(Line 53 above)	64,706,196	84,754,628	8,334,456

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	Cash from Operations			
1.	Premiums collected net of reinsurance	6,439,812,599	6,177,405,894	8,372,593,905
2.	Net investment income	1,665,907,719	1,585,138,143	2,186,065,387
3.	Miscellaneous income	84,245,137	104,609,766	148,655,471
4.	Total (Lines 1 to 3)	8,189,965,455	7,867,153,803	10,707,314,763
5.	Benefit and loss related payments	3,811,133,925	3,625,737,767	4,830,963,270
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	1,911,062,213	2,076,860,375	2,498,180,122
8.	Dividends paid to policyholders	673,982,646	635,996,508	869,751,068
9.	Federal and foreign income taxes paid (recovered) net of $ 73,940,638 tax on capital gains (losses)	(75,594,017)	(10,762,944)	(29,240,332)
10.	Total (Lines 5 through 9)	6,320,584,767	6,327,831,705	8,169,654,127
11.	Net cash from operations (Line 4 minus Line 10)	1,869,380,688	1,539,322,097	2,537,660,635
	Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	8,326,781,262	9,623,325,540	12,449,552,990
	12.2 Stocks	261,853,843	110,780,057	203,504,422
	12.3 Mortgage loans	159,673,112	326,016,872	471,053,110
	12.4 Real estate	35,409,043	241,539	65,888,391
	12.5 Other invested assets	151,275,201	105,062,319	208,985,611
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	5,512	1,971	(56,056)
	12.7 Miscellaneous proceeds	221,617,185	173,626,717	171,983,524
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	9,156,615,158	10,339,055,015	13,570,911,992
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	9,209,722,319	10,882,902,300	13,961,145,439
	13.2 Stocks	268,138,413	303,431,401	443,446,566
	13.3 Mortgage loans	467,408,150	526,842,132	992,656,427
	13.4 Real estate	(23,605,119)	9,354,973	44,851,884
	13.5 Other invested assets	587,112,019	365,953,915	576,962,740
	13.6 Miscellaneous applications	110,245,827	81,404,217	139,402,672
	13.7 Total investments acquired (Lines 13.1 to 13.6)	10,619,021,609	12,169,888,938	16,158,465,728
14.	Net increase (or decrease) in contract loans and premium notes	144,878,477	91,315,741	114,836,537
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,607,284,928)	(1,922,149,664)	(2,702,390,273)
	Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes	1,139,441	1,150,306	1,165,381
	16.2 Capital and paid in surplus, less treasury stock			
	16.3 Borrowed funds			
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	285,503,798	350,363,141	318,610,338
	16.5 Dividends to stockholders			
	16.6 Other cash provided (applied)	98,313,919	113,439,056	23,342,320
17.	Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	384,957,157	464,952,503	343,118,040
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	647,052,917	82,124,937	178,388,401
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	731,896,387	553,507,986	553,507,986
	19.2 End of period (Line 18 plus Line 19.1)	1,378,949,304	635,632,922	731,896,387

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001.	Bonds to Bonds Exchange	1,494,302,716	1,574,569,958	2,309,023,904
20.0002.	Common Stocks to Common Stocks Exchange	8,813,247	88,479,620	88,479,620

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1.	Industrial life			
2.	Ordinary life insurance	3,244,109,608	3,134,182,329	4,334,580,015
3.	Ordinary individual annuities	4,945,820	3,859,287	11,797,605
4.	Credit life (group and individual)			
5.	Group life insurance	560,836,407	517,900,363	612,937,913
6.	Group annuities			
7.	A & H - group	2,452,325,509	2,366,780,062	3,163,513,510
8.	A & H - credit (group and individual)			
9.	A & H - other	139,388,237	141,589,482	187,852,546
10.	Aggregate of all other lines of business			
11.	Subtotal (Lines 1 through 10)	6,401,605,580	6,164,311,523	8,310,681,588
12.	Fraternal (Fraternal Benefit Societies Only)			
13.	Subtotal (Lines 11 through 12)	6,401,605,580	6,164,311,523	8,310,681,588
14.	Deposit-type contracts	703,034,021	358,717,075	395,965,323
15.	Total (Lines 13 and 14)	7,104,639,601	6,523,028,598	8,706,646,911
	DETAILS OF WRITE-INS			
1001.				
1002.				
1003.				
1098.	Summary of remaining write-ins for Line 10 from overflow page			
1099.	Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)			

NOTES TO FINANCIAL STATEMENTS

NOTE 1 Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of The Guardian Life Insurance Company of America (the "Company") are presented on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services (the "Department").

The Department recognizes only statutory accounting practices prescribed or permitted by the state of New York for determining and reporting the financial condition and results of operations of an insurance company ("New York SAP"). The National Association of Insurance Commissioners' ("NAIC") promulgates the Accounting Practices and Procedures Manual ("NAIC SAP"), which includes accounting guidelines referred to as Statements of Statutory Accounting Principles ("SSAP's"). The Department adopted NAIC SAP with certain modifications, through the passage of Regulation 172, effective January 1, 2001, as amended. There were two material differences between the Company's capital, surplus and net income (loss) calculated in accordance with New York SAP and NAIC SAP for the period ended September 30, 2019 and December 31, 2018.

	SSAP #	F/S Page	F/S Line #		2019		2018
NET INCOME							
(1) State basis (Page 4, Line 35, Columns 1 & 3)	XXX	XXX	XXX	$	293,004,451	$	310,421,018
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:							
Impact on deferred premiums				$	6,321,126	$	(3,737,915)
Impact on admitted unearned premiums/allowances				$	(5,124,377)	$	3,672,283
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:							
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	$	291,807,702	$	310,486,650
SURPLUS							
(5) State basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	$	7,581,122,434	$	7,171,753,434
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:							
Impact on deferred premiums				$	(144,920,479)	$	(151,241,605)
Impact on admitted unearned premiums/allowances				$	61,492,494	$	66,616,871
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:							
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	$	7,664,550,419	$	7,256,378,168

B. Use of Estimates in the Preparation of the Financial Statements
No Changes

C. Accounting Policy

D. Going Concern
Not Applicable

NOTE 2 Accounting Changes and Corrections of Errors
No Changes

NOTE 3 Business Combinations and Goodwill
No Changes

NOTE 4 Discontinued Operations
No Changes

NOTE 5 Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans
No Changes

B. Debt Restructuring
No Changes

C. Reverse Mortgages
No Changes

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from issuers or broker-dealers through information services or internal estimates and are consistent with current interest rates and the economic environment. The Company uses BVAL pricing service or broker dealer surveys in determining the market value of its loan backed securities.

(2) Not Applicable
(3) Not Applicable
(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a) The aggregate amount of unrealized losses:		
1. Less than 12 Months	$	834,380
2. 12 Months or Longer	$	1,765,139
b)The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 Months	$	142,028,913
2. 12 Months or Longer	$	142,283,839

E. Dollar Repurchase Agreements and/or Securities Lending Transactions
Not Applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale
Not Applicable

NOTES TO FINANCIAL STATEMENTS

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

(1) Not Applicable

REPURCHASE TRANSACTION – CASH PROVIDER – OVERVIEW OF SALE TRANSACTIONS

(2) Type of Repo Trades Used

	1 FIRST QUARTER	2 SECOND QUARTER	3 THIRD QUARTER	4 FOURTH QUARTER
a. Bilateral (YES/NO)				Yes
b. Tri-Party (YES/NO)				

(3) Original (Flow) & Residual Maturity

	FIRST QUARTER				SECOND QUARTER			
	1 MINIMUM	2 MAXIMUM	3 AVERAGE DAILY BALANCE	4 ENDING BALANCE	5 MINIMUM	6 MAXIMUM	7 AVERAGE DAILY BALANCE	8 ENDING BALANCE
a. Open – No Maturity								
b. Overnight								
c. 2 Days to 1 Week								
d. > 1 Week to 1 Month								
e. > 1 Month to 3 Months								
f. > 3 Months to 1 Year								
g. > 1 Year								

	THIRD QUARTER				FOURTH QUARTER			
	9 MINIMUM	10 MAXIMUM	11 AVERAGE DAILY BALANCE	12 ENDING BALANCE	13 MINIMUM	14 MAXIMUM	15 AVERAGE DAILY BALANCE	16 ENDING BALANCE
a. Open – No Maturity								
b. Overnight		$ 500,000,000						
c. 2 Days to 1 Week								
d. > 1 Week to 1 Month								
e. > 1 Month to 3 Months								
f. > 3 Months to 1 Year								
g. > 1 Year								

(4) Counterparty, Jurisdiction and Fair Value (FV)
Not Applicable

(5) Securities Acquired Under Repo – Sale
Not Applicable

(6) Securities Acquired Under Repo – Sale by NAIC Designation
Not Applicable

(7) Proceeds Provided - Sale
Not Applicable

(8) Recognized Forward Resale Commitment
Not Applicable

J. Real Estate
Not Applicable

K. Low Income Housing tax Credits (LIHTC)
Not Applicable

L. Restricted Assets
Not Applicable

M. Working Capital Finance Investments
Not Applicable

N. Offsetting and Netting of Assets and Liabilities

	Gross Amount Recognized	Amount Offset*	Net Amount Presented on Financial Statements
(1) Assets			
Currency Swaps	$ 71,464,435		$ 71,464,435
Index Participation Feature	$ 1,027,553		$ 1,027,553

* For derivative assets and derivative liabilities, the amount offset shall agree to Schedule DB, Part D, Section 1

	Gross Amount Recognized	Amount Offset*	Net Amount Presented on Financial Statements
(2) Liabilities			
Currency Swaps	$ 1,685,526		$ 1,685,526

* For derivative assets and derivative liabilities, the amount offset shall agree to Schedule DB, Part D, Section 1

O. Structured Notes

P. 5GI Securities

Q. Short Sales

R. Prepayment Penalty and Acceleration Fees
Not Applicable

NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies
No Changes

NOTE 7 Investment Income
No Changes

NOTE 8 Derivative Instruments
No Changes

NOTE 9 Income Taxes
No Changes

NOTE 10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties
No Changes

NOTE 11 Debt
A. No Changes

NOTES TO FINANCIAL STATEMENTS

B. FHLB (Federal Home Loan Bank) Agreements

(1) On February 13, 2018, the Company became a member of the Federal Home Loan Bank of New York (FHLBNY). Through its membership, the Company has conducted business activity with the FHLBNY. It is part of the Company's strategy to utilize these funds as a source to improve spread lending liquidity and as a source of backup liquidity. New York State Department of Financial Services permits Guardian Life to pledge collateral to the FHLBNY in an amount of up to 5% of its statutory net admitted assets, excluding separate account assets. Based on Guardian Life's statutory net admitted assets the 5% limitation equates to a maximum amount of eligible assets as of December 31, 2018 to be $2.9 billion and as of September 30, 2019 to be $3.1 billion.

(2) FHLB Capital Stock

a. Aggregate Totals

	1 Total 2+3	2 General Account	3 Separate Accounts
1. Current Year			
(a) Membership Stock - Class A			
(b) Membership Stock - Class B	$ 11,405,200	$ 11,405,200	
(c) Activity Stock	$ 180,000	$ 180,000	
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)	$ 11,585,200	$ 11,585,200	
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	$ 3,060,709,005	XXX	XXX
2. Prior Year-end			
(a) Membership Stock - Class A			
(b) Membership Stock - Class B	$ 10,078,400	$ 10,078,400	
(c) Activity Stock	$ 1,665,000	$ 1,665,000	
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)	$ 11,743,400	$ 11,743,400	
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	$ 2,924,434,835	XXX	XXX

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)
11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1	2	Eligible for Redemption			
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
Membership Stock						
1. Class A						
2. Class B	$ 22,810,400	$ 11,405,200				

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)
11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	$ 6,277,296	$ 5,945,873	$ 4,000,000
2. Current Year General Account Total Collateral Pledged	$ 6,277,296	$ 5,945,873	$ 4,000,000
3. Current Year Separate Accounts Total Collateral Pledged			
4. Prior Year-end Total General and Separate Accounts Total Collateral Pledged	$ 51,991,267	$ 50,722,350	$ 37,000,000

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)
11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)
11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)
11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Maximum Collateral Pledged (Lines 2+3)	$ 6,303,602	$ 5,967,363	$ 4,000,000
2. Current Year General Account Maximum Collateral Pledged	$ 6,303,602	$ 5,967,363	$ 4,000,000
3. Current Year Separate Accounts Maximum Collateral Pledged			
4. Prior Year-end Total General and Separate Accounts Maximum Collateral Pledged	$ 51,991,267	$ 50,722,350	$ 37,000,000

(4) Borrowing from FHLB

a. Amount as of Reporting Date

	1 Total 2+3	2 General Account	3 Separate Accounts	4 Funding Agreements Reserves Established
1. Current Year				
(a) Debt				XXX
(b) Funding Agreements	$ 4,000,000	$ 4,000,000		
(c) Other				XXX
(d) Aggregate Total (a+b+c)	$ 4,000,000	$ 4,000,000		
2. Prior Year end				
(a) Debt				XXX
(b) Funding Agreements	$ 37,000,000	$ 37,000,000		
(c) Other				XXX
(d) Aggregate Total (a+b+c)	$ 37,000,000	$ 37,000,000		

b. Maximum Amount During Reporting Period (Current Year)

	1 Total 2+3	2 General Account	3 Separate Accounts
1. Debt			
2. Funding Agreements	$ 4,000,000	$ 4,000,000	
3. Other			
4. Aggregate Total (1+2+3)	$ 4,000,000	$ 4,000,000	

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

c. FHLB - Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

NOTES TO FINANCIAL STATEMENTS

NOTE 12 Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

(1) - (3) No Changes

	Pension Benefits 2019	Pension Benefits 2018	Postretirement Benefits 2019	Postretirement Benefits 2018	Special or Contractual Benefits Per SSAP No. 11 2019	Special or Contractual Benefits Per SSAP No. 11 2018
(4) Components of net periodic benefit cost						
a. Service cost	$ 57,649,213	$ 77,967,496	$ 3,845,540	$ 5,189,072		
b. Interest cost	$ 80,213,596	$ 97,531,817	$ 7,559,642	$ 9,085,189		
c. Expected return on plan assets	$ (105,799,950)	$ (146,788,945)	$ (6,070,610)	$ (9,702,858)		
d. Transition asset or obligation		$ 523,000				
e. Gains and losses	$ 63,710,187	$ 76,012,817	$ 2,956,101	$ 2,386,909		
f. Prior service cost or credit	$ 133,500	$ 96,000	$ (1,765,669)	$ (2,549,307)		
g. Gain or loss recognized due to a settlement or curtailment		$ 24,550,386				
h. Total net periodic benefit cost	$ 95,906,546	$ 129,892,571	$ 6,525,005	$ 4,409,005		

The Company made a contribution of $14,500,000 to the pension plan on September 13, 2019.

(5) - (21) No Changes

B-I. No Changes

NOTE 13 Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) - (13) No Changes

NOTE 14 Liabilities, Contingencies and Assessments

No Changes

NOTE 15 Leases

No Changes

NOTE 16 Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No Changes

NOTE 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. No Changes

B. No Changes

C. Wash Sales

No Changes

NOTE 18 Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

No Changes

NOTE 19 Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No Changes

NOTE 20 Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Bonds		$ 29,615,762			$ 29,615,762
Common Stock		$ 668,382,590	$ 11,908,315	$ 75,203,012	$ 755,493,917
Total assets at fair value/NAV		$ 697,998,352	$ 11,908,315	$ 75,203,012	$ 785,109,679

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
b. Liabilities at fair value					
Total liabilities at fair value					

(2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy

Description	Ending Balance as of Prior Quarter End	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance for Current Quarter End
a. Assets										
Common Stock - Industrial & Miscellaneous (Unaffiliated)	$ 11,908,320		$ (5)							$ 11,908,315
Total Assets	$ 11,908,320		$ (5)							$ 11,908,315

Description	Ending Balance as of Prior Quarter End	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance for Current Quarter End
a. Liabilities										
Total Liabilities										

(3) Transfers are recognized at the reporting period

(4) The Company obtains the fair value of financial instruments held in its portfolio from various sources. These sources include published market quotes for active market exchange traded instruments, third party pricing vendors, investment banks which are lead market makers in certain markets, broker quotes and the use of internal valuation models that use market observable inputs when available and Company derived inputs when external inputs are not available or deemed to be inaccurate.

Bonds:

Estimated fair values for bonds, other than private placement securities, are based on values provided by a third party pricing vendor using primarily observable market inputs. Observable inputs include benchmark yields, reported trades, market dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data.

Preferred Stock:

Estimated fair values for preferred stock, other than private placement securities, are based on values provided by a third party pricing vendor using primarily observable market inputs. Observable inputs include benchmark yields, reported trades, market dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. Preferred stock is carried at fair value if impaired during the reporting period or carried at lower of cost or fair value based on the rating assigned by the SVO.

Common Stock:

Estimated fair value for unaffiliated common stock is determined using a quoted market price where available. When the Company cannot obtain a quoted market price directly, it relies on values provided by a third party pricing vendor, or values determined by estimates and assumptions based on internally derived information. The pricing vendor values these securities using observable market inputs, including reported trades, market dealer quotes, bids, offers and reference data. The fair value of common stock was $755,493,918 at September 30, 2019. $0 was valued based on quoted market prices from an active market for that identical investment and $668,382,590 was valued based on quotes from third party pricing vendors for identical investments in markets that are not actively traded, or for similar investments that are actively traded and model derived valuations whose inputs are observable or whose significant value drivers are observable. Common stocks with an aggregate fair value of $11,908,315 were determined by using estimates and assumptions based on internally derived information. Common stocks with an aggregate fair value of $75,203,012 were determined by using Net Asset Value.

Mortgage Loans:

The estimated fair value of the mortgage loan portfolio is derived primarily using a loan value matrix using significant unobservable inputs. The inputs used in the matrix include (1) the weighted average cash flow and average term to maturity for each individual loan; (2) a base spread over the U.S. Treasury rate and (3) an internally computed credit rating that is used to derive the appropriate credit spread. At September 30, 2019, there were no mortgage loans carried at fair value.

Surplus Notes:

The estimated fair values for surplus notes are based on values provided by a third party pricing vendor using primarily observable market inputs. Observable inputs include benchmark yields, reported trades, market dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data.

Real Estate:

Real estate properties that are designated as held for sale are carried on the balance sheet at the lower of their depreciated cost basis adjusted for any previous impairment write-downs or fair value less cost to sell. At September 30, 2019, the Company had no property in the held for sale category. The fair value of this property is based on what management believes to be a market price based on a bid received at auction from a third party.

Derivatives:

Derivative instruments are valued through the use of quoted market prices for exchange-traded derivatives (Level 1), third party pricing model and a third party pricing service for over-the-counter ("OTC") traded derivatives (Level 2) and by using internally developed estimates and assumptions when no quoted market price or third party vendor price is available.

(5) Not Applicable

NOTES TO FINANCIAL STATEMENTS

B. Not Applicable

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	$ 44,334,468,133	$ 40,296,058,614	$ 1,702,324,070	$ 39,053,426,163	$ 3,578,717,900		
Common Stock	$ 755,493,917	$ 755,493,917		$ 668,382,590	$ 11,908,315	$ 75,203,012	
Mortgage Loans	$ 5,046,552,231	$ 4,827,353,665			$ 5,046,552,231		
Surplus Notes	$ 620,702,102	$ 522,323,474		$ 620,702,102			

D. Not Practicable to Estimate Fair Value
Not Applicable

E. The mutual funds valued at NAV are priced by dividing the daily NAV by the number of shares outstanding. As a result, the shares will never be sold for below NAV.

NOTE 21 Other Items

A. Unusual or Infrequent Items
No Changes

B. Troubled Debt Restructuring: Debtors
No Changes

C. Other Disclosures
No Changes

D. Business Interruption Insurance Recoveries
No Changes

E. State Transferable and Non-transferable Tax Credits
No Changes

F. Subprime Mortgage Related Risk Exposure
No Changes

G. Retained Assets
No Changes

H. Insurance-Linked Securities (ILS) Contracts
No Changes

NOTE 22 Events Subsequent
No Changes

NOTE 23 Reinsurance
No Changes

NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Not Applicable

B. Not Applicable

C. Not Applicable

D. Not Applicable

E. Not Applicable

NOTE 25 Change in Incurred Losses and Loss Adjustment Expenses
Activity in the liability for unpaid accident & health claims and claim reserves is summarized as follows:

	2019	2018
Balance of unpaid A&H Claims and Reserves, net of Reinsurance Recoverable at January 1	$ 4,064,714,968	$ 3,956,668,877
Incurred related to:		
Current Year	$ 1,961,910,648	$ 2,491,086,088
Prior Year	$ (137,586,426)	$ (186,558,466)
Total incurred	$ 1,824,324,222	$ 2,304,527,622
Paid related to:		
Current Year	$ 1,209,416,304	$ 1,597,486,769
Prior Year	$ 509,078,892	$ 598,994,762
Total paid	$ 1,718,495,197	$ 2,196,481,531
Balance of unpaid A&H Claims and Reserves, net of Reinsurance	$ 4,170,543,993	$ 4,064,714,968

NOTE 26 Intercompany Pooling Arrangements
No Changes

NOTE 27 Structured Settlements
No Changes

NOTE 28 Health Care Receivables
No Changes

NOTE 29 Participating Policies
No Changes

NOTE 30 Premium Deficiency Reserves
No Changes

NOTE 31 Reserves for Life Contracts and Annuity Contracts
No Changes

NOTE 32 Analysis of Annuity Actuarial Reserves and Deposit Type Liabilities by Withdrawal Characteristics
No Changes

NOTE 33 Premium & Annuity Considerations Deferred and Uncollected
No Changes

NOTE 34 Separate Accounts
No Changes

NOTE 35 Loss/Claim Adjustment Expenses
No Changes

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ ] No [X]
If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [X]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.

4.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2018

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/19/2015

6.4 By what department or departments?
New York State Department of Financial Services

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [ ] N/A [ ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No [ ]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Park Avenue Institutional Advisers LLC	New York, NY	NO	NO	NO	YES
Park Avenue Securities LLC	New York, NY	NO	NO	NO	YES

GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $

13. Amount of real estate and mortgages held in short-term investments: $

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No [ ]

14.2 If yes, please complete the following:

		1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21	Bonds	$ 9,049,181	$ 676,065
14.22	Preferred Stock	$	$
14.23	Common Stock	$ 1,156,816,158	$ 1,228,781,380
14.24	Short-Term Investments	$	$
14.25	Mortgage Loans on Real Estate	$	$
14.26	All Other	$ 747,945,808	$ 751,826,429
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 1,913,811,147	$ 1,981,283,874
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above	$	$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [X] No [ ]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [X] No [ ]
If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $

16.3 Total payable for securities lending reported on the liability page. $

GENERAL INTERROGATORIES

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

17.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["…that have access to the investment accounts"; "…handle securities"]

1 Name of Firm or Individual	2 Affiliation
Paul Gillin	I
Charles Golden	I
Keith Simon	I
Martin Vernon	I
John Gargana	I
Rob Simmons	I
Rob Crimmins	I
Stewart Johnson	I
Kampoleak Pal	I
Kevin Booth	I
Demetrios Tsaparas	I
Douglas Dupont	I
Tim Cashman	I
Brian Keating	I
William Lee	I
Paul Jablansky	I

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [ ] No [X]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [ ] No [X]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [ ] No [X]

18.2 If no, list exceptions:

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
    a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
    b. Issuer or obligor is current on all contracted interest and principal payments.
    c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [X] No [ ]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
    a. The security was purchased prior to January 1, 2018.
    b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
    c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
    d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA
Bonds Not Filed with the SVO
As of September 30, 2019

EXHIBIT A **Page 1**

CUSIP	Description	Interest	Maturity
G7997@AK7	SANCTUARY HOUSING ASSOCIATION	2.78	2/26/2033
30290YAB7	FS GLOBAL CREDIT OPPORTUNITIE	4.818	8/1/2023
G6462*AC5	NEWLON HOUSING TRUST	3.14	11/28/2033
29364@123	ENTERGY UTILITY HOLDING COMPA	6.75	2/28/2039
78349AB*3	R W J BARNABAS HEALTH, INC	4.4	7/1/2044
F2977#AB1	ELIS SA	4.99	4/24/2029
	TOTAL ISSUES:	6.00	

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA
Preferred Stocks Not Filed with the SVO
As of September 30, 2019

EXHIBIT A

CUSIP	Description	
	NONE	
	TOTAL ISSUES:	0.00

GENERAL INTERROGATORIES

PART 2 - LIFE AND ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES

Life and Accident Health Companies/Fraternal Benefit Societies:

		1 Amount
1.	Report the statement value of mortgage loans at the end of this reporting period for the following categories:	
	1.1 Long-Term Mortgages In Good Standing	
	1.11 Farm Mortgages	$
	1.12 Residential Mortgages	$
	1.13 Commercial Mortgages	$ 4,827,353,655
	1.14 Total Mortgages in Good Standing	$ 4,827,353,655
	1.2 Long-Term Mortgages In Good Standing with Restructured Terms	
	1.21 Total Mortgages in Good Standing with Restructured Terms	$
	1.3 Long-Term Mortgage Loans Upon which Interest is Overdue more than Three Months	
	1.31 Farm Mortgages	$
	1.32 Residential Mortgages	$
	1.33 Commercial Mortgages	$
	1.34 Total Mortgages with Interest Overdue more than Three Months	$
	1.4 Long-Term Mortgage Loans in Process of Foreclosure	
	1.41 Farm Mortgages	$
	1.42 Residential Mortgages	$
	1.43 Commercial Mortgages	$
	1.44 Total Mortgages in Process of Foreclosure	$
1.5	Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)	$ 4,827,353,655
1.6	Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
	1.61 Farm Mortgages	$
	1.62 Residential Mortgages	$
	1.63 Commercial Mortgages	$
	1.64 Total Mortgages Foreclosed and Transferred to Real Estate	$
2.	Operating Percentages:	
	2.1 A&H loss percent	65.000 %
	2.2 A&H cost containment percent	1.000 %
	2.3 A&H expense percent excluding cost containment expenses	34.000 %
3.1	Do you act as a custodian for health savings accounts?	Yes [ ] No [X]
3.2	If yes, please provide the amount of custodial funds held as of the reporting date	$
3.3	Do you act as an administrator for health savings accounts?	Yes [ ] No [X]
3.4	If yes, please provide the balance of the funds administered as of the reporting date	$
4.	Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?	Yes [X] No [ ]
4.1	If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?	Yes [ ] No [ ]

Fraternal Benefit Societies Only:

5.1	In all cases where the reporting entity has assumed accident and health risks from another company, provisions should be made in this statement on account of such reinsurances for reserve equal to that which the original company would have been required to establish had it retained the risks. Has this been done?	Yes [ ] No [ ] N/A [ ]
5.2	If no, explain:	
6.1	Does the reporting entity have outstanding assessments in the form of liens against policy benefits that have increased surplus?	Yes [ ] No [ ]
6.2	If yes, what is the date(s) of the original lien and the total outstanding balance of liens that remain in surplus?	

Date	Outstanding Lien Amount

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating

NONE

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories

			Direct Business Only					
		1	Life Contracts		4	5	6	7
			2	3				
	States, Etc.	Active Status (a)	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 Through 5	Deposit-Type Contracts
1.	Alabama AL	L	31,078,636	194,989	40,081,827		71,355,451	
2.	Alaska AK	L	2,888,966		3,463,150		6,352,116	
3.	Arizona AZ	L	28,996,702		23,731,912		52,728,614	
4.	Arkansas AR	L	7,047,754		12,031,321		19,079,074	
5.	California CA	L	203,527,172	544,017	359,148,329		563,219,518	114,189
6.	Colorado CO	L	32,700,125	622,723	21,658,956		54,981,804	
7.	Connecticut CT	L	68,497,270		31,644,235		100,141,505	
8.	Delaware DE	L	9,944,445		4,132,516		14,076,961	
9.	District of Columbia DC	L	10,211,683	176,878	16,373,357		26,761,918	
10.	Florida FL	L	211,400,723	464,263	220,476,067		432,341,053	8,454
11.	Georgia GA	L	104,772,589	948,663	76,427,843		182,149,094	491
12.	Hawaii HI	L	24,325,883		5,330,845		29,656,727	
13.	Idaho ID	L	3,552,185		2,683,994		6,236,180	
14.	Illinois IL	L	77,280,658	24,286	127,690,230		204,995,175	
15.	Indiana IN	L	37,991,955		49,561,554		87,553,508	
16.	Iowa IA	L	25,060,695		4,994,020		30,054,715	
17.	Kansas KS	L	9,345,977		14,304,374		23,650,351	
18.	Kentucky KY	L	17,062,562	358,333	23,467,977		40,888,871	
19.	Louisiana LA	L	33,035,939	55,464	34,885,320		67,976,723	
20.	Maine ME	L	7,150,277		3,933,618		11,083,895	
21.	Maryland MD	L	57,548,420	96,493	51,432,058		109,076,972	
22.	Massachusetts MA	L	127,448,096	244,867	67,846,192		195,539,154	450,675
23.	Michigan MI	L	37,686,701		67,965,763		105,652,464	
24.	Minnesota MN	L	44,520,892	95,865	15,467,786		60,084,543	
25.	Mississippi MS	L	17,136,083		28,161,758		45,297,841	
26.	Missouri MO	L	22,347,567		47,808,481		70,156,049	
27.	Montana MT	L	10,334,783		7,825,522		18,160,304	
28.	Nebraska NE	L	5,645,758	39,118	4,846,772		10,531,648	
29.	Nevada NV	L	24,492,186		19,237,224		43,729,410	
30.	New Hampshire NH	L	17,347,577		6,375,705		23,723,282	
31.	New Jersey NJ	L	317,862,191	420,037	93,998,876		412,281,105	238,050
32.	New Mexico NM	L	3,278,465		2,507,303		5,785,768	
33.	New York NY	L	711,551,316	1,719,184	328,575,997		1,041,846,498	702,051,057
34.	North Carolina NC	L	61,122,386		60,005,160		121,127,546	62,779
35.	North Dakota ND	L	5,213,965		2,331,368		7,545,332	
36.	Ohio OH	L	90,779,239	167,316	105,195,020		196,141,575	
37.	Oklahoma OK	L	14,014,901		17,994,700		32,009,601	
38.	Oregon OR	L	25,166,503		20,964,847		46,131,350	
39.	Pennsylvania PA	L	150,306,833	51,878	96,086,327		246,445,039	108,324
40.	Rhode Island RI	L	5,433,948		1,884,824		7,318,771	
41.	South Carolina SC	L	31,234,682		45,005,760		76,240,442	
42.	South Dakota SD	L	2,297,699		1,646,381		3,944,080	
43.	Tennessee TN	L	38,604,729	468,641	38,091,218		77,164,588	
44.	Texas TX	L	151,239,061	450,676	232,672,660		384,362,397	
45.	Utah UT	L	12,958,739		9,514,644		22,473,382	
46.	Vermont VT	L	2,491,467	225	1,079,470		3,571,162	
47.	Virginia VA	L	61,636,027	344,021	62,913,993		124,894,042	
48.	Washington WA	L	19,493,400	65,000	15,457,810		35,016,210	
49.	West Virginia WV	L	7,768,981		11,409,057		19,178,038	
50.	Wisconsin WI	L	23,411,717		21,616,657		45,028,375	
51.	Wyoming WY	L	2,685,131		1,435,225		4,120,356	
52.	American Samoa AS	N	179		1,607		1,786	
53.	Guam GU	N						
54.	Puerto Rico PR	N	110,117		30,220		140,337	
55.	U.S. Virgin Islands VI	N	3,153		7,201		10,354	
56.	Northern Mariana Islands MP	N						
57.	Canada CAN	N	69,220		52,239		121,459	
58.	Aggregate Other Aliens OT	XXX	14,807,968		27,460		14,835,428	
59.	Subtotal	XXX	3,063,922,277	7,552,937	2,563,494,731		5,634,969,944	703,034,021
90.	Reporting entity contributions for employee benefits plans	XXX	2,583,479		2,081,585		4,665,063	
91.	Dividends or refunds applied to purchase paid-up additions and annuities	XXX	528,856,554	324,748			529,181,301	
92.	Dividends or refunds applied to shorten endowment or premium paying period	XXX						
93.	Premium or annuity considerations waived under disability or other contract provisions	XXX	15,006,371		8,152,315		23,158,685	
94.	Aggregate or other amounts not allocable by State	XXX	163,016,086				163,016,086	
95.	Totals (Direct Business)	XXX	3,773,384,765	7,877,684	2,573,728,630		6,354,991,080	703,034,021
96.	Plus Reinsurance Assumed	XXX	22,761,756		388,702,219		411,463,975	
97	Totals (All Business)	XXX	3,796,146,521	7,877,684	2,962,430,849		6,766,455,055	703,034,021
98.	Less Reinsurance Ceded	XXX	205,628,290		123,510,202		329,138,492	
99.	Totals (All Business) less Reinsurance Ceded	XXX	3,590,518,231	7,877,684	2,838,920,647		6,437,316,562	703,034,021
	DETAILS OF WRITE-INS							
58001.	Other alien	XXX	14,807,968		27,460		14,835,428	
58002.		XXX						
58003.		XXX						
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX						
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	14,807,968		27,460		14,835,428	
9401.	Paid-up	XXX	128,640,606				128,640,606	
9402.	Dividend Accumulations applied as premium in states that do not allow a dividend deduction	XXX	34,375,480				34,375,480	
9403.		XXX						
9498.	Summary of remaining write-ins for Line 94 from overflow page	XXX						
9499.	Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX	163,016,086				163,016,086	

(a) Active Status Counts:

L - Licensed or Chartered - Licensed Insurance carrier or domiciled RRG 51

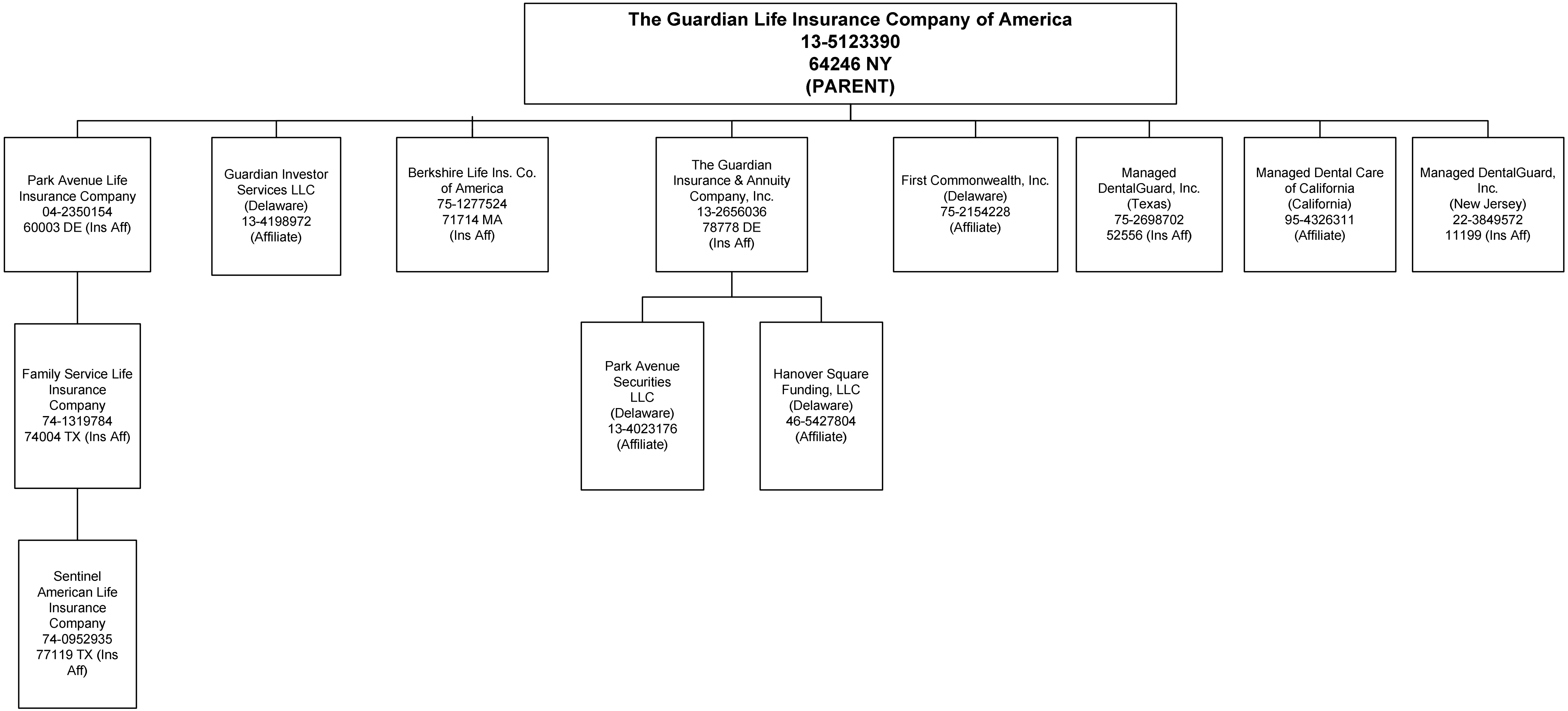
R - Registered - Non-domiciled RRGs

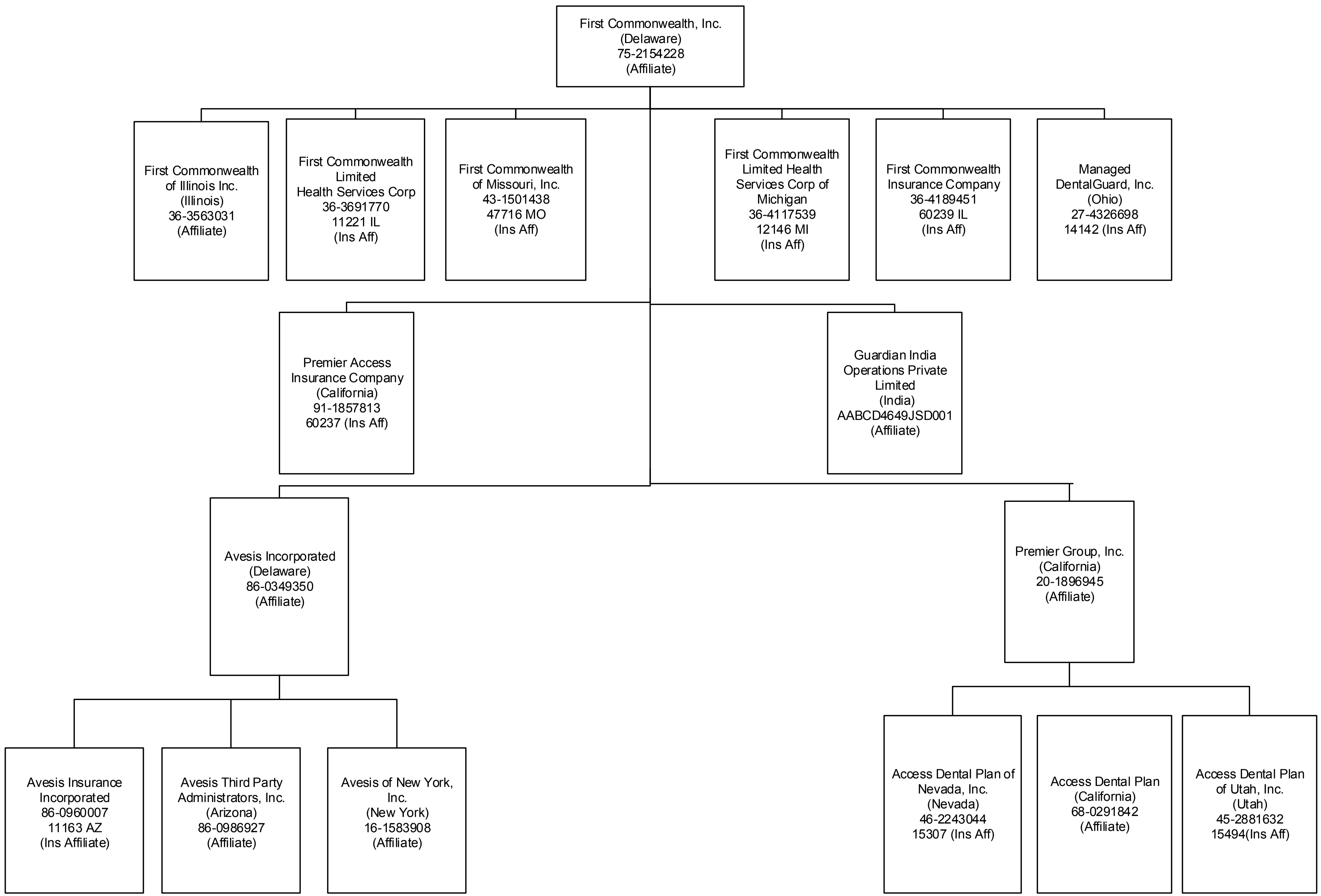
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state

Q - Qualified - Qualified or accredited reinsurer

N - None of the above - Not allowed to write business in the state 6

Premiums and annuity considerations are allocated on the basis of the address which has been designated by the policyholder for premium notice purposes.


The Guardian Life Insurance Company of America
13-5123390
64246 NY
(PARENT)
Park Avenue Life Insurance Company
04-2350154
60003 DE (Ins Aff)
Family Service Life Insurance Company
74-1319784
74004 TX (Ins Aff)
Sentinel American Life Insurance Company
74-0952935
77119 TX (Ins Aff)
Guardian Investor Services LLC
(Delaware)
13-4198972
(Affiliate)
Berkshire Life Ins. Co. of America
75-1277524
71714 MA
(Ins Aff)
The Guardian Insurance & Annuity Company, Inc.
13-2656036
78778 DE
(Ins Aff)
Park Avenue Securities LLC
(Delaware)
13-4023176
(Affiliate)
Hanover Square Funding, LLC
(Delaware)
46-5427804
(Affiliate)
First Commonwealth, Inc.
(Delaware)
75-2154228
(Affiliate)
Managed DentalGuard, Inc.
(Texas)
75-2698702
52556 (Ins Aff)
Managed Dental Care of California
(California)
95-4326311
(Affiliate)
Managed DentalGuard, Inc.
(New Jersey)
22-3849572
11199 (Ins Aff)



First Commonwealth, Inc.
(Delaware)
75-2154228
(Affiliate)
First Commonwealth of Illinois Inc.
(Illinois)
36-3563031
(Affiliate)
First Commonwealth Limited Health Services Corp
36-3691770
11221 IL
(Ins Aff)
First Commonwealth of Missouri, Inc.
43-1501438
47716 MO
(Ins Aff)
First Commonwealth Limited Health Services Corp of Michigan
36-4117539
12146 MI
(Ins Aff)
First Commonwealth Insurance Company
36-4189451
60239 IL
(Ins Aff)
Managed DentalGuard, Inc.
(Ohio)
27-4326698
14142 (Ins Aff)
Premier Access Insurance Company
(California)
91-1857813
60237 (Ins Aff)
Guardian India Operations Private Limited
(India)
AABCD4649JSD001
(Affiliate)
Avesis Incorporated
(Delaware)
86-0349350
(Affiliate)
Premier Group, Inc.
(California)
20-1896945
(Affiliate)
Avesis Insurance Incorporated
86-0960007
11163 AZ
(Ins Affiliate)
Avesis Third Party Administrators, Inc.
(Arizona)
86-0986927
(Affiliate)
Avesis of New York, Inc.
(New York)
16-1583908
(Affiliate)
Access Dental Plan of Nevada, Inc.
(Nevada)
46-2243044
15307 (Ins Aff)
Access Dental Plan
(California)
68-0291842
(Affiliate)
Access Dental Plan of Utah, Inc.
(Utah)
45-2881632
15494(Ins Aff)

SCHEDULE Y
PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries Or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 Is an SCA Filing Required? (Y/N)	16 *
0429	The Guardian Life Insurance Co. of America	64246	13-5123390	3081309			The Guardian Life Insurance Co. of America	NY					The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	60003	04-2350154				Park Avenue Life Insurance Company	DE	IA	The Guardian Life Insurance Co. of America	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	74004	74-1319784				Family Service Life Insurance Company	TX	IA	Park Avenue Life Insurance Company	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	77119	74-0952935				Sentinel American Life Insurance Company	TX	IA	Family Service Life Insurance Company	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	78778	13-2656036				The Guardian Insurance & Annuity Co., Inc.	DE	IA	The Guardian Life Insurance Co. of America	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America		13-4023176				Park Avenue Securities LLC	DE	NIA	The Guardian Insurance & Annuity Co., Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America		95-4326311				Managed Dental Care of California	CA	NIA	The Guardian Life Insurance Co. of America	Ownership	100.000	The Guardian Life Insurance Co. of America	Y	
0429	The Guardian Life Insurance Co. of America	11221	36-3691770				First Commonwealth Ltd Health Svs Corp	IL	IA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America		36-3563031				First Commonwealth of Illinois Inc.	IL	NIA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	47716	43-1501438				First Commonwealth of Missouri, Inc.	MO	IA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	12146	36-4117539				First Commonwealth Ltd Hlth Svs Corp of MI	MI	IA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	60239	36-4189451				First Commonwealth Insurance Company	IL	IA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America		75-2154228				First Commonwealth Inc.	DE	NIA	The Guardian Life Insurance Co. of America	Ownership	100.000	The Guardian Life Insurance Co. of America	Y	
0429	The Guardian Life Insurance Co. of America	71714	75-1277524	2391878			Berkshire Life Ins. Co. of America	MA	IA	The Guardian Life Insurance Co. of America	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	52556	75-2698702				Managed DentalGuard Inc. (Texas)	TX	IA	The Guardian Life Insurance Co. of America	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	11199	22-3849572				Managed DentalGuard Inc. (New Jersey)	NJ	IA	The Guardian Life Insurance Co. of America	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	14142	27-4326698				Managed DentalGuard Inc. (Ohio)	OH	IA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America		13-4198972				Guardian Investor Services LLC	DE	NIA	The Guardian Life Insurance Co. of America	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America		46-5427804				Hanover Square Funding, LLC	DE	NIA	The Guardian Insurance & Annuity Co., Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	60237	91-1857813				Premier Access Insurance Company	CA	IA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	15494	45-2881632				Access Dental Plan of Utah, Inc.	UT	IA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	15307	46-2243044				Access Dental Plan of Nevada, Inc.	NV	IA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America		68-0291842				Access Dental Plan	CA	NIA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America						Guardian India Operations Private Limited	IND	NIA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America		20-1896945				Premier Group, Inc.	CA	NIA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America		86-0349350				Avesis Incorporated	DE	IA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0429	The Guardian Life Insurance Co. of America	11163	86-0960007				Avesis Insurance Incorporated	AZ	NIA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	

SCHEDULE Y
PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries Or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 Is an SCA Filing Required? (Y/N)	16 *
0000	The Guardian Life Insurance Co. of America		86-0986927				Avesis Third Party Administrators, Inc	AZ	NIA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	
0000	The Guardian Life Insurance Co. of America		16-1583908				Avesis of New York, Inc	NY	NIA	First Commonwealth Inc.	Ownership	100.000	The Guardian Life Insurance Co. of America	N	

Asterisk	Explanation

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

		Response
1.	Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
3.	Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
4.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
5.	Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	NO
6.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	NO
7.	Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?	YES
8.	Will the Life PBR Statement of Exemption be filed with the state of domicile by July 1st and electronically with the NAIC with the second quarterly filing per the Valuation Manual (by August 15)? (2nd Quarter Only) The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter.	N/A

Explanation:

1.

2.

3.

4.

5.

6.

Bar Code:

1. Trusteed Surplus Statement [Document Identifier 490] — 6 4 2 4 6 2 0 1 9 4 9 0 0 0 0 0 3
2. Medicare Part D Coverage Supplement [Document Identifier 365] — 6 4 2 4 6 2 0 1 9 3 6 5 0 0 0 0 3
3. Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 445] — 6 4 2 4 6 2 0 1 9 4 4 5 0 0 0 0 3
4. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 446] — 6 4 2 4 6 2 0 1 9 4 4 6 0 0 0 0 3
5. Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI [Document Identifier 447] — 6 4 2 4 6 2 0 1 9 4 4 7 0 0 0 0 3
6. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI [Document Identifier 448] — 6 4 2 4 6 2 0 1 9 4 4 8 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
2504. Modco receivable	153,178		153,178	150,619
2505. Leasehold improvements	38,769,396	38,769,396		
2597. Summary of remaining write-ins for Line 25 from overflow page	38,922,573	38,769,396	153,178	150,619

Additional Write-ins for Liabilities Line 25

	1 Current Statement Date	2 December 31 Prior Year
2504. Reserve for special litigation expense	2,769,068	4,472,568
2505. Miscellaneous reinsurance liabilities	34,178	124,000
2597. Summary of remaining write-ins for Line 25 from overflow page	2,803,246	4,596,568

Additional Write-ins for Liabilities Line 34

	1 Current Statement Date	2 December 31 Prior Year
3404. Contingency reserve for deposit administration	6,732	6,732
3497. Summary of remaining write-ins for Line 34 from overflow page	6,732	6,732

Additional Write-ins for Summary of Operations Line 8.3

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
08.304. Miscellaneous income	7,439,899	10,662,227	22,920,210
08.305. Service fees	4,227,903	2,781,816	3,923,020
08.306. Premiums on all other lines of business	335		
08.397. Summary of remaining write-ins for Line 8.3 from overflow page	11,668,137	13,444,043	26,843,230

Additional Write-ins for Summary of Operations Line 27

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
2704. Losses on all other lines of business	758,176		532,685
2705. Federal exchange fees	358,497	262,442	363,585
2706. Death benefits on all other lines of business - aviation	342,742	162,732	189,459
2707. Fines & penalties of regulatory authorities	28,915	216,468	5,121,956
2708. Commissions on all other lines of business	10,524	7,339	7,339
2709. Interest on fines & penalties of regulatory authorities	(69,486)	165,067	166,080
2797. Summary of remaining write-ins for Line 27 from overflow page	1,429,368	814,049	6,381,104

SCHEDULE A - VERIFICATION

Real Estate

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	331,120,715	345,067,009
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition		32,317,261
	2.2 Additional investment made after acquisition	4,151,695	5,684,236
3.	Current year change in encumbrances	(27,756,814)	6,850,387
4.	Total gain (loss) on disposals	2,555,053	24,889,775
5.	Deduct amounts received on disposals	35,409,043	65,888,391
6.	Total foreign exchange change in book/adjusted carrying value		
7.	Deduct current year's other than temporary impairment recognized		
8.	Deduct current year's depreciation	13,509,322	17,799,561
9.	Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	261,152,285	331,120,715
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)	261,152,285	331,120,715

SCHEDULE B - VERIFICATION

Mortgage Loans

		1 Year to Date	2 Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest, December 31 of prior year	4,520,388,799	4,000,575,994
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition	448,526,000	937,903,236
	2.2 Additional investment made after acquisition	18,882,101	54,583,250
3.	Capitalized deferred interest and other	49	169,941
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease)		
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals	159,673,112	471,053,110
8.	Deduct amortization of premium and mortgage interest points and commitment fees	770,191	1,790,512
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest		
10.	Deduct current year's other than temporary impairment recognized		
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	4,827,353,646	4,520,388,799
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)	4,827,353,646	4,520,388,799
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)	4,827,353,646	4,520,388,799

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	2,602,497,560	2,313,963,680
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition	143,410,731	127,094,883
	2.2 Additional investment made after acquisition	443,679,029	449,849,856
3.	Capitalized deferred interest and other		
4.	Accrual of discount	22,259	18,001
5.	Unrealized valuation increase (decrease)	50,204,233	101,777,412
6.	Total gain (loss) on disposals	(1,939,638)	(1,990,108)
7.	Deduct amounts received on disposals	148,515,738	205,483,283
8.	Deduct amortization of premium and depreciation	2,759,463	3,502,328
9.	Total foreign exchange change in book/adjusted carrying value	(1,265,889)	(1,335,929)
10.	Deduct current year's other than temporary impairment recognized	129,381,648	177,894,624
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	2,955,951,436	2,602,497,560
12.	Deduct total nonadmitted amounts	1,886,287	30,505,740
13.	Statement value at end of current period (Line 11 minus Line 12)	2,954,065,149	2,571,991,820

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	41,179,584,363	39,662,516,828
2.	Cost of bonds and stocks acquired	10,980,976,696	16,802,095,529
3.	Accrual of discount	43,557,034	48,088,780
4.	Unrealized valuation increase (decrease)	154,943,533	47,950,059
5.	Total gain (loss) on disposals	109,397,670	(202,250,097)
6.	Deduct consideration for bonds and stocks disposed of	10,101,318,454	15,058,208,253
7.	Deduct amortization of premium	42,064,514	64,167,333
8.	Total foreign exchange change in book/adjusted carrying value	(47,612,298)	(50,275,076)
9.	Deduct current year's other than temporary impairment recognized		13,813,391
10.	Total investment income recognized as a result of prepayment penalties and/or acceleration fees	9,567,385	7,647,317
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	42,287,031,416	41,179,584,363
12.	Deduct total nonadmitted amounts	6,697,497	6,682,159
13.	Statement value at end of current period (Line 11 minus Line 12)	42,280,333,919	41,172,902,204

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	24,211,312,567	25,058,667,273	24,120,810,555	(105,112,493)	24,029,263,209	24,211,312,567	25,044,056,792	23,878,909,398
2. NAIC 2 (a)	14,573,201,952	927,983,238	1,139,539,884	68,516,890	14,017,586,747	14,573,201,952	14,430,162,196	14,403,476,680
3. NAIC 3 (a)	970,330,706	41,449,660	114,472,640	6,634,247	877,500,761	970,330,706	903,941,973	728,323,870
4. NAIC 4 (a)	1,166,545,321	88,622,847	112,437,198	(8,558,600)	1,197,046,746	1,166,545,321	1,134,172,370	962,412,857
5. NAIC 5 (a)	152,171,221	4,417,788	9,306,493	299,795	159,174,632	152,171,221	147,582,311	159,455,715
6. NAIC 6 (a)	21,406,058	52,154,627	561,997	(654,235)	24,947,715	21,406,058	72,344,453	1,657,188
7. Total Bonds	41,094,967,825	26,173,295,433	25,497,128,767	(38,874,396)	40,305,519,810	41,094,967,825	41,732,260,095	40,134,235,708
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	41,094,967,825	26,173,295,433	25,497,128,767	(38,874,396)	40,305,519,810	41,094,967,825	41,732,260,095	40,134,235,708

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 $ 1,423,994,637 ; NAIC 2 $ 1,205,472 ; NAIC 3 $; NAIC 4 $ 1,001,368 ; NAIC 5 $; NAIC 6 $

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year-to-Date	5 Paid for Accrued Interest Year-to-Date
9199999 Totals	29,269,358	XXX	36,468,778	820,975	61,632

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	69,914,540	25,310,001
2. Cost of short-term investments acquired	2,789,968,778	38,734,168,853
3. Accrual of discount	116,692	6,749,343
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	2,088	(55,534)
6. Deduct consideration received on disposals	2,830,687,949	38,696,256,065
7. Deduct amortization of premium	44,790	2,058
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	29,269,359	69,914,540
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	29,269,359	69,914,540

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)	23,039,268
2.	Cost Paid/(Consideration Received) on additions	31,893,624
3.	Unrealized Valuation increase/(decrease)	47,259,116
4.	Total gain (loss) on termination recognized	(1,772,262)
5.	Considerations received/(paid) on terminations	27,831,107
6.	Amortization	(1,739,473)
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item	
8.	Total foreign exchange change in Book/Adjusted Carrying Value	
9.	Book/Adjusted Carrying Value at End of Current Period (Lines 1+2+3+4-5+6+7+8)	70,849,166
10.	Deduct nonadmitted assets	
11.	Statement value at end of current period (Line 9 minus Line 10)	70,849,166

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

1.	Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year)				12,605,308
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column)				103,559
3.1	Add:				
	Change in variation margin on open contracts - Highly Effective Hedges				
	3.11 Section 1, Column 15, current year to date minus	(3,297,815)			
	3.12 Section 1, Column 15, prior year	(7,304,563)	4,006,748		
	Change in variation margin on open contracts - All Other				
	3.13 Section 1, Column 18, current year to date minus	(1,277,340)			
	3.14 Section 1, Column 18, prior year	1,548,995	(2,826,334)	1,180,413	
3.2	Add:				
	Change in adjustment to basis of hedged item				
	3.21 Section 1, Column 17, current year to date minus	(3,297,815)			
	3.22 Section 1, Column 17, prior year	(7,304,563)	4,006,748		
	Change in amount recognized				
	3.23 Section 1, Column 19, current year to date minus	(1,277,340)			
	3.24 Section 1, Column 19, prior year	1,548,995	(2,826,334)	1,180,413	
3.3	Subtotal (Line 3.1 minus Line 3.2)				
4.1	Cumulative variation margin on terminated contracts during the year		33,326,174		
4.2	Less:				
	4.21 Amount used to adjust basis of hedged item	27,113,370			
	4.22 Amount recognized	6,212,804	33,326,174		
4.3	Subtotal (Line 4.1 minus Line 4.2)				
5.	Dispositions gains (losses) on contracts terminated in prior year:				
	5.1 Total gain (loss) recognized for terminations in prior year				
	5.2 Total gain (loss) adjusted into the hedged item(s) for terminations in prior year				
6.	Book/Adjusted carrying value at end of current period (Lines 1+2+3.3-4.3-5.1-5.2)				12,708,866
7.	Deduct total nonadmitted amounts				
8.	Statement value at end of current period (Line 6 minus Line 7)				12,708,866

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value
91283#DU4	Replication 12.31.2019 TUZ9	1	2,424,253	2,612,132	2,612,132	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,598,692)	(2,382,654)	055451-AV-0	BHP BILLITON FIN USA	1	4,210,824	4,994,786
91283#DU4	Replication 12.31.2019 TUZ9	1	2,387,768	2,572,820	2,572,820	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,574,632)	(2,432,615)	06051G-FG-9	BAFC 2004-2	1	4,147,452	5,005,435
91283#DU4	Replication 12.31.2019 TUZ9	1	2,513,941	2,708,772	2,708,772	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,657,838)	(2,609,106)	149123-CE-9	CATERPILLAR INC.	1	4,366,609	5,317,878
91283#DU4	Replication 12.31.2019 TUZ9	1	2,440,945	2,630,118	2,630,118	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,609,700)	(2,470,841)	437076-BF-8	HOME DEPOT INC	1	4,239,818	5,100,959
91283#DU4	Replication 12.31.2019 TUZ9	1	2,411,190	2,598,058	2,598,058	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,590,078)	(2,421,488)	46625H-JU-5	JP MORGAN CHASE & CO	1	4,188,135	5,019,545
91283#DU4	Replication 12.31.2019 TUZ9	1	2,515,923	2,710,907	2,710,907	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,659,144)	(2,321,609)	59156R-BG-2	METLIFE INC.	1	4,370,051	5,032,515
91283#DU4	Replication 12.31.2019 TUZ9	1	2,462,324	2,653,154	2,653,154	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,623,798)	(2,058,702)	718172-BD-0	PHILIP MORRIS	1	4,276,952	4,711,856
91283#DU4	Replication 12.31.2019 TUZ9	1	2,410,075	2,596,856	2,596,856	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,589,342)	(2,518,269)	87612E-BA-3	TARGET CORP	1	4,186,198	5,115,125
91283#DU4	Replication 12.31.2019 TUZ9	1	2,433,582	2,622,184	2,622,184	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,604,844)	(2,268,208)	949746-RF-0	WELLS FARGO & CO	1	4,227,028	4,890,392
91283#DS9	Replication 12.31.2019 FVZ9	1	1,983,480	2,363,284	2,363,284	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,446,390)	(2,155,667)	055451-AV-0	BHP BILLITON FIN USA	1	3,809,674	4,518,951
91283#DS9	Replication 12.31.2019 FVZ9	1	1,953,628	2,327,717	2,327,717	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,424,622)	(2,200,869)	06051G-FG-9	BAFC 2004-2	1	3,752,339	4,528,586
91283#DS9	Replication 12.31.2019 FVZ9	1	2,056,861	2,450,717	2,450,717	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,499,901)	(2,360,546)	149123-CE-9	CATERPILLAR INC.	1	3,950,618	4,811,263
91283#DS9	Replication 12.31.2019 FVZ9	1	1,997,137	2,379,557	2,379,557	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,456,350)	(2,235,453)	437076-BF-8	HOME DEPOT INC	1	3,835,906	4,615,010
91283#DS9	Replication 12.31.2019 FVZ9	1	1,972,792	2,350,550	2,350,550	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,438,597)	(2,190,802)	46625H-JU-5	JP MORGAN CHASE & CO	1	3,789,147	4,541,352
91283#DS9	Replication 12.31.2019 FVZ9	1	2,058,482	2,452,649	2,452,649	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,501,084)	(2,100,438)	59156R-BG-2	METLIFE INC.	1	3,953,732	4,553,086
91283#DS9	Replication 12.31.2019 FVZ9	1	2,014,628	2,400,398	2,400,398	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,469,105)	(1,862,577)	718172-BD-0	PHILIP MORRIS	1	3,869,502	4,262,975
91283#DS9	Replication 12.31.2019 FVZ9	1	1,971,880	2,349,463	2,349,463	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,437,932)	(2,278,362)	87612E-BA-3	TARGET CORP	1	3,787,395	4,627,825
91283#DS9	Replication 12.31.2019 FVZ9	1	1,991,112	2,372,378	2,372,378	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,451,956)	(2,052,124)	949746-RF-0	WELLS FARGO & CO	1	3,824,335	4,424,503
903708AT8	Replication 12.19.2019 USZ9	1	550,967	894,288	894,288	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(547,327)	(815,723)	055451-AV-0	BHP BILLITON FIN USA	1	1,441,614	1,710,011
903708AT8	Replication 12.19.2019 USZ9	1	542,675	880,829	880,829	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(539,090)	(832,828)	06051G-FG-9	BAFC 2004-2	1	1,419,918	1,713,657
903708AT8	Replication 12.19.2019 USZ9	1	571,350	927,373	927,373	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(567,576)	(893,251)	149123-CE-9	CATERPILLAR INC.	1	1,494,949	1,820,624
903708AT8	Replication 12.19.2019 USZ9	1	554,760	900,445	900,445	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(551,096)	(845,915)	437076-BF-8	HOME DEPOT INC	1	1,451,541	1,746,360
903708AT8	Replication 12.19.2019 USZ9	1	547,998	889,469	889,469	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(544,378)	(829,019)	46625H-JU-5	JP MORGAN CHASE & CO	1	1,433,847	1,718,488
903708AT8	Replication 12.19.2019 USZ9	1	571,801	928,104	928,104	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(568,023)	(794,824)	59156R-BG-2	METLIFE INC.	1	1,496,127	1,722,928
903708AT8	Replication 12.19.2019 USZ9	1	559,619	908,332	908,332	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(555,922)	(704,816)	718172-BD-0	PHILIP MORRIS	1	1,464,254	1,613,147
903708AT8	Replication 12.19.2019 USZ9	1	547,744	889,058	889,058	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(544,126)	(862,152)	87612E-BA-3	TARGET CORP	1	1,433,184	1,751,210
903708AT8	Replication 12.19.2019 USZ9	1	553,087	897,729	897,729	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(549,433)	(776,542)	949746-RF-0	WELLS FARGO & CO	1	1,447,162	1,674,271
91283#DR1	Replication 12.31.2019 TUZ9	2	78,471	84,552	84,552	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,286,703)	(1,500,094)	00206R-CQ-3	AT&T INC	2	1,371,255	1,584,647
91283#DR1	Replication 12.31.2019 TUZ9	2	86,280	92,967	92,967	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,414,755)	(1,382,274)	00287Y-AW-9	ABBVIE INC	2	1,507,722	1,475,241
91283#DR1	Replication 12.31.2019 TUZ9	2	79,180	85,316	85,316	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,298,327)	(1,311,440)	00817Y-AZ-1	AETNA INC-NEW	2	1,383,643	1,396,756
91283#DR1	Replication 12.31.2019 TUZ9	1	80,485	86,722	86,722	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,319,729)	(1,569,701)	020002-BC-4	ALLSTATE CORP	1	1,406,451	1,656,423
91283#DR1	Replication 12.31.2019 TUZ9	2	85,972	92,635	92,635	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,409,707)	(1,511,551)	031162-BZ-2	AMGEN INC	2	1,502,342	1,604,186
91283#DR1	Replication 12.31.2019 TUZ9	1	40,376	43,505	43,505	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(662,048)	(846,836)	039483-BQ-4	ARCHER DANIELS	1	705,553	890,341
91283#DR1	Replication 12.31.2019 TUZ9	1	80,811	87,073	87,073	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,325,072)	(1,546,485)	040555-CX-0	ARIZONA PUBLIC SERVICE CO	1	1,412,145	1,633,558
91283#DR1	Replication 12.31.2019 TUZ9	2	84,991	91,578	91,578	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,393,625)	(1,581,684)	046353-AM-0	ASTRAZENECA	2	1,485,204	1,673,262
91283#DR1	Replication 12.31.2019 TUZ9	1	82,064	88,424	88,424	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,345,625)	(1,506,193)	06051G-HA-0	BAFC 2004-2	1	1,434,049	1,594,617
91283#DR1	Replication 12.31.2019 TUZ9	1	63,981	68,939	68,939	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,049,105)	(1,262,604)	110122-AQ-1	BRISTOL-MYERS SQUIBB CO	1	1,118,044	1,331,543
91283#DR1	Replication 12.31.2019 TUZ9	2	75,039	80,854	80,854	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,230,425)	(1,325,624)	125509-BW-8	CIGNA CORP	2	1,311,279	1,406,478
91283#DR1	Replication 12.31.2019 TUZ9	2	88,997	95,894	95,894	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,459,300)	(1,594,101)	136385-AY-7	CANADIAN NATURAL RESOURCES	2	1,555,194	1,689,995
91283#DR1	Replication 12.31.2019 TUZ9	2	81,193	87,486	87,486	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,331,348)	(1,628,435)	151020-AZ-7	CELGENE CORP	2	1,418,834	1,715,921
91283#DR1	Replication 12.31.2019 TUZ9	1	61,949	66,751	66,751	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,015,800)	(1,273,621)	167560-PL-9	CHICAGO METRO WATER	1	1,082,551	1,340,371
91283#DR1	Replication 12.31.2019 TUZ9	1	62,125	66,939	66,939	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,018,673)	(1,325,636)	171232-AQ-4	CHUBB CORP	1	1,085,613	1,392,576
91283#DR1	Replication 12.31.2019 TUZ9	1	61,663	66,442	66,442	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,011,105)	(1,356,204)	17275R-AD-4	CISCO SYSTEMS INC	1	1,077,547	1,422,646
91283#DR1	Replication 12.31.2019 TUZ9	1	86,252	92,937	92,937	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,414,297)	(1,581,847)	172967-LJ-8	CITIGROUP INC	1	1,507,233	1,674,784
91283#DR1	Replication 12.31.2019 TUZ9	1	78,313	84,382	84,382	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,284,113)	(1,570,051)	19416Q-EK-2	COLGATE-PALMOLIVE CO	1	1,368,495	1,654,433
91283#DR1	Replication 12.31.2019 TUZ9	1	82,071	88,431	88,431	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,345,731)	(1,481,606)	20030N-CC-3	COMCAST CORP.	1	1,434,163	1,570,037
91283#DR1	Replication 12.31.2019 TUZ9	1	40,108	43,217	43,217	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(657,667)	(771,025)	202795-JM-3	COMMONWEALTH EDISON CO	1	700,883	814,242
91283#DR1	Replication 12.31.2019 TUZ9	1	31,618	34,069	34,069	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(518,452)	(626,584)	20826F-AC-0	CONOCOPHILLIPS COMPANY	1	552,521	660,652
91283#DR1	Replication 12.31.2019 TUZ9	1	61,000	65,728	65,728	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,000,234)	(1,249,953)	209111-EL-3	CONSOLIDATED EDISON INC	1	1,065,962	1,315,680
91283#DR1	Replication 12.31.2019 TUZ9	1	40,434	43,568	43,568	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(663,009)	(831,295)	210518-DD-5	CONSUMER ENERGY	1	706,577	874,863
91283#DR1	Replication 12.31.2019 TUZ9	1	34,188	36,838	36,838	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(560,590)	(688,646)	231021-AQ-9	CUMMINS ENGINE CO	1	597,428	725,484
91283#DR1	Replication 12.31.2019 TUZ9	1	63,202	68,100	68,100	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,036,335)	(1,305,563)	26442C-AB-0	DUKE ENERGY CAROLINAS	1	1,104,435	1,373,663
91283#DR1	Replication 12.31.2019 TUZ9	1	23,449	25,266	25,266	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(384,492)	(447,757)	26442C-AR-5	DUKE ENERGY CAROLINAS	1	409,758	473,023
91283#DR1	Replication 12.31.2019 TUZ9	1	63,710	68,647	68,647	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,044,663)	(1,354,166)	341081-FB-8	FLORIDA POWER & LIGHT	1	1,113,310	1,422,813
91283#DR1	Replication 12.31.2019 TUZ9	2	62,509	67,353	67,353	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,024,975)	(1,194,553)	373334-JN-2	GEORGIA POWER CO	2	1,092,328	1,261,907
91283#DR1	Replication 12.31.2019 TUZ9	1	81,275	87,574	87,574	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,332,685)	(1,498,162)	375558-BK-8	GILEAD SCIENCES INC	1	1,420,258	1,585,736
91283#DR1	Replication 12.31.2019 TUZ9	1	65,562	70,643	70,643	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,075,027)	(1,361,396)	377372-AE-7	GLAXOSMITHKLINE PLC	1	1,145,670	1,432,039
91283#DR1	Replication 12.31.2019 TUZ9	1	90,509	97,524	97,524	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,484,104)	(1,612,676)	38141G-VS-0	GOLDMAN SACHS GROUP INC	1	1,581,628	1,710,199
91283#DR1	Replication 12.31.2019 TUZ9	1	35,349	38,089	38,089	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(579,631)	(720,574)	437076-BP-6	HOME DEPOT INC	1	617,720	758,663
91283#DR1	Replication 12.31.2019 TUZ9	1	39,217	42,257	42,257	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(643,056)	(772,922)	437076-BS-0	HOME DEPOT INC	1	685,312	815,179
91283#DR1	Replication 12.31.2019 TUZ9	1	81,363	87,669	87,669	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,334,132)	(1,588,043)	454889-AT-3	INDIANA MICHIGAN POWER	1	1,421,801	1,675,712
91283#DR1	Replication 12.31.2019 TUZ9	1	80,789	87,050	87,050	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,324,716)	(1,493,872)	46647P-AN-6	JPMORGAN CHASE & CO	1	1,411,766	1,580,922
91283#DR1	Replication 12.31.2019 TUZ9	2	78,290	84,358	84,358	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,283,747)	(1,433,981)	548661-DQ-7	LOWE'S COMPANIES	2	1,368,105	1,518,338

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value
91283#DR1	Replication 12.31.2019 TUZ9	2	81,087	87,372	87,372	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,329,609)	(1,380,245)	55336V-AP-5	MPLX LP	2	1,416,981	1,467,617
91283#DR1	Replication 12.31.2019 TUZ9	2	65,005	70,043	70,043	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,065,909)	(1,291,743)	58013M-EF-7	MCDONALD'S CORP	2	1,135,952	1,361,786
91283#DR1	Replication 12.31.2019 TUZ9	1	87,000	93,743	93,743	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,426,561)	(1,580,518)	61746B-EG-7	MORGAN STANLEY	1	1,520,303	1,674,260
91283#DR1	Replication 12.31.2019 TUZ9	1	59,672	64,296	64,296	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(978,450)	(1,207,667)	649902-ZQ-9	NEW YORK DORM AUTH PER INC TAX	1	1,042,746	1,271,963
91283#DR1	Replication 12.31.2019 TUZ9	1	28,267	30,458	30,458	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(463,498)	(550,140)	665772-CQ-0	NORTHERN STATES POWER CO	1	493,955	580,598
91283#DR1	Replication 12.31.2019 TUZ9	1	63,113	68,005	68,005	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,034,883)	(1,322,602)	695114-CL-0	SCOTTISH POWER	1	1,102,887	1,390,606
91283#DR1	Replication 12.31.2019 TUZ9	1	82,284	88,660	88,660	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,349,222)	(1,597,442)	717081-EK-5	PFIZER, INC.	1	1,437,883	1,686,102
91283#DR1	Replication 12.31.2019 TUZ9	1	23,622	25,453	25,453	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(387,334)	(415,555)	720186-AK-1	PIEDMONT NATURAL GAS CO	1	412,786	441,008
91283#DR1	Replication 12.31.2019 TUZ9	1	80,824	87,088	87,088	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,325,286)	(1,451,515)	744320-BA-9	PRUDENTIAL FINANCIAL INC.	1	1,412,373	1,538,603
91283#DR1	Replication 12.31.2019 TUZ9	1	39,219	42,258	42,258	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(643,081)	(749,964)	744448-CN-9	PUBLIC SERVICE CO OF COLO	1	685,340	792,223
91283#DR1	Replication 12.31.2019 TUZ9	1	69,552	74,942	74,942	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,140,462)	(1,322,126)	745332-CH-7	PUGET SOUND ENERGY	1	1,215,405	1,397,069
91283#DR1	Replication 12.31.2019 TUZ9	1	69,243	74,610	74,610	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,135,398)	(1,503,738)	771196-AU-6	ROCHE CVT GENENTECH CSD 144A	1	1,210,007	1,578,347
91283#DR1	Replication 12.31.2019 TUZ9	1	66,461	71,612	71,612	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,089,777)	(1,384,669)	822582-AD-4	SHELL INTERNATIONAL FIN	1	1,161,389	1,456,281
91283#DR1	Replication 12.31.2019 TUZ9	1	25,297	27,258	27,258	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(414,801)	(465,163)	822582-BQ-4	SHELL INTERNATIONAL FIN	1	442,059	492,420
91283#DR1	Replication 12.31.2019 TUZ9	1	60,908	65,628	65,628	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(998,716)	(1,158,373)	842400-FF-5	SOUTHERN CALIFORNIA EDISON	1	1,064,344	1,224,001
91283#DR1	Replication 12.31.2019 TUZ9	1	76,677	82,620	82,620	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,257,293)	(1,548,125)	87612E-BG-0	TARGET CORP	1	1,339,912	1,630,745
91283#DR1	Replication 12.31.2019 TUZ9	1	63,047	67,933	67,933	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,033,789)	(1,350,183)	89837L-AB-1	PRINCETON UNIVERSITY	1	1,101,721	1,418,115
91283#DR1	Replication 12.31.2019 TUZ9	1	80,600	86,846	86,846	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,321,616)	(1,425,486)	91324P-DF-6	UNITED HEALTHCARE	1	1,408,463	1,512,332
91283#DR1	Replication 12.31.2019 TUZ9	1	59,202	63,790	63,790	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(970,750)	(1,268,735)	915115-3X-5	UNIV OF TEXAS TX	1	1,034,540	1,332,525
91283#DR1	Replication 12.31.2019 TUZ9	1	85,945	92,606	92,606	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,409,261)	(1,792,523)	92343V-DV-3	VERIZON COMMUNICATIONS	1	1,501,867	1,885,129
91283#DR1	Replication 12.31.2019 TUZ9	1	81,464	87,778	87,778	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,335,787)	(1,528,749)	92826C-AJ-1	Visa Lnd Dev(Visa Int)	1	1,423,564	1,616,527
91283#DR1	Replication 12.31.2019 TUZ9	2	24,558	26,461	26,461	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(402,677)	(468,679)	92857W-BM-1	VODAFONE GRP	2	429,138	495,140
91283#DR1	Replication 12.31.2019 TUZ9	1	65,205	70,258	70,258	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,069,176)	(1,445,487)	931142-CK-7	WAL-MART STORES	1	1,139,434	1,515,745
91283#DR1	Replication 12.31.2019 TUZ9	1	89,134	96,041	96,041	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,461,545)	(1,584,314)	94974B-GU-8	WELLS FARGO & COMPANY	1	1,557,587	1,680,355
91283#DR1	Replication 12.31.2019 TUZ9	1	59,831	64,468	64,468	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(981,069)	(1,223,812)	976656-BW-7	WISCONSIN ELECTRIC POWER	1	1,045,537	1,288,280
91283#D03	Replication 12.31.2019 FVZ9	2	372,736	444,109	444,109	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,758,383)	(7,879,218)	00206R-CQ-3	AT&T INC	2	7,202,492	8,323,327
91283#D03	Replication 12.31.2019 FVZ9	2	409,830	488,306	488,306	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,430,975)	(7,260,368)	00287Y-AW-9	ABBVIE INC	2	7,919,282	7,748,675
91283#D03	Replication 12.31.2019 FVZ9	2	376,103	448,121	448,121	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,819,439)	(6,888,313)	00817Y-AZ-1	AETNA INC-NEW	2	7,267,560	7,336,433
91283#D03	Replication 12.31.2019 FVZ9	1	382,303	455,508	455,508	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,931,852)	(8,244,826)	020002-BC-4	ALLSTATE CORP	1	7,387,360	8,700,334
91283#D03	Replication 12.31.2019 FVZ9	2	408,368	486,564	486,564	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,404,461)	(7,939,394)	031162-BZ-2	AMGEN INC	2	7,891,025	8,425,958
91283#D03	Replication 12.31.2019 FVZ9	1	191,784	228,508	228,508	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(3,477,395)	(4,447,991)	039483-BQ-4	ARCHER DANIELS	1	3,705,903	4,676,498
91283#D03	Replication 12.31.2019 FVZ9	1	383,851	457,352	457,352	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,959,914)	(8,122,883)	040555-CX-0	ARIZONA PUBLIC SERVICE CO	1	7,417,266	8,580,235
91283#D03	Replication 12.31.2019 FVZ9	2	403,710	481,013	481,013	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,319,992)	(8,307,765)	046353-AM-0	ASTRAZENECA	2	7,801,006	8,788,779
91283#D03	Replication 12.31.2019 FVZ9	1	389,805	464,446	464,446	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,067,869)	(7,911,253)	06051G-HA-0	BAFC 2004-2	1	7,532,315	8,375,699
91283#D03	Replication 12.31.2019 FVZ9	1	303,908	362,101	362,101	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,510,406)	(6,631,804)	110122-AQ-1	BRISTOL-MYERS SQUIBB CO	1	5,872,508	6,993,906
91283#D03	Replication 12.31.2019 FVZ9	2	356,433	424,685	424,685	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,462,787)	(6,962,818)	125509-BW-8	CIGNA CORP	2	6,887,471	7,387,502
91283#D03	Replication 12.31.2019 FVZ9	2	422,734	503,681	503,681	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,664,947)	(8,372,988)	136385-AY-7	CANADIAN NATURAL RESOURCES	2	8,168,628	8,876,669
91283#D03	Replication 12.31.2019 FVZ9	2	385,669	459,518	459,518	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,992,881)	(8,553,324)	151020-AZ-7	CELGENE CORP	2	7,452,399	9,012,842
91283#D03	Replication 12.31.2019 FVZ9	1	294,260	350,606	350,606	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,335,471)	(6,689,670)	167560-PL-9	CHICAGO METRO WATER	1	5,686,077	7,040,276
91283#D03	Replication 12.31.2019 FVZ9	1	295,092	351,598	351,598	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,350,563)	(6,962,881)	171232-AQ-4	CHUBB CORP	1	5,702,161	7,314,479
91283#D03	Replication 12.31.2019 FVZ9	1	292,900	348,985	348,985	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,310,809)	(7,123,439)	17275R-AD-4	CISCO SYSTEMS INC	1	5,659,794	7,472,424
91283#D03	Replication 12.31.2019 FVZ9	1	409,698	488,148	488,148	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,428,568)	(8,308,623)	172967-LJ-8	CITIGROUP INC	1	7,916,716	8,796,771
91283#D03	Replication 12.31.2019 FVZ9	1	371,986	443,215	443,215	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,744,781)	(8,246,662)	19416Q-EK-2	COLGATE-PALMOLIVE CO	1	7,187,996	8,689,877
91283#D03	Replication 12.31.2019 FVZ9	1	389,835	464,483	464,483	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,068,430)	(7,782,106)	20030N-CC-3	COMCAST CORP.	1	7,532,913	8,246,589
91283#D03	Replication 12.31.2019 FVZ9	1	190,515	226,995	226,995	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(3,454,381)	(4,049,793)	202795-JM-3	COMMONWEALTH EDISON CO	1	3,681,377	4,276,789
91283#D03	Replication 12.31.2019 FVZ9	1	150,187	178,945	178,945	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,723,161)	(3,291,118)	20826F-AC-0	CONOCOPHILLIPS COMPANY	1	2,902,106	3,470,064
91283#D03	Replication 12.31.2019 FVZ9	1	289,751	345,233	345,233	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,253,713)	(6,565,353)	209111-EL-3	CONSOLIDATED EDISON INC	1	5,598,946	6,910,586
91283#D03	Replication 12.31.2019 FVZ9	1	192,062	228,839	228,839	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(3,482,442)	(4,366,364)	210518-DD-5	CONSUMER ENERGY	1	3,711,281	4,595,203
91283#D03	Replication 12.31.2019 FVZ9	1	162,393	193,489	193,489	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,944,489)	(3,617,102)	231021-AQ-9	CUMMINS ENGINE CO	1	3,137,978	3,810,591
91283#D03	Replication 12.31.2019 FVZ9	1	300,209	357,694	357,694	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,443,330)	(6,857,448)	26442C-AB-0	DUKE ENERGY CAROLINAS	1	5,801,023	7,215,142
91283#D03	Replication 12.31.2019 FVZ9	1	111,381	132,708	132,708	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,019,536)	(2,351,834)	26442C-AR-5	DUKE ENERGY CAROLINAS	1	2,152,245	2,484,542
91283#D03	Replication 12.31.2019 FVZ9	1	302,621	360,568	360,568	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,487,072)	(7,112,732)	341081-FB-8	FLORIDA POWER & LIGHT	1	5,847,640	7,473,300
91283#D03	Replication 12.31.2019 FVZ9	2	296,918	353,773	353,773	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,383,661)	(6,274,369)	373334-JN-2	GEORGIA POWER CO	2	5,737,433	6,628,142
91283#D03	Replication 12.31.2019 FVZ9	1	386,056	459,980	459,980	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,999,902)	(7,869,070)	375558-BK-8	GILEAD SCIENCES INC	1	7,459,881	8,329,049
91283#D03	Replication 12.31.2019 FVZ9	1	311,417	371,049	371,049	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,646,562)	(7,150,709)	377372-AE-7	GLAXOSMITHKLINE PLC	1	6,017,611	7,521,757
91283#D03	Replication 12.31.2019 FVZ9	1	429,920	512,242	512,242	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,795,228)	(8,470,549)	38141G-VS-0	GOLDMAN SACHS GROUP INC	1	8,307,470	8,982,791
91283#D03	Replication 12.31.2019 FVZ9	1	167,909	200,061	200,061	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(3,044,499)	(3,784,802)	437076-BP-6	HOME DEPOT INC	1	3,244,560	3,984,863
91283#D03	Replication 12.31.2019 FVZ9	1	186,282	221,952	221,952	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(3,377,639)	(4,059,761)	437076-BS-0	HOME DEPOT INC	1	3,599,591	4,281,713
91283#D03	Replication 12.31.2019 FVZ9	1	386,475	460,479	460,479	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,007,505)	(8,341,168)	454889-AT-3	INDIANA MICHIGAN POWER	1	7,467,984	8,801,647
91283#D03	Replication 12.31.2019 FVZ9	1	383,748	457,229	457,229	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,958,044)	(7,846,533)	46647P-AN-6	JPMORGAN CHASE & CO	1	7,415,273	8,303,762
91283#D03	Replication 12.31.2019 FVZ9	2	371,880	443,089	443,089	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,742,859)	(7,531,956)	548661-DQ-7	LOWE'S COMPANIES	2	7,185,948	7,975,045
91283#D03	Replication 12.31.2019 FVZ9	2	385,165	458,918	458,918	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,983,749)	(7,249,714)	55336V-AP-5	MPLX LP	2	7,442,668	7,708,632
91283#D03	Replication 12.31.2019 FVZ9	2	308,776	367,901	367,901	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,598,668)	(6,784,857)	58013M-EF-7	MCDONALD'S CORP	2	5,966,569	7,152,758

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value
91283#D03	Replication 12.31.2019 FVZ9	1	413,250	492,381	492,381	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,492,984)	(8,301,641)	61746B-EG-7	MORGAN STANLEY	1	7,985,365	8,794,022
91283#D03	Replication 12.31.2019 FVZ9	1	283,440	337,714	337,714	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,139,289)	(6,343,247)	649902-ZQ-9	NEW YORK DORM AUTH PER INC TAX	1	5,477,003	6,680,961
91283#D03	Replication 12.31.2019 FVZ9	1	134,267	159,977	159,977	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,434,514)	(2,889,602)	665772-CQ-0	NORTHERN STATES POWER CO	1	2,594,491	3,049,580
91283#D03	Replication 12.31.2019 FVZ9	1	299,788	357,193	357,193	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,435,703)	(6,946,942)	695114-CL-0	SCOTTISH POWER	1	5,792,896	7,304,134
91283#D03	Replication 12.31.2019 FVZ9	1	390,847	465,688	465,688	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,086,765)	(8,390,533)	717081-EK-5	PFIZER, INC.	1	7,552,453	8,856,221
91283#D03	Replication 12.31.2019 FVZ9	1	112,204	133,689	133,689	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,034,464)	(2,182,696)	720186-AK-1	PIEDMONT NATURAL GAS CO	1	2,168,153	2,316,385
91283#D03	Replication 12.31.2019 FVZ9	1	383,913	457,426	457,426	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,961,040)	(7,624,056)	744320-BA-9	PRUDENTIAL FINANCIAL INC.	1	7,418,466	8,081,481
91283#D03	Replication 12.31.2019 FVZ9	1	186,290	221,961	221,961	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(3,377,772)	(3,939,174)	744448-CN-9	PUBLIC SERVICE CO OF COLO	1	3,599,733	4,161,135
91283#D03	Replication 12.31.2019 FVZ9	1	330,372	393,634	393,634	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,990,258)	(6,944,445)	745332-CH-7	PUGET SOUND ENERGY	1	6,383,891	7,338,078
91283#D03	Replication 12.31.2019 FVZ9	1	328,905	391,885	391,885	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,963,655)	(7,898,354)	771196-AU-6	ROCHE CVT GENENTECH CSD 144A	1	6,355,541	8,290,239
91283#D03	Replication 12.31.2019 FVZ9	1	315,690	376,140	376,140	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,724,036)	(7,272,948)	822582-AD-4	SHELL INTERNATIONAL FIN	1	6,100,176	7,649,088
91283#D03	Replication 12.31.2019 FVZ9	1	120,161	143,170	143,170	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,178,735)	(2,443,260)	822582-BQ-4	SHELL INTERNATIONAL FIN	1	2,321,905	2,586,429
91283#D03	Replication 12.31.2019 FVZ9	1	289,311	344,709	344,709	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,245,737)	(6,084,333)	842400-FF-5	SOUTHERN CALIFORNIA EDISON	1	5,590,447	6,429,042
91283#D03	Replication 12.31.2019 FVZ9	1	364,216	433,958	433,958	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,603,907)	(8,131,499)	87612E-BG-0	TARGET CORP	1	7,037,865	8,565,457
91283#D03	Replication 12.31.2019 FVZ9	1	299,471	356,815	356,815	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,429,956)	(7,091,811)	89837L-AB-1	PRINCETON UNIVERSITY	1	5,786,771	7,448,625
91283#D03	Replication 12.31.2019 FVZ9	1	382,850	456,159	456,159	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(6,941,766)	(7,487,337)	91324P-DF-6	UNITED HEALTHCARE	1	7,397,926	7,943,496
91283#D03	Replication 12.31.2019 FVZ9	1	281,210	335,057	335,057	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,098,846)	(6,664,008)	915115-3X-5	UNIV OF TEXAS TX	1	5,433,903	6,999,065
91283#D03	Replication 12.31.2019 FVZ9	1	408,239	486,410	486,410	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,402,120)	(9,415,195)	92343V-DV-3	VERIZON COMMUNICATIONS	1	7,888,530	9,901,606
91283#D03	Replication 12.31.2019 FVZ9	1	386,955	461,050	461,050	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,016,195)	(8,029,729)	92826C-AJ-1	Visa Lnd Dev(Visa Int)	1	7,477,245	8,490,779
91283#D03	Replication 12.31.2019 FVZ9	2	116,649	138,985	138,985	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,115,055)	(2,461,727)	92857W-BM-1	VODAFONE GRP	2	2,254,040	2,600,712
91283#D03	Replication 12.31.2019 FVZ9	1	309,722	369,029	369,029	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,615,825)	(7,592,395)	931142-CK-7	WAL-MART STORES	1	5,984,854	7,961,424
91283#D03	Replication 12.31.2019 FVZ9	1	423,385	504,456	504,456	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(7,676,740)	(8,321,579)	94974B-GU-8	WELLS FARGO & COMPANY	1	8,181,196	8,826,035
91283#D03	Replication 12.31.2019 FVZ9	1	284,199	338,618	338,618	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(5,153,045)	(6,428,048)	976656-BW-7	WISCONSIN ELECTRIC POWER	1	5,491,663	6,766,666
91288#AE8	Replication 12.19.2019 UXYZ9	2	45,121	64,255	64,255	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(977,817)	(1,139,982)	00206R-CQ-3	AT&T INC	2	1,042,072	1,204,237
91288#AE8	Replication 12.19.2019 UXYZ9	2	49,611	70,649	70,649	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,075,129)	(1,050,446)	00287Y-AW-9	ABBVIE INC	2	1,145,779	1,121,095
91288#AE8	Replication 12.19.2019 UXYZ9	2	45,528	64,835	64,835	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(986,651)	(996,616)	00817Y-AZ-1	AETNA INC-NEW	2	1,051,486	1,061,451
91288#AE8	Replication 12.19.2019 UXYZ9	1	46,279	65,904	65,904	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,002,915)	(1,192,879)	020002-BC-4	ALLSTATE CORP	1	1,068,819	1,258,783
91288#AE8	Replication 12.19.2019 UXYZ9	2	49,434	70,397	70,397	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,071,293)	(1,148,689)	031162-BZ-2	AMGEN INC	2	1,141,690	1,219,086
91288#AE8	Replication 12.19.2019 UXYZ9	1	23,216	33,061	33,061	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(503,117)	(643,545)	039483-BQ-4	ARCHER DANIELS	1	536,178	676,606
91288#AE8	Replication 12.19.2019 UXYZ9	1	46,466	66,171	66,171	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,006,975)	(1,175,236)	040555-CX-0	ARIZONA PUBLIC SERVICE CO	1	1,073,146	1,241,407
91288#AE8	Replication 12.19.2019 UXYZ9	2	48,870	69,594	69,594	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,059,072)	(1,201,985)	046353-AM-0	ASTRAZENECA	2	1,128,666	1,271,579
91288#AE8	Replication 12.19.2019 UXYZ9	1	47,187	67,197	67,197	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,022,594)	(1,144,617)	06051G-HA-0	BAFC 2004-2	1	1,089,791	1,211,814
91288#AE8	Replication 12.19.2019 UXYZ9	1	36,789	52,390	52,390	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(797,257)	(959,504)	110122-AQ-1	BRISTOL-MYERS SQUIBB CO	1	849,647	1,011,893
91288#AE8	Replication 12.19.2019 UXYZ9	2	43,147	61,444	61,444	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(935,050)	(1,007,395)	125509-BW-8	CIGNA CORP	2	996,494	1,068,840
91288#AE8	Replication 12.19.2019 UXYZ9	2	51,173	72,874	72,874	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,108,981)	(1,211,422)	136385-AY-7	CANADIAN NATURAL RESOURCES	2	1,181,855	1,284,295
91288#AE8	Replication 12.19.2019 UXYZ9	2	46,686	66,484	66,484	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,011,745)	(1,237,513)	151020-AZ-7	CELGENE CORP	2	1,078,229	1,303,997
91288#AE8	Replication 12.19.2019 UXYZ9	1	35,621	50,726	50,726	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(771,947)	(967,876)	167560-PL-9	CHICAGO METRO WATER	1	822,674	1,018,602
91288#AE8	Replication 12.19.2019 UXYZ9	1	35,722	50,870	50,870	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(774,131)	(1,007,405)	171232-AQ-4	CHUBB CORP	1	825,001	1,058,274
91288#AE8	Replication 12.19.2019 UXYZ9	1	35,456	50,492	50,492	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(768,379)	(1,030,634)	17275R-AD-4	CISCO SYSTEMS INC	1	818,871	1,081,126
91288#AE8	Replication 12.19.2019 UXYZ9	1	49,595	70,626	70,626	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,074,781)	(1,202,109)	172967-LJ-8	CITIGROUP INC	1	1,145,407	1,272,736
91288#AE8	Replication 12.19.2019 UXYZ9	1	45,030	64,125	64,125	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(975,849)	(1,193,145)	19416Q-EK-2	COLGATE-PALMOLIVE CO	1	1,039,975	1,257,270
91288#AE8	Replication 12.19.2019 UXYZ9	1	47,191	67,202	67,202	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,022,676)	(1,125,932)	20030N-CC-3	COMCAST CORP.	1	1,089,878	1,193,134
91288#AE8	Replication 12.19.2019 UXYZ9	1	23,062	32,842	32,842	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(499,787)	(585,933)	202795-JM-3	COMMONWEALTH EDISON CO	1	532,629	618,775
91288#AE8	Replication 12.19.2019 UXYZ9	1	18,181	25,890	25,890	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(393,993)	(476,166)	20826F-AC-0	CONOCOPHILLIPS COMPANY	1	419,883	502,056
91288#AE8	Replication 12.19.2019 UXYZ9	1	35,075	49,949	49,949	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(760,118)	(949,889)	209111-EL-3	CONSOLIDATED EDISON INC	1	810,068	999,838
91288#AE8	Replication 12.19.2019 UXYZ9	1	23,250	33,109	33,109	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(503,847)	(631,735)	210518-DD-5	CONSUMER ENERGY	1	536,956	664,844
91288#AE8	Replication 12.19.2019 UXYZ9	1	19,658	27,994	27,994	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(426,015)	(523,330)	231021-AQ-9	CUMMINS ENGINE CO	1	454,009	551,325
91288#AE8	Replication 12.19.2019 UXYZ9	1	36,341	51,752	51,752	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(787,553)	(992,150)	26442C-AB-0	DUKE ENERGY CAROLINAS	1	839,304	1,043,902
91288#AE8	Replication 12.19.2019 UXYZ9	1	13,483	19,201	19,201	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(292,191)	(340,268)	26442C-AR-5	DUKE ENERGY CAROLINAS	1	311,391	359,469
91288#AE8	Replication 12.19.2019 UXYZ9	1	36,633	52,168	52,168	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(793,881)	(1,029,085)	341081-FB-8	FLORIDA POWER & LIGHT	1	846,049	1,081,253
91288#AE8	Replication 12.19.2019 UXYZ9	2	35,943	51,185	51,185	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(778,920)	(907,789)	373334-JN-2	GEORGIA POWER CO	2	830,104	958,974
91288#AE8	Replication 12.19.2019 UXYZ9	1	46,733	66,551	66,551	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,012,761)	(1,138,514)	375558-BK-8	GILEAD SCIENCES INC	1	1,079,312	1,205,065
91288#AE8	Replication 12.19.2019 UXYZ9	1	37,698	53,684	53,684	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(816,957)	(1,034,580)	377372-AE-7	GLAXOSMITHKLINE PLC	1	870,641	1,088,264
91288#AE8	Replication 12.19.2019 UXYZ9	1	52,043	74,112	74,112	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,127,830)	(1,225,537)	38141G-VS-0	GOLDMAN SACHS GROUP INC	1	1,201,943	1,299,649
91288#AE8	Replication 12.19.2019 UXYZ9	1	20,326	28,945	28,945	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(440,485)	(547,593)	437076-BP-6	HOME DEPOT INC	1	469,430	576,539
91288#AE8	Replication 12.19.2019 UXYZ9	1	22,550	32,113	32,113	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(488,684)	(587,375)	437076-BS-0	HOME DEPOT INC	1	520,797	619,487
91288#AE8	Replication 12.19.2019 UXYZ9	1	46,784	66,623	66,623	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,013,861)	(1,206,818)	454889-AT-3	INDIANA MICHIGAN POWER	1	1,080,484	1,273,441
91288#AE8	Replication 12.19.2019 UXYZ9	1	46,454	66,153	66,153	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,006,705)	(1,135,253)	46647P-AN-6	JPMORGAN CHASE & CO	1	1,072,858	1,201,406
91288#AE8	Replication 12.19.2019 UXYZ9	2	45,017	64,107	64,107	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(975,571)	(1,089,740)	548661-DQ-7	LOWE'S COMPANIES	2	1,039,678	1,153,847
91288#AE8	Replication 12.19.2019 UXYZ9	2	46,625	66,397	66,397	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,010,424)	(1,048,904)	55336V-AP-5	MPLX LP	2	1,076,821	1,115,301
91288#AE8	Replication 12.19.2019 UXYZ9	2	37,378	53,229	53,229	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(810,027)	(981,648)	58013M-EF-7	MCDONALD'S CORP	2	863,256	1,034,876
91288#AE8	Replication 12.19.2019 UXYZ9	1	50,025	71,239	71,239	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,084,101)	(1,201,099)	61746B-EG-7	MORGAN STANLEY	1	1,155,340	1,272,338
91288#AE8	Replication 12.19.2019 UXYZ9	1	34,311	48,861	48,861	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(743,563)	(917,755)	649902-ZQ-9	NEW YORK DORM AUTH PER INC TAX	1	792,425	966,616

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value
91288#AE8	Replication 12.19.2019 UXYZ9	1	16,253	23,146	23,146	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(352,231)	(418,074)	665772-CQ-0	NORTHERN STATES POWER CO	1	375,377	441,220
91288#AE8	Replication 12.19.2019 UXYZ9	1	36,290	51,679	51,679	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(786,449)	(1,005,098)	695114-CL-0	SCOTTISH POWER	1	838,129	1,056,778
91288#AE8	Replication 12.19.2019 UXYZ9	1	47,313	67,377	67,377	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,025,328)	(1,213,960)	717081-EK-5	PFIZER, INC.	1	1,092,705	1,281,337
91288#AE8	Replication 12.19.2019 UXYZ9	1	13,583	19,342	19,342	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(294,351)	(315,797)	720186-AK-1	PIEDMONT NATURAL GAS CO	1	313,693	335,140
91288#AE8	Replication 12.19.2019 UXYZ9	1	46,474	66,181	66,181	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,007,138)	(1,103,065)	744320-BA-9	PRUDENTIAL FINANCIAL INC.	1	1,073,319	1,169,246
91288#AE8	Replication 12.19.2019 UXYZ9	1	22,551	32,114	32,114	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(488,703)	(569,928)	744448-CN-9	PUBLIC SERVICE CO OF COLO	1	520,817	602,042
91288#AE8	Replication 12.19.2019 UXYZ9	1	39,992	56,952	56,952	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(866,683)	(1,004,737)	745332-CH-7	PUGET SOUND ENERGY	1	923,635	1,061,689
91288#AE8	Replication 12.19.2019 UXYZ9	1	39,815	56,699	56,699	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(862,834)	(1,142,751)	771196-AU-6	ROCHE CVT GENENTECH CSD 144A	1	919,533	1,199,450
91288#AE8	Replication 12.19.2019 UXYZ9	1	38,215	54,421	54,421	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(828,166)	(1,052,266)	822582-AD-4	SHELL INTERNATIONAL FIN	1	882,586	1,106,686
91288#AE8	Replication 12.19.2019 UXYZ9	1	14,546	20,714	20,714	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(315,224)	(353,496)	822582-BQ-4	SHELL INTERNATIONAL FIN	1	335,938	374,210
91288#AE8	Replication 12.19.2019 UXYZ9	1	35,022	49,873	49,873	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(758,965)	(880,294)	842400-FF-5	SOUTHERN CALIFORNIA EDISON	1	808,838	930,168
91288#AE8	Replication 12.19.2019 UXYZ9	1	44,089	62,786	62,786	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(955,467)	(1,176,483)	87612E-BG-0	TARGET CORP	1	1,018,253	1,239,269
91288#AE8	Replication 12.19.2019 UXYZ9	1	36,252	51,625	51,625	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(785,618)	(1,026,058)	89837L-AB-1	PRINCETON UNIVERSITY	1	837,242	1,077,683
91288#AE8	Replication 12.19.2019 UXYZ9	1	46,345	65,998	65,998	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,004,350)	(1,083,284)	91324P-DF-6	UNITED HEALTHCARE	1	1,070,348	1,149,282
91288#AE8	Replication 12.19.2019 UXYZ9	1	34,041	48,477	48,477	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(737,712)	(964,163)	915115-3X-5	UNIV OF TEXAS TX	1	786,189	1,012,640
91288#AE8	Replication 12.19.2019 UXYZ9	1	49,418	70,375	70,375	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,070,955)	(1,362,211)	92343V-DV-3	VERIZON COMMUNICATIONS	1	1,141,329	1,432,585
91288#AE8	Replication 12.19.2019 UXYZ9	1	46,842	66,706	66,706	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,015,118)	(1,161,758)	92826C-AJ-1	Visa Lnd Dev(Visa Int)	1	1,081,824	1,228,464
91288#AE8	Replication 12.19.2019 UXYZ9	2	14,121	20,109	20,109	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(306,011)	(356,168)	92857W-BM-1	VODAFONE GRP	2	326,119	376,277
91288#AE8	Replication 12.19.2019 UXYZ9	1	37,493	53,392	53,392	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(812,510)	(1,098,484)	931142-CK-7	WAL-MART STORES	1	865,901	1,151,876
91288#AE8	Replication 12.19.2019 UXYZ9	1	51,252	72,986	72,986	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(1,110,687)	(1,203,984)	94974B-GU-8	WELLS FARGO & COMPANY	1	1,183,673	1,276,970
91288#AE8	Replication 12.19.2019 UXYZ9	1	34,403	48,992	48,992	08/26/2019	12/19/2019	Replication 12.19.2019 UXYZ9	(745,554)	(930,024)	976656-BW-7	WISCONSIN ELECTRIC POWER	1	794,546	979,016
91283#DS9	Replication 12.31.2019 FVZ9	1	1,815,162	2,162,737	2,162,737	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,443,302)	(1,705,926)	00386S-AJ-1	ABU DHABI NATIONAL ENERGY CO	1	3,606,039	3,868,663
91283#DS9	Replication 12.31.2019 FVZ9	2	2,841,560	3,385,673	3,385,673	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,259,428)	(2,480,392)	00507U-AS-0	ACTAVIS FUNDING SCS	2	5,645,101	5,866,065
91283#DS9	Replication 12.31.2019 FVZ9	2	760,213	905,782	905,782	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(604,473)	(1,194,103)	012873-AK-1	ALBERTA ENERGY CO LTD	2	1,510,255	2,099,885
91283#DS9	Replication 12.31.2019 FVZ9	1	2,067,815	2,463,769	2,463,769	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,644,196)	(1,880,101)	023135-BC-9	AMAZON.COM INC.	1	4,107,964	4,343,870
91283#DS9	Replication 12.31.2019 FVZ9	1	1,757,234	2,093,716	2,093,716	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,397,241)	(2,135,326)	023135-BJ-4	AMAZON.COM INC.	1	3,490,957	4,229,042
91283#DS9	Replication 12.31.2019 FVZ9	2	1,959,374	2,334,562	2,334,562	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,557,970)	(1,866,830)	03027X-AD-2	AMERICAN TOWER CORP - CL A	2	3,892,532	4,201,392
91283#DS9	Replication 12.31.2019 FVZ9	2	1,037,722	1,236,429	1,236,429	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(825,131)	(1,174,214)	031162-CD-0	AMGEN INC	2	2,061,560	2,410,643
91283#DS9	Replication 12.31.2019 FVZ9	1	1,768,624	2,107,287	2,107,287	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,406,298)	(1,657,206)	03765H-AB-7	APOLLO MANAGEMENT HOLDIN	1	3,513,585	3,764,493
91283#DS9	Replication 12.31.2019 FVZ9	1	2,563,943	3,054,897	3,054,897	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,038,685)	(2,541,676)	040555-CP-7	ARIZONA PUBLIC SERVICE CO	1	5,093,581	5,596,572
91283#DS9	Replication 12.31.2019 FVZ9	1	1,670,419	1,990,277	1,990,277	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,328,211)	(1,463,398)	049560-AN-5	ATMOS ENERGY CORP	1	3,318,488	3,453,675
91283#DS9	Replication 12.31.2019 FVZ9	1	906,862	1,080,512	1,080,512	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(721,080)	(789,022)	05607M-AA-5	BAA FUNDING LTD	1	1,801,592	1,869,534
91283#DS9	Replication 12.31.2019 FVZ9	1	2,680,580	3,193,868	3,193,868	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,131,428)	(2,518,499)	05964H-AB-1	BANCO SANTANDER CHILE	1	5,325,296	5,712,367
91283#DS9	Replication 12.31.2019 FVZ9	2	1,431,888	1,706,072	1,706,072	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,138,547)	(1,333,202)	067316-AE-9	BACARDI LTD	2	2,844,618	3,039,273
91283#DS9	Replication 12.31.2019 FVZ9	2	2,955,989	3,522,013	3,522,013	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,350,415)	(2,281,300)	10922N-AC-7	BRIGHTHOUSE FINANCIAL IN	2	5,872,428	5,803,313
91283#DS9	Replication 12.31.2019 FVZ9	2	1,825,447	2,174,990	2,174,990	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,451,479)	(1,600,734)	11120V-AA-1	BRIXMOR OPERATING PART	2	3,626,470	3,775,724
91283#DS9	Replication 12.31.2019 FVZ9	2	1,349,042	1,607,362	1,607,362	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,072,673)	(1,204,173)	125509-BW-8	CIGNA CORP	2	2,680,035	2,811,535
91283#DS9	Replication 12.31.2019 FVZ9	2	1,817,430	2,165,439	2,165,439	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,445,105)	(1,592,444)	12626P-AL-7	CRH AMERICA INC	2	3,610,544	3,757,883
91283#DS9	Replication 12.31.2019 FVZ9	2	953,500	1,136,080	1,136,080	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(758,163)	(998,363)	126408-HK-2	CSX CORP	2	1,894,243	2,134,444
91283#DS9	Replication 12.31.2019 FVZ9	1	1,008,425	1,201,522	1,201,522	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(801,836)	(872,178)	126673-W6-5	CWHEL 2004-I A	1	2,003,358	2,073,700
91283#DS9	Replication 12.31.2019 FVZ9	1	1,263,325	1,505,231	1,505,231	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,004,516)	(1,455,947)	12668B-RC-9	CWALT 2006-OC2	1	2,509,747	2,961,178
91283#DS9	Replication 12.31.2019 FVZ9	2	1,046,945	1,247,418	1,247,418	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(832,464)	(1,173,685)	136385-AY-7	CANADIAN NATURAL RESOURCES	2	2,079,882	2,421,103
91283#DS9	Replication 12.31.2019 FVZ9	2	3,064,642	3,651,472	3,651,472	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,436,809)	(2,727,158)	14987B-AE-3	CC HOLDINGS GS V LLC/CRO	2	6,088,281	6,378,630
91283#DS9	Replication 12.31.2019 FVZ9	2	1,175,807	1,400,955	1,400,955	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(934,927)	(1,186,719)	15135U-AP-4	CENOVUS ENERGY INC	2	2,335,882	2,587,674
91283#DS9	Replication 12.31.2019 FVZ9	2	1,336,880	1,592,871	1,592,871	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,063,002)	(1,198,636)	196500-AA-0	COLORADO INT GAS CO/ISS	2	2,655,873	2,791,507
91283#DS9	Replication 12.31.2019 FVZ9	1	4,613,211	5,496,568	5,496,568	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(3,668,133)	(4,173,252)	2027A0-HY-8	COMMONWEALTH BANK AUST	1	9,164,701	9,669,819
91283#DS9	Replication 12.31.2019 FVZ9	1	1,195,590	1,424,526	1,424,526	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(950,657)	(1,100,505)	24422E-UM-9	JOHN DEERE CAPITAL CORP	1	2,375,183	2,525,031
91283#DS9	Replication 12.31.2019 FVZ9	2	1,855,227	2,210,474	2,210,474	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,475,159)	(1,651,374)	25470D-AR-0	DISCOVERY COMMUNICATIONS	2	3,685,633	3,861,848
91283#DS9	Replication 12.31.2019 FVZ9	1	2,651,133	3,158,782	3,158,782	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,108,013)	(2,494,991)	29256P-AJ-3	ECR 2005-3	1	5,266,795	5,653,773
91283#DS9	Replication 12.31.2019 FVZ9	1	1,694,945	2,019,500	2,019,500	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,347,713)	(1,551,277)	313747-AT-4	FEDERAL REALTY INVEST TRUST	1	3,367,213	3,570,777
91283#DS9	Replication 12.31.2019 FVZ9	2	3,067,100	3,654,401	3,654,401	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,438,764)	(3,024,163)	31620M-AR-7	FIDELITY NATIONAL INFO SVCS	2	6,093,165	6,678,564
91283#DS9	Replication 12.31.2019 FVZ9	2	1,987,384	2,367,936	2,367,936	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,580,242)	(1,728,859)	37045X-AS-5	GENERAL MOTORS FINL CO	2	3,948,178	4,096,795
91283#DS9	Replication 12.31.2019 FVZ9	1	3,487,411	4,155,194	4,155,194	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,772,968)	(3,019,406)	37331N-AB-7	GEORGIA-PACIFIC LLC	1	6,928,162	7,174,600
91283#DS9	Replication 12.31.2019 FVZ9	1	1,482,747	1,766,670	1,766,670	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,178,987)	(1,329,760)	37331N-AD-3	GEORGIA-PACIFIC LLC	1	2,945,656	3,096,430
91283#DS9	Replication 12.31.2019 FVZ9	1	2,005,563	2,389,596	2,389,596	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,594,697)	(1,681,183)	375558-BF-9	GILEAD SCIENCES INC	1	3,984,293	4,070,779
91283#DS9	Replication 12.31.2019 FVZ9	1	1,667,632	1,986,957	1,986,957	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,325,995)	(1,541,628)	375558-BM-4	GILEAD SCIENCES INC	1	3,312,952	3,528,584
91283#DS9	Replication 12.31.2019 FVZ9	3	1,143,499	1,362,461	1,362,461	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(909,238)	(1,017,345)	42809H-AG-2	HESS CORP	3	2,271,698	2,379,806
91283#DS9	Replication 12.31.2019 FVZ9	2	3,278,940	3,906,805	3,906,805	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,607,206)	(3,248,917)	42824C-AW-9	HEWLETT PACKARD ENTERPRISE	2	6,514,011	7,155,722
91283#DS9	Replication 12.31.2019 FVZ9	1	1,099,106	1,309,567	1,309,567	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(873,939)	(1,025,637)	437076-BK-7	HOME DEPOT INC	1	2,183,506	2,335,204
91283#DS9	Replication 12.31.2019 FVZ9	2	1,049,550	1,250,522	1,250,522	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(834,535)	(987,853)	446150-AM-6	HUNTINGTON BANCSHARES INC	2	2,085,057	2,238,375
91283#DS9	Replication 12.31.2019 FVZ9	1	1,485,841	1,770,355	1,770,355	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,181,446)	(1,422,473)	576436-CW-7	MASD 2006-1	1	2,951,801	3,192,828
91283#DS9	Replication 12.31.2019 FVZ9	1	3,108,163	3,703,326	3,703,326	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,471,414)	(3,045,229)	582839-AH-9	MEAD JOHNSON NUTRITION CO	1	6,174,741	6,748,556
91283#DS9	Replication 12.31.2019 FVZ9	1	1,171,223	1,395,494	1,395,494	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(931,282)	(1,049,508)	585055-BS-4	MEDTRONIC INC	1	2,326,776	2,445,001

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value
91283#DS9	Replication 12.31.2019 FVZ9	1	2,369,367	2,823,062	2,823,062	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,883,970)	(2,203,919)	61746B-EF-9	MORGAN STANLEY	1	4,707,033	5,026,981
91283#DS9	Replication 12.31.2019 FVZ9	1	1,195,354	1,424,245	1,424,245	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(950,470)	(1,065,989)	637432-MV-4	NATIONAL RURAL UTILITIES	1	2,374,715	2,490,234
91283#DS9	Replication 12.31.2019 FVZ9	1	2,546,054	3,033,583	3,033,583	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,024,461)	(2,349,117)	63860H-AE-9	NSTR 2007-A	1	5,058,044	5,382,699
91283#DS9	Replication 12.31.2019 FVZ9	1	2,567,332	3,058,935	3,058,935	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,041,380)	(2,300,808)	65536M-AE-7	NHELI 2006-HE2	1	5,100,315	5,359,743
91283#DS9	Replication 12.31.2019 FVZ9	1	942,857	1,123,399	1,123,399	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(749,700)	(1,232,612)	670346-AN-5	NUCOR CORP.	1	1,873,099	2,356,011
91283#DS9	Replication 12.31.2019 FVZ9	1	1,615,818	1,925,221	1,925,221	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,284,796)	(1,480,713)	69349L-AM-0	PNC BANK NA	1	3,210,017	3,405,935
91283#DS9	Replication 12.31.2019 FVZ9	2	5,263,632	6,271,533	6,271,533	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(4,185,306)	(4,729,271)	714264-AA-6	PERNOD-RICAR	2	10,456,839	11,000,804
91283#DS9	Replication 12.31.2019 FVZ9	1	1,916,728	2,283,750	2,283,750	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,524,060)	(2,308,631)	73358W-F8-2	PORT AUTH NEW YORK NEW JERSEY	1	3,807,811	4,592,382
91283#DS9	Replication 12.31.2019 FVZ9	1	3,345,958	3,986,655	3,986,655	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,660,494)	(3,036,079)	737679-DG-2	PEPCO HOLDINGS INC	1	6,647,149	7,022,734
91283#DS9	Replication 12.31.2019 FVZ9	1	1,559,200	1,857,762	1,857,762	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,239,777)	(1,516,347)	747525-AU-7	QUALCOMM INC	1	3,097,539	3,374,109
91283#DS9	Replication 12.31.2019 FVZ9	1	1,612,048	1,920,730	1,920,730	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,281,799)	(1,438,149)	771196-BL-5	ROCHE CVT GENENTECH CSD 144A	1	3,202,528	3,358,878
91283#DS9	Replication 12.31.2019 FVZ9	2	1,844,018	2,197,118	2,197,118	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,466,247)	(1,680,000)	785592-AS-5	SABINE PASS LIQUEFACTION	2	3,663,365	3,877,118
91283#DS9	Replication 12.31.2019 FVZ9	1	1,192,082	1,420,347	1,420,347	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(947,868)	(1,388,379)	81373P-AA-1	SECURIAN FINANCIAL GROUP	1	2,368,216	2,808,727
91283#DS9	Replication 12.31.2019 FVZ9	1	3,067,846	3,655,289	3,655,289	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,439,357)	(2,766,275)	828807-CF-2	SIMON PROPERTY GROUP	1	6,094,646	6,421,564
91283#DS9	Replication 12.31.2019 FVZ9	1	897,484	1,069,338	1,069,338	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(713,623)	(983,484)	83612C-AE-9	SVHE 2006-OPT5	1	1,782,961	2,052,822
91283#DS9	Replication 12.31.2019 FVZ9	2	1,931,413	2,301,247	2,301,247	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,535,737)	(1,695,871)	860630-AD-4	STIFEL FINANCIAL CORP	2	3,836,984	3,997,119
91283#DS9	Replication 12.31.2019 FVZ9	2	3,516,423	4,189,761	4,189,761	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,796,036)	(3,082,554)	87124V-AD-1	SYDNEY AIRPORT FINANCE	2	6,985,798	7,272,316
91283#DS9	Replication 12.31.2019 FVZ9	2	911,457	1,085,987	1,085,987	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(724,733)	(790,160)	891027-AQ-7	TORCHMARK CORP	2	1,810,720	1,876,147
91283#DS9	Replication 12.31.2019 FVZ9	2	1,528,542	1,821,234	1,821,234	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,215,400)	(1,404,417)	902494-BC-6	TYSON FOODS	2	3,036,634	3,225,651
91283#DS9	Replication 12.31.2019 FVZ9	1	2,982,726	3,553,871	3,553,871	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,371,675)	(2,661,455)	90352J-AC-7	UBS GROUP FUNDING SWITZE	1	5,925,546	6,215,326
91283#DS9	Replication 12.31.2019 FVZ9	2	1,091,226	1,300,179	1,300,179	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(867,674)	(1,062,114)	92857W-BJ-8	VODAFONE GRP	2	2,167,853	2,362,293
91283#DS9	Replication 12.31.2019 FVZ9	2	1,348,188	1,606,345	1,606,345	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,071,994)	(1,472,967)	92857W-BM-1	VODAFONE GRP	2	2,678,338	3,079,312
91283#DS9	Replication 12.31.2019 FVZ9	2	1,232,328	1,468,299	1,468,299	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(979,869)	(1,066,511)	948741-AJ-2	WEINGARTEN REALTY INVESTORS	2	2,448,168	2,534,809
91283#DS9	Replication 12.31.2019 FVZ9	2	1,271,959	1,515,519	1,515,519	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(1,011,382)	(1,008,741)	958254-AE-4	WESTERN GAS PARTNERS LP	2	2,526,901	2,524,260
91283#DS9	Replication 12.31.2019 FVZ9	2	3,146,868	3,749,442	3,749,442	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(2,502,190)	(2,859,762)	96950F-AL-8	WILLIAMS PARTNERS LP	2	6,251,632	6,609,204
90370@AR2	Replication 12.19.2019 USZ9	1	69,814	113,317	113,317	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(75,622)	(89,382)	00386S-AJ-1	ABU DHABI NATIONAL ENERGY CO	1	188,939	202,699
90370@AR2	Replication 12.19.2019 USZ9	2	109,291	177,393	177,393	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(118,383)	(129,960)	00507U-AS-0	ACTAVIS FUNDING SCS	2	295,775	307,353
90370@AR2	Replication 12.19.2019 USZ9	2	29,239	47,459	47,459	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(31,671)	(62,565)	012873-AK-1	ALBERTA ENERGY CO LTD	2	79,130	110,024
90370@AR2	Replication 12.19.2019 USZ9	1	79,531	129,089	129,089	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(86,148)	(98,508)	023135-BC-9	AMAZON.COM INC.	1	215,237	227,597
90370@AR2	Replication 12.19.2019 USZ9	1	67,586	109,700	109,700	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(73,209)	(111,881)	023135-BJ-4	AMAZON.COM INC.	1	182,909	221,581
90370@AR2	Replication 12.19.2019 USZ9	2	75,361	122,320	122,320	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(81,630)	(97,813)	03027X-AD-2	AMERICAN TOWER CORP - CL A	2	203,949	220,132
90370@AR2	Replication 12.19.2019 USZ9	2	39,912	64,783	64,783	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(43,233)	(61,523)	031162-CD-0	AMGEN INC	2	108,016	126,306
90370@AR2	Replication 12.19.2019 USZ9	1	68,024	110,411	110,411	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(73,683)	(86,829)	03765H-AB-7	APOLLO MANAGEMENT HOLDIN	1	184,095	197,241
90370@AR2	Replication 12.19.2019 USZ9	1	98,613	160,062	160,062	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(106,817)	(133,171)	040555-CP-7	ARIZONA PUBLIC SERVICE CO	1	266,879	293,233
90370@AR2	Replication 12.19.2019 USZ9	1	64,247	104,281	104,281	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(69,592)	(76,675)	049560-AN-5	ATMOS ENERGY CORP	1	173,872	180,956
90370@AR2	Replication 12.19.2019 USZ9	1	34,879	56,614	56,614	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(37,781)	(41,341)	05607M-AA-5	BAA FUNDING LTD	1	94,395	97,954
90370@AR2	Replication 12.19.2019 USZ9	1	103,099	167,343	167,343	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(111,676)	(131,957)	05964H-AB-1	BANCO SANTANDER CHILE	1	279,019	299,300
90370@AR2	Replication 12.19.2019 USZ9	2	55,073	89,390	89,390	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(59,654)	(69,853)	067316-AE-9	BACARDI LTD	2	149,044	159,243
90370@AR2	Replication 12.19.2019 USZ9	2	113,692	184,536	184,536	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(123,150)	(119,529)	10922N-AC-7	BRIGHTHOUSE FINANCIAL IN	2	307,686	304,065
90370@AR2	Replication 12.19.2019 USZ9	2	70,209	113,959	113,959	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(76,050)	(83,871)	11120V-AA-1	BRIXMOR OPERATING PART	2	190,009	197,829
90370@AR2	Replication 12.19.2019 USZ9	2	51,886	84,218	84,218	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(56,203)	(63,093)	125509-BW-8	CIGNA CORP	2	140,421	147,311
90370@AR2	Replication 12.19.2019 USZ9	2	69,901	113,458	113,458	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(75,716)	(83,436)	12626P-AL-7	CRH AMERICA INC	2	189,175	196,895
90370@AR2	Replication 12.19.2019 USZ9	2	36,673	59,525	59,525	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(39,724)	(52,309)	126408-HK-2	CSX CORP	2	99,249	111,834
90370@AR2	Replication 12.19.2019 USZ9	1	38,786	62,954	62,954	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(42,012)	(45,698)	126673-W6-5	CWHEL 2004-I A	1	104,966	108,652
90370@AR2	Replication 12.19.2019 USZ9	1	48,589	78,867	78,867	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(52,632)	(76,284)	12668B-RC-9	CWALT 2006-OC2	1	131,498	155,151
90370@AR2	Replication 12.19.2019 USZ9	2	40,267	65,359	65,359	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(43,617)	(61,495)	136385-AY-7	CANADIAN NATURAL RESOURCES	2	108,976	126,854
90370@AR2	Replication 12.19.2019 USZ9	2	117,871	191,319	191,319	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(127,677)	(142,890)	14987B-AE-3	CC HOLDINGS GS V LLC/CRO	2	318,996	334,209
90370@AR2	Replication 12.19.2019 USZ9	2	45,223	73,403	73,403	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(48,986)	(62,178)	15135U-AP-4	CENOVUS ENERGY INC	2	122,389	135,581
90370@AR2	Replication 12.19.2019 USZ9	2	51,418	83,459	83,459	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(55,696)	(62,803)	196500-AA-0	COLORADO INT GAS CO/ISS	2	139,155	146,261
90370@AR2	Replication 12.19.2019 USZ9	1	177,431	287,993	287,993	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(192,192)	(218,658)	2027A0-HY-8	COMMONWEALTH BANK AUST	1	480,185	506,651
90370@AR2	Replication 12.19.2019 USZ9	1	45,984	74,638	74,638	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(49,810)	(57,661)	24422E-UM-9	JOHN DEERE CAPITAL CORP	1	124,448	132,299
90370@AR2	Replication 12.19.2019 USZ9	2	71,355	115,818	115,818	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(77,291)	(86,524)	25470D-AR-0	DISCOVERY COMMUNICATIONS	2	193,109	202,342
90370@AR2	Replication 12.19.2019 USZ9	1	101,967	165,505	165,505	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(110,449)	(130,725)	29256P-AJ-3	ECR 2005-3	1	275,954	296,230
90370@AR2	Replication 12.19.2019 USZ9	1	65,190	105,812	105,812	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(70,614)	(81,279)	313747-AT-4	FEDERAL REALTY INVEST TRUST	1	176,425	187,091
90370@AR2	Replication 12.19.2019 USZ9	2	117,965	191,473	191,473	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(127,779)	(158,451)	31620M-AR-7	FIDELITY NATIONAL INFO SVCS	2	319,252	349,924
90370@AR2	Replication 12.19.2019 USZ9	2	76,438	124,068	124,068	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(82,797)	(90,584)	37045X-AS-5	GENERAL MOTORS FINL CO	2	206,865	214,652
90370@AR2	Replication 12.19.2019 USZ9	1	134,131	217,712	217,712	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(145,290)	(158,202)	37331N-AB-7	GEORGIA-PACIFIC LLC	1	363,002	375,914
90370@AR2	Replication 12.19.2019 USZ9	1	57,029	92,565	92,565	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(61,773)	(69,673)	37331N-AD-3	GEORGIA-PACIFIC LLC	1	154,338	162,238
90370@AR2	Replication 12.19.2019 USZ9	1	77,137	125,203	125,203	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(83,554)	(88,086)	375558-BF-9	GILEAD SCIENCES INC	1	208,757	213,289
90370@AR2	Replication 12.19.2019 USZ9	1	64,140	104,107	104,107	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(69,476)	(80,774)	375558-BM-4	GILEAD SCIENCES INC	1	173,582	184,880
90370@AR2	Replication 12.19.2019 USZ9	3	43,981	71,386	71,386	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(47,640)	(53,304)	42809H-AG-2	HESS CORP	3	119,026	124,690
90370@AR2	Replication 12.19.2019 USZ9	2	126,113	204,697	204,697	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(136,605)	(170,227)	42824C-AW-9	HEWLETT PACKARD ENTERPRISE	2	341,302	374,925
90370@AR2	Replication 12.19.2019 USZ9	1	42,273	68,615	68,615	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(45,790)	(53,738)	437076-BK-7	HOME DEPOT INC	1	114,405	122,353

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value
90370@AR2	Replication 12.19.2019 USZ9	2	40,367	65,521	65,521	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(43,726)	(51,759)	446150-AM-6	HUNTINGTON BANCSHARES INC	2	109,247	117,280
90370@AR2	Replication 12.19.2019 USZ9	1	57,148	92,758	92,758	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(61,902)	(74,531)	576436-CW-7	MASD 2006-1	1	154,660	167,288
90370@AR2	Replication 12.19.2019 USZ9	1	119,545	194,036	194,036	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(129,490)	(159,555)	582839-AH-9	MEAD JOHNSON NUTRITION CO	1	323,526	353,591
90370@AR2	Replication 12.19.2019 USZ9	1	45,047	73,117	73,117	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(48,795)	(54,989)	585055-BS-4	MEDTRONIC INC	1	121,912	128,106
90370@AR2	Replication 12.19.2019 USZ9	1	91,129	147,915	147,915	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(98,711)	(115,474)	61746B-EF-9	MORGAN STANLEY	1	246,625	263,389
90370@AR2	Replication 12.19.2019 USZ9	1	45,975	74,623	74,623	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(49,800)	(55,853)	637432-MV-4	NATIONAL RURAL UTILITIES	1	124,423	130,476
90370@AR2	Replication 12.19.2019 USZ9	1	97,925	158,945	158,945	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(106,072)	(123,082)	63860H-AE-9	NSTR 2007-A	1	265,017	282,027
90370@AR2	Replication 12.19.2019 USZ9	1	98,744	160,273	160,273	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(106,958)	(120,551)	65536M-AE-7	NHELI 2006-HE2	1	267,231	280,824
90370@AR2	Replication 12.19.2019 USZ9	1	36,264	58,861	58,861	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(39,281)	(64,583)	670346-AN-5	NUCOR CORP.	1	98,141	123,443
90370@AR2	Replication 12.19.2019 USZ9	1	62,147	100,872	100,872	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(67,317)	(77,582)	69349L-AM-0	PNC BANK NA	1	168,189	178,454
90370@AR2	Replication 12.19.2019 USZ9	2	202,447	328,597	328,597	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(219,289)	(247,790)	714264-AA-6	PERNOD-RICAR	2	547,887	576,388
90370@AR2	Replication 12.19.2019 USZ9	1	73,720	119,657	119,657	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(79,853)	(120,961)	73358W-F8-2	PORT AUTH NEW YORK NEW JERSEY	1	199,511	240,618
90370@AR2	Replication 12.19.2019 USZ9	1	128,691	208,881	208,881	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(139,397)	(159,076)	737679-DG-2	PEPCO HOLDINGS INC	1	348,278	367,957
90370@AR2	Replication 12.19.2019 USZ9	1	59,969	97,338	97,338	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(64,958)	(79,449)	747525-AU-7	QUALCOMM INC	1	162,296	176,787
90370@AR2	Replication 12.19.2019 USZ9	1	62,002	100,637	100,637	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(67,160)	(75,352)	771196-BL-5	ROCHE CVT GENENTECH CSD 144A	1	167,797	175,989
90370@AR2	Replication 12.19.2019 USZ9	2	70,924	115,118	115,118	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(76,824)	(88,024)	785592-AS-5	SABINE PASS LIQUEFACTION	2	191,942	203,142
90370@AR2	Replication 12.19.2019 USZ9	1	45,849	74,419	74,419	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(49,664)	(72,744)	81373P-AA-1	SECURIAN FINANCIAL GROUP	1	124,083	147,163
90370@AR2	Replication 12.19.2019 USZ9	1	117,994	191,519	191,519	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(127,810)	(144,939)	828807-CF-2	SIMON PROPERTY GROUP	1	319,329	336,458
90370@AR2	Replication 12.19.2019 USZ9	1	34,519	56,028	56,028	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(37,390)	(51,530)	83612C-AE-9	SVHE 2006-OPT5	1	93,418	107,558
90370@AR2	Replication 12.19.2019 USZ9	2	74,285	120,574	120,574	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(80,465)	(88,855)	860630-AD-4	STIFEL FINANCIAL CORP	2	201,039	209,429
90370@AR2	Replication 12.19.2019 USZ9	2	135,247	219,523	219,523	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(146,499)	(161,511)	87124V-AD-1	SYDNEY AIRPORT FINANCE	2	366,021	381,033
90370@AR2	Replication 12.19.2019 USZ9	2	35,056	56,900	56,900	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(37,972)	(41,400)	891027-AQ-7	TORCHMARK CORP	2	94,873	98,301
90370@AR2	Replication 12.19.2019 USZ9	2	58,790	95,424	95,424	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(63,681)	(73,585)	902494-BC-6	TYSON FOODS	2	159,105	169,008
90370@AR2	Replication 12.19.2019 USZ9	1	114,720	186,205	186,205	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(124,264)	(139,447)	90352J-AC-7	UBS GROUP FUNDING SWITZE	1	310,469	325,652
90370@AR2	Replication 12.19.2019 USZ9	2	41,970	68,123	68,123	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(45,462)	(55,650)	92857W-BJ-8	VODAFONE GRP	2	113,585	123,773
90370@AR2	Replication 12.19.2019 USZ9	2	51,853	84,165	84,165	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(56,167)	(77,176)	92857W-BM-1	VODAFONE GRP	2	140,332	161,341
90370@AR2	Replication 12.19.2019 USZ9	2	47,397	76,932	76,932	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(51,340)	(55,880)	948741-AJ-2	WEINGARTEN REALTY INVESTORS	2	128,272	132,812
90370@AR2	Replication 12.19.2019 USZ9	2	48,922	79,406	79,406	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(52,991)	(52,853)	958254-AE-4	WESTERN GAS PARTNERS LP	2	132,397	132,259
90370@AR2	Replication 12.19.2019 USZ9	2	121,033	196,452	196,452	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(131,102)	(149,837)	96950F-AL-8	WILLIAMS PARTNERS LP	2	327,555	346,290
91283#DW0	Replication 12.31.2019 FVZ9	1	326,196	388,657	388,657	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(202,451)	(487,928)	64952G-AF-5	NEW YORK LIFE INSURANCE	1	591,108	876,585
91283#DW0	Replication 12.31.2019 FVZ9	1	347,993	414,628	414,628	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(215,979)	(392,820)	717081-CY-7	PFIZER, INC.	1	630,606	807,448
91283#DW0	Replication 12.31.2019 FVZ9	1	325,811	388,199	388,199	08/26/2019	12/31/2019	Replication 12.31.2019 FVZ9	(202,212)	(414,926)	87612E-AU-0	TARGET CORP	1	590,411	803,125
90370@AS0	Replication 12.19.2019 USZ9	1	848,110	1,376,588	1,376,588	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(717,061)	(1,728,195)	64952G-AF-5	NEW YORK LIFE INSURANCE	1	2,093,649	3,104,783
90370@AS0	Replication 12.19.2019 USZ9	1	904,781	1,468,573	1,468,573	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(764,976)	(1,391,333)	717081-CY-7	PFIZER, INC.	1	2,233,548	2,859,906
90370@AS0	Replication 12.19.2019 USZ9	1	847,109	1,374,964	1,374,964	08/26/2019	12/19/2019	Replication 12.19.2019 USZ9	(716,215)	(1,469,628)	87612E-AU-0	TARGET CORP	1	2,091,180	2,844,592
91283#DV2	Replication 12.31.2019 TUZ9	1	3,261,961	3,514,762	3,514,762	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,830,831)	(4,412,501)	64952G-AF-5	NEW YORK LIFE INSURANCE	1	5,345,593	7,927,263
91283#DV2	Replication 12.31.2019 TUZ9	1	3,479,927	3,749,621	3,749,621	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,953,168)	(3,552,410)	717081-CY-7	PFIZER, INC.	1	5,702,790	7,302,031
91283#DV2	Replication 12.31.2019 TUZ9	1	3,258,112	3,510,616	3,510,616	08/26/2019	12/31/2019	Replication 12.31.2019 TUZ9	(1,828,671)	(3,752,315)	87612E-AU-0	TARGET CORP	1	5,339,287	7,262,931
9999999999 - Totals				262,686,030	262,686,030	XXX	XXX	XXX	(609,753,670)	(734,794,318)	XXX	XXX	XXX	872,439,700	997,480,347

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year To Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory	254,200,000	104,092,069	416,200,000	1,909,319,202	373,300,000	1,791,781,150			254,200,000	104,092,069
2. Add: Opened or Acquired Transactions	416,200,000	1,909,319,202	373,300,000	1,791,781,150	218,900,000	609,753,670			1,008,400,000	4,310,854,022
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	
4. Less: Closed or Disposed of Transactions	254,200,000	104,092,069	416,200,000	1,909,319,202	373,300,000	1,791,781,150			1,043,700,000	3,805,192,421
5. Less: Positions Disposed of for Failing Effectiveness Criteria										
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	
7. Ending Inventory	416,200,000	1,909,319,202	373,300,000	1,791,781,150	218,900,000	609,753,670			218,900,000	609,753,670

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check	
1.	Part A, Section 1, Column 14	70,849,166	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance	9,411,051	
3.	Total (Line 1 plus Line 2)		80,260,218
4.	Part D, Section 1, Column 5	85,282,044	
5.	Part D, Section 1, Column 6	(1,685,526)	
6.	Total (Line 3 minus Line 4 minus Line 5)		(3,336,301)
		Fair Value Check	
7.	Part A, Section 1, Column 16	91,306,842	
8.	Part B, Section 1, Column 13	876,797	
9.	Total (Line 7 plus Line 8)		92,183,639
10.	Part D, Section 1, Column 8	107,181,094	
11.	Part D, Section 1, Column 9	(3,165,385)	
12	Total (Line 9 minus Line 10 minus Line 11)		(11,832,070)
		Potential Exposure Check	
13.	Part A, Section 1, Column 21	19,551,694	
14.	Part B, Section 1, Column 20	11,710,300	
15.	Part D, Section 1, Column 11	31,261,994	
16.	Total (Line 13 plus Line 14 minus Line 15)		

SCHEDULE E - PART 2 - VERIFICATION

(Cash Equivalents)

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	702,831,262	554,546,869
2.	Cost of cash equivalents acquired	63,780,726,457	43,123,173,718
3.	Accrual of discount	16,384,616	5,075,083
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals	3,425	(522)
6.	Deduct consideration received on disposals	63,093,013,641	42,979,963,886
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,406,932,119	702,831,262
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	1,406,932,119	702,831,262

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location 2	Location 3	4	5	6	7	8	9
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
(119) APARTMENT BUILDING	PASADENA	CA	09/30/2019	Various				234,691
(120) APARTMENT BUILDING	PASADENA	CA	09/30/2019	Various				47,929
(269) WAREHOUSE	Vernon	CA	09/30/2019	Various		21,112		
(5098) GUARDIAN LUMIERE, LLC	MEDFORD	MA	09/30/2019	Various		2,032		44,101
0199999. Acquired by Purchase						23,144		326,720
(5081) PIAZZA D'ORO, LLC	OCEANSIDE	CA	09/30/2019	Various		248,381		
(5073) GUARDIAN TRYON VILLAGE, LLC	WILMINGTON	DE	09/30/2019	Various		124,353		89,934
(5077) GUARDIAN SAN JUANITA, LLC	WILMINGTON	DE	09/30/2019	Various		216,776		21,463
(7022) Mark Center	WILMINGTON	DE	09/30/2019	Various				161,747
(7018) Hanover Hoffman Estates, LLC	HOFFMAN ESTATES	IL	09/30/2019	Various				56,428
(7020) Hanover South Barrington, LLC	SOUTH BARRINGTON	IL	09/30/2019	Various				226,018
(5054) GUARDIAN LEDGES, LLC	WEYMOUTH	MA	09/30/2019	Various				81,552
(5065) GUARDIAN PARK PLACE, LLC	ANNAPOLIS	MD	09/30/2019	Various		188,231		74,801
(5053) GUARDIAN QUINCY, LLC	ARLINGTON	VA	09/30/2019	Various				24,336
(5089) SEASONS LYNNWOOD, LLC	LYNNWOOD	WA	09/30/2019	Various				187
0299999. Acquired by Internal Transfer						777,741		736,467
0399999 - Totals						800,886		1,063,187

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1	Location 2	Location 3	4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances 9	10	11	12	13	14	15	16	17	18	19	20
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/ Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other Than Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in Book/ Adjusted Carrying Value (11-9-10)	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Book/ Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
(7022) Mark Center	WILMINGTON	DE	09/19/2019	DC 9-19 Fund, LLC	32,888,457		32,285,702	534,658			(534,658)		32,322,239	34,838,102		2,515,863	2,515,863		
Prior year sale	Various		09/30/2019	Various			9							48,941		48,941	48,941		
0199999. Property Disposed					32,888,457		32,285,711	534,658			(534,658)		32,322,239	34,887,043		2,564,804	2,564,804		
0399999 - Totals					32,888,457		32,285,711	534,658			(534,658)		32,322,239	34,887,043		2,564,804	2,564,804		

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location 2	Location 3	4	5	6	7	8	9
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings
1052366	WESTBOROUGH	MA		07/31/2019	3.750	44,000,000		77,000,000
1052368	CHARLOTTE	NC		08/28/2019	3.670	63,000,000		96,700,000
1052367	ARDMORE	PA		08/21/2019	3.500	26,700,000		56,052,935
1052365	THE WOODLANDS	TX		07/11/2019	3.900	19,250,000		35,597,561
1052264	SEATTLE	WA		12/22/2016	5.000		415,741	267,700,000
0599999. Mortgages in good standing - Commercial mortgages-all other						152,950,000	415,741	533,050,496
0899999. Total Mortgages in good standing						152,950,000	415,741	533,050,496
1699999. Total - Restructured Mortgages								
2499999. Total - Mortgages with overdue interest over 90 days								
3299999. Total - Mortgages in the process of foreclosure								
3399999 - Totals						152,950,000	415,741	533,050,496

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	Location 2	Location 3	4	5	6	7	Change in Book Value/Recorded Investment 8	9	10	11	12	13	14	15	16	17	18
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) /Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	Consid- eration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
1051834	SANTA FE SPRINGS	CA		07/14/2000	08/22/2019	585,390							438,215	438,215			
1051808	COLORADO SPRINGS	CO		07/27/1999	07/11/2019	123,090							31,330	31,330			
1051974	FARGO	ND		08/25/2005	09/23/2019	1,374,304							994,609	994,609			
1051944	LAKE GROVE	NY		11/30/2004	09/26/2019	11,530,826							11,309,698	11,309,698			
1052161	DOYLESTOWN	PA		12/21/2012	08/28/2019	14,965,242							14,602,932	14,602,932			
1052004	WEST CHESTER	PA		02/28/2006	08/28/2019	9,802,493							9,516,541	9,516,541			
28255	NEWPORT NEWS	VA		11/15/2004	09/03/2019	136,760		(669)			(669)		68,202	68,202			
28291	SUFFOLK	VA		08/23/2006	08/07/2019	2,146,249		(125,334)			(125,334)		1,917,302	1,917,302			
0199999. Mortgages closed by repayment						40,664,354		(126,003)			(126,003)		38,878,829	38,878,829			
1052117	CHANDLER	AZ		12/02/2008		52,877							52,877	52,877			
1051822	PEORIA	AZ		01/24/2000		49,854							49,854	49,854			
28333	BEVERLY HILLS	CA		04/13/2011		37,216		(19,163)			(19,163)		37,216	37,216			
1052195	BUENA PARK	CA		10/30/2014		78,635							78,635	78,635			
1052200	BURBANK	CA		12/22/2014		32,767							32,767	32,767			
1051985	CAPITOLA	CA		10/24/2005		58,497							58,497	58,497			
1052231	Carlsbad	CA		12/10/2015		147,277							147,277	147,277			
1052225	Culver City	CA		11/17/2015		80,335							80,335	80,335			
1052226	Culver City	CA		11/17/2015		1,924							1,924	1,924			
28336	ESCONDIDO	CA		08/31/2011		27,503		(15,359)			(15,359)		27,503	27,503			
1052075	FRESNO	CA		09/05/2007		111,313							111,313	111,313			
1052198	IRVINE	CA		12/01/2014		258,474							258,474	258,474			
1052203	IRVINE	CA		03/23/2015		222,510							222,510	222,510			
1052091	LA PUENTE	CA		02/28/2008		78,011							78,011	78,011			

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) /Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	Consid- eration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
1052164	LAGUNA WOODS	CA		05/02/2013		91,865							91,865	91,865			
1052246	LAKEWOOD	CA		05/05/2016		76,901							76,901	76,901			
1052178	LOS ANGELES	CA		12/17/2013		60,288							60,288	60,288			
1052228	LOS ANGELES	CA		11/30/2015		283,871							283,871	283,871			
1052259	MONTEREY	CA		11/18/2016		750,519							750,519	750,519			
1052194	NORTHRIDGE	CA		10/30/2014		78,635							78,635	78,635			
1051889	ORANGE	CA		09/12/2002		203,098							203,098	203,098			
1052190	OXNARD	CA		06/30/2014		241,960							241,960	241,960			
28294	PASADENA	CA		12/14/2006		52,724		(4,101)			(4,101)		52,724	52,724			
1052160	SAN DIEGO	CA		10/23/2012		194,775							194,775	194,775			
1052169	SAN DIEGO	CA		08/01/2013		102,765							102,765	102,765			
1052177	SAN DIEGO	CA		12/05/2013		8,862							8,862	8,862			
1052262	San Diego	CA		12/14/2016		228,802							228,802	228,802			
1052360	SAN JOSE	CA		03/21/2019		(9)							(9)	(9)			
1052197	SANTA MONICA	CA		11/19/2014		34,111							34,111	34,111			
1052237	SANTA MONICA	CA		04/07/2016		34,277							34,277	34,277			
1052163	SIMI VALLEY	CA		04/23/2013		43,387							43,387	43,387			
1052174	TUSTIN	CA		09/19/2013		44,236							44,236	44,236			
1052142	VISTA	CA		10/31/2011		81,866							81,866	81,866			
1052166	AURORA	CO		06/26/2013		69,874							69,874	69,874			
1052196	BOULDER	CO		11/18/2014		22,841							22,841	22,841			
1052137	DENVER	CO		06/30/2011		39,597		(15,074)			(15,074)		39,597	39,597			
1052272	HIGHLANDS RANCH	CO		03/01/2017		55,854							55,854	55,854			
1052126	WASHINGTON	DC		02/19/2010		116,716							116,716	116,716			
1052130	WASHINGTON	DC		09/22/2010		91,077							91,077	91,077			
1052132	WASHINGTON	DC		11/30/2010		92,641							92,641	92,641			
1052154	WASHINGTON	DC		08/30/2012		80,050							80,050	80,050			
28309	LAUREL	DE		09/26/2007		56,648		(14,946)			(14,946)		56,648	56,648			
1052141	NEW CASTLE	DE		10/27/2011		40,933							40,933	40,933			
1052245	NEW CASTLE	DE		04/21/2016		91,848							91,848	91,848			
1052235	DELRAY BEACH	FL		12/30/2015		59,715							59,715	59,715			
1052124	MIAMI LAKES	FL		12/21/2009		168,443							168,443	168,443			
1052249	NAPLES	FL		06/29/2016		30,421							30,421	30,421			
1052150	ORLANDO	FL		05/15/2012		157,169							157,169	157,169			
1052213	PORT ST LUCIE	FL		06/25/2015		99,754							99,754	99,754			
28270	ALPHARETTA	GA		12/03/2005		27,593		(1,191)			(1,191)		27,593	27,593			
28280	ATLANTA	GA		03/09/2006		45,300		(2,251)			(2,251)		45,300	45,300			
1052000	GRIFFIN	GA		02/16/2006		202,404							202,404	202,404			
28331	BUFFALO GROVE	IL		01/13/2011		25,450		(14,578)			(14,578)		25,450	25,450			
28334	ITASCA	IL		04/14/2011		32,184		(20,051)			(20,051)		32,184	32,184			
1052204	Boston	MA		04/30/2015		36,132							36,132	36,132			
1052205	Boston	MA		04/30/2015		70,927							70,927	70,927			
1052208	Boston	MA		05/21/2015		28,551							28,551	28,551			
1052209	Boston	MA		05/21/2015		49,898							49,898	49,898			
1052210	Boston	MA		05/21/2015		51,233							51,233	51,233			
1052224	BOSTON	MA		11/05/2015		171,028							171,028	171,028			
1052261	BRIGHTON	MA		12/13/2016		27,985							27,985	27,985			
1052206	BROOKLINE	MA		05/01/2015		42,537							42,537	42,537			
1052192	PEABODY	MA		09/24/2014		24,434							24,434	24,434			
1052158	BETHESDA	MD		10/09/2012		167,718							167,718	167,718			
1052364	BOWIE	MD		05/28/2019		162,661							162,661	162,661			
1052186	FREDERICK	MD		03/31/2014		95,761							95,761	95,761			
1051905	GAITHERSBURG	MD		08/13/2003		96,214							96,214	96,214			
1052145	GAITHERSBURG	MD		03/08/2012		202,382							202,382	202,382			
1052146	GAITHERSBURG	MD		03/14/2012		177,040							177,040	177,040			
1052148	ROCKVILLE	MD		05/03/2012		112,253							112,253	112,253			
1052188	MINNEAPOLIS	MN		05/27/2014		32,174							32,174	32,174			
28110	DURHAM	NC		04/22/1999		45,972							45,972	45,972			
28265	FUQUAY-VARINA	NC		08/19/2005		73,145		(2,070)			(2,070)		73,145	73,145			
1052189	HOLLY SPRINGS	NC		06/24/2014		145,884							145,884	145,884			

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) /Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	Consid- eration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
1052010	RALEIGH	NC		03/15/2006		91,958							91,958	91,958			
1051995	BROOKLAWN	NJ		12/22/2005		41,233							41,233	41,233			
1052038	BROOKLAWN	NJ		12/14/2006		30,384							30,384	30,384			
1052348	EDGEWATER	NJ		12/06/2018		212,202							212,202	212,202			
1052106	EWING	NJ		09/03/2008		52,814							52,814	52,814			
1051971	LAWRENCEVILLE	NJ		06/27/2005		203,498							203,498	203,498			
1052202	MONROE	NJ		02/02/2015		65,411							65,411	65,411			
1052191	MOUNT LAUREL	NJ		06/30/2014		64,728							64,728	64,728			
28296	ALBUQUERQUE	NM		12/27/2006		87,123		(6,265)			(6,265)		87,123	87,123			
28264	LAS VEGAS	NV		08/17/2005		25,813		(11,202)			(11,202)		25,813	25,813			
1051987	LAS VEGAS	NV		10/31/2005		220,467							220,467	220,467			
1052029	GUILDERLAND	NY		09/06/2006		23,046							23,046	23,046			
1052185	NEW YORK	NY		03/21/2014		64,818							64,818	64,818			
1052330	NEW YORK	NY		06/19/2018		22,192							22,192	22,192			
1052248	STATEN ISLAND	NY		06/06/2016		53,593							53,593	53,593			
1052220	PORTLAND	OR		10/13/2015		87,135							87,135	87,135			
1052247	PORTLAND	OR		05/16/2016		154,503							154,503	154,503			
1052022	HANOVER	PA		07/06/2006		281,552							281,552	281,552			
1052133	LITITZ	PA		01/10/2011		138,204		(9,715)			(9,715)		138,204	138,204			
1052193	SPRINGFIELD	PA		10/02/2014		276,021							276,021	276,021			
28292	ANDERSON	SC		09/28/2006		60,873		(13,800)			(13,800)		60,873	60,873			
28209	MEMPHIS	TN		06/20/2001		42,789							42,789	42,789			
1052239	NASHVILLE	TN		04/14/2016		111,872							111,872	111,872			
1052240	NASHVILLE	TN		04/14/2016		31,698							31,698	31,698			
1052037	HOUSTON	TX		12/01/2006		259,614							259,614	259,614			
1052143	HOUSTON	TX		11/15/2011		88,638							88,638	88,638			
1052199	HOUSTON	TX		12/18/2014		174,001							174,001	174,001			
1052211	HOUSTON	TX		05/29/2015		25,607							25,607	25,607			
1052212	HOUSTON	TX		06/10/2015		32,577							32,577	32,577			
1052183	SALT LAKE CITY	UT		03/06/2014		47,786							47,786	47,786			
1052152	ALEXANDRIA	VA		06/26/2012		106,141							106,141	106,141			
1052176	ARLINGTON	VA		11/21/2013		122,817							122,817	122,817			
1052260	Arlington	VA		11/29/2016		219,915							219,915	219,915			
28199	DULLES	VA		05/11/2001		106,941							106,941	106,941			
1051881	MCLEAN	VA		03/21/2002		164,531							164,531	164,531			
1052280	RESTON	VA		07/26/2017		78,441							78,441	78,441			
28301	RICHMOND	VA		04/10/2007		81,021		(6,412)			(6,412)		81,021	81,021			
28302	ROANOKE	VA		04/18/2007		36,441		(3,050)			(3,050)		36,441	36,441			
1052096	STERLING	VA		05/29/2008		181,126							181,126	181,126			
28289	WASHINGTON	VA		07/24/2006		55,029		(4,107)			(4,107)		55,029	55,029			
1052234	BELLEVUE	WA		12/22/2015		97,811							97,811	97,811			
1052232	Issaquah	WA		12/15/2015		209,285							209,285	209,285			
1051814	SEATTLE	WA		10/12/1999		149,184							149,184	149,184			
1052238	MADISON	WI		04/11/2016		537,222							537,222	537,222			
0299999. Mortgages with partial repayments						12,488,622		(163,335)			(163,335)		12,488,622	12,488,622			
0599999 - Totals						53,152,976		(289,338)			(289,338)		51,367,451	51,367,451			

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4		NAIC Designation and Administrative Symbol/ Market Indicator							
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner		Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
000000-00-0	HANOVER ACQUISTIONS II,LLC	Wilmington	DE	HANOVER ACQUISTIONS II,LLC		12/01/2012			19,000			100.000
1099999. Fixed or Variable Rate - Mortgage Loans - Affiliated									19,000			XXX
000000-00-0	57 Stars Global Opportunity 3 (Guardian) Series 2	Wilmington	DE	57 Stars		01/28/2016			293,886		8,587,270	76.300
000000-00-0	57 Stars Global Opportunity 3 (Guardian) Series 3	Wilmington	DE	57 Stars		05/23/2017			770,315		9,329,114	76.030
000000-00-0	57 Stars Global Opportunity Fund 3 L.P.	Wilmington	DE	57 Stars		06/30/2011			948,718		8,730,598	56.120
000000-00-0	Advantech Capital	Wilmington	DE	New Horizon Capital		01/28/2016			35,095		1,459,244	1.600
000000-00-0	Advantech Capital II LP		CYM	New Horizon Capital		06/21/2018			120,748		6,721,585	1.210
000000-00-0	Andreessen Horowitz LSV Fund I, L.P.	Wilmington	DE	Andreessen Horowitz		05/09/2019			1,300,000		9,880,000	0.650
000000-00-0	ASF VII Infrastructure L.P.			Ardian		06/22/2017			1,659,288		10,360,667	1.190
000000-00-0	Battery Ventures XI Side Fund, L.P.	Wilmington	DE	Battery Ventures		06/21/2016			54,000		348,300	1.800
000000-00-0	Battery Ventures XI, L.P.	Wilmington	DE	Battery Ventures		06/21/2016			160,000		1,616,000	1.230
000000-00-0	Battery Ventures XII	Wilmington	DE	Battery Ventures		03/26/2018			1,960,400		4,246,520	1.440
000000-00-0	Battery Ventures XII Side Fund	Wilmington	DE	Battery Ventures		03/26/2018			800,000		2,012,960	1.440
000000-00-0	Beekman Investment Partners III	Wilmington	DE	Beekman Group, The		10/08/2015			431,476		2,533,977	7.610
000000-00-0	Beekman Investment Partners IV, LP	Wilmington	DE	Beekman Group, The		06/28/2019			223,529		19,585,027	4.710
000000-00-0	Bunker Hill Capital II, L.P.	Wilmington	DE	Bunker Hill Capital		12/23/2009			36,422		2,525,871	7.630
000000-00-0	CapStreet IV, L.P.	Wilmington	DE	CapStreet Group		01/22/2015			1,400,000		4,427,604	5.880
000000-00-0	CCMP Capital Investors III, L.P.	Wilmington	DE	CCMP Capital Advisors, LLC		07/26/2013			106,907		2,606,439	0.600
000000-00-0	Centerbridge Capital Partners II	Wilmington	DE	Centerbridge Partners		05/09/2011			331,744		1,788,939	0.470
000000-00-0	Centre Lane Partners IV, L.P.	Wilmington	DE	Centre Lane Partners		05/12/2017	1		637,982		3,052,097	6.380
000000-00-0	Centre Lane Partners V, L.P.	WW	DE	Centre Lane Partners		09/11/2019		733,663			20,766,337	3.910
000000-00-0	Charles River Partnership XVII, LP	Wilmington	DE	Charles River Ventures		03/28/2018			750,000		7,080,000	1.980
000000-00-0	Columbia Capital Equity Partners VI (QP), L.P.	Wilmington	DE	Columbia Capital		01/22/2015			1,400,392		3,137,234	4.670
000000-00-0	CS Global Co-Investment Partners, LP	Wilmington	DE	Grosvenor Capital Management		08/21/2009			46,899		7,213,316	99.500
000000-00-0	Energy Spectrum VIII LP	Wilmington	DE	Energy Spectrum Capital		01/25/2019			514,617		23,236,627	2.880
000000-00-0	EQT VI Fund		GGY	EQT Partners		11/30/2011			33,146		755,298	0.290
000000-00-0	Felicis Ventures VI, L.P.	Wilmington	DE	Felicis Ventures		09/21/2018			770,000		7,040,400	3.650
000000-00-0	FirstMark Capital IV, L.P.	Wilmington	DE	FirstMark Capital		04/27/2017			330,000		5,995,000	4.050
000000-00-0	FirstMark Capital OF II, L.P.	Wilmington	DE	FirstMark Capital		01/11/2018			630,000		2,385,000	4.390
000000-00-0	Foundation Capital IX, L.P.	Wilmington	DE	Foundation Capital		01/30/2019			981,034		8,050,928	2.940
000000-00-0	Foundation Capital VIII, L.P.	Wilmington	DE	Foundation Capital		11/09/2015			807,693		2,576,537	5.380
000000-00-0	Foundry Group Next 2018, L.P.	Wilmington	DE	Foundry Group		06/26/2018			1,746,875		17,065,625	2.780
000000-00-0	Genstar Capital Partners IX, L.P.	Wilmington	DE	Genstar Capital		07/03/2019		2,665,625			20,834,375	0.430
000000-00-0	Genstar Capital Partners VII, L.P.	Wilmington	DE	Genstar Capital		10/01/2015			894,074		(309,735)	1.060
000000-00-0	Genstar Capital Partners VIII	Wilmington	DE	Genstar Capital		04/28/2017			313,741		740,198	0.630
000000-00-0	Global Infrastructure Partners A, L.P.	Wilmington	DE	Global Infrastructure Partners		07/11/2007			21,576		2,415,330	1.010
000000-00-0	Global Infrastructure Partners II - A, L.P.	Wilmington	DE	Global Infrastructure Partners		08/09/2012			92,415		1,884,672	0.800
000000-00-0	Global Infrastructure Partners III A/B	Wilmington	DE	Global Infrastructure Partners		08/02/2016			1,333,217		12,560,873	0.900
000000-00-0	Global Infrastructure Partners IV, L.P.	Wilmington	DE	Global Infrastructure Partners				102,361			7,500,000	0.040
000000-00-0	Green Equity Investors VI, L.P.	Wilmington	DE	Leonard Green & Partners, L.P.		12/06/2012			56,053		2,515,742	0.640
000000-00-0	Green Equity Investors VII, L.P. & Side VII	Wilmington	DE	Leonard Green & Partners, L.P.		05/12/2017			3,972,161		6,124,784	0.210
000000-00-0	Grey Mountain Partners Fund II, L.P.	Wilmington	DE	Grey Mountain Partners		11/20/2009			30,125		453,862	6.700
000000-00-0	Grotech Ventures II, LP	Wilmington	DE	Grotech Ventures		12/28/2011			285,714		1,375,293	6.670
000000-00-0	GS Capital Partners VI Fund, L.P.	Wilmington	DE	Goldman Sachs		04/26/2007			65,726		4,197,416	0.230
000000-00-0	GS Vintage Fund IV, L.P.	Wilmington	DE	Goldman Sachs		01/23/2007			71,090		3,274,125	1.320
000000-00-0	GSO Capital Opportunities Fund III	Wilmington	DE	Blackstone Group		09/22/2016			483,130		26,790,169	0.750
000000-00-0	GTCR Fund XII	Wilmington	DE	GTCR		05/04/2018			235,000		17,446,400	0.430
000000-00-0	Harbourvest Guardian Co-Investment Fund L.P.	Wilmington	DE	HarbourVest Partners		04/28/2016			5,100,000		32,700,000	99.000
000000-00-0	Harvest Partners VII and VII Parallel	Wilmington	DE	Harvest Partners		09/28/2016			1,346,443		2,559,935	0.750
000000-00-0	HPS Mezzanine Partners 2019, L.P.	Wilmington	DE	HPS Investment Partners, LLC		08/29/2019		1,512,484			16,487,516	0.360
000000-00-0	Investindustrial VI LP			Investindustrial Partners		05/24/2016			2,364,452		3,432,954	0.930
000000-00-0	Investindustrial VII L.P.			Investindustrial Advisors Limited		09/16/2019		125,631			22,145,985	0.710
000000-00-0	ISQ Global Infrastructure Fund II, L.P.	Wilmington	DE	I Squared Capital		06/07/2018			2,973,601		17,385,185	0.370
000000-00-0	J.C. Flowers II, L.P.		CYM	J.C. Flowers & Co. LLC		05/26/2006			25,996		542,520	0.320
000000-00-0	Kinderhook Capital Fund V, L.P.	Wilmington	DE	Kinderhook Industries		12/19/2017			1,400,000		9,366,663	2.670
000000-00-0	Levine Leichtman Capital Partners V, L.P.	Wilmington	DE	Levine Leichtman Capital Partners		04/11/2013			123,458		3,328,387	1.370
000000-00-0	Lime Rock Partners VIII, L.P.		CYM	Lime Rock Partners		11/26/2018			688,786		7,504,222	3.330
000000-00-0	Lovell Minnick Equity Partners IV, L.P.	Wilmington	DE	Lovell Minnick Partners, LLC		03/27/2015			852,517		(1,125,004)	3.620
000000-00-0	Meritech Capital Partners VI, L.P.	Wilmington	DE	Meritech Capital Partners		06/18/2018			1,207,500		4,960,000	1.590

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation and Administrative Symbol/ Market Indicator	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
000000-00-0	MSouth Equity Partners III, L.P.	Wilmington	DE	MSouth Equity Partners, L.P.		11/09/2015			1,103,769		4,062,673	3.850
000000-00-0	MSouth Equity Partners IV, L.P.	Wilmington	DE	MSouth Equity Partners, L.P.		09/06/2019		602,988			19,397,013	0.000
000000-00-0	New Leaf Ventures III, L.P.	Wilmington	DE	New Leaf Venture Partners		12/15/2015			875,000		761,613	8.380
000000-00-0	Pfingsten Partners IV	Wilmington	DE	Pfingsten Partners		03/31/2009			35,963		3,802,431	3.810
000000-00-0	Platte River Equity IV, L.P.	Wilmington	DE	Platte River Ventures		05/02/2018			180,000		15,060,000	3.200
000000-00-0	Primus Capital Fund VIII, L.P.	Wilmington	DE	Primus Capital		12/21/2017			2,214,057		10,318,126	3.890
000000-00-0	Techstars Ventures 2017, L.P.	Wilmington	DE	Techstars Ventures		01/17/2018			875,000		6,925,000	6.460
000000-00-0	Thompson Street Capital Partners IV, L.P.	Wilmington	DE	Thompson Street Capital Partners		01/25/2016			1,175,898		1,113,433	3.120
000000-00-0	Thompson Street Capital Partners V, L.P.	Wilmington	DE	Thompson Street Capital Partners		07/27/2018			101,733		17,286,091	2.350
000000-00-0	Trident V, L.P.		CYM	Stone Point Capital		12/28/2010			11,760		372,836	0.360
000000-00-0	Trident VI, L.P.		CYM	Stone Point Capital		09/12/2014			276,536		1,706,244	0.560
000000-00-0	Trinity Ventures XII, L.P.	Wilmington	DE	Trinity Ventures		04/07/2016			270,000		3,948,750	3.340
000000-00-0	TSG6, L.P	Wilmington	DE	TSG Consumer Products		07/02/2012			70,844		2,358,388	0.940
000000-00-0	TSG7 L.P. A	Wilmington	DE	TSG Consumer Products		03/30/2016			1,428,776		4,922,170	0.950
000000-00-0	TSG7, L.P. B	Wilmington	DE	TSG Consumer Products		01/19/2016			1,013,721		1,620,701	0.780
000000-00-0	TSG8 L.P.	Wilmington	DE	TSG Consumer Products		01/08/2019			133,016		21,074,099	0.530
000000-00-0	Warburg Pincus Energy	Wilmington	DE	Warburg Pincus		07/25/2014			1,050,000		7,035,000	0.780
000000-00-0	Warburg Pincus Private Equity XII, L.P.	Wilmington	DE	Warburg Pincus		12/21/2015			2,880,000		2,364,000	0.190
2199999. Joint Venture Interests - Other - Unaffiliated								5,742,752	56,914,015		556,334,949	XXX
64952G-AQ-1	NEW YORK LIFE INSURANCE BASIC 4.450% 05/15/69		NY	J.P. MORGAN		04/01/2019		8,836,150				
668138-AC-4	NORTHWESTERN MUTUAL LIFE BASIC 3.625% 09/30/59		WI	J.P. MORGAN		09/12/2019		14,950,370				
878091-BF-3	TEACHERS INSUR & ANNUITY 4.270% 05/15/47		NY	PNC CAPITAL		02/05/2019		3,276,435				
2399999. Surplus Debentures, etc - Unaffiliated								27,062,955				XXX
000000-00-0	USB LIHTC Fund 2017-9	Wilmington	DE	USB LIHTC Fund 2017-9		12/06/2017			8,224,439			
000000-00-0	Aegon LIHTC Fund 55 , LLC	Wilmington	DE	Aegon LIHTC Fund 55 , LLC		09/14/2018			938,572			
000000-00-0	R4 Housing Partners X LP	Wilmington	DE	R4 Housing Partners X LP		12/14/2018			584,647			
000000-00-0	CREA Corporate Tax Credit Fund 66, LLC	Wilmington	DE	CREA Corporate Tax Credit Fund 66, LLC		01/03/2019			35,780			
3199999. Guaranteed Federal Low Income Housing Tax Credit - Unaffiliated									9,783,438			XXX
000000-00-0	Fayetteville RG Solar (Panda/ReneSola)	Wilmington	DE	Fayetteville RG Solar (Panda/ReneSola)		11/05/2018			8,424,982			
000000-00-0	MG Clackamas, LLC	Wilmington	DE	MG Clackamas, LLC		07/26/2019		286,311				
000000-00-0	MPC 2019 Energy Fund 1, LLC	Wilmington	DE	MPC 2019 Energy Fund 1, LLC		04/24/2019			1,190,000			
000000-00-0	Nittany Solar, LLC	Wilmington	DE	Nittany Solar, LLC		08/28/2019		684,875				
000000-00-0	RBC-VSF 26 Holding Company, LLC	Wilmington	DE	RBC-VSF 26 Holding Company, LLC		06/03/2019			6,382,086			
000000-00-0	RG Granite Solar, LLC	Wilmington	DE	RG Granite Solar, LLC		03/22/2019			11,398,988			
000000-00-0	RG Roanoke Solar, LLC	Wilmington	DE	RG Roanoke Solar, LLC		06/27/2019			7,217,149			
000000-00-0	SkyHigh Sun, LLC	Wilmington	DE	SkyHigh Sun, LLC		10/15/2018			3,288,107			
4399999. Any Other Class of Assets - Affiliated								971,186	37,901,313			XXX
4499999. Total - Unaffiliated								32,805,707	66,697,453		556,334,949	XXX
4599999. Total - Affiliated								971,186	37,920,313			XXX
4699999 - Totals								33,776,893	104,617,766		556,334,949	XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/ Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book/ Adjusted Carrying Value (9+10-11+12)	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Book/ Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
000000-00-0	GUARDIAN -MATTHEWS,LLC	NASHVILLE	TN	GUARDIAN -MATTHEWS,LLC	09/01/1989	09/13/2019	81,000							81,000	81,000				
000000-00-0	GUARDIAN SHORES, LLC	MARINA DEL RAY	CA	GUARDIAN SHORES, LLC	03/25/2011	09/13/2019	846,114							846,114	846,114				
1899999. Joint Venture Interests - Real Estate - Affiliated							927,114							927,114	927,114				
000000-00-0	57 Stars Global Opportunity 3 (Guardian) Series 2	Wilmington	DE	CAPITAL DISTRIBUTION	01/28/2016	09/30/2019	3,003,397							3,003,397	3,003,397				
000000-00-0	57 Stars Global Opportunity 3 (Guardian) Series 3	Wilmington	DE	CAPITAL DISTRIBUTION	05/23/2017	09/30/2019	228,537							228,537	228,537				
000000-00-0	57 Stars Global Opportunity Fund 3 L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	06/30/2011	09/30/2019	1,311,149							1,311,149	1,311,149				
000000-00-0	Advantech Capital		CYM	CAPITAL DISTRIBUTION	01/28/2016	09/30/2019	281,670							281,670	281,670				
000000-00-0	Affinity Asia Pacific Fund V L.P.		CYM	CAPITAL DISTRIBUTION	12/11/2018	09/30/2019	57,458							57,458	57,458				
000000-00-0	ASF VII Infrastructure L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	06/22/2017	09/30/2019	2,573,303							2,573,303	2,573,303				
000000-00-0	Beekman Investment Partners III	Wilmington	DE	CAPITAL DISTRIBUTION	10/08/2015	09/30/2019	198,902							198,902	198,902				
000000-00-0	CapStreet III, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	11/24/2008	09/30/2019	432,815							432,815	432,815				
000000-00-0	CCMP Capital Investors II	Wilmington	DE	CAPITAL DISTRIBUTION	01/22/2007	09/30/2019	17,048							17,048	17,048				
000000-00-0	CCMP Capital Investors III, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	07/26/2013	09/30/2019	2,025,936							2,025,936	2,025,936				
000000-00-0	Centerbridge Capital Partners II	Wilmington	DE	CAPITAL DISTRIBUTION	05/09/2011	09/30/2019	420,472							420,472	420,472				
000000-00-0	CID Capital Opportunity Fund II, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	11/22/2013	09/30/2019	710,162							710,162	710,162				
000000-00-0	CID Capital Opportunity Fund L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	04/07/2008	09/30/2019	758,774							758,774	758,774				
000000-00-0	Crosslink Ventures VI, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	06/11/2010	09/30/2019	273,120							273,120	273,120				
000000-00-0	Energy Spectrum VIII LP	Wilmington	DE	CAPITAL DISTRIBUTION	01/25/2019	09/30/2019	21,936							21,936	21,936				
000000-00-0	EQT VI Fund		GGY	CAPITAL DISTRIBUTION	11/30/2011	09/30/2019	3,279							3,279	3,279				
000000-00-0	Global Infrastructure Partners A, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	07/11/2007	09/30/2019	189,676							189,676	189,676				
000000-00-0	Green Equity Investors VI, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	12/06/2012	09/30/2019	888,144							888,144	888,144				
000000-00-0	Green Equity Investors VII, L.P. & Side VII	Wilmington	DE	CAPITAL DISTRIBUTION	05/12/2017	09/30/2019	1,833,254							1,833,254	1,833,254				
000000-00-0	Grotech Partners VII, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	11/01/2007	09/30/2019	61,230							61,230	61,230				
000000-00-0	Grotech Ventures II, LP	Wilmington	DE	CAPITAL DISTRIBUTION	12/28/2011	09/30/2019	73,333							73,333	73,333				
000000-00-0	GS Capital Partners VI Fund, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	04/26/2007	09/30/2019	42,963							42,963	42,963				
000000-00-0	GS Vintage Fund IV, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	01/23/2007	09/30/2019	548,789							548,789	548,789				
000000-00-0	GSO Capital Opportunities Fund III	Wilmington	DE	CAPITAL DISTRIBUTION	09/22/2016	09/30/2019	2,167,157							2,167,157	2,167,157				
000000-00-0	GSO Energy Select Opportunities Fund II LP	Wilmington	DE	CAPITAL DISTRIBUTION	03/27/2019	09/30/2019	25,488							25,488	25,488				
000000-00-0	GTCR Fund XI/A & B	Wilmington	DE	CAPITAL DISTRIBUTION	09/02/2014	09/30/2019	531,886							531,886	531,886				
000000-00-0	GTCR Fund XII	Wilmington	DE	CAPITAL DISTRIBUTION	05/04/2018	09/30/2019	134,476							134,476	134,476				
000000-00-0	High Street Real Estate Fund V	Wilmington	DE	CAPITAL DISTRIBUTION	06/25/2008	09/30/2019	958,073							958,073	958,073				
000000-00-0	ISQ Global Infrastructure Fund II, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	06/07/2018	09/30/2019	857,405							857,405	857,405				
000000-00-0	J.C. Flowers II, L.P.		CYM	CAPITAL DISTRIBUTION	05/26/2006	09/30/2019	1,383,358							1,383,358	1,383,358				
000000-00-0	Levine Leichtman Capital Partners V, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	04/11/2013	09/30/2019	136,855							136,855	136,855				
000000-00-0	Longworth Venture Partners III, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	12/10/2008	09/30/2019	1,679,994							1,679,994	1,679,994				
000000-00-0	Longworth Venture Partners III, L.P. (2)	Wilmington	DE	CAPITAL DISTRIBUTION	06/08/2009	09/30/2019	25,154							25,154	25,154				
000000-00-0	Lovell Minnick Equity Partners IV, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	03/27/2015	09/30/2019	1,163,719							1,163,719	1,163,719				
000000-00-0	Pfingsten Partners IV	Wilmington	DE	CAPITAL DISTRIBUTION	03/31/2009	09/30/2019	1,847,616							1,847,616	1,847,616				
000000-00-0	Pimco Bravo Fund II, LP	Wilmington	DE	CAPITAL DISTRIBUTION	10/22/2013	09/30/2019	974,203							974,203	974,203				
000000-00-0	Primus Capital Fund VII, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	12/21/2012	09/30/2019	933,551							933,551	933,551				
000000-00-0	SVB Capital Preferred Return Fund, LP	Wilmington	DE	CAPITAL DISTRIBUTION	02/10/2010	09/30/2019	1,035,000							1,035,000	1,035,000				
000000-00-0	Trident V, L.P.		CYM	CAPITAL DISTRIBUTION	12/28/2010	09/30/2019	194,369							194,369	194,369				
000000-00-0	Trident VI, L.P.		CYM	CAPITAL DISTRIBUTION	09/12/2014	09/30/2019	425,301							425,301	425,301				
000000-00-0	Warburg Pincus Energy	Wilmington	DE	CAPITAL DISTRIBUTION	07/25/2014	09/30/2019	313,500							313,500	313,500				
000000-00-0	Warburg Pincus Private Equity XII, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	12/21/2015	09/30/2019	722,400							722,400	722,400				
000000-00-0	Warburg, Pincus Private Equity X, L.P.	Wilmington	DE	CAPITAL DISTRIBUTION	10/01/2007	09/30/2019	1,406,825							1,406,825	1,406,825				
000000-00-0	Warburg, Pincus Private Equity XI, LP	Wilmington	DE	CAPITAL DISTRIBUTION	09/20/2012	09/30/2019	712,500							712,500	712,500				
2199999. Joint Venture Interests - Other - Unaffiliated							33,584,176							33,584,176	33,584,176				
000000-00-0	Advantage Capital Solar I, LLC	Wilmington	DE	Advantage Capital Solar I, LLC	10/11/2017	09/30/2019	150,000							150,000	150,000				
000000-00-0	Advantage Capital Solar II,LLC	Wilmington	DE	Advantage Capital Solar II,LLC	10/29/2018	09/30/2019	110,058							110,058	110,058				
000000-00-0	Fayetteville RG Solar, LLC	Wilmington	DE	Fayetteville RG Solar, LLC	11/05/2018	09/30/2019	5,187,547							5,187,547	5,187,547				
000000-00-0	RG Granite Solar, LLC	Wilmington	DE	RG Granite Solar, LLC	03/22/2019	09/30/2019	5,968,743							5,968,743	5,968,743				
000000-00-0	RG Waseco Solar, LLC	Wilmington	DE	RG Waseco Solar, LLC	09/20/2018	09/30/2019	2,518,585							2,518,585	2,518,585				

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/ Adjusted Carrying Value Less Encum-brances, Prior Year	Unrealized Valuation Increase (De-crease)	Current Year's (Depre-ciation) or (Amorti-zation)/ Accretion	Current Year's Other Than Temporary Impair-ment Recog-nized	Capital-ized Deferred Interest and Other	Total Change in Book/ Adjusted Carrying Value (9+10-11+12)	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Book/ Adjusted Carrying Value Less Encum-brances on Disposal	Consid-eration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Invest-ment Income
000000-00-0	RG Worcester Solar, LLC	Wilmington	DE	RG Worcester Solar, LLC	10/09/2018	09/30/2019	2,794,842							2,794,842	2,794,842				
000000-00-0	SkyHigh Sun, LLC	Wilmington	DE	SkyHigh Sun, LLC	10/15/2018	09/30/2019	215,901							215,901	215,901				
000000-00-0	USB RETC Fund 2018-10,LLC	Wilmington	DE	USB RETC Fund 2018-10,LLC	07/26/2018	09/30/2019	211,442							211,442	211,442				
000000-00-0	USB RETC Fund 2018-11,LLC	Wilmington	DE	USB RETC Fund 2018-11,LLC	06/18/2018	09/30/2019	15,957,513							15,957,513	15,957,513				
000000-00-0	GUARDIAN ACQUISTIONS I, LLC	Wilmington	DE	GUARDIAN ACQUISTIONS I, LLC	08/31/2017	09/30/2019	25,200,645							25,200,645	25,200,645				
4399999. Any Other Class of Assets - Affiliated							58,315,276							58,315,276	58,315,276				
4499999. Total - Unaffiliated							33,584,176							33,584,176	33,584,176				
4599999. Total - Affiliated							59,242,390							59,242,390	59,242,390				
4699999 - Totals							92,826,566							92,826,566	92,826,566				

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol/ Market Indicator (a)
912803-FA-6	STRIP PRINC STRIPS 0.000% 11/15/47		09/27/2019	CITICORP SECURITIES		47,285,520	87,000,000		1
912810-SH-2	US TREASURY N/B BONDS 2.875% 05/15/49		09/25/2019	Various		92,154,204	81,785,000	646,261	1
912810-SJ-8	US TREASURY N/B BONDS 2.250% 08/15/49		09/11/2019	GOLDMAN SACHS		1,305,434	1,300,000	2,226	1
912828-2U-3	US GOVERNMENT TREAS BILL NOTES 1.875% 08/31/24		08/14/2019	GOLDMAN SACHS		8,347,023	8,200,000	70,608	1
912828-6T-2	US GOVERNMENT TREAS BILL NOTES 2.375% 05/15/29		08/07/2019	GOLDMAN SACHS		6,399,844	6,000,000	32,914	1
912828-6Z-8	US GOVERNMENT TREAS BILL NOTES 1.750% 06/30/24		07/22/2019	BARCLAYS		2,344,768	2,350,000	2,570	1
912828-7A-2	US GOVERNMENT TREAS BILL NOTES 1.625% 06/30/21		07/11/2019	GOLDMAN SACHS		1,593,563	1,600,000	848	1
912828-7F-1	US GOVERNMENT TREAS BILL NOTES 1.750% 07/31/21		08/16/2019	Various		32,810,803	32,680,000	27,659	1
912828-L3-2	US GOVERNMENT TREAS BILL NOTES 1.375% 08/31/20		08/29/2019	CITICORP SECURITIES		44,827,734	45,000,000	307,694	1
912828-W7-1	US GOVERNMENT TREAS BILL NOTES 2.125% 03/31/24		09/03/2019	GOLDMAN SACHS		773,936	750,000	6,793	1
912828-Y8-7	US GOVERNMENT TREAS BILL NOTES 1.750% 07/31/24		08/16/2019	Various		11,014,857	11,025,000	2,354	1
912828-Y9-5	US GOVERNMENT TREAS BILL NOTES 1.875% 07/31/26		08/29/2019	BANK OF AMERICA		5,133,984	5,000,000	7,643	1
912828-YB-0	US GOVERNMENT TREAS BILL NOTES 1.625% 08/15/29		09/27/2019	Various		97,996,396	98,205,000	103,513	1
912828-YE-4	US GOVERNMENT TREAS BILL NOTES 1.250% 08/31/24		09/18/2019	Various		32,067,041	32,620,000	14,100	1
912828-YJ-3	US GOVERNMENT TREAS BILL NOTES 1.500% 09/30/21		09/27/2019	GOLDMAN SACHS		2,493,555	2,500,000		1
0599999. Subtotal - Bonds - U.S. Governments						386,548,662	416,015,000	1,225,183	XXX
643154-EZ-6	NEW CANEY TX INDEP SCH DIST SCHOOL DISTRICT 4.000% 02/15/51		07/11/2019	OPPENHEIMER		2,197,440	2,000,000	4,889	1FE
2499999. Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						2,197,440	2,000,000	4,889	XXX
11506K-FK-2	BROWARD CNTY FL PORT FACS REVE TRANSPORTATION 4.000% 09/01/49		09/12/2019	Various		10,979,300	10,000,000		1FE
392276-AW-1	GREATER OUACHITA WTR CO INC LA WATER 3.000% 09/01/49		09/05/2019	CREWS & ASSOCIATES		1,193,471	1,210,000		1FE
882667-AN-8	TEXAS PVT ACTIVITY SURFACE TRN TRANSPORTATION 5.000% 06/30/58		07/31/2019	BANK OF AMERICA		11,470,200	10,000,000		2FE
3199999. Subtotal - Bonds - U.S. Special Revenues						23,642,971	21,210,000		XXX
00115A-AL-3	AEP TRANSMISSION CO LLC BASIC 3.150% 09/15/49		09/13/2019	JEFFERIES & COMPANY INC.		5,736,720	6,000,000	3,150	1FE
00206R-CN-0	AT&T INC 3.4% Due 5/15/2025 MN15 3.400% 05/15/25		08/12/2019	BARCLAYS		1,039,470	1,000,000	8,406	2FE
00287Y-BD-0	ABBVIE INC BASIC 4.875% 11/14/48		08/01/2019	US BANCORP INC		131,993	125,000	1,371	2FE
00287Y-BF-5	ABBVIE INC BASIC 4.250% 11/14/28		07/22/2019	PARIBAS SECURITIES		3,217,620	3,000,000	24,792	2FE
00AC07-19-8	STOLTHAVEN NEW ORLEANS, LLC STOLTHAVEN NEW ORLEANS, LLC 5.150% 07/17/29		07/01/2019	PARETO SECURITIES INC		21,000,000	21,000,000		2PL
00AC08-21-2	COSTCO WHOLESALE JAPAN, LTD COSTCO WHOLESALE JPAN, LTD 0.280% 08/22/29		08/01/2019	MUFG SECURITIES AMERICAS INC		25,366,500	25,366,500		1Z
01185*-AA-3	ALASKA VENTURES LLC ALASKA VENTURES 4.670% 06/30/33		07/01/2019	PAYMENT-IN-KIND		756,369	756,369		2PL
01185*-AB-1	ALASKA VENTURES LLC ALASKA VENTURES LLC 4.670% 06/30/33		08/30/2019	Tax Free Exchange		3,000,000	3,000,000	2,724	2PL
015271-AR-0	ALEXANDRIA REAL EST EQUITIES BASIC 3.375% 08/15/31		07/26/2019	Various		14,264,908	14,250,000	2,813	2FE
02004V-AC-7	Ally Auto Receivables Trust SERIES 20182 CLASS A3 2.920% 11/15/22		08/22/2019	J.P. MORGAN		11,847,764	11,750,000	10,484	1FE
02209S-AN-3	ALTRIA GROUP INC 2.850% 08/09/22		08/06/2019	CREDIT SUISSE FIRST BOSTON		3,048,750	3,000,000	42,513	2FE
02209S-BD-4	ALTRIA GROUP INC BASIC 4.800% 02/14/29		09/25/2019	Various		21,698,000	20,000,000	370,617	2FE
02209S-BF-9	ALTRIA GROUP INC BASIC 5.950% 02/14/49		09/25/2019	BARCLAYS		5,906,350	5,000,000	35,535	2FE
02582J-HE-3	AMXCA 2013-2 SERIES 20173 CLASS A 1.770% 11/15/22		08/28/2019	J.P. MORGAN		1,093,503	1,095,000	808	1FE
026874-DL-8	AIG BASIC 4.750% 04/01/48		07/23/2019	MORGAN STANLEY		1,104,230	1,000,000	15,042	2FE
03072S-V5-1	AMSI 2003-5 A3 SERIES 2005R11 CLASS M5 2.734% 01/25/36		09/12/2019	BANK OF AMERICA		4,662,500	5,000,000	8,240	6FE
035240-AJ-9	ANHEUSER-BUSCH INBEV WOR BASIC 3.500% 01/12/24		08/07/2019	CITICORP SECURITIES		5,279,000	5,000,000	13,125	2FE
035240-AQ-3	ANHEUSER-BUSCH INBEV WOR BASIC 4.750% 01/23/29		07/22/2019	BARCLAYS		3,411,110	3,000,000	132	2FE
03524B-AE-6	ANHEUSER-BUSCH INBEV FIN BASIC 3.700% 02/01/24		08/12/2019	MILLENIUM ADVISORS		265,323	250,000	334	2FE
03765H-AB-7	APOLLO MANAGEMENT HOLDIN 4.4% Due 5/27/2026 MN27 4.400% 05/27/26		09/19/2019	JANE STREET		1,074,570	1,000,000	14,178	1FE
03939C-AA-1	ARCH CAPITAL FINANCE LLC BASIC 4.011% 12/15/26		09/19/2019	MORGAN STANLEY		1,088,710	1,000,000	10,919	2FE
05237*-AA-2	AUSTIN POWDER HOLDINGS COMPANY AUSTIN POWDER HOLDINGS COMPANY 4.090% 01/15/21		07/26/2019	STONECASTLE SECURITIES LLC		2,993,670	3,000,000	2,893	2PL
05237*-AC-8	AUSTIN POWDER HOLDINGS COMPANY AUSTIN POWDER HOLDINGS COMPANY 4.450% 01/15/23		07/01/2019	STONECASTLE SECURITIES LLC		2,016,900	2,000,000	2,089	2PL
05237*-AE-4	AUSTIN POWDER HOLDINGS COMPANY AUSTIN POWDER HOLDINGS COMPANY 4.600% 01/15/25		07/01/2019	STONECASTLE SECURITIES LLC		3,041,580	3,000,000	3,233	2PL
05348E-AU-3	AVALONBAY COMMUNITIES BASIC 3.500% 11/15/24		08/09/2019	BANK OF AMERICA		2,661,425	2,500,000	21,389	1FE
05348E-BF-5	AVALONBAY COMMUNITIES BASIC 3.300% 06/01/29		07/29/2019	WELLS FARGO SECURITIES LLC		2,087,940	2,000,000	13,475	1FE
06051G-HV-4	BAFC 2004-2 BASIC 3.194% 07/23/30		09/16/2019	Various		7,272,484	7,200,000	15,296	1FE
06540A-AG-6	BANK SERIES 2019BN20 CLASS AS 3.243% 09/15/61		09/13/2019	MORGAN STANLEY		14,419,199	14,000,000	31,529	1FE
06540B-BD-0	BANK SERIES 2019BN21 CLASS A5 2.851% 10/15/52		09/27/2019	BANK OF AMERICA		5,149,875	5,000,000	8,711	1FE
06540B-BG-3	BANK SERIES 2019BN21 CLASS AS 3.093% 10/15/52		09/27/2019	BANK OF AMERICA		5,149,830	5,000,000	9,451	1FE
06540W-BD-4	BANK SERIES 2019BN19 CLASS A3 3.183% 08/15/61		07/23/2019	WELLS FARGO SECURITIES LLC		10,299,660	10,000,000	6,189	1FE
08162F-AG-8	BENCHMARK MORTGAGE TRUST SERIES 2019B12 CLASS AS 3.419% 08/15/52		07/19/2019	CITICORP SECURITIES		9,784,934	9,500,000	6,315	1FE
110122-BY-3	BRISTOL-MYERS SQUIBB CO BASIC 2.600% 05/16/22		09/23/2019	SUNTRUST EQUITABLE		2,542,975	2,500,000	23,292	1FE
110122-CB-2	BRISTOL-MYERS SQUIBB CO BASIC 3.400% 07/26/29		07/16/2019	BARCLAYS		2,071,820	2,000,000	11,711	1FE
110122-CD-8	BRISTOL-MYERS SQUIBB CO BASIC 4.250% 10/26/49		07/31/2019	Various		17,533,020	16,000,000	128,799	1FE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/ Market Indicator (a)
124857-AX-1	CBS CORP 3.7% Due 06/01/2028 JD1 3.700% 06/01/28		08/01/2019	Tax Free Exchange		147,876	150,000	925	2FE
124857-AY-9	CBS CORP BASIC 2.900% 06/01/23		08/12/2019	CREDIT SUISSE FIRST BOSTON		904,000	890,000	5,234	2FE
126408-HQ-9	CSX CORP BASIC 2.400% 02/15/30		09/04/2019	PIERPONT SECURITIES		2,500,250	2,500,000		2FE
126650-CX-6	CVS CAREMARK CORP BASIC 4.300% 03/25/28		07/24/2019	CREDIT SUISSE FIRST BOSTON		1,591,515	1,500,000	21,679	2FE
126650-DG-2	CVS CAREMARK CORP BASIC 3.250% 08/15/29		08/08/2019	BARCLAYS		14,864,550	15,000,000		2FE
126697-AB-7	CWL 2007-12 SERIES 200712 CLASS 1A2 2.884% 08/25/47		07/26/2019	BANK OF AMERICA		12,710,726	12,904,290	5,567	6FE
12669W-AB-2	Countrywide Asset-Backed Certi SERIES 20078 CLASS 1A2 2.344% 11/25/37		07/10/2019	BANK OF AMERICA		10,934,490	11,540,359	14,683	6FE
144538-AC-9	Carrington Mortgage Loan Trust SERIES 2006FRE1 CLASS A3 2.204% 04/25/36		08/29/2019	BANK OF AMERICA		11,166,286	11,707,771	5,972	6FE
149123-CG-4	CATERPILLAR INC. BASIC 2.600% 09/19/29		09/16/2019	CITICORP SECURITIES		4,992,550	5,000,000		1FE
151020-BA-1	CELGENE CORP BASIC 3.250% 02/20/23		08/07/2019	BANK OF AMERICA		5,182,000	5,000,000	76,285	2FE
161175-BK-9	CHARTER COMM OPT LLC/CAP BASIC 4.200% 03/15/28		07/24/2019	Various		12,472,940	12,000,000	183,400	2FE
161175-BQ-6	CHARTER COMM OPT LLC/CAP BASIC 4.500% 02/01/24		08/06/2019	BARCLAYS		3,212,760	3,000,000	2,625	2FE
161571-HE-7	CHAIT 2016-A4 1.49% Due 7/15/2022 Mo-15 1.490% 07/15/22		08/22/2019	BARCLAYS		15,531,036	15,595,000	7,100	1FE
172967-ME-8	CITIGROUP INC BASIC 3.980% 03/20/30		07/30/2019	CITICORP SECURITIES		7,996,750	7,500,000	108,621	1FE
17305E-GB-5	CCCIT 2016-A1 SERIES 2017A3 CLASS A3 1.920% 04/07/22		08/27/2019	BARCLAYS		1,998,750	2,000,000	15,147	1FE
20030N-CT-6	COMCAST CORP. BASIC 4.150% 10/15/28		08/19/2019	Various		17,660,160	16,000,000	204,733	1FE
205887-BR-2	CONAGRA FOODS INC BASIC 3.200% 01/25/23		08/12/2019	SUSQUEHANNA		1,025,420	1,000,000	1,689	2FE
205887-CE-0	CONAGRA FOODS INC BASIC 5.400% 11/01/48		07/24/2019	MORGAN STANLEY		1,911,191	1,700,000	21,675	2FE
20903X-AE-3	CONSOLIDATED COMMUNICATI BASIC 6.500% 10/01/22		08/02/2019	Various		4,417,788	4,710,000	105,490	5FE
21036P-AX-6	CONSTELLATION BRANDS INC BASIC 3.200% 02/15/23		08/07/2019	MORGAN STANLEY		2,578,575	2,500,000	38,667	2FE
21871@-AD-2	CORESITE, LP CORESITE, LP 4.310% 04/17/29		07/03/2019	CITICORP SECURITIES		4,000,000	4,000,000		2PL
21872#-AA-5	CORECIVIC OF KANSAS, LLC CORECIVIC OF KANSAS, LLC 4.430% 01/31/40		08/15/2019	J.P. MORGAN		1,669,551	1,669,551		1PL
23242H-AF-9	Countrywide Asset-Backed Certi SERIES 2006BC3 CLASS M2 2.364% 02/25/37		08/22/2019	BANK OF AMERICA		1,752,500	2,000,000		6FE
240019-BT-5	DAYTON POWER & LIGHT CO BASIC 3.950% 06/15/49		07/24/2019	Various		4,578,622	4,400,000	18,872	1FE
25277L-AA-4	DIAMOND SPORTS GR/DIAMON BASIC 5.375% 08/15/26		07/18/2019	J.P. MORGAN		3,000,000	3,000,000		3FE
254683-BP-9	DCENT 2016-A4 SERIES 2015A2 CLASS A 1.900% 10/17/22		08/28/2019	Various		14,801,652	14,810,000	9,825	1FE
25470D-AQ-2	DISCOVERY COMMUNICATIONS BASIC 2.950% 03/20/23		08/12/2019	CREDIT SUISSE FIRST BOSTON		2,847,376	2,800,000	33,040	2FE
26442U-AH-7	DUKE ENERGY PROGRESS LLC BASIC 3.450% 03/15/29		07/16/2019	DAIWA CAPITAL MARKETS		1,576,215	1,500,000	18,831	1FE
268648-AN-2	EMC CORP/MASS BASIC 3.375% 06/01/23		08/12/2019	GOLDMAN SACHS		245,253	250,000	1,711	3FE
26884A-BJ-1	ERP OPERATING LP BASIC 3.500% 03/01/28		07/16/2019	SUNTRUST EQUITABLE		1,572,030	1,500,000	19,979	1FE
281020-AN-7	EDISON INTERNATIONAL, INC. BASIC 5.750% 06/15/27		07/10/2019	CREDIT SUISSE FIRST BOSTON		5,435,938	4,970,000	16,670	2FE
29374A-AB-0	Enterprise Fleet Financing LLC SERIES 20191 CLASS A2 2.980% 10/22/24		08/22/2019	TD SECURITIES		3,039,609	3,000,000	1,490	1FE
29379V-BV-4	ENTERPRISE PRODUCTS OPER BASIC 3.125% 07/31/29		09/18/2019	MORGAN STANLEY		5,071,622	4,950,000	31,367	2FE
29717P-AU-1	ESSEX PORTFOLIO LP BASIC 3.000% 01/15/30		07/29/2019	WELLS FARGO SECURITIES LLC		6,904,240	7,000,000		2FE
29977A-B@-3	EVERCORE, INC EVERCORE, INC 4.340% 08/01/29		08/12/2019	Tax Free Exchange		8,000,000	8,000,000	10,609	2Z
302491-AU-9	FMC CORP. BASIC 3.450% 10/01/29		09/17/2019	CITICORP SECURITIES		4,999,950	5,000,000		2FE
302491-AV-7	FMC CORP. BASIC 4.500% 10/01/49		09/17/2019	CITICORP SECURITIES		6,996,430	7,000,000		2FE
30306V-A@-8	FLNG LIQUEFACTION 3 LLC FLNG LIQUEFACTION 3 LLC 4.360% 06/30/39		08/14/2019	Tax Free Exchange		9,000,000	9,000,000	47,960	2Z
31620M-BJ-4	FIDELITY NATIONAL INFO SVCS BASIC 3.750% 05/21/29		08/15/2019	GOLDMAN SACHS		10,875,900	10,000,000	91,667	2FE
337738-AQ-1	FISERV, INC. BASIC 3.800% 10/01/23		08/12/2019	BANK OF AMERICA		1,588,200	1,500,000	21,058	2FE
36242D-FG-3	GSAMP 2005-AHL 5.897% 09/25/34		08/25/2019	JANNEY MONTGOMERY/SCOTT		2,110,164	2,143,701	8,428	1FM
36256U-AD-0	GM Financial Automobile Leasin SERIES 20191 CLASS A3 2.980% 12/20/21		09/05/2019	Various		3,497,084	3,452,000	4,690	1FE
36257U-AL-1	GS MORTGAGE SECURITIES TRUST SERIES 2019GC42 CLASS A4 3.001% 09/01/52		09/17/2019	Various		12,363,232	12,000,000	26,004	1FE
36257U-AQ-0	GS MORTGAGE SECURITIES TRUST SERIES 2019GC42 CLASS AS 3.212% 09/01/52		09/16/2019	GOLDMAN SACHS		6,179,964	6,000,000	13,917	1FE
370334-CE-2	GENERAL MILLS INC BASIC 3.700% 10/17/23		08/12/2019	MILLENIUM ADVISORS		1,056,770	1,000,000	12,025	2FE
37940X-AB-8	GLOBAL PAYMENTS INC. BASIC 3.200% 08/15/29		08/07/2019	BANK OF AMERICA		9,968,600	10,000,000		2FE
42809H-AG-2	HESS CORP 4.3% Due 4/1/2027 A01 4.300% 04/01/27		07/01/2019	BARCLAYS		1,742,804	1,675,000	18,406	3FE
43289V-AA-1	HILT 2016-SFP 2.82844% Due 11/5/2035 Mo-1 2.828% 11/05/35		08/06/2019	J.P. MORGAN		8,532,659	8,525,000	4,689	1FM
43739H-AC-4	Homebanc Mortgage Trust SERIES 20062 CLASS M1 2.384% 12/25/36		09/13/2019	KEY BANK		4,675,000	5,000,000	7,563	1FM
43815H-AC-1	Honda Auto Receivables Owner T SERIES 20183 CLASS A3 2.950% 08/22/22		08/21/2019	BANK OF AMERICA		8,044,726	7,935,000	1,300	1FE
438516-BU-9	HONEYWELL INC BASIC 2.700% 08/15/29		07/30/2019	WELLS FARGO SECURITIES LLC		4,982,150	5,000,000		1FE
45780R-AA-9	INSTALLED BUILDING PRODU BASIC 5.750% 02/01/28		09/16/2019	BANK OF AMERICA		3,600,000	3,600,000		4FE
458140-BG-4	INTEL CORP. INTEL CORP. 3.734% 12/08/47		07/16/2019	J.P. MORGAN		20,828,600	20,000,000	82,978	1FE
460146-CS-0	INTERNATIONAL PAPER CO. BASIC 4.350% 08/15/48		08/01/2019	MORGAN STANLEY		719,903	725,000	14,893	2FE
46647P-BE-5	JPMORGAN CHASE & CO BASIC 2.739% 10/15/30		09/18/2019	SCOTIA CAPITAL		4,930,000	5,000,000	3,043	1FE
47233J-BH-0	JEFFERIES GRP LLC / CAP BASIC 4.150% 01/23/30		09/19/2019	JEFFERIES & COMPANY INC.		1,491,825	1,500,000	10,375	2FE
486606-6#-8	KAYNE ANDERSON MLP INVESTMENT MANDATORY REDEEMABLE PREFERRED 3.860% 10/29/22		08/27/2019	Tax Free Exchange		5,000,000	5,000,000	46,642	1FE
502431-AA-7	L3 HARRIS TECHNOLOGIES INC 4.95% Due 2/15/2021 FA15 4.950% 02/15/21		07/02/2019	Tax Free Exchange		18,349,769	18,112,000	341,185	2FE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol/ Market Indicator (a)
502431-AB-5	L3 HARRIS TECHNOLOGIES INC BASIC 3.850% 06/15/23		07/02/2019	Tax Free Exchange		501,009	500,000	909	2FE
502431-AD-1	L3 HARRIS TECHNOLOGIES INC 3.85% Due 12/15/2026 JD15 3.850% 12/15/26		07/02/2019	Tax Free Exchange		13,596,354	13,500,000	24,544	2FE
502431-AE-9	L3 HARRIS TECHNOLOGIES INC BASIC 4.400% 06/15/28		07/02/2019	Tax Free Exchange		499,153	500,000	1,039	2FE
51512*-AA-2	LANDSBERG ORORA SERIES A GUARANTEED SENIOR NOT 3.260% 07/16/23		07/18/2019	Tax Free Exchange		8,000,000	8,000,000	1,449	2Z
53079E-BJ-2	LIBERTY MUTUAL 3.951% Due 10/15/2050 AO15 3.951% 10/15/50		09/27/2019	EXCHANGE		18,638,502	18,600,000		2FE
55336V-AS-9	MPLX LP BASIC 4.800% 02/15/29		07/29/2019	BARCLAYS		16,460,450	15,000,000	325,333	2FE
55336V-BE-9	MPLX LP MPLX LP 4.250% 12/01/27		09/23/2019	Tax Free Exchange		7,807,275	7,700,000	101,811	2FE
565849-AL-0	MARATHON OIL 3.85% Due 6/1/2025 JD1 3.850% 06/01/25		07/01/2019	BARCLAYS		493,145	475,000	1,626	2FE
571676-AB-1	MARS INC BASIC 3.200% 04/01/30		07/16/2019	SUNTRUST EQUITABLE		1,548,945	1,500,000	14,533	1FE
571676-AF-2	MARS INC BASIC 3.950% 04/01/49		09/18/2019	GOLDMAN SACHS		2,246,420	2,000,000	37,525	1FE
571676-AG-0	MARS INC BASIC 4.125% 04/01/54		07/08/2019	Various		19,193,605	17,500,000	202,526	1FE
58013M-FJ-8	MCDONALD'S CORP BASIC 2.625% 09/01/29		09/03/2019	MITSUBISHI SECURITIES		8,121,360	8,000,000	13,417	2FE
594918-BE-3	MICROSOFT CORP 4% Due 2/12/2055 FA12 4.000% 02/12/55		07/16/2019	GOLDMAN SACHS		23,560,782	21,300,000	369,200	1FE
594918-BT-0	MICROSOFT CORP BASIC 3.700% 08/08/46		07/16/2019	JEFFERIES & COMPANY INC.		1,169,751	1,100,000	18,089	1FE
594918-BX-1	MICROSOFT CORP BASIC 2.875% 02/06/24		08/06/2019	JANE STREET		857,340	825,000	132	1FE
594918-BY-9	MICROSOFT CORP 3.300% 02/06/27		08/19/2019	WELLS FARGO SECURITIES LLC		1,086,310	1,000,000	1,375	1FE
594918-CA-0	MICROSOFT CORP 4.250% 02/06/47		07/16/2019	JEFFERIES & COMPANY INC.		9,285,120	8,000,000	153,000	1FE
59523U-AQ-0	MID-AMERICA APARTMENTS BASIC 3.950% 03/15/29		08/05/2019	WELLS FARGO SECURITIES LLC		1,078,270	1,000,000	16,458	2FE
61771M-AW-0	MORGAN STANLEY CAPITAL I TRUST SERIES 2019H7 CLASS A4 3.261% 07/15/52		07/31/2019	Various		11,378,549	11,000,000	13,497	1FE
62954H-AB-4	NXP BV/NXP FDG/NXP USA BASIC 4.300% 06/18/29		07/30/2019	Various		2,585,065	2,500,000	12,721	2FE
62979*-AA-5	NSA OP, LP NSA OP, LP 3.980% 08/30/29		09/06/2019	Tax Free Exchange		8,000,000	8,000,000	5,307	2PL
63946B-AH-3	NBCUNIVERSAL MEDIA LLC BASIC 2.875% 01/15/23		08/07/2019	WELLS FARGO SECURITIES LLC		5,148,800	5,000,000	9,583	1FE
646025-C#-1	NEW JERSEY RESOURCES CORP NEW JERSEY RESOURCES CORP 3.290% 07/17/29		08/26/2019	Tax Free Exchange		16,000,000	16,000,000	16,084	1Z
651229-AW-6	NEWELL RUBBERMAID INC. 4.2% Due 4/1/2026 AO1 4.200% 04/01/26		08/02/2019	BARCLAYS		2,287,665	2,250,000	32,813	3FE
651229-AY-2	NEWELL RUBBERMAID INC. 5 1/2% Due 4/1/2046 AO1 5.500% 04/01/46		08/02/2019	MORGAN STANLEY		5,117,350	5,000,000	95,486	3FE
651290-AQ-1	NEWFIELD EXPLORATION COMPANY BASIC 5.625% 07/01/24		08/07/2019	MORGAN STANLEY		3,896,515	3,500,000	20,781	2FE
651639-AW-6	NEWMONT GOLDCORP CORPORATION CALL @MAKE WHOLE +25BP 5.875% 04/01/35		08/28/2019	Tax Free Exchange		445,904	400,000	9,596	2FE
651639-AX-4	NEWMONT GOLDCORP CORPORATION BASIC 2.800% 10/01/29		09/05/2019	GOLDMAN SACHS		6,942,320	7,000,000		2FE
655044-AH-8	NOBLE ENERGY INC BASIC 3.900% 11/15/24		09/19/2019	CITICORP SECURITIES		523,360	500,000	6,933	2FE
666807-BN-1	NORTHROP GRUMMAN CORP BASIC 3.250% 01/15/28		09/04/2019	Various		3,042,655	2,875,000	10,709	2FE
666807-BQ-4	NORTHROP GRUMMAN CORP BASIC 2.550% 10/15/22		08/06/2019	JEFFERIES & COMPANY INC.		5,065,700	5,000,000	40,021	2FE
67021C-AN-7	NSTAR ELECTRIC CO BASIC 3.250% 05/15/29		09/16/2019	KEY BANK		2,106,160	2,000,000	21,847	1FE
674599-CE-3	OCCIDENTAL PETROLEUM BASIC 2.700% 02/15/23		09/18/2019	CITICORP SECURITIES		1,504,620	1,500,000	3,938	2FE
674599-CS-2	OCCIDENTAL PETROLEUM BASIC 3.500% 08/15/29		08/06/2019	BANK OF AMERICA		6,895,766	6,930,000		2FE
674599-CY-9	OCCIDENTAL PETROLEUM BASIC 4.400% 08/15/49		08/06/2019	CITICORP SECURITIES		4,926,950	5,000,000		2FE
674599-DB-8	OCCIDENTAL PETROLEUM 6.95% Due 07/01/2024 JJ01 6.950% 07/01/24		09/18/2019	Tax Free Exchange		440,033	400,000	5,946	2FE
674599-DC-6	OCCIDENTAL PETROLEUM 5.55% Due 03/15/2026 5.550% 03/15/26		09/18/2019	Tax Free Exchange		14,293,585	13,650,000	6,313	2FE
674599-DE-2	OCCIDENTAL PETROLEUM 7.875% Due 09/15/2031 MS15 7.875% 09/15/31		09/18/2019	Tax Free Exchange		483,217	400,000	263	2FE
674599-DF-9	OCCIDENTAL PETROLEUM 6.45% Due 9/15/2036 MS15 6.450% 09/15/36		09/18/2019	Tax Free Exchange		15,359,972	12,600,000	6,773	2FE
681919-AZ-9	OMNICOM GROUP BASIC 3.625% 05/01/22		08/07/2019	CITICORP SECURITIES		2,595,175	2,500,000	24,670	2FE
68236J-AA-9	One Bryant Park Trust SERIES 2019OBP CLASS A 2.516% 09/13/49		08/07/2019	BANK OF AMERICA		10,000,000	10,000,000		1FE
682680-AY-9	ONEOK INC BASIC 3.400% 09/01/29		08/12/2019	J.P. MORGAN		9,964,400	10,000,000		2FE
682680-AZ-6	ONEOK INC BASIC 4.450% 09/01/49		08/13/2019	BANK OF AMERICA		5,748,908	5,750,000		2FE
693475-AW-5	PNC BANK CORP BASIC 3.450% 04/23/29		09/16/2019	SUNTRUST EQUITABLE		3,790,692	3,600,000	50,370	1FE
701094-AP-9	PARKER HANNIFIN CORP BASIC 4.000% 06/14/49		08/01/2019	Various		10,827,807	10,225,000	48,831	1FE
713448-DX-3	PEPSI CO INC BASIC 2.000% 04/15/21		07/09/2019	BANK OF AMERICA		6,853,413	6,875,000	32,847	1FE
717081-ER-0	PFIZER, INC. BASIC 2.800% 03/11/22		09/23/2019	MORGAN STANLEY		2,558,575	2,500,000	2,722	1FE
72650R-BM-3	PLAINS ALL AMER PIPELINE BASIC 3.550% 12/15/29		09/18/2019	Various		21,096,588	21,300,000	4,457	3FE
744320-BA-9	PRUDENTIAL FINANCIAL INC. BASIC 3.935% 12/07/49		07/09/2019	KEY BANK		2,110,300	2,000,000	7,433	1FE
74432Q-CC-7	PRUDENTIAL FINANCIAL INC BASIC 3.878% 03/27/28		09/16/2019	Various		4,055,507	3,720,000	68,524	1FE
74432Q-CE-3	PRUDENTIAL FINANCIAL INC BASIC 4.350% 02/25/50		07/19/2019	BARCLAYS		3,359,670	3,000,000	53,650	1FE
74739*-AA-1	Q-LNG OPERATING I LLC Q-LNG OPERATING I LLC 4.440% 02/28/35		07/23/2019	ARTIC SECURITIES		5,034,722	5,034,722		2FE
749239-AF-6	Residential Asset Mortgage Pro SERIES 2006RZ5 CLASS M1 2.414% 08/25/46		07/14/2019	BANK OF AMERICA		6,890,015	7,571,445	12,587	1FM
74992*-AE-5	RXR REALTY LLC RXR REALTY LLC 4.220% 06/27/24		07/08/2019	Tax Free Exchange		8,000,000	8,000,000	10,316	2PL
756109-AW-4	REALTY INCOME CORP BASIC 3.250% 06/15/29		07/16/2019	WELLS FARGO SECURITIES LLC		1,518,165	1,500,000	3,927	1FE
76131V-B@-1	RETAIL PROPERTIES OF AMERICA RETAIL PROPERTIES OF AMERICA 4.820% 06/28/29		07/05/2019	Tax Free Exchange		7,000,000	7,000,000	6,561	2Z
785592-AJ-5	SABINE PASS LIQUEFACTION BASIC 5.750% 05/15/24		08/06/2019	MORGAN STANLEY		2,235,140	2,000,000	26,514	2FE
808513-BA-2	SCHWAB, CHARLES CORP BASIC 3.250% 05/22/29		09/18/2019	CITICORP SECURITIES		2,098,960	2,000,000	21,306	1FE

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Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol/ Market Indicator (a)
817743-AA-5	SERVPRO MASTER ISSUER, LLC SERIES 20191A CLASS A2 3.882% 10/25/49		09/17/2019	BARCLAYS		4,000,000	4,000,000		2FE
828807-CF-2	SIMON PROPERTY GROUP 4 3/8% Due 3/1/2021 MS1 4.375% 03/01/21		07/15/2019	WELLS FARGO SECURITIES LLC		4,321,632	4,200,000	69,417	1FE
828807-CS-4	SIMON PROPERTY GROUP BASIC 3.375% 10/01/24		08/07/2019	US BANCORP INC		2,649,450	2,500,000	30,000	1FE
83404R-AA-6	Social Professional Loan Progr SERIES 2018B CLASS A1FX 2.640% 08/26/47		08/27/2019	GOLDMAN SACHS		1,468,571	1,461,947	429	1FE
855244-AT-6	STARBUCKS CORP. BASIC 3.550% 08/15/29		08/22/2019	Various		8,440,210	8,000,000	55,617	2FE
86157#-AA-4	STOLTHAVEN NEW ORLEANS, LLC STOLTHAVEN NEW ORLEANS, LLC 5.150% 07/17/29		07/26/2019	Tax Free Exchange		21,000,000	21,000,000	27,038	2PL
86359D-VX-2	SASC 2005-NC2 SERIES 2005AR1 CLASS M2 2.514% 09/25/35		09/13/2019	CITICORP SECURITIES		5,939,875	6,100,000	9,712	1FM
86363W-AD-1	Structured Asset Securities Co SERIES 2007BC3 CLASS 1A4 2.354% 05/25/47		09/26/2019	BANK OF AMERICA		10,928,125	13,000,000	4,186	6FE
875127-BC-5	TAMPA ELECTRIC BASIC 4.350% 05/15/44		07/23/2019	BARCLAYS		24,386,300	22,000,000	186,083	1FE
875127-BG-6	TAMPA ELECTRIC BASIC 3.625% 06/15/50		07/30/2019	Various		21,853,655	22,000,000	4,128	1FE
882508-BG-8	TEXAS INSTRUMENTS IN BASIC 2.250% 09/04/29		08/26/2019	BANK OF AMERICA		4,984,450	5,000,000		1FE
882884-B*-9	TEXAS NEW MEXICO POWER COMPANY TEXAS NEW MEXICO POWER COMPANY 3.600% 07/01/29		07/05/2019	Tax Free Exchange		5,000,000	5,000,000	2,000	1Z
911312-BN-5	UNITED PARCEL SERVICE CL B BASIC 3.750% 11/15/47		07/09/2019	Various		15,482,676	15,200,000	87,396	1FE
911312-BQ-8	UNITED PARCEL SERVICE CL B BASIC 4.250% 03/15/49		07/22/2019	Various		11,065,240	10,000,000	151,701	1FE
913017-CX-5	UNITED TECH CORP BASIC 4.625% 11/16/48		09/27/2019	Various		12,870,865	10,250,000	176,489	2FE
913017-CY-3	UNITED TECH CORP BASIC 4.125% 11/16/28		09/27/2019	Various		13,810,068	12,250,000	175,513	2FE
913017-DB-2	UNITED TECH CORP BASIC 3.650% 08/16/23		08/06/2019	MORGAN STANLEY		5,285,350	5,000,000	87,194	2FE
913017-DD-8	UNITED TECH CORP BASIC 3.950% 08/16/25		08/06/2019	JANE STREET		1,086,730	1,000,000	18,872	2FE
91324P-DP-4	UNITED HEALTHCARE BASIC 3.875% 12/15/28		08/06/2019	JANE STREET		1,100,780	1,000,000	5,705	1FE
91324P-DU-3	UNITED HEALTHCARE BASIC 3.700% 08/15/49		07/23/2019	BANK OF AMERICA		9,965,600	10,000,000		1FE
91324P-DV-1	UNITED HEALTHCARE BASIC 3.875% 08/15/59		08/14/2019	Various		12,322,540	12,000,000	16,361	1FE
91606*-AA-5	UPPER MICHIGAN ENERGY RESOURCE UPPER MICHIGAN ENERGY RESOURCE 3.260% 08/28/29		09/05/2019	Tax Free Exchange		20,000,000	20,000,000	12,678	2Z
92343V-BR-4	VERIZON COMMUNICATIONS 5.15% Due 9/15/2023 MS15 5.150% 09/15/23		08/12/2019	DAIWA CAPITAL MARKETS		4,237,266	3,800,000	80,998	2FE
92343V-ER-1	VERIZON COMMUNICATIONS BASIC 4.329% 09/21/28		08/15/2019	Various		9,351,255	8,250,000	144,841	2FE
92348X-AA-3	Verizon Owner Trust SERIES 2018A CLASS A1A 3.230% 04/20/23		08/22/2019	MIZUHO SECURITIES		12,171,348	11,919,000	6,416	1FE
92349F-AB-9	Verizon Owner Trust SERIES 20181A CLASS A1B 2.297% 09/20/22		08/07/2019	TD SECURITIES		2,000,469	2,000,000	2,532	1FE
92938G-AJ-7	WF-RBS COMMERCIAL MORTGAGE TRU SERIES 2013C17 CLASS B 4.788% 12/15/46		07/16/2019	CREDIT SUISSE FIRST BOSTON		538,008	500,000	1,131	1FM
931142-EN-9	WAL-MART STORES BASIC 3.250% 07/08/29		08/22/2019	CREDIT SUISSE FIRST BOSTON		2,178,880	2,000,000	8,215	1FE
94106L-BF-5	WASTE MANAGEMENT INC BASIC 2.950% 06/15/24		08/12/2019	Various		6,732,100	6,500,000	42,038	2FE
94106L-BK-4	WASTE MANAGEMENT INC BASIC 4.150% 07/15/49		07/03/2019	BARCLAYS		12,665,970	11,400,000	60,452	2FE
941848-F*-9	WATERS CORPORATION WATERS CORPORATION 3.530% 09/12/29		09/19/2019	Tax Free Exchange		12,000,000	12,000,000	8,237	2Z
AG0828-19-8	UPPER MICHIGAN ENERGY RESOURCE UPPER MICHIGAN ENERGY RESOURCE 3.260% 08/28/29		08/02/2019	MIZUHO SECURITIES		20,000,000	20,000,000		2Z
AG0830-19-4	NSA OP, LP NSA OP, LP 3.980% 08/30/29		07/01/2019	WELLS FARGO SECURITIES LLC		8,000,000	8,000,000		2Z
AG0912-19-0	WATERS CORPORATION WATERS CORPORATION 3.530% 09/12/29		07/01/2019	J.P. MORGAN		12,000,000	12,000,000		2Z
BK0821-19-3	GRAYMONT WESTERN CANADA INC. 3.560% 08/21/34		08/06/2019	HSBC SECURITIES INC.		8,000,000	8,000,000		2Z
BS0807-19-5	FLNG LIQUEFACTION 3 LLC FLNG LIQUEFACTION 3 LLC 4.360% 06/30/39		07/24/2019	SOCIETE GENERALE		9,000,000	9,000,000		2Z
C4111#-AJ-0	GRAYMONT WESTERN CANADA INC. GRAYMONT WESTERN CANADA INC. 3.560% 08/21/34		08/27/2019	Tax Free Exchange		8,000,000	8,000,000	4,747	2Z
EB0823-19-6	ALASKA VENTURES LLC ALASKA VENTURES LLC 4.670% 06/30/33		08/12/2019	PARETO SECURITIES INC		3,000,000	3,000,000		2PL
GF0815-19-1	NEW JERSEY RESOURCES CORP NEW JERSEY RESOURCES CORP 3.290% 07/17/29		07/01/2019	WELLS FARGO SECURITIES LLC		16,000,000	16,000,000		1Z
JK0701-19-9	TEXAS NEW MEXICO POWER COMPANY TEXAS NEW MEXICO POWER COMPANY 3.600% 07/01/29		07/20/2019	CITICORP SECURITIES		5,000,000	5,000,000		1Z
JK0926-19-2	GRIDFLEX GENERATION, LLC GRIDFLEX GENERATION, LLC 5.210% 12/31/30		07/18/2019	CREDIT AGRICOLE SECURITIES		12,000,000	12,000,000		2Z
Q3973*-AA-7	GENUINE PARTS COMPANY GENUINE PARTS COMPANY 3.100% 06/30/24		07/03/2019	Tax Free Exchange		23,625,000	23,625,000	18,309	2Z
TP0801-19-5	EVERCORE, INC EVERCORE, INC 4.340% 08/01/29		07/17/2019	J.P. MORGAN		8,000,000	8,000,000		2Z
TP0927-19-8	BATON ROUGE ENERGY PARTNERS, BATON ROUGE ENERGY PARTNERS, 3.520% 10/15/39		09/17/2019	STIFEL NICOLAUS		20,541,000	20,541,000		1Z
15135U-AG-4	CENOVUS ENERGY INC 3% Due 8/15/2022 FA15 3.000% 08/15/22	A	08/06/2019	MORGAN STANLEY		2,014,080	2,000,000	28,833	2FE
15135U-AM-1	CENOVUS ENERGY INC BASIC 4.250% 04/15/27	A	09/10/2019	UBS WARBURG CONVERTIBLES		520,905	500,000	8,677	2FE
67077M-AL-2	NUTRIEN LTD BASIC 3.375% 03/15/25	A	08/12/2019	MILLENIUM ADVISORS		650,606	625,000	8,730	2FE
00AC08-14-7	SOCIEDAD CONCESIONARIA OPERADO SOCIEDAD CONCESIONARIA OPERADO 4.090% 12/15/26	D	07/19/2019	BNP PARIBAS - RS ONLY OR INACT		19,000,000	19,000,000		2Z
05565Q-CS-5	BP CAPITAL MARKETS PLC BASIC 3.535% 11/04/24	D	08/09/2019	Various		7,976,900	7,500,000	70,455	1FE
067316-AE-9	BACARDI LTD BASIC 4.450% 05/15/25	D	08/06/2019	PIERPONT SECURITIES		3,234,990	3,000,000	30,779	2FE
067316-AF-6	BACARDI LTD BASIC 4.700% 05/15/28	D	07/24/2019	BARCLAYS		8,587,360	8,000,000	74,156	2FE
09628W-AQ-5	BLUEM 2016-2A SERIES 20162A CLASS BR 4.850% 08/20/32	D	08/29/2019	CITICORP SECURITIES		12,000,000	12,000,000		1FE
225401-AC-2	CREDIT SUISSE GROUP 4.282% 01/09/28	D	09/25/2019	CREDIT SUISSE FIRST BOSTON		8,062,050	7,500,000	69,583	2FE
377373-AE-5	GLAXOSMITHKLINE CAPITAL BASIC 3.125% 05/14/21	D	07/10/2019	BARCLAYS		3,044,850	3,000,000	15,104	1FE
462629-A*-7	IPSEN SA IPSEN SA 3.630% 07/23/26	D	07/26/2019	Tax Free Exchange		20,000,000	20,000,000	6,050	2Z
47048J-AQ-6	JTWN 2016-9A SERIES 20169A CLASS A2R 4.109% 10/20/28	D	07/22/2019	GREENSLEDGE		13,600,000	13,600,000		1FE
69916X-AJ-4	Parallel Ltd SERIES 20191A CLASS C 5.309% 07/20/32	D	07/24/2019	MORGAN STANLEY		11,000,000	11,000,000		1FE
86562M-BP-4	SUMITOMO MITSUI FINL GRP BASIC 3.040% 07/16/29	D	07/16/2019	SMBC NIKKO SECURITIES		4,967,550	5,000,000	844	1FE

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Show All Long-Term Bonds and Stock Acquired During the Current Quarter

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92857W-BK-5	VODAFONE GRP BASIC 4.375% 05/30/28	D	07/03/2019	RBC CAPITAL MARKETS		10,885,200	10,000,000	46,181	2FE
92857W-BM-1	VODAFONE GRP BASIC 5.250% 05/30/48	D	07/24/2019	Various		16,577,837	15,000,000	118,125	2FE
EB0702-19-2	JOHN WOOD GROUP PLC JOHN WOOD GROUP PLC 4.610% 07/02/26	C	07/15/2019	CITICORP SECURITIES		10,000,000	10,000,000		2Z
EB0723-19-8	IPSEN SA IPSEN SA 3.630% 07/23/26	D	07/21/2019	BANK OF AMERICA		20,000,000	20,000,000		2Z
EB0904-19-4	AKIEM HOLDINGS SAS AKIEM HOLDINGS SAS 1.750% 09/05/34	B	07/22/2019	CREDIT AGRICOLE SECURITIES		33,105,000	33,105,000		2Z
F0405#-AA-9	ARTS ET TECHNIQUES DU PROGRES ARTS ET TECHNIQUES DU PROGRES 4.220% 06/20/26	D	07/05/2019	Tax Free Exchange		10,000,000	10,000,000	17,583	2
F0405#-AB-7	ARTS ET TECHNIQUES DU PROGRES ARTS ET TECHNIQUES DU PROGRES 4.420% 06/20/29	D	07/05/2019	Tax Free Exchange		10,000,000	10,000,000	18,417	2
F0405#-AC-5	ARTS ET TECHNIQUES DU PROGRES ARTS ET TECHNIQUES DU PROGRES 4.520% 06/20/31	D	07/05/2019	Tax Free Exchange		6,000,000	6,000,000	11,300	2
G1418#-AV-5	CARIBBEAN UTILITIES COMPANY LT CARIBBEAN UTILITIES COMPANY LT 3.830% 08/28/39	D	09/09/2019	Tax Free Exchange		10,000,000	10,000,000	11,703	1
G6515#-AJ-3	JOHN WOOD GROUP PLC JOHN WOOD GROUP PLC 4.610% 07/02/26	C	07/17/2019	Tax Free Exchange		10,000,000	10,000,000	19,208	2Z
G8279@-AA-6	SOUTH EAST WATER LIMITED SOUTH EAST WATER LIMITED 2.940% 09/16/31	B	09/26/2019	Tax Free Exchange		12,289,000	12,289,000	10,036	2Z
GF0807-19-8	QIC FINANCE PROPERTY FUND LTD QIC FINANCE PROPERTY FUND LTD 3.670% 08/07/29	D	07/27/2019	J.P. MORGAN		8,000,000	8,000,000		1Z
GF0916-19-7	SOUTH EAST WATER LIMITED SOUTH EAST WATER LIMITED 2.940% 09/16/31	B	07/26/2019	NATWEST MARKETS		12,431,000	12,431,000		2Z
P3596@-AA-3	EVM ENERGIA DEL VALLE DE MEXIC EVM ENERGIA DEL VALLE DE MEXIC 6.020% 12/31/40	D	09/30/2019	SUMITOMO MITSUI		909,088	909,088		2PL
P4000*-AE-5	CORPORACION INMOBILIARIA VESTA CORPORACION INMOBILIARIA VESTA 5.180% 06/14/29	D	09/05/2019	Tax Free Exchange		10,000,000	10,000,000	100,722	2Z
P4000*-AF-2	CORPORACION INMOBILIARIA VESTA CORPORACION INMOBILIARIA VESTA 5.280% 06/14/31	D	09/05/2019	Tax Free Exchange		3,000,000	3,000,000	30,800	2Z
P8711*-AA-4	SOCIEDAD CONCESIONARIA OPERADO SOCIEDAD CONCESIONARIA OPERADO 4.090% 12/15/26	D	09/16/2019	Tax Free Exchange		19,000,000	19,000,000	69,076	2Z
Q4822#-AA-4	ISPT FINANCE PTY LTD. ISPT FINANCE PTY LTD. 3.380% 08/28/29	B	09/09/2019	Tax Free Exchange		19,575,000	19,575,000	20,217	1Z
Q7795*-AA-4	QIC FINANCE PROPERTY FUND LTD QIC FINANCE PROPERTY FUND LTD 3.670% 08/07/29	D	08/14/2019	Tax Free Exchange		8,000,000	8,000,000	5,709	1Z
TN0821-19-8	ISPT FINANCE PTY LTD. ISPT FINANCE PTY LTD. 3.380% 08/28/29	B	07/30/2019	COMMONWEALTH BANK OF AUSTRALIA		19,528,600	19,528,600		1Z
TP0828-19-8	CARIBBEAN UTILITIES COMPANY LT CARIBBEAN UTILITIES COMPANY LT 3.830% 08/28/39	D	07/08/2019	RBC CAPITAL MARKETS		10,000,000	10,000,000		1Z
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,745,136,096	1,705,148,343	6,855,279	XXX
LX1563-77-9	TEAM HEALTH HOLDINGS INC TEAM HEALTH HOLDINGS TLB +275 02/06/24		09/19/2019	J.P. MORGAN		10,920,806	12,974,425		4FE
LX1686-39-8	AIR MEDICAL AIR MEDICAL TLB +425 03/14/25		07/21/2019	GOLDMAN SACHS		4,837,342	4,987,342		4FE
LX1695-07-6	UTZ QUALITY FOODS LLC UTZ 1ST LIEN TL +350 11/13/24		07/26/2019	BANK OF AMERICA		4,962,342	4,987,342		4FE
LX1712-02-0	JANUS INTERNATIONAL JANUS INTL 1L +375 02/09/25		08/07/2019	UBS WARBURG CONVERTIBLES		6,435,000	6,500,000		4FE
LX1781-65-2	DYNASTY ACQUISITION CO INC DYNASTY ACQ 1L TL US BOR +400 04/06/26		07/24/2019	BARCLAYS		1,300,699	1,300,699		4FE
LX1784-18-5	DYNASTY ACQUISITION CO INC DYNASTY ACQ 1L CDN BOR +400 04/06/26		07/24/2019	BARCLAYS		699,301	699,301		4FE
LX1791-82-6	II-VI INC II-VI INC TLB +350 06/28/26		07/08/2019	BANK OF AMERICA		3,960,000	4,000,000		4FE
LX1807-56-4	US RENAL CARE US RENAL CARE TLB +500 06/13/26		07/14/2019	BARCLAYS		12,740,000	13,000,000		4FE
LX1807-63-0	ACCENTCARE ACCENTCARE (PLUTO) TLB +500 06/18/26		07/18/2019	J.P. MORGAN		7,920,000	8,000,000		4FE
LX1808-57-0	MULTI-COLOR CORP MULTI-COLOR (LABL) TLB +450 06/28/26		07/24/2019	BANK OF AMERICA		7,419,863	7,445,000		4FE
LX1810-24-6	NEXSTAR BROADCASTING NEXSTAR BROADCASTING TLB4 +275 07/15/26		07/20/2019	BANK OF AMERICA		7,960,000	8,000,000		3FE
LX1823-47-0	APEX TOOLS APEX TOOLS TLB +550 08/19/24		08/19/2019	BARCLAYS		4,975,000	5,000,000		4FE
LX1823-47-0	APEX TOOLS APEX TOOLS TLB +550 08/19/24		08/21/2019	Tax Free Exchange		4,714,744	4,732,681		4FE
LX1825-43-4	VIGOR INDUSTRIAL VIGOR INDUSTRIAL TLB +500 09/19/26		09/25/2019	BANK OF AMERICA		7,961,250	8,000,000		4FE
LX1826-50-7	ALDEVRON LLC ALDEVRON 1L TL +425 09/19/26		09/23/2019	MORGAN STANLEY		6,176,500	6,200,000		4FE
8299999. Subtotal - Bonds - Bank Loans						92,982,847	95,826,790		XXX
8399997. Total - Bonds - Part 3						2,250,508,016	2,240,200,133	8,085,351	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						2,250,508,016	2,240,200,133	8,085,351	XXX
8999997. Total - Preferred Stocks - Part 3							XXX		XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks							XXX		XXX
001055-10-2	AFLAC INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	441			L
00130H-10-5	AES CORPORATION COMMON STOCK		09/23/2019	Various	21.000	352			L
00206R-10-2	AT&T INC FORMERLY SBC COMMUNICATIONS, I		09/23/2019	Various	288.000	9,896			L
002824-10-0	ABBOTT LABORATORIES COMMON STOCK		09/23/2019	Various	84.000	7,247			L
00287Y-10-9	ABBVIE INC COMMON STOCK		09/23/2019	Various	54.000	3,766			L
00507V-10-9	ACTIVISION BLIZZARD COMMON STOCK		09/23/2019	Various	32.000	1,562			L
00724F-10-1	ADOBE SYSTEMS INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	16.000	4,937			L
007903-10-7	ADVANCED MICRO DEVICES COMMON STOCK		09/23/2019	Various	625.000	19,227			L
009158-10-6	AIR PRODUCTS AND CHEMICALS INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	1,808			L
015351-10-9	ALEXION PHARMACEUTICALS INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	1,101			L
016255-10-1	ALIGN TECHNOLOGY INC COMMON		07/22/2019	WEEDEN & CO LP	6.000	1,647			L
018802-10-8	ALLIANT ENERGY CORP COMMON STOCK		09/23/2019	Various	15.000	772			L

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020002-10-1	ALLSTATE CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	1,215			L
02079K-10-7	ALPHABET INC-CL-C COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	7,967			L
02079K-30-5	ALPHABET INC-CL-C COMMON STOCK		09/23/2019	Various	13.000	15,192			L
02209S-10-3	ALTRIA GROUP INC COMMON STOCK		09/23/2019	Various	40.000	1,855			L
023135-10-6	AMAZON.COM INC. COMMON STOCK		09/23/2019	Various	27.000	51,409			L
023608-10-2	AMEREN CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	10.000	763			L
025537-10-1	AMERICAN ELECTRIC POWER CO INC COMMON STOCK		09/23/2019	Various	23.000	2,099			L
026874-78-4	AIG COMMON STOCK		09/23/2019	Various	29.000	1,638			L
03027X-10-0	AMERICAN TOWER CORP - CL A COMMON STOCK		09/23/2019	Various	23.000	4,885			L
030420-10-3	AMERICAN WATER WORKS CO INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	858			L
031100-10-0	AMETEK INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	798			L
032095-10-1	AMPHENOL CORP. - CL A COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	583			L
032511-10-7	ANADARKO PETROLEUM CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	13.000	957			L
032654-10-5	ANALOG DEVICES INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	15.000	1,766			L
03662Q-10-5	ANSYS INC COMMON		07/22/2019	WEEDEN & CO LP	7.000	1,481			L
036752-10-3	ANTHEM INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	13.000	3,923			L
037411-10-5	APACHE CORP. COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	286			L
039483-10-2	ARCHER DANIELS COMMON STOCK		07/22/2019	WEEDEN & CO LP	17.000	687			L
040413-10-6	Arista Networks Inc COMMON		09/23/2019	Various	13.000	3,503			L
049560-10-5	ATMOS ENERGY CORP COMMON		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	901			L
052769-10-6	AUTODESK INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	1,533			L
053015-10-3	AUTOMATIC DATA PROCESSING COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	2,006			L
053484-10-1	AVALON BAY COMMUNITIES COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	1,436			L
054937-10-7	BB&T CORPORATION COMMON STOCK		09/23/2019	Various	32.000	1,636			L
05722G-10-0	BAKER HUGHES A GE CO LLC COMMON		09/23/2019	Various	31.000	742			L
058498-10-6	BALL CORP. 5% DIVIDEND DISCOUNT		07/22/2019	WEEDEN & CO LP	10.000	711			L
064058-10-0	BANK OF NEW YORK MELLON CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	33.000	1,512			L
071813-10-9	BAXTER INTERNATIONAL INC COMMON STOCK		09/23/2019	Various	119.000	10,306			L
075887-10-9	BECTON DICKINSON & CO COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	2,778			L
084670-70-2	BERKSHIRE HATHAWAY-CAL COMMON STOCK		09/23/2019	Various	105.000	21,793			L
097023-10-5	BOEING CORP. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	41.000	15,459			L
101121-10-1	BOSTON PROPERTIES INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	13.000	1,669			L
101137-10-7	BOSTON SCIENTIFIC CORP COMMON STOCK		09/23/2019	Various	65.000	2,779			L
110122-10-8	BRISTOL-MYERS SQUIBB CO COMMON STOCK		09/23/2019	Various	64.000	2,901			L
11133T-10-3	BROADRIGE FINANCIAL SOLUTION COMMON		07/22/2019	WEEDEN & CO LP	9.000	1,194			L
11135F-10-1	BROADCOM INC COMMON STOCK		09/23/2019	Various	22.000	6,387			L
115637-20-9	BROWN-FORMAN COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	52.000	3,279			L
124857-20-2	CBS CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	23.000	1,150			L
12504L-10-9	CB RICHARD ELLIS GROUP COMMON STOCK		09/23/2019	Various	85.000	4,480			L
12514G-10-8	CDW Corp/DE COMMON		09/23/2019	PIPELINE TRADING SYSTEMS	423.000	50,485			L
125523-10-0	Halfmoon Parent Inc COMMON		07/22/2019	WEEDEN & CO LP	9.000	1,536			L
12572Q-10-5	CHICAGO MERCANTILE EXCHANGE COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	2,474			L
125896-10-0	CMS ENERGY CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	525			L
126408-10-3	CSX CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	91.000	6,267			L
126650-10-0	CVS CAREMARK CORP COMMON STOCK		09/23/2019	Various	50.000	2,940			L
127097-10-3	CABOT OIL & GAS CORP CL A COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	267			L
127387-10-8	Cadence Design Systems Inc COMMON		07/22/2019	WEEDEN & CO LP	6.000	436			L
134429-10-9	CAMPBELL SOUP CO COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	247			L
14040H-10-5	CAPITAL ONE FINANCIAL CORP COMMON STOCK		09/23/2019	Various	21.000	1,935			L
14149Y-10-8	CARDINAL HEALTH INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	356			L
143658-30-0	CARNIVAL CORP - CL A COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	541			L
149123-10-1	CATERPILLAR INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	812			L
151020-10-4	CELGENE CORP COMMON STOCK		09/23/2019	Various	39.000	3,679			L
15135B-10-1	CENTENE CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	13.000	679			L
15189T-10-7	CENTERPOINT ENERGY INC (FORMERLY HOUSTON IND)		07/22/2019	WEEDEN & CO LP	18.000	516			L
156700-10-6	CENTURYLINK INC COMMON STOCK		09/23/2019	Various	117.000	1,439			L
156782-10-4	CERNER CORP. COMMON STOCK		07/22/2019	WEEDEN & CO LP	16.000	1,152			L
166764-10-0	CHEVRON CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	47.000	5,890			L

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169656-10-5	CHIPOTLE MEXICAN GRILL - CL A COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	4.000	3,373			L
171340-10-2	CHURCH & DWIGHT CO., INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	603			L
172062-10-1	CINCINNATI FINANCIAL CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	800			L
174610-10-5	CITIZENS FINANCIAL GROUP COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	256			L
191216-10-0	COCA-COLA CO COMMON STOCK		09/23/2019	Various	124.000	6,569			L
194162-10-3	COLGATE PALMOLIVE COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	14.000	1,001			L
20030N-10-1	COMCAST CORP. COMMON STOCK		09/23/2019	Various	190.000	8,511			L
205887-10-2	CONAGRA FOODS INC COMMON STOCK		09/23/2019	Various	24.000	683			L
20605P-10-1	CONCHO RESOURCES INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	604			L
20825C-10-4	PHILLIPS PETROLEUM COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	423			L
209115-10-4	CONSOLIDATED EDISON INC. COMMON STOCK		09/23/2019	Various	47.000	4,194			L
217204-10-6	Copart Inc COMMON		07/22/2019	WEEDEN & CO LP	6.000	470			L
22052L-10-4	Corteva Inc COMMON		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	260			L
22160K-10-5	COSTCO WHOLESALE CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	3,082			L
22822V-10-1	CROWN CASTLE INTL CORP. COMMON STOCK		07/22/2019	WEEDEN & CO LP	13.000	1,644			L
231021-10-6	CUMMINS ENGINE CO COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	43.000	6,975			L
233331-10-7	DTE ENERGY COMPANY COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	1,158			L
23355L-10-6	DXC TECHNOLOGY COMPANY COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	394			L
235851-10-2	DANAHER CORP COMMON STOCK		09/23/2019	Various	47.000	6,752			L
25179M-10-3	DEVON ENERGY CORP. COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	211			L
25278X-10-9	DIAMONDBACK ENERGY INC COMMON STOCK		09/23/2019	Various	32.000	3,177			L
253868-10-3	DIGITAL REALTY TRUST, INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	823			L
254687-10-6	DISNEY WALT PRODUCTIONS COMMON STOCK		09/23/2019	Various	251.000	33,803			L
25470F-10-4	DISCOVERY COMMUNICATIONS COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	248			L
25470F-30-2	DISCOVERY COMMUNICATIONS COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	315			L
25470M-10-9	DISH NETWORK CORP COMMON STOCK		09/23/2019	Various	43.000	1,564			L
256746-10-8	DOLLAR TREE INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	645			L
25746U-10-9	DOMINION RESOURCES INC COMMON STOCK		09/23/2019	Various	100.000	7,935			L
260003-10-8	DOVER CORP. COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	680			L
264411-50-5	Duke Realty Corp REIT		09/23/2019	Various	21.000	698			L
26441C-20-4	DUKE POWER COMMON STOCK		09/23/2019	Various	36.000	3,254			L
26614N-10-2	DUPONT DE NEMOURS INC DUPONT DE NEMOURS INC		07/22/2019	WEEDEN & CO LP	15.000	1,080			L
26875P-10-1	EOG RESOURCES INC COMMON STOCK		09/23/2019	Various	26.000	2,218			L
278865-10-0	ECOLAB INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	1,775			L
281020-10-7	EDISON INTERNATIONAL, INC. COMMON STOCK		09/23/2019	Various	109.000	8,040			L
28176E-10-8	EDWARDS LIFESCIENCES SP - WI COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	1,164			L
291011-10-4	EMERSON ELECTRIC CO COMMON STOCK		09/23/2019	Various	20.000	1,304			L
29364G-10-3	ENTERGY CORP COMMON STOCK		09/23/2019	Various	35.000	3,976			L
29444U-70-0	EQUINIX INC COMMON STOCK		09/23/2019	Various	8.000	4,277			L
29476L-10-7	EQUITY RESIDENTIAL PROP TRUST COMMON STOCK		07/22/2019	WEEDEN & CO LP	13.000	1,000			L
297178-10-5	ESSEX PROPERTY TRUST INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	5.000	1,626			L
30040W-10-8	NORTHEAST UTILITIES COMMON STOCK		09/23/2019	Various	33.000	2,617			L
30161N-10-1	PECO ENERGY COMMON STOCK		09/23/2019	Various	34.000	1,622			L
30212P-30-3	EXPEDIA INC CL A COMMON STOCK		09/23/2019	Various	72.000	9,557			L
302130-10-9	EXPEDITORS INTL WASH INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	597			L
30225T-10-2	EXTRA SPACE STORAGE COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	1,042			L
30231G-10-2	EXXON MOBIL CORP COMMON STOCK		09/23/2019	Various	109.000	8,028			L
30303M-10-2	FACEBOOK INC COMMON STOCK		09/23/2019	Various	130.000	25,683			L
311900-10-4	FASTENAL COMPANY COMMON STOCK		09/23/2019	Various	28.000	876			L
313747-20-6	FEDERAL REALTY INVEST TRUST COMMON STOCK		07/22/2019	WEEDEN & CO LP	10.000	1,274			L
31428X-10-6	FEDEX CORPORATION COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	2,035			L
31620M-10-6	FIDELITY NATIONAL INFO SVCS COMMON STOCK		09/23/2019	Various	864.000	113,637			L
316773-10-0	FIFTH THIRD BANCORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	17.000	471			L
33616C-10-0	First Republic Bank/CA FIRST REPUBLIC BANK/CA		09/23/2019	PIPELINE TRADING SYSTEMS	17.000	1,614			L
337738-10-8	FISERV, INC. COMMON STOCK		09/23/2019	Various	540.000	56,600			L
337932-10-7	FIRSTENERGY CORP COMMON STOCK		09/23/2019	Various	128.000	6,036			L
345370-86-0	FORD MOTOR COMPANY COMMON STOCK		09/23/2019	Various	145.000	1,412			L
34959J-10-8	FORTIVE CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	711			L

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35137L-10-5	FOX CORP FOX CORP		07/22/2019	WEEDEN & CO LP	15.000	542			L
35137L-20-4	FOX CORP FOX CORP		07/22/2019	WEEDEN & CO LP	6.000	218			L
35671D-85-7	FREEPORT-MCMORAN COPPER COMMON STOCK		09/23/2019	Various	50.000	553			L
363576-10-9	GALLAGHER (ARTHUR J.) & CO. COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	821			L
364760-10-8	GAP INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	12.000	209			L
366651-10-7	GARTNER INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	1,006			L
369604-10-3	GENERAL ELECTRIC COMMON STOCK		09/23/2019	Various	331.000	3,271			L
370334-10-4	GENERAL MILLS INC COMMON STOCK		09/23/2019	Various	46.000	2,444			L
37045V-10-0	GENERAL MOTORS CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	45.000	1,794			L
372460-10-5	GENUINE PARTS CO COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	1,150			L
375558-10-3	GILEAD SCIENCES INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	16.000	1,039			L
37940X-10-2	GLOBAL PAYMENTS INC. COMMON STOCK		09/23/2019	Various	421.170	69,041			L
37959E-10-2	GLOBE LIFE INC GLOBE LIFE INC		08/12/2019	Tax Free Exchange	292.000	22,557			L
40414L-10-9	HCP INC COMMON STOCK		09/23/2019	Various	60.000	2,053			L
406216-10-1	HALLIBURTON CO COMMON STOCK		09/23/2019	Various	47.000	1,063			L
410345-10-2	HANES BRANDS INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	176			L
416515-10-4	HARTFORD FINANCIAL SERVICES GR COMMON STOCK		07/22/2019	WEEDEN & CO LP	17.000	970			L
418056-10-7	HASBRO INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	977			L
423452-10-1	HELMERICH AND PAYNE COMMON STOCK		07/22/2019	WEEDEN & CO LP	14.000	712			L
426281-10-1	Jack Henry & Associates Inc COMMON		07/22/2019	WEEDEN & CO LP	6.000	833			L
427866-10-8	HERSHEY FOODS CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	31.000	4,753			L
42809H-10-7	HESS CORP COMMON STOCK		09/23/2019	Various	23.000	1,466			L
436440-10-1	HOLOGIC INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	10.000	482			L
438516-10-6	HONEYWELL INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	17.000	2,951			L
440452-10-0	HORMEL FOODS CORP COMMON STOCK		09/23/2019	Various	26.000	1,099			L
44107P-10-4	HOST MARRIOT CORP. COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	192			L
444859-10-2	HUMANA INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	1,941			L
445658-10-7	HUNT (JB) TRANSPRT SVCS INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	722			L
446150-10-4	HUNTINGTON BANCSHARES INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	15.000	207			L
45167R-10-4	IDEX Corp COMMON		09/23/2019	PIPELINE TRADING SYSTEMS	221.000	36,158			L
45168D-10-4	IDEXX LABORATORIES INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	6.000	1,655			L
452327-10-9	ILLUMINA INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	2,141			L
45337C-10-2	INCYTE PHARMACEUTICALS INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	490			L
458140-10-0	INTEL CORP. COMMON STOCK		07/22/2019	WEEDEN & CO LP	20.000	1,027			L
459200-10-1	INTL BUSINESS MACH COMMON STOCK		09/23/2019	Various	25.000	3,675			L
459506-10-1	INTL FLAVORS & FRAGRANCES COMMON STOCK		09/23/2019	Various	26.000	3,366			L
460690-10-0	INTERPUBLIC GROUP COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	160			L
461202-10-3	INTUIT INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	2,249			L
46120E-60-2	INTUITIVE SURGICAL INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	3,213			L
46266C-10-5	IQVIA HOLDINGS INC IQVIA HOLDINGS INC		09/23/2019	PIPELINE TRADING SYSTEMS	74.000	11,644			L
46284V-10-1	IRON MOUNTAIN COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	330			L
469814-10-7	JACOBS ENGINEERING GROUP INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	61.000	5,569			L
478160-10-4	JOHNSON & JOHNSON COMMON STOCK		07/22/2019	WEEDEN & CO LP	22.000	2,830			L
48203R-10-4	JUNIPER NETWORKS INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	195			L
493267-10-8	KEYCORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	14.000	243			L
49338L-10-3	Keysight Technologies Inc COMMON		07/22/2019	WEEDEN & CO LP	7.000	612			L
494368-10-3	KIMBERLY-CLARK CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	1,074			L
49446R-10-9	KIMCO REALTY COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	182			L
49456B-10-1	KINDER MORGAN INC COMMON STOCK		09/23/2019	Various	60.000	1,247			L
500754-10-6	KRAFT HEINZ CO /THE COMMON STOCK		09/23/2019	Various	28.000	856			L
501044-10-1	KROGER CO. COMMON STOCK		07/22/2019	WEEDEN & CO LP	37.000	772			L
501797-10-4	LIMITED INC COMMON STOCK		09/23/2019	Various	21.000	455			L
502431-10-9	L3 HARRIS TECHNOLOGIES INC L3 HARRIS TECHNOLOGIES INC		09/23/2019	Various	321.600	57,994			L
502431-10-9	L3 HARRIS TECHNOLOGIES INC L3 HARRIS TECHNOLOGIES INC		07/01/2019	Tax Free Exchange	332.000	40,760			L
518439-10-4	ESTEE LAUDER CLASS A		09/23/2019	Various	15.000	2,865			L
525327-10-2	Leidos Holdings Inc COMMON		09/23/2019	PIPELINE TRADING SYSTEMS	395.000	33,852			L
532457-10-8	LILLY (ELI) & CO COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	858			L
539830-10-9	LOCKHEED MARTIN CORP COMMON STOCK		09/23/2019	Various	19.000	7,126			L

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol/Market Indicator (a)
552953-10-1	MGM MIRAGE MGM INC COMMON		09/23/2019	Various	56.000	1,599			L
554382-10-1	MACERICH CO/THE COMMON STOCK		09/23/2019	Various	23.000	742			L
55616P-10-4	MACY'S INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	14.000	309			L
565849-10-6	MARATHON OIL COMMON STOCK		07/22/2019	WEEDEN & CO LP	22.000	301			L
57060D-10-8	MARKETAXESS HOLDINGS INC COMMON		07/22/2019	WEEDEN & CO LP	109.000	40,383			L
571748-10-2	MARSH & MCLENNAN COS COMMON STOCK		07/22/2019	WEEDEN & CO LP	34.000	3,434			L
573284-10-6	MARTIN MARIETTA MATERIALS COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	4.000	1,067			L
57772K-10-1	Maxim Integrated Products Inc COMMON		07/22/2019	WEEDEN & CO LP	6.000	377			L
579780-20-6	MCCORMICK & CO COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	1,119			L
580135-10-1	MCDONALD'S CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	1,720			L
58933Y-10-5	MERCK & COMPANY, INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	26.000	2,112			L
592688-10-5	METTLER-TOLEDO INTERNATIONAL COMMON STOCK		07/22/2019	WEEDEN & CO LP	2.000	1,637			L
594918-10-4	MICROSOFT CORP COMMON STOCK		09/23/2019	Various	123.000	17,039			L
595017-10-4	MICROCHIP TECHNOLOGY INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	10.000	936			L
59522J-10-3	MID-AMERICA APARTMENT COMM COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	1,303			L
60871R-20-9	MOLSON COORS BREWING CO COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	325			L
609207-10-5	MONDELEZ INTERNATIONAL INC COMMON STOCK		09/23/2019	Various	40.000	2,185			L
61174X-10-9	HANSEN NATURAL CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	762			L
61945C-10-3	MOSAIC CO/THE COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	146			L
620076-30-7	MOTOROLA INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	1,360			L
637071-10-1	NATIONAL-OILWELL VARCO INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	19.000	404			L
640268-10-8	Nektar Therapeutics COMMON		09/23/2019	PIPELINE TRADING SYSTEMS	10.000	199			L
64110D-10-4	NETAPP INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	352			L
64110L-10-6	NETFLIX INC. COMMON STOCK		09/23/2019	Various	22.000	6,521			L
651229-10-6	NEWELL RUBBERMAID INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	170			L
651639-10-6	NEWMONT GOLDCORP CORPORATION COMMON STOCK		09/23/2019	Various	31.000	1,237			L
65249B-10-9	NEW CORP-CLASS A COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	159			L
65339F-10-1	NEXTERA ENERGY INC COMMON STOCK		09/23/2019	Various	52.000	11,444			L
654106-10-3	NIKE, INC. CL B COMMON STOCK		07/22/2019	WEEDEN & CO LP	18.000	1,548			L
65473P-10-5	NISOURCE INC FORMALLY NIPSCO IND.		07/22/2019	WEEDEN & CO LP	13.000	379			L
670346-10-5	NUCOR CORP. COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	394			L
67066G-10-4	NVDIA CORP COMMON STOCK		09/23/2019	Various	35.000	6,025			L
674599-10-5	OCCIDENTAL PETROLEUM COMMON STOCK		09/23/2019	Various	451.240	21,322			L
682680-10-3	ONEOK INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	15.000	1,037			L
69351T-10-6	PPL CORPORATION COMMON STOCK		09/23/2019	Various	24.000	738			L
693718-10-8	PACCAR INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	563			L
695156-10-9	Packaging Corp of America COMMON		07/22/2019	WEEDEN & CO LP	9.000	895			L
704326-10-7	PAYCHEX, INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	925			L
70450Y-10-3	PAYPAL HOLDINGS INC COMMON STOCK		09/23/2019	Various	44.000	4,965			L
712704-10-5	PEOPLE'S UNITED FINANCIAL INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	17.000	271			L
713448-10-8	PEPSI CO INC COMMON STOCK		09/23/2019	Various	23.000	3,033			L
714046-10-9	PERKINELMER INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	1,037			L
717081-10-3	PFIZER, INC. COMMON STOCK		09/23/2019	Various	124.000	5,252			L
718172-10-9	PHILIP MORRIS COMMON STOCK		09/23/2019	Various	50.000	4,064			L
718546-10-4	PHILLIPS 66 COMMON STOCK		09/23/2019	Various	103.000	10,726			L
723484-10-1	PINNACLE WEST CAPITAL CORP. COMMON STOCK		07/22/2019	WEEDEN & CO LP	12.000	1,120			L
723787-10-7	PIONEER NATURAL RESOURCE COMMON STOCK		07/22/2019	WEEDEN & CO LP	10.000	1,382			L
74251V-10-2	PRINCIPAL FINANCIAL GROUP INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	514			L
742718-10-9	PROCTOR & GAMBLE CO. COMMON STOCK		09/23/2019	Various	77.000	8,998			L
743315-10-3	PROGRESSIVE CORP OH COMMON STOCK		09/23/2019	Various	28.000	2,222			L
74340W-10-3	PROLOGIS INC REIT USD COMMON STOCK		09/23/2019	Various	30.000	2,467			L
744573-10-6	PUBLIC SVC ENTERPRISES COMMON STOCK		09/23/2019	Various	22.000	1,330			L
74460D-10-9	PUBLIC STORAGE INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	1,718			L
745867-10-1	PULTE CORP. COMMON STOCK		09/23/2019	Various	17.000	593			L
747525-10-3	QUALCOMM INC COMMON STOCK		09/23/2019	Various	53.000	4,045			L
74762E-10-2	Quanta Serv COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	224			L
74834L-10-0	QUEST DIAGNOSTICS COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	589			L
756109-10-4	REALTY INCOME CORP COMMON STOCK		09/23/2019	Various	55.000	3,874			L

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol/Market Indicator (a)
758849-10-3	REGENCY CENTERS CORP. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	541			L
75886F-10-7	REGENERON PHARMACEUTICALS INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	2,063			L
761152-10-7	ResMed Inc COMMON		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	949			L
776696-10-6	ROPER INDUSTRIES INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	6.000	2,163			L
78409V-10-4	S&P GLOBAL INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	2,020			L
79466L-30-2	SALESFORCE.COM INC COMMON STOCK		09/23/2019	Various	360.000	55,851			L
806857-10-8	SCHLUMBERGER LTD COMMON STOCK		09/23/2019	Various	33.000	1,280			L
808513-10-5	SCHWAB, CHARLES CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	29.000	1,252			L
816851-10-9	SEMPRA ENERGY COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	1,265			L
824348-10-6	SHERWIN-WILLIAMS CO COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	3,792			L
828806-10-9	SIMON PROPERTY GROUP COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	1,396			L
842587-10-7	SOUTHERN COMPANY COMMON STOCK		09/23/2019	Various	63.000	3,648			L
84790A-10-5	Spectrum Brands Holdings Inc COMMON		09/27/2019	Spin Off	18.480	1,136			L
854502-10-1	STANLEY BLACK + DECKER INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	10.000	1,415			L
863667-10-1	STRYKER CORP. COMMON STOCK		09/23/2019	Various	47.000	10,232			L
867914-10-3	SUNTRUST BANK COMMON STOCK		07/22/2019	WEEDEN & CO LP	14.000	913			L
871607-10-7	SYNOPSIS INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	1,097			L
871829-10-7	SYSCO CORP COMMON STOCK		09/23/2019	Various	134.000	10,454			L
872590-10-4	T-Mobile US Inc COMMON		07/22/2019	WEEDEN & CO LP	921.000	71,534			L
874054-10-9	TAKE-TWO INTERACTIVE SOFTWARE COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	700			L
876030-10-7	TAPESTRY INC TAPESTRY INC		07/22/2019	WEEDEN & CO LP	9.000	265			L
879369-10-6	Teleflex Inc TELEFLEX INC		09/23/2019	PIPELINE TRADING SYSTEMS	3.000	1,043			L
882508-10-4	TEXAS INSTRUMENTS IN COMMON STOCK		07/22/2019	WEEDEN & CO LP	15.000	1,773			L
883556-10-2	THERMO ELECTRON CORP (FORMERLY THERMO ELECTRON CORP		09/23/2019	PIPELINE TRADING SYSTEMS	12.000	3,486			L
88579Y-10-1	3M CO COMMON STOCK		07/22/2019	WEEDEN & CO LP	18.000	3,144			L
886547-10-8	TIFFANY & COMPANY COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	734			L
892356-10-6	TRACTOR SUPPLY COMPANY COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	677			L
893641-10-0	TRANSDIGM GROUP INC COMMON STOCK		09/23/2019	Various	8.000	4,010			L
89417E-10-9	THE TRAVELERS COMPANIES INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	1,198			L
896945-20-1	TRIPADVISOR INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	491			L
90184L-10-2	Twitter Inc COMMON		09/23/2019	Various	162.000	6,873			L
902494-10-3	TYSON FOODS COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	651			L
902653-10-4	UDR INC COMMON STOCK		09/23/2019	Various	63.000	2,955			L
90384S-30-3	ULTA SALON COSMETICS FRAGRANCE COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	13.000	3,085			L
904311-10-7	UNDER ARMOUR, INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	160			L
904311-20-6	UNDER ARMOUR, INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	260			L
911312-10-6	UNITED PARCEL SERVICE CL B COMMON STOCK		09/23/2019	Various	26.000	2,870			L
913017-10-9	UNITED TECH CORP COMMON STOCK		09/23/2019	Various	37.000	4,949			L
918204-10-8	VF CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	14.000	1,216			L
92220P-10-5	VARIAN MEDICAL SYSTEMS INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	925			L
92276F-10-0	VENTAS INC COMMON STOCK		09/23/2019	Various	63.000	4,315			L
92343V-10-4	VERIZON COMMUNICATIONS COMMON STOCK		09/23/2019	Various	139.000	7,966			L
92532F-10-0	VERTEX PHARMACEUTICALS INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	1,567			L
92553P-20-1	VIACOM INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	330			L
92939U-10-6	WEC ENERGY CORP INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	10.000	863			L
929740-10-8	WABTEC CORP WABTEC CORP		09/23/2019	Various	74.000	5,425			L
931142-10-3	WAL-MART STORES COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	85.000	9,999			L
94106L-10-9	WASTE MANAGEMENT INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	937			L
95040Q-10-4	WELLTOWER INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	66.000	5,482			L
958102-10-5	WESTERN DIGITAL CORP COMMON STOCK		09/23/2019	Various	28.000	1,623			L
959802-10-9	WESTERN UNION COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	143			L
96145D-10-5	WESTROCK CO COMMON STOCK		07/22/2019	WEEDEN & CO LP	13.000	464			L
962166-10-4	WEYERHAEUSER COMMON STOCK		09/23/2019	Various	17.000	452			L
969457-10-0	WILLIAMS COMPANIES COMMON STOCK		09/23/2019	Various	42.000	1,112			L
983134-10-7	WYNN RESORTS LTD COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	1,204			L
98389B-10-0	XCEL ENERGY INC. COMMON STOCK		09/23/2019	Various	52.000	3,294			L
983919-10-1	XILINX INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	1,118			L
98419M-10-0	XYLEM INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	562			L

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Admini-strative Symbol/ Market Indicator (a)
98421M-10-6	XEROX HOLDINGS CORP XEROX HOLDINGS CORP		08/01/2019	Tax Free Exchange	570.000	16,313			L
988498-10-1	YUM! BRANDS, INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	793			L
98956P-10-2	ZIMMER HOLDINGS INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	860			L
98978V-10-3	ZOETIS INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	14.000	1,623			L
G0177J-10-8	WATSON PHARMACEUTICAL INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	57.000	9,512			L
G0250X-10-7	AMCOR PLC COMMON STOCK		07/22/2019	WEEDEN & CO LP	3,385.000	36,389			L
G0408V-10-2	AON CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	13.000	2,524			L
G29183-10-3	EATON CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	477			L
G47791-10-1	INGERSOLL-RAND COMPANY COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	996			L
G491BT-10-8	INVESCO PLC COMMON STOCK		07/22/2019	WEEDEN & CO LP	21.000	410			L
G51502-10-5	JOHNSON CONTROLS INTERNATIONAL COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	354			L
G6518L-10-8	NIELSEN HOLDINGS NV COMMON STOCK		07/22/2019	WEEDEN & CO LP	11.000	259			L
G7S00T-10-4	PENTAIR LTD COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	33.000	1,221			L
G97822-10-3	PERRIGO COMPANY COMMON STOCK		09/23/2019	Various	42.000	2,278			L
H1467J-10-4	ACE LTD COMMON STOCK		09/23/2019	Various	32.000	1,414			L
N59465-10-9	MYLAN LABORATORIES COMMON STOCK		09/23/2019	Various	22.000	417			L
G1151C-10-1	ACCENTURE PLC-CL A COMMON STOCK	D	07/22/2019	WEEDEN & CO LP	20.000	3,889			L
G3223R-10-8	Everest Re Group Ltd COMMON	D	07/22/2019	WEEDEN & CO LP	6.000	1,521			L
G47567-10-5	IHS MARKIT LTD COMMON	D	09/23/2019	Various	125.000	8,346			L
G5960L-10-3	MEDTRONIC PLC COMMON STOCK	D	09/23/2019	Various	41.000	4,334			L
G96629-10-3	WILLIS TOWERS WATSON PLC COMMON STOCK	D	07/22/2019	WEEDEN & CO LP	6.000	1,174			L
H2906T-10-9	GARMIN LTD COMMON STOCK	D	09/23/2019	PIPELINE TRADING SYSTEMS	73.000	6,168			L
9099999. Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						1,585,852	XXX		XXX
46138B-10-3	Invesco DB Commodity Index Tra INVESCO DB COMMODITY INDEX TRA		09/18/2019	WALLACHBETH CAPITAL	589,554.000	9,124,353			L
46140H-10-6	INVESCO DB AGRICULTURE FUND		09/18/2019	WALLACHBETH CAPITAL	58,252.000	899,949			L
9299999. Subtotal - Common Stocks - Mutual Funds						10,024,302	XXX		XXX
9799997. Total - Common Stocks - Part 3						11,610,154	XXX		XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						11,610,154	XXX		XXX
9899999. Total - Preferred and Common Stocks						11,610,154	XXX		XXX
9999999 - Totals						2,262,118,170	XXX	8,085,351	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues ....

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
36207E-NA-8	GOVERNMENT NATIONAL MORTGAGE A 6% Due 12/15/2033 Mo-1 6.000% 12/15/33		09/01/2019	Paydown		11,517	11,517	12,084	11,925		(408)		(408)		11,517				464	12/15/2033	1
912803-FE-8	STRIP PRINC STRIPS 0.000% 08/15/48		07/03/2019	GOLDMAN SACHS		23,133,530	48,500,000	20,106,645			134,571		134,571		20,241,216		2,892,314	2,892,314		08/15/2048	1
912810-SH-2	US TREASURY N/B BONDS 2.875% 05/15/49		09/26/2019	Various		19,961,945	17,250,000	18,384,582			(3,762)		(3,762)		18,380,820		1,581,125	1,581,125	180,844	05/15/2049	1
912828-6B-1	US GOVERNMENT TREAS BILL NOTES 2.625% 02/15/29		07/25/2019	NOMURA SECURITIES INTERNATIONA		8,427,029	8,050,000	8,186,670			(4,120)		(4,120)		8,182,550		244,480	244,480	96,900	02/15/2029	1
912828-6C-9	US GOVERNMENT TREAS BILL NOTES 2.500% 02/15/22		07/31/2019	GOLDMAN SACHS		7,833,246	7,700,000	7,706,918			(849)		(849)		7,706,069		127,177	127,177	88,805	02/15/2022	1
912828-C5-7	US GOVERNMENT TREAS BILL NOTES 2.250% 03/31/21		07/31/2019	Various		18,915,730	18,800,000	18,767,922			5,905		5,905		18,773,827		141,904	141,904	140,883	03/31/2021	1
912828-YB-0	US GOVERNMENT TREAS BILL NOTES 1.625% 08/15/29		09/26/2019	Various		33,498,575	33,595,000	33,865,323			(1,189)		(1,189)		33,864,133		(365,558)	(365,558)	50,753	08/15/2029	1
912828-YE-4	US GOVERNMENT TREAS BILL NOTES 1.250% 08/31/24		09/18/2019	CITICORP SECURITIES		943,875	960,000	942,825							942,825		1,050	1,050	659	08/31/2024	1
0599999. Subtotal - Bonds - U.S. Governments						112,725,447	134,866,517	107,972,969	11,925		130,148		130,148		108,102,957		4,622,492	4,622,492	559,308	XXX	XXX
156753-NX-9	CERES CA UNIF SCH DIST SCHOOL DISTRICT 5.000% 08/01/51		07/10/2019	LOOP CAPTIAL		2,349,860	2,000,000	2,325,760	2,295,821		(16,151)		(16,151)		2,279,669		70,191	70,191	94,722	08/01/2051	1FE
2499999. Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						2,349,860	2,000,000	2,325,760	2,295,821		(16,151)		(16,151)		2,279,669		70,191	70,191	94,722	XXX	XXX
045142-DK-9	ASHWAUBENON WI CMNTY DEV AUTHL GENERAL 3.000% 06/01/44		09/24/2019	WILLIAMS CAPITAL GROUP		781,316	775,000	748,487			182		182		748,669		32,647	32,647	6,200	06/01/2044	1FE
187145-FD-4	CLIFTON TX HGR EDU FIN CORP ED 5% Due 8/15/2046 FA15 5.000% 08/15/46		07/24/2019	ROBERT W. BAIRD & CO.		2,314,720	2,000,000	2,428,960	2,338,896		(23,117)		(23,117)		2,315,780		(1,060)	(1,060)	94,722	08/15/2046	1FE
31283H-Q8-1	FREDDIE MAC 7 1/2% Due 2/1/2032 Mo-1 7.500% 02/01/32		09/01/2019	Paydown		449	449	470	461		(12)		(12)		449				22	02/01/2032	1
31287Q-7G-0	FREDDIE MAC 6 1/2% Due 4/1/2032 Mo-1 6.500% 04/01/32		09/01/2019	Paydown		1,185	1,185	1,233	1,211		(26)		(26)		1,185				51	04/01/2032	1
31287U-AX-0	FREDDIE MAC 7 1/2% Due 6/1/2032 Mo-1 7.500% 06/01/32		09/01/2019	Paydown		3,677	3,677	3,852	3,773		(96)		(96)		3,677				181	06/01/2032	1
31287U-JM-5	FREDDIE MAC 7 1/2% Due 6/1/2032 Mo-1 7.500% 06/01/32		09/01/2019	Paydown		1,058	1,058	1,108	1,085		(27)		(27)		1,058				53	06/01/2032	1
31287U-JN-3	FREDDIE MAC 7 1/2% Due 6/1/2032 Mo-1 7.500% 06/01/32		09/01/2019	Paydown		1,060	1,060	1,110	1,087		(27)		(27)		1,060				53	06/01/2032	1
31288D-CE-7	FREDDIE MAC 7 1/2% Due 12/1/2032 Mo-1 7.500% 12/01/32		09/01/2019	Paydown		57	57	60	59		(1)		(1)		57				3	12/01/2032	1
31288J-ZU-3	FREDDIE MAC 6 1/2% Due 4/1/2033 Mo-1 6.500% 04/01/33		09/01/2019	Paydown		2,381	2,381	2,488	2,450		(69)		(69)		2,381				103	04/01/2033	1
3128M6-RR-1	FREDDIE MAC 7% Due 9/1/2038 Mo-1 7.000% 09/01/38		09/01/2019	Paydown		67,051	67,051	69,851	69,500		(2,450)		(2,450)		67,051				3,502	09/01/2038	1
3128MM-XF-5	FREDDIE MAC POOL G18677 3.000% 02/01/33		09/01/2019	Paydown		131,271	131,271	130,255	130,285		985		985		131,271				2,613	02/01/2033	1
31292G-GS-9	FREDDIE MAC 7 1/2% Due 2/1/2023 Mo-1 7.500% 02/01/23		09/01/2019	Paydown		30	30	31	30		(1)		(1)		30				2	02/01/2023	1
31292H-PJ-7	FREDDIE MAC 7 1/2% Due 1/1/2032 Mo-1 7.500% 01/01/32		09/01/2019	Paydown		1,404	1,404	1,470	1,451		(47)		(47)		1,404				78	01/01/2032	1
31292K-6A-0	FREDDIE MAC 4% Due 12/1/2040 Mo-1 4.000% 12/01/40		09/01/2019	Paydown		105,500	105,500	105,755	105,719		(219)		(219)		105,500				2,819	12/01/2040	1
312943-WG-4	FREDDIE MAC 4% Due 11/1/2040 Mo-1 4.000% 11/01/40		09/01/2019	Paydown		16,340	16,340	16,380	16,373		(33)		(33)		16,340				446	11/01/2040	1
31296R-H8-4	FREDDIE MAC 6 1/2% Due 12/1/2033 Mo-1 6.500% 12/01/33		09/01/2019	Paydown		1,689	1,689	1,744	1,740		(50)		(50)		1,689				73	12/01/2033	1
31296S-YF-7	FREDDIE MAC 6 1/2% Due 1/1/2034 Mo-1 6.500% 01/01/34		09/01/2019	Paydown		426	426	440	434		(8)		(8)		426				18	01/01/2034	1
31298M-7F-8	FREDDIE MAC 7 1/2% Due 5/1/2031 Mo-1 7.500% 05/01/31		09/01/2019	Paydown		212	212	222	217		(5)		(5)		212				11	05/01/2031	1
313637-FB-1	FANNIE MAE 6.64% Due 3/1/2028 Mo-1 6.640% 03/01/28		09/01/2019	Paydown		274	274	274	274						274				12	03/01/2028	1

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
313637-FH-8	FANNIE MAE 6.64% Due 7/1/2028 Mo-1 6.640% 07/01/28		09/01/2019	Paydown		267	267	267	267						267				12	07/01/2028	1
313637-LM-0	FANNIE MAE 6.24% Due 7/1/2029 Mo-1 6.240% 07/01/29		09/01/2019	Paydown		248	248	248	248						248				10	07/01/2029	1
31363C-BZ-1	FANNIE MAE 9 1/2% Due 10/1/2019 Mo-1 9.500% 10/01/19		07/01/2019	Paydown		11	11	11	11						11				1	10/01/2019	1
3136B1-VA-9	FANNIE MAE SERIES 201825 CLASS AG 3.500% 04/25/47		09/01/2019	Paydown		46,593	46,593	46,893	46,869		(276)		(276)		46,593				1,092	04/25/2047	1
31371G-2Y-5	FANNIE MAE 7% Due 8/1/2028 Mo-1 7.000% 08/01/28		09/01/2019	Paydown		3,854	3,854	4,071	3,985		(131)		(131)		3,854				180	08/01/2028	1
31371G-4T-4	FANNIE MAE 7% Due 9/1/2028 Mo-1 7.000% 09/01/28		09/01/2019	Paydown		746	746	789	769		(23)		(23)		746				37	09/01/2028	1
31371H-BY-3	FANNIE MAE 7% Due 10/1/2028 Mo-1 7.000% 10/01/28		09/01/2019	Paydown		2,636	2,636	2,785	2,719		(83)		(83)		2,636				123	10/01/2028	1
31371H-D9-6	FANNIE MAE 7% Due 12/1/2028 Mo-1 7.000% 12/01/28		09/01/2019	Paydown		4,257	4,257	4,497	4,371		(113)		(113)		4,257				189	12/01/2028	1
31371H-F2-9	FANNIE MAE 7% Due 12/1/2028 Mo-1 7.000% 12/01/28		09/01/2019	Paydown		273	273	288	281		(8)		(8)		273				13	12/01/2028	1
31371H-HL-5	FANNIE MAE 7% Due 2/1/2029 Mo-1 7.000% 02/01/29		09/01/2019	Paydown		388	388	410	401		(13)		(13)		388				19	02/01/2029	1
31371H-KX-5	FANNIE MAE 7% Due 3/1/2029 Mo-1 7.000% 03/01/29		09/01/2019	Paydown		7,063	7,063	7,462	7,242		(179)		(179)		7,063				330	03/01/2029	1
31371H-PB-8	FANNIE MAE 7% Due 5/1/2029 Mo-1 7.000% 05/01/29		09/01/2019	Paydown		586	586	619	606		(20)		(20)		586				28	05/01/2029	1
31371H-YB-8	FANNIE MAE 7 1/2% Due 10/1/2029 Mo-1 7.500% 10/01/29		09/01/2019	Paydown		516	516	544	534		(18)		(18)		516				28	10/01/2029	1
31371K-BU-4	FANNIE MAE 7 1/2% Due 9/1/2031 Mo-1 7.500% 09/01/31		09/01/2019	Paydown		196	196	207	203		(8)		(8)		196				10	09/01/2031	1
31371K-NJ-6	FANNIE MAE 7 1/2% Due 4/1/2032 Mo-1 7.500% 04/01/32		09/01/2019	Paydown		292	292	312	308		(16)		(16)		292				15	04/01/2032	1
31371K-P8-8	FANNIE MAE 7% Due 6/1/2032 Mo-1 7.000% 06/01/32		09/01/2019	Paydown		2,889	2,889	3,010	2,985		(96)		(96)		2,889				135	06/01/2032	1
31371K-R4-5	FANNIE MAE 7% Due 8/1/2032 Mo-1 7.000% 08/01/32		09/01/2019	Paydown		747	747	779	773		(26)		(26)		747				35	08/01/2032	1
3137BL-4A-3	FHMS K048 SERIES 4498 CLASS PD 2.500% 08/15/42		09/01/2019	Paydown		45,644	45,644	43,190	43,371		2,273		2,273		45,644				763	08/15/2042	1
3137FE-BP-4	FHLMC MULTIFAMILY STRUCTURED P SERIES K072 CLASS A1 3.252% 12/25/50		09/01/2019	Paydown		15,514	15,514	15,824	15,809		(295)		(295)		15,514				335	12/25/2050	1
31384W-K5-8	FANNIE MAE 8% Due 5/1/2031 Mo-1 8.000% 05/01/31		09/01/2019	Paydown		1,600	1,600	1,601	1,600						1,600				86	05/01/2031	1
31385H-XF-4	FANNIE MAE 7 1/2% Due 11/1/2031 Mo-1 7.500% 11/01/31		09/01/2019	Paydown		95	95	101	99		(4)		(4)		95				5	11/01/2031	1
31387X-2G-9	FANNIE MAE 8% Due 9/1/2031 Mo-1 8.000% 09/01/31		09/01/2019	Paydown		728	728	728	728						728				39	09/01/2031	1
31387X-GX-7	FANNIE MAE 8% Due 8/1/2031 Mo-1 8.000% 08/01/31		09/01/2019	Paydown		3,817	3,817	3,819	3,817						3,817				206	08/01/2031	1
31388J-W9-2	FANNIE MAE 8% Due 9/1/2031 Mo-1 8.000% 09/01/31		09/01/2019	Paydown		656	656	657	656						656				35	09/01/2031	1
31388Q-VX-4	FANNIE MAE 7% Due 7/1/2029 Mo-1 7.000% 07/01/29		09/01/2019	Paydown		612	612	647	629		(17)		(17)		612				29	07/01/2029	1
3138A1-J3-6	FANNIE MAE 4% Due 12/1/2040 Mo-1 4.000% 12/01/40		09/01/2019	Paydown		81,004	81,004	86,364	85,786		(4,782)		(4,782)		81,004				2,143	12/01/2040	1
3138E6-VW-3	FANNIE MAE 3 1/2% Due 2/1/2042 Mo-1 3.500% 02/01/42		09/01/2019	Paydown		12,101	12,101	12,288	12,272		(171)		(171)		12,101				280	02/01/2042	1
3138E9-D9-8	FANNIE MAE 3 1/2% Due 7/1/2042 Mo-1 3.500% 07/01/42		09/01/2019	Paydown		8,469	8,469	8,600	8,577		(108)		(108)		8,469				198	07/01/2042	1

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
3138EJ-TK-4	FANNIE MAE 3 1/2% Due 8/1/2042 Mo-1 3.500% 08/01/42		09/01/2019	Paydown		39,583	39,583	40,195	40,151		(568)		(568)		39,583				923	08/01/2042	1
3138EP-AM-6	FANNIE MAE 4 1/2% Due 11/1/2044 Mo-1 4.500% 11/01/44		09/01/2019	Paydown		143,184	143,184	154,398	154,025		(10,842)		(10,842)		143,184				4,255	11/01/2044	1
3138LU-VL-6	FANNIE MAE 3 1/2% Due 7/1/2042 Mo-1 3.500% 07/01/42		09/01/2019	Paydown		3,206	3,206	3,256	3,253		(46)		(46)		3,206				75	07/01/2042	1
3138LW-DV-0	FANNIE MAE 3 1/2% Due 7/1/2042 Mo-1 3.500% 07/01/42		09/01/2019	Paydown		1,185	1,185	1,203	1,202		(17)		(17)		1,185				28	07/01/2042	1
3138M5-3B-3	FANNIE MAE 4% Due 8/1/2042 Mo-1 4.000% 08/01/42		09/01/2019	Paydown		135,218	135,218	144,166	142,639		(7,421)		(7,421)		135,218				4,046	08/01/2042	1
3138M9-PP-0	FANNIE MAE 3 1/2% Due 11/1/2042 Mo-1 3.500% 11/01/42		09/01/2019	Paydown		195,052	195,052	198,069	197,550		(2,499)		(2,499)		195,052				4,000	11/01/2042	1
3138MJ-7G-8	FANNIE MAE 3 1/2% Due 11/1/2042 Mo-1 3.500% 11/01/42		09/01/2019	Paydown		10,214	10,214	10,372	10,346		(133)		(133)		10,214				238	11/01/2042	1
3138ML-B4-5	FANNIE MAE 3 1/2% Due 12/1/2042 Mo-1 3.500% 12/01/42		09/01/2019	Paydown		21,078	21,078	21,404	21,377		(299)		(299)		21,078				494	12/01/2042	1
3138W6-GB-6	FANNIE MAE 3% Due 5/1/2043 Mo-1 3.000% 05/01/43		09/01/2019	Paydown		112,798	112,798	109,859	110,050		2,748		2,748		112,798				2,246	05/01/2043	1
3138W7-5S-9	FANNIE MAE 3% Due 4/1/2043 Mo-1 3.000% 04/01/43		09/01/2019	Paydown		29,400	29,400	28,638	28,676		724		724		29,400				575	04/01/2043	1
3138W7-NW-0	FANNIE MAE 3 1/2% Due 6/1/2043 Mo-1 3.500% 06/01/43		09/01/2019	Paydown		63,094	63,094	64,070	64,021		(927)		(927)		63,094				1,552	06/01/2043	1
3138W9-2G-4	FANNIE MAE 3% Due 10/1/2043 Mo-1 3.000% 10/01/43		09/01/2019	Paydown		62,971	62,971	61,338	61,425		1,546		1,546		62,971				1,289	10/01/2043	1
3138W9-KP-4	FANNIE MAE 3% Due 8/1/2043 Mo-1 3.000% 08/01/43		09/01/2019	Paydown		122,337	122,337	119,149	119,356		2,981		2,981		122,337				2,384	08/01/2043	1
3138W9-KT-6	FANNIE MAE 3% Due 8/1/2043 Mo-1 3.000% 08/01/43		09/01/2019	Paydown		82,301	82,301	80,156	80,284		2,017		2,017		82,301				1,546	08/01/2043	1
3138WA-RV-1	FANNIE MAE 3 1/2% Due 12/1/2043 Mo-1 3.500% 12/01/43		09/01/2019	Paydown		6,015	6,015	6,108	6,104		(89)		(89)		6,015				144	12/01/2043	1
3138WB-3A-1	FANNIE MAE 3 1/2% Due 6/1/2044 Mo-1 3.500% 06/01/44		09/01/2019	Paydown		6,300	6,300	6,407	6,398		(98)		(98)		6,300				147	06/01/2044	1
3138WD-BH-3	FANNIE MAE 4% Due 10/1/2044 Mo-1 4.000% 10/01/44		09/01/2019	Paydown		63,058	63,058	67,100	66,915		(3,857)		(3,857)		63,058				1,677	10/01/2044	1
3138WD-LV-1	FANNIE MAE 3 1/2% Due 12/1/2044 Mo-1 3.500% 12/01/44		09/01/2019	Paydown		225,141	225,141	229,889	229,599		(4,458)		(4,458)		225,141				5,295	12/01/2044	1
3138WD-LW-9	FANNIE MAE 3 1/2% Due 12/1/2044 Mo-1 3.500% 12/01/44		09/01/2019	Paydown		215,119	215,119	219,656	219,413		(4,294)		(4,294)		215,119				5,170	12/01/2044	1
3138WD-Y8-8	FANNIE MAE 3% Due 1/1/2045 Mo-1 3.000% 01/01/45		09/01/2019	Paydown		29,086	29,086	28,400	28,431		655		655		29,086				602	01/01/2045	1
3138WD-Y9-6	FANNIE MAE 3% Due 1/1/2045 Mo-1 3.000% 01/01/45		09/01/2019	Paydown		19,314	19,314	18,858	18,878		436		436		19,314				400	01/01/2045	1
3138WE-JX-8	FANNIE MAE 3 1/2% Due 4/1/2045 Mo-1 3.500% 04/01/45		09/01/2019	Paydown		278,692	278,692	293,193	292,739		(14,047)		(14,047)		278,692				6,380	04/01/2045	1
3138WE-Q3-6	FANNIE MAE 3% Due 5/1/2045 Mo-1 3.000% 05/01/45		09/01/2019	Paydown		6,378	6,378	6,212	6,220		157		157		6,378				124	05/01/2045	1
3138WF-KF-2	FANNIE MAE 3% Due 8/1/2045 Mo-1 3.000% 08/01/45		09/01/2019	Paydown		46,958	46,958	45,743	45,811		1,146		1,146		46,958				908	08/01/2045	1
3138WF-LC-8	FANNIE MAE 3 1/2% Due 9/1/2045 Mo-1 3.500% 09/01/45		09/01/2019	Paydown		332,554	332,554	346,278	345,656		(13,102)		(13,102)		332,554				7,657	09/01/2045	1
3138WF-XF-8	FANNIE MAE 3 1/2% Due 10/1/2045 Mo-1 3.500% 10/01/45		09/01/2019	Paydown		275,412	275,412	289,742	289,275		(13,864)		(13,864)		275,412				6,377	10/01/2045	1
3138WG-A6-1	FANNIE MAE 3 1/2% Due 12/1/2045 Mo-1 3.500% 12/01/45		09/01/2019	Paydown		197,745	197,745	208,034	207,692		(9,947)		(9,947)		197,745				4,616	12/01/2045	1
3138WH-YE-6	FANNIE MAE 3% Due 9/1/2046 Mo-1 3.000% 09/01/46		09/01/2019	Paydown		1,450,052	1,450,052	1,416,709	1,417,838		32,214		32,214		1,450,052				29,355	09/01/2046	1

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
3138WM-SR-3	FANNIE MAE 3% Due 8/1/2043 Mo-1 3.000% 08/01/43		09/01/2019	Paydown		59,254	59,254	57,710	57,827		1,428		1,428		59,254				1,183	08/01/2043	1
3138WP-LH-5	FANNIE MAE 3% Due 4/1/2043 Mo-1 3.000% 04/01/43		09/01/2019	Paydown		104,781	104,781	102,050	102,212		2,569		2,569		104,781				2,064	04/01/2043	1
3138WV-BK-6	FANNIE MAE 3% Due 8/1/2043 Mo-1 3.000% 08/01/43		09/01/2019	Paydown		14,614	14,614	14,233	14,253		361		361		14,614				293	08/01/2043	1
3138X0-3Q-9	FANNIE MAE 3% Due 8/1/2043 Mo-1 3.000% 08/01/43		09/01/2019	Paydown		25,322	25,322	24,662	24,707		615		615		25,322				507	08/01/2043	1
3138X0-Y9-3	FANNIE MAE 3 1/2% Due 7/1/2043 Mo-1 3.500% 07/01/43		09/01/2019	Paydown		82,378	82,378	83,137	83,073		(696)		(696)		82,378				1,930	07/01/2043	1
3138X0-ZA-9	FANNIE MAE 3 1/2% Due 7/1/2043 Mo-1 3.500% 07/01/43		09/01/2019	Paydown		16,633	16,633	16,891	16,872		(239)		(239)		16,633				394	07/01/2043	1
3138X1-AR-7	FANNIE MAE 3% Due 8/1/2043 Mo-1 3.000% 08/01/43		09/01/2019	Paydown		328,433	328,433	319,874	320,300		8,133		8,133		328,433				6,739	08/01/2043	1
3138X1-FH-4	FANNIE MAE 3% Due 7/1/2043 Mo-1 3.000% 07/01/43		09/01/2019	Paydown		80,934	80,934	78,825	78,930		2,005		2,005		80,934				1,761	07/01/2043	1
3138X2-RR-7	FANNIE MAE 3% Due 8/1/2043 Mo-1 3.000% 08/01/43		09/01/2019	Paydown		113,819	113,819	110,853	111,042		2,778		2,778		113,819				2,296	08/01/2043	1
3138X2-T9-5	FANNIE MAE 3 1/2% Due 8/1/2043 Mo-1 3.500% 08/01/43		09/01/2019	Paydown		10,007	10,007	10,177	10,164		(157)		(157)		10,007				212	08/01/2043	1
3138X3-GV-8	FANNIE MAE 3% Due 8/1/2043 Mo-1 3.000% 08/01/43		09/01/2019	Paydown		10,525	10,525	10,252	10,265		260		260		10,525				205	08/01/2043	1
3138X3-L7-5	FANNIE MAE 3% Due 8/1/2043 Mo-1 3.000% 08/01/43		09/01/2019	Paydown		168,699	168,699	164,303	164,547		4,153		4,153		168,699				3,575	08/01/2043	1
3138X3-YK-2	FANNIE MAE 3% Due 8/1/2043 Mo-1 3.000% 08/01/43		09/01/2019	Paydown		31,682	31,682	30,856	30,917		765		765		31,682				633	08/01/2043	1
3138X5-JZ-1	FANNIE MAE 3% Due 9/1/2043 Mo-1 3.000% 09/01/43		09/01/2019	Paydown		35,626	35,626	34,698	34,763		864		864		35,626				714	09/01/2043	1
3138X5-SG-3	FANNIE MAE 3% Due 9/1/2043 Mo-1 3.000% 09/01/43		09/01/2019	Paydown		69,928	69,928	68,105	68,222		1,706		1,706		69,928				1,484	09/01/2043	1
3138X6-PV-1	FANNIE MAE 3% Due 10/1/2043 Mo-1 3.000% 10/01/43		09/01/2019	Paydown		94,563	94,563	92,099	92,227		2,336		2,336		94,563				1,959	10/01/2043	1
3138X7-W3-3	FANNIE MAE 3% Due 9/1/2043 Mo-1 3.000% 09/01/43		09/01/2019	Paydown		51,998	51,998	50,643	50,728		1,271		1,271		51,998				1,042	09/01/2043	1
3138XH-MC-2	FANNIE MAE 3 1/2% Due 12/1/2043 Mo-1 3.500% 12/01/43		09/01/2019	Paydown		148,211	148,211	150,504	150,363		(2,152)		(2,152)		148,211				3,045	12/01/2043	1
3138Y2-3J-0	FANNIE MAE 3% Due 11/1/2044 Mo-1 3.000% 11/01/44		09/01/2019	Paydown		2,330	2,330	2,275	2,278		52		52		2,330				42	11/01/2044	1
3138Y5-YH-3	FANNIE MAE 3% Due 2/1/2045 Mo-1 3.000% 02/01/45		09/01/2019	Paydown		29,156	29,156	28,468	28,497		659		659		29,156				588	02/01/2045	1
3138Y8-HE-3	FANNIE MAE 3 1/2% Due 12/1/2044 Mo-1 3.500% 12/01/44		09/01/2019	Paydown		483,103	483,103	493,291	492,857		(9,755)		(9,755)		483,103				11,524	12/01/2044	1
3138Y9-EJ-3	FANNIE MAE 3% Due 9/1/2044 Mo-1 3.000% 09/01/44		09/01/2019	Paydown		61,469	61,469	60,018	60,077		1,393		1,393		61,469				1,340	09/01/2044	1
3138YD-DQ-9	FANNIE MAE 3% Due 1/1/2045 Mo-1 3.000% 01/01/45		09/01/2019	Paydown		3,410	3,410	3,329	3,336		74		74		3,410				69	01/01/2045	1
3138YD-F4-6	FANNIE MAE 3% Due 12/1/2044 Mo-1 3.000% 12/01/44		09/01/2019	Paydown		3,268	3,268	3,191	3,194		75		75		3,268				65	12/01/2044	1
3138YF-AZ-7	FANNIE MAE 3% Due 1/1/2045 Mo-1 3.000% 01/01/45		09/01/2019	Paydown		21,692	21,692	21,180	21,201		491		491		21,692				439	01/01/2045	1
3138YF-GV-0	FANNIE MAE 4% Due 2/1/2045 Mo-1 4.000% 02/01/45		09/01/2019	Paydown		3,831	3,831	4,076	4,063		(232)		(232)		3,831				102	02/01/2045	1
3138YJ-MR-4	FANNIE MAE 3% Due 6/1/2045 Mo-1 3.000% 06/01/45		09/01/2019	Paydown		56,809	56,809	55,339	55,400		1,409		1,409		56,809				1,081	06/01/2045	1
3138YN-PE-1	FANNIE MAE 3% Due 7/1/2045 Mo-1 3.000% 07/01/45		09/01/2019	Paydown		23,862	23,862	23,298	23,324		538		538		23,862				486	07/01/2045	1

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
3138YP-AY-8	FANNIE MAE 3% Due 5/1/2045 Mo-1 3.000% 05/01/45		09/01/2019	Paydown		28,618	28,618	27,878	27,911		708		708		28,618				601	05/01/2045	1
3138YS-BR-6	FANNIE MAE 3% Due 8/1/2045 Mo-1 3.000% 08/01/45		09/01/2019	Paydown		31,291	31,291	30,481	30,535		756		756		31,291				681	08/01/2045	1
3138YT-4Q-4	FANNIE MAE 3% Due 9/1/2045 Mo-1 3.000% 09/01/45		09/01/2019	Paydown		31,996	31,996	31,168	31,195		801		801		31,996				710	09/01/2045	1
3138YV-ZN-2	FANNIE MAE 3% Due 7/1/2045 Mo-1 3.000% 07/01/45		09/01/2019	Paydown		4,506	4,506	4,389	4,395		110		110		4,506				91	07/01/2045	1
3138YX-4Z-5	FANNIE MAE 3% Due 9/1/2045 Mo-1 3.000% 09/01/45		09/01/2019	Paydown		109,368	109,368	106,538	106,614		2,754		2,754		109,368				2,351	09/01/2045	1
3138YX-RQ-0	FANNIE MAE 3% Due 9/1/2045 Mo-1 3.000% 09/01/45		09/01/2019	Paydown		88,226	88,226	85,944	86,050		2,176		2,176		88,226				1,705	09/01/2045	1
3138YX-Y6-6	FANNIE MAE 3% Due 9/1/2045 Mo-1 3.000% 09/01/45		09/01/2019	Paydown		3,629	3,629	3,535	3,540		90		90		3,629				73	09/01/2045	1
31390A-G4-6	FANNIE MAE 7% Due 2/1/2032 Mo-1 7.000% 02/01/32		09/01/2019	Paydown		524	524	553	539		(15)		(15)		524				25	02/01/2032	1
31392F-4F-1	FNR 2002-77 5 1/2% Due 12/25/2032 Mo-1 5.500% 12/25/32		09/01/2019	Paydown		83,538	83,538	94,069	89,953		(6,415)		(6,415)		83,538				2,975	12/25/2032	1FE
31397F-Y3-0	FHR 3291 5 1/2% Due 3/15/2037 Mo-1 5.500% 03/15/37		09/01/2019	Paydown		437,116	437,116	419,648	428,997		8,119		8,119		437,116				15,922	03/15/2037	1
31397S-G2-4	FANNIE MAE SERIES 201146 CLASS B 3.000% 05/25/26		09/01/2019	Paydown		177,266	177,266	177,238	177,238		28		28		177,266				3,568	05/25/2026	1
31407J-DD-1	FANNIE MAE 6 1/2% Due 9/1/2036 Mo-1 6.500% 09/01/36		09/01/2019	Paydown		24,698	24,698	27,534	27,262		(2,564)		(2,564)		24,698				1,127	09/01/2036	1
31407S-EK-4	FANNIE MAE 5 1/2% Due 11/1/2035 Mo-1 5.500% 11/01/35		09/01/2019	Paydown		1,908	1,908	1,869	1,877		31		31		1,908				70	11/01/2035	1
31408H-PN-9	FANNIE MAE 6% Due 1/1/2036 Mo-1 6.000% 01/01/36		09/01/2019	Paydown		936	936	947	942		(5)		(5)		936				37	01/01/2036	1
3140E1-4J-9	FANNIE MAE 3% Due 9/1/2045 Mo-1 3.000% 09/01/45		09/01/2019	Paydown		22,125	22,125	21,552	21,601		524		524		22,125				443	09/01/2045	1
3140E1-BU-6	FANNIE MAE 3% Due 9/1/2045 Mo-1 3.000% 09/01/45		09/01/2019	Paydown		15,250	15,250	14,855	14,866		384		384		15,250				305	09/01/2045	1
3140EU-LG-2	FANNIE MAE 3 1/2% Due 12/1/2045 Mo-1 3.500% 12/01/45		09/01/2019	Paydown		368,481	368,481	387,654	386,944		(18,462)		(18,462)		368,481				8,767	12/01/2045	1
3140EY-R2-9	FANNIE MAE 3 1/2% Due 2/1/2046 Mo-1 3.500% 02/01/46		09/01/2019	Paydown		684,735	684,735	720,363	719,156		(34,420)		(34,420)		684,735				16,505	02/01/2046	1
3140GY-GZ-6	FANNIE MAE POOL BH9215 3.500% 01/01/48		09/01/2019	Paydown		90	90	88	88		2		2		90				2	01/01/2048	1
3140H2-Z4-3	FANNIE MAE POOL BJ1662 3.500% 12/01/47		09/01/2019	Paydown		111,333	111,333	110,742	110,751		582		582		111,333				2,630	12/01/2047	1
3140H3-7E-0	FANNIE MAE POOL BJ2692 3.500% 04/01/48		09/01/2019	Paydown		124,217	124,217	123,528	123,531		686		686		124,217				2,952	04/01/2048	1
3140H7-2D-8	FANNIE MAE POOL BJ6171 3.500% 02/01/48		09/01/2019	Paydown		142,551	142,551	139,210	139,224		3,327		3,327		142,551				3,703	02/01/2048	1
3140H7-Z9-1	FANNIE MAE POOL BJ6167 3.500% 02/01/48		09/01/2019	Paydown		352,915	352,915	355,659	355,595		(2,680)		(2,680)		352,915				9,169	02/01/2048	1
3140HB-GA-0	FANNIE MAE POOL BJ9192 3.500% 05/01/33		09/01/2019	Paydown		53,970	53,970	54,392	54,378		(408)		(408)		53,970				1,269	05/01/2033	1
3140HB-H5-0	FANNIE MAE POOL BJ9251 3.500% 06/01/48		09/01/2019	Paydown		55,605	55,605	55,357	55,359		246		246		55,605				1,318	06/01/2048	1
3140HE-AR-3	FANNIE MAE POOL BK0915 4.000% 07/01/48		09/01/2019	Paydown		506,661	506,661	515,527	515,415		(8,754)		(8,754)		506,661				13,550	07/01/2048	1
3140HN-4W-9	FANNIE MAE POOL BK8936 4.000% 09/01/48		09/01/2019	Paydown		199,820	199,820	203,332	203,297		(3,477)		(3,477)		199,820				5,237	09/01/2048	1
3140Q8-3U-7	FANNIE MAE POOL CA1710 4.500% 05/01/48		09/01/2019	Paydown		646,732	646,732	673,208	672,905		(26,173)		(26,173)		646,732				19,715	05/01/2048	1
3140Q9-DR-1	FANNIE MAE POOL CA1911 4.500% 06/01/48		09/01/2019	Paydown		300,757	300,757	308,840	308,799		(8,042)		(8,042)		300,757				8,953	06/01/2048	1
31410X-VS-2	FANNIE MAE 6% Due 8/1/2021 Mo-1 6.000% 08/01/21		09/01/2019	Paydown		16,481	16,481	16,624	16,481						16,481				650	08/01/2021	1
31411G-JU-7	FANNIE MAE Flt % Due 12/1/2036 Mo-1 3.621% 12/01/36		09/01/2019	Paydown		2,673	2,673	2,689	2,686		(13)		(13)		2,673				83	12/01/2036	1
31412S-RC-1	FANNIE MAE 6 1/2% Due 3/1/2038 Mo-1 6.500% 03/01/38		09/01/2019	Paydown		4,003	4,003	4,462	4,356		(353)		(353)		4,003				184	03/01/2038	1
31412X-4V-3	FANNIE MAE 5 1/2% Due 7/1/2022 Mo-1 5.500% 07/01/22		09/01/2019	Paydown		9,095	9,095	9,294	9,181		(86)		(86)		9,095				332	07/01/2022	1
31413D-S5-7	FANNIE MAE 6 1/2% Due 8/1/2037 Mo-1 6.500% 08/01/37		09/01/2019	Paydown		3,659	3,659	4,080	4,055		(396)		(396)		3,659				159	08/01/2037	1

SCHEDULE D - PART 4

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1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
31413L-LL-1	FANNIE MAE 6% Due 8/1/2037 Mo-1 6.000% 08/01/37		09/01/2019	Paydown		8,896	8,896	9,814	9,725		(830)		(830)		8,896				316	08/01/2037	1
31413T-T9-3	FANNIE MAE 6 1/2% Due 11/1/2037 Mo-1 6.500% 11/01/37		09/01/2019	Paydown		14,256	14,256	15,893	15,783		(1,527)		(1,527)		14,256				618	11/01/2037	1
31414P-U3-1	FANNIE MAE 6 1/2% Due 2/1/2038 Mo-1 6.500% 02/01/38		09/01/2019	Paydown		2,405	2,405	2,681	2,644		(238)		(238)		2,405				104	02/01/2038	1
31414R-CN-3	FANNIE MAE 5% Due 3/1/2038 Mo-1 5.000% 03/01/38		09/01/2019	Paydown		39,157	39,157	42,727	42,384		(3,226)		(3,226)		39,157				1,294	03/01/2038	1
31414R-PN-9	FANNIE MAE 5% Due 4/1/2038 Mo-1 5.000% 04/01/38		09/01/2019	Paydown		10,471	10,471	11,426	11,334		(863)		(863)		10,471				345	04/01/2038	1
31416V-R9-7	FANNIE MAE 6 1/2% Due 11/1/2038 Mo-1 6.500% 11/01/38		09/01/2019	Paydown		3,547	3,547	3,955	3,864		(317)		(317)		3,547				154	11/01/2038	1
31417B-NC-7	FANNIE MAE 3 1/2% Due 4/1/2042 Mo-1 3.500% 04/01/42		09/01/2019	Paydown		3,310	3,310	3,361	3,356		(46)		(46)		3,310				77	04/01/2042	1
31417E-MS-7	FANNIE MAE 3% Due 1/1/2043 Mo-1 3.000% 01/01/43		09/01/2019	Paydown		17,934	17,934	17,469	17,495		439		439		17,934				351	01/01/2043	1
31417E-MU-2	FANNIE MAE 3% Due 1/1/2043 Mo-1 3.000% 01/01/43		09/01/2019	Paydown		99,927	99,927	97,337	97,480		2,447		2,447		99,927				2,025	01/01/2043	1
31417F-NR-5	FANNIE MAE 3% Due 2/1/2043 Mo-1 3.000% 02/01/43		09/01/2019	Paydown		7,532	7,532	7,337	7,348		184		184		7,532				147	02/01/2043	1
31417G-T5-5	FANNIE MAE 3 1/2% Due 6/1/2043 Mo-1 3.500% 06/01/43		09/01/2019	Paydown		19,581	19,581	19,884	19,856		(275)		(275)		19,581				473	06/01/2043	1
31418A-XY-9	FANNIE MAE 4 1/2% Due 9/1/2043 Mo-1 4.500% 09/01/43		09/01/2019	Paydown		75,720	75,720	81,651	81,420		(5,701)		(5,701)		75,720				2,252	09/01/2043	1
31418B-V5-2	FANNIE MAE 3% Due 10/1/2045 Mo-1 3.000% 10/01/45		09/01/2019	Paydown		19,395	19,395	18,893	18,914		481		481		19,395				375	10/01/2045	1
31418B-WF-9	FANNIE MAE 3 1/2% Due 11/1/2045 Mo-1 3.500% 11/01/45		09/01/2019	Paydown		378,114	378,114	396,577	395,808		(17,694)		(17,694)		378,114				8,961	11/01/2045	1
31418C-HT-4	FANNIE MAE POOL MA2941 3.500% 03/01/32		09/01/2019	Paydown		88,633	88,633	89,325	89,305		(673)		(673)		88,633				2,017	03/01/2032	1
31418C-RC-0	FANNIE MAE POOL MA3182 3.500% 11/01/47		09/01/2019	Paydown		316,962	316,962	319,425	319,384		(2,422)		(2,422)		316,962				7,542	11/01/2047	1
31418C-RJ-5	FANNIE MAE POOL MA3188 3.000% 11/01/32		09/01/2019	Paydown		224,235	224,235	223,561	223,583		652		652		224,235				4,522	11/01/2032	1
31418C-S4-7	FANNIE MAE POOL MA3238 3.500% 01/01/48		09/01/2019	Paydown		75,049	75,049	73,278	73,284		1,764		1,764		75,049				1,772	01/01/2048	1
31418C-U7-7	FANNIE MAE POOL MA3305 3.500% 03/01/48		09/01/2019	Paydown		467,808	467,808	467,278	467,289		519		519		467,808				11,184	03/01/2048	1
31418C-U8-5	FANNIE MAE POOL MA3306 4.000% 03/01/48		08/14/2019	CREDIT SUISSE FIRST BOSTON		7,313,361	7,002,620	7,129,542	7,127,907		(155)		(155)		7,127,752		185,609	185,609	197,630	03/01/2048	1
31418C-U8-5	FANNIE MAE POOL MA3306 4.000% 03/01/48		09/01/2019	Paydown		1,273,823	1,273,823	1,296,911	1,296,613		(22,790)		(22,790)		1,273,823				34,097	03/01/2048	1
31418C-W2-6	FANNIE MAE POOL MA3364 3.500% 05/01/33		09/01/2019	Paydown		124,407	124,407	125,379	125,347		(940)		(940)		124,407				2,954	05/01/2033	1
31418C-XN-9	FANNIE MAE POOL MA3384 4.000% 06/01/48		09/01/2019	Paydown		308,583	308,583	314,007	313,951		(5,369)		(5,369)		308,583				8,339	06/01/2048	1
31418C-YM-0	FANNIE MAE POOL MA3415 4.000% 07/01/48		09/01/2019	Paydown		253,695	253,695	254,745	254,737		(1,042)		(1,042)		253,695				6,903	07/01/2048	1
392276-AW-1	GREATER OUACHITA WTR CO INC LA WATER 3.000% 09/01/49		09/17/2019	WILLIAMS CAPITAL GROUP		1,166,299	1,210,000	1,193,471							1,193,471		(27,172)	(27,172)		09/01/2049	1FE
59261A-HL-4	MET TRANSPRTN AUTH NY REVENUE 5% Due 11/15/2056 MN15 5.000% 11/15/56		07/26/2019	Various		9,236,620	8,030,000	9,608,457	9,275,859		(82,917)		(82,917)		9,192,941		43,678	43,678	284,392	11/15/2056	1FE
73358W-A2-0	PORT AUTH NEW YORK NEW JERSEY 5% Due 10/1/2035 A01 5.000% 10/01/35		07/08/2019	MERRILL LYNCH - RS TRADES - MU		5,887,450	5,000,000	6,034,350	5,798,998		(49,044)		(49,044)		5,749,955		137,496	137,496	193,750	10/01/2035	1FE
3199999. Subtotal - Bonds - U.S. Special Revenues						42,063,627	39,381,481	42,686,121	40,081,308		(330,837)		(330,837)		41,692,429		371,198	371,198	1,154,069	XXX	XXX
000780-MP-8	AMAC 2003-11 5 1/2% Due 10/25/2033 Mo-1 5.500% 10/25/33		09/01/2019	Paydown		5,286	5,286	5,595	5,556		(270)		(270)		5,286				194	10/25/2033	1FM
00150*-AA-6	AIA COLCHIS LLC SENIOR SECURED NOTES 4.460% 12/31/31		08/10/2019	Redemption 100.0000		254,738	254,738	254,738	254,738						254,738				8,521	12/31/2031	2PL
00184@-AA-4	AMAZON EUCLID CTL AMAZON EUCLID CTL 4.095% 06/30/39		09/30/2019	Redemption 100.0000		14,392	14,392	14,392	14,392						14,392				393	06/30/2039	1
00191#-AA-3	AMAZON TUCSCON CTL AMAZON TUCSCON CTL 4.095% 08/31/39		09/30/2019	Redemption 100.0000		136,683	136,683	136,683	136,683						136,683				3,990	08/31/2039	1
00192M-AB-5	ARIFL 2017-A 1.910% 04/15/26		09/15/2019	Paydown		496,380	496,380	495,800	365,551		538		538		496,380				5,437	04/15/2026	1FE

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
00206R-HJ-4	AT&T INC BASIC 4.350% 03/01/29		08/12/2019	CREDIT SUISSE FIRST BOSTON		1,098,360	1,000,000	1,030,750			(640)		(640)		1,030,110		68,250	68,250	21,146	03/01/2029	2FE
00234P-AK-8	AV HOMES INC 6.625% 05/15/22		08/19/2019	Call 103.3130		2,582,825	2,500,000	2,500,000	2,500,000						2,500,000				207,964	05/15/2022	3FE
00287Y-AM-1	ABBVIE INC 4.4% Due 11/6/2042 MN6 4.400% 11/06/42		07/18/2019	JEFFERIES & COMPANY INC.		4,895,500	5,000,000	5,292,150	5,276,886		(3,769)		(3,769)		5,273,117		(377,617)	(377,617)	156,444	11/06/2042	2FE
00287Y-AW-9	ABBVIE INC 4.45% Due 5/14/2046 MN14 4.450% 05/14/46		08/21/2019	CREDIT SUISSE FIRST BOSTON		9,807,222	9,300,000	9,237,504	9,240,336		706		706		9,241,042		566,180	566,180	320,734	05/14/2046	2FE
00287Y-BF-5	ABBVIE INC BASIC 4.250% 11/14/28		08/21/2019	MORGAN STANLEY		7,075,315	6,500,000	6,444,425	6,445,727		3,395		3,395		6,449,122		626,193	626,193	257,066	11/14/2028	2FE
004375-EX-5	Accredited Mortgage Loan Trust SERIES 20061 CLASS M1 2.384% 04/25/36		07/29/2019	MORGAN STANLEY		2,211,828	2,414,000	2,025,497	2,058,409		15,628		15,628		2,074,036		137,791	137,791	37,395	04/25/2036	1FM
004421-JM-6	ACE 2004-HE4 3.668% 12/25/34		09/02/2019	DIRECT - 1																12/25/2034	6FE
004421-UD-3	ACE 2004-HE4 SERIES 2005HE7 CLASS M2 2.734% 11/25/35		08/25/2019	Paydown			44,791	28,003	28,939		379		379		29,318		(29,318)	(29,318)	275	11/25/2035	1FM
00796#-AA-2	ADVANTAGE CAPITAL COMMUNITY ADVANTAGE CAPITAL COMMUNITY 0.001% 03/01/25		07/16/2019	Redemption 100.0000		797,050	797,050	2,104,093	2,022,743		(1,225,693)		(1,225,693)		797,050					03/01/2025	1
00800*-AA-0	ADVANTAGE CAPITAL GROW NEW JER INVESTOR III LLC SENIOR NOTES 0.001% 03/01/28		09/01/2019	Redemption 100.0000		1,250,000	1,250,000	908,725	991,072		258,928		258,928		1,250,000					03/01/2028	1PL
008117-AN-3	AETNA INC BASIC 4.125% 06/01/21		08/15/2019	TENDER		1,344,681	1,300,000	1,315,171	1,314,785		(4,001)		(4,001)		1,310,785		33,896	33,896	37,835	06/01/2021	2FE
00AC06-28-1	RETAIL PROPERTIES OF AMERICA RETAIL PROPERTIES OF AMERICA 4.820% 06/28/29		07/05/2019	Tax Free Exchange		7,000,000	7,000,000	7,000,000							7,000,000				6,561	06/28/2029	2Z
00AC07-19-8	STOLTHAVEN NEW ORLEANS, LLC STOLTHAVEN NEW ORLEANS, LLC 5.150% 07/17/29		07/26/2019	Tax Free Exchange		21,000,000	21,000,000	21,000,000							21,000,000				27,038	07/17/2029	2PL
01185*-AA-3	ALASKA VENTURES LLC ALASKA VENTURES 4.670% 06/30/33		09/30/2019	Redemption 100.0000		725,209	725,209	725,209	715,801						725,209				39,593	06/30/2033	2PL
01185*-AB-1	ALASKA VENTURES LLC ALASKA VENTURES LLC 4.670% 06/30/33		09/30/2019	Redemption 100.0000		78,712	78,712	78,712							78,712				378	06/30/2033	2PL
015271-AF-6	ALEXANDRIA REAL EST EQUITIES 2 3/4% Due 1/15/2020 JJ15 2.750% 01/15/20		07/17/2019	TENDER		6,768,791	6,754,000	6,757,756	6,756,441		(1,486)		(1,486)		6,754,955		13,836	13,836	186,767	01/15/2020	2FE
021345-AA-1	ALTA WIND HOLDINGS LLC 7% Due 6/30/2035 JD31 7.000% 06/30/35		07/01/2019	Redemption 100.0000		3,045	3,045	3,250	89,746		(106,653)		(106,653)		3,045				60,890	06/30/2035	2FE
02209S-AJ-2	ALTRIA GROUP INC 9 1/4% Due 8/6/2019 FA6 9.250% 08/06/19		08/06/2019	Various		5,003,000	5,003,000	6,244,519	5,105,388		(102,388)		(102,388)		5,003,000				462,778	08/06/2019	2FE
02209S-AQ-6	ALTRIA GROUP INC 4 1/2% Due 5/2/2043 MN2 4.500% 05/02/43		08/21/2019	CITICORP SECURITIES		10,261,700	10,000,000	10,133,800	10,128,950		(1,944)		(1,944)		10,127,007		134,694	134,694	363,750	05/02/2043	2FE
02209S-BD-4	ALTRIA GROUP INC BASIC 4.800% 02/14/29		09/24/2019	Various		36,880,580	33,250,000	34,329,105			(34,988)		(34,988)		34,294,117		2,586,463	2,586,463	909,400	02/14/2029	2FE
02209S-BF-9	ALTRIA GROUP INC BASIC 5.950% 02/14/49		09/25/2019	Various		17,940,900	15,000,000	16,227,100			(6,440)		(6,440)		16,220,660		1,720,240	1,720,240	537,979	02/14/2049	2FE
02378L-AA-1	AMERICAN AIRLINES INC AMERICAN AIRLINES 5.180% 08/15/23		08/15/2019	Redemption 100.0000		365,926	365,926	365,926	365,926						365,926				18,955	08/15/2023	2PL
026874-DL-8	AIG BASIC 4.750% 04/01/48		08/16/2019	MITSUBISHI SECURITIES		1,168,950	1,000,000	1,104,230			(116)		(116)		1,104,114		64,836	64,836	18,340	04/01/2048	2FE
03040W-AM-7	AMERICAN WATER CAP CORP 4.3% Due 9/1/2045 MS1 4.300% 09/01/45		07/31/2019	WELLS FARGO SECURITIES LLC		16,519,350	15,000,000	14,851,250	14,860,399		1,653		1,653		14,862,052		1,657,298	1,657,298	593,042	09/01/2045	2FE
03065G-AD-2	AmeriCredit Automobile Receiva SERIES 20172 CLASS A3 1.980% 12/20/21		09/18/2019	Paydown		168,773	168,773	167,455	167,580		1,194		1,194		168,773				2,235	12/20/2021	1FE
03065H-AD-0	AmeriCredit Automobile Receiva SERIES 20173 CLASS A3 1.900% 03/18/22		09/18/2019	Paydown		248,000	248,000	244,232	246,800		1,200		1,200		248,000				3,144	03/18/2022	1FE
032511-AY-3	ANADARKO PETROLEUM CORP CALL @ MAKE WHOLE +30BP 6.450% 09/15/36		09/18/2019	Tax Free Exchange		15,359,972	12,600,000	15,778,344	15,435,615		(75,643)		(75,643)		15,359,972				832,073	09/15/2036	2FE
032511-BN-6	ANADARKO PETROLEUM CORP BASIC 5.550% 03/15/26		09/18/2019	Tax Free Exchange		14,293,585	13,650,000	14,366,046	13,538,108		(59,510)		(59,510)		14,293,585				756,726	03/15/2026	2FE
03350W-AC-3	ANDEAVOR LOGIS LP/CORP BASIC 4.250% 12/01/27		09/23/2019	Tax Free Exchange		7,807,275	7,700,000	7,809,264	4,692,401		(2,756)		(2,756)		7,807,275				209,386	12/01/2027	2FE
035240-AQ-3	ANHEUSER-BUSCH INBEV WOR BASIC 4.750% 01/23/29		08/19/2019	BARCLAYS		1,163,640	1,000,000	1,097,770			(1,620)		(1,620)		1,096,150		67,490	67,490	27,444	01/23/2029	2FE
03674P-AL-7	ANTERO RESOURCES FINANCE 5 3/8% Due 11/1/2021 MN1 5.375% 11/01/21		07/25/2019	RBC CAPITAL MARKETS		1,970,000	2,000,000	2,035,000	2,010,013		(6,914)		(6,914)		2,003,099		(33,099)	(33,099)	80,028	11/01/2021	3FE
04542B-FA-5	Asset Backed Funding Certifica SERIES 2004OPT1 CLASS M1 3.104% 08/25/33		09/02/2019	DIRECT - 1																08/25/2033	1FM

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
04774#-AA-0	ATLANTA FALCONS STADIUM COMPAN SENIOR SECURED NOTES 3.590% 09/01/42		09/01/2019	Redemption 100.0000		79,221	79,221	79,221	79,221						79,221				2,844	09/01/2042	2PL
04774#-AB-8	ATLANTA FALCONS STADIUM COMPAN SENIOR SECURED NOTES 3.590% 09/01/42		09/01/2019	Redemption 100.0000		52,814	52,814	52,814	52,814						52,814				1,896	09/01/2042	2PL
05279@-AA-9	AMERCEN PROPERTIES LLC AMERCEN PROPERTIES LLC - AUTOL 4.101% 08/15/34		09/15/2019	Redemption 100.0000		97,046	97,046	97,046	97,046						97,046				2,654	08/15/2034	1
054561-AM-7	AXA EQUITABLE HOLDINGS I 5% Due 4/20/2048 AO 5.000% 04/20/48		08/19/2019	BARCLAYS		6,226,801	5,900,000	5,679,543			1,675		1,675		5,681,217		545,584	545,584	246,653	04/20/2048	2FE
05524V-AA-5	BANC OF AMERICA MERRILL LYNCH SERIES 2011FSHN CLASS A 4.420% 07/11/33		09/13/2019	Various		7,337,466	7,140,000	7,552,412	7,468,278		(54,832)		(54,832)		7,413,446		(75,981)	(75,981)	244,676	07/11/2033	1FM
05577@-AG-5	BNSF RAILWAY COMPANY (LESSEE) 6.55% Due 2/26/2021 FA26 6.550% 02/26/21		08/26/2019	Redemption 100.0000		92,908	92,908	92,908	92,908						92,908				6,085	02/26/2021	1FE
05577@-AH-3	BNSF RAILWAY COMPANY (LESSEE) 6.55% Due 2/26/2021 FA26 6.550% 02/26/21		08/26/2019	Redemption 100.0000		89,419	89,419	89,419	89,419						89,419				5,857	02/26/2021	1FE
05577@-AJ-9	BNSF RAILWAY COMPANY (LESSEE) 6.55% Due 2/26/2021 FA26 6.550% 02/26/21		08/26/2019	Redemption 100.0000		27,263	27,263	27,263	27,263						27,263				1,786	02/26/2021	1FE
05577@-AK-6	BNSF RAILWAY COMPANY (LESSEE) 6.55% Due 2/26/2021 FA26 6.550% 02/26/21		08/26/2019	Redemption 100.0000		27,928	27,928	27,928	27,928						27,928				1,829	02/26/2021	1FE
05577@-AM-2	BNSF RAILWAY COMPANY (LESSEE) 6.55% Due 2/26/2021 FA26 6.550% 02/26/21		08/26/2019	Redemption 100.0000		11,071	11,071	11,071	11,071						11,071				725	02/26/2021	1FE
05590#-AA-9	ESSENTIAL FACILITIES-BPHQ, LLC ESSENTIAL FACILITIES-BPHQ, LLC 3.540% 11/15/32		09/15/2019	Redemption 100.0000		215,304	215,304	214,181	142,813		1,671		1,671		215,304				4,640	11/15/2032	1
05607B-AA-9	BXGNT 2017-A 2.950% 10/04/32		09/02/2019	Paydown		115,647	115,647	115,645	115,647						115,647				2,256	10/04/2032	1FE
05946X-R6-2	BAFC 2005-7 2.558% 11/25/35		07/22/2019	MORGAN STANLEY		1,587,319	1,740,720	1,580,792	1,585,883		4,390		4,390		1,590,272		(2,953)	(2,953)	30,440	11/25/2035	1FM
05946X-R6-2	BAFC 2005-7 2.558% 11/25/35		09/02/2019	DIRECT - 1																11/25/2035	3FM
05948X-YD-7	BOAMS 2003-J Adj % Due 11/25/2033 Mo-1 4.622% 11/25/33		09/01/2019	Paydown		102,364	102,364	98,366	98,830		3,534		3,534		102,364				3,170	11/25/2033	1FM
059500-AD-2	Banc of America Funding Corpor 5.89140% Due 6/20/2036 Mo-1 4.255% 06/20/36		09/01/2019	Paydown			846	804	(1,769)		2,573		2,573		804		(804)	(804)		06/20/2036	1FE
059500-AD-2	Banc of America Funding Corpor 5.89140% Due 6/20/2036 Mo-1 4.255% 06/20/36		09/01/2019	Paydown		48,987	56,650	53,817	47,744		8,543		8,543		56,288		(7,300)	(7,300)	2,849	06/20/2036	1FM
059500-AD-2	Banc of America Funding Corpor 5.89140% Due 6/20/2036 Mo-1 4.255% 06/20/36		09/01/2019	Paydown			2,909	2,763	(2,544)		5,453		5,453		2,909		(2,909)	(2,909)	(2)	06/20/2036	3FM
05951U-AE-1	BAFC 2006-8T2 5.8341% Due 10/25/2036 Mo-1 5.834% 10/25/36		09/01/2019	Paydown		29,519	38,326	31,553	32,035		4,857		4,857		36,891		(7,372)	(7,372)	1,361	10/25/2036	1FM
06051G-DM-8	BAFC 2004-2 Adj % Due 5/25/2035 Mo-1 4.826% 05/25/35		09/01/2019	Paydown		47,854	47,854	48,108	48,079		(225)		(225)		47,854				1,461	05/25/2035	1FM
07123#-AA-1	BATON ROUGE HOSPITAL ENERGY BATON ROUGE HOSPITAL ENERGY 4.320% 12/15/37		09/15/2019	Redemption 100.0000		67,529	67,529	67,529	67,529						67,529				2,067	12/15/2037	1
07123#-AA-1	BATON ROUGE HOSPITAL ENERGY BATON ROUGE HOSPITAL ENERGY 4.320% 12/15/37		07/15/2019	Redemption 100.0000		33,647	33,647	33,647	33,647						33,647				848	12/15/2037	1Z
07386H-CT-6	BALTA 2003-3 Adj % Due 10/25/2033 Mo-1 4.436% 10/25/33		09/01/2019	Paydown		240,769	240,769	242,620	242,445		(1,675)		(1,675)		240,769				7,683	10/25/2033	1FM
07386H-GH-8	BALTA 2003-3 SERIES 20043 CLASS M1 2.909% 04/25/34		09/26/2019	Paydown		17,851	17,851	17,580	17,586		266		266		17,851				396	04/25/2034	1FM
07386H-JU-6	BALTA 2003-3 Flt % Due 7/25/2034 Mo-25 2.658% 07/25/34		09/25/2019	Paydown		228,647	228,647	217,559	222,498		6,149		6,149		228,647				4,714	07/25/2034	1FM
07387#-AA-2	BEAR SWAMP FINANCE SENIOR SECURED NOTES 4.890% 09/30/25		09/30/2019	Redemption 100.0000		621,710	621,710	621,710	621,710						621,710				16,243	09/30/2025	2PL
073879-CV-8	Bear Stearns Asset Backed Secu SERIES 2004HE6 CLASS M2 3.907% 08/25/34		09/25/2019	Paydown		98,310	98,310	98,279	98,281		29		29		98,310				2,354	08/25/2034	1FM
097023-BA-2	BOEING CORP. 5 7/8% Due 2/15/2040 FA15 5.875% 02/15/40		08/22/2019	Various		12,030,497	9,000,000	9,151,720	9,130,963		(2,507)		(2,507)		9,128,456		2,902,041	2,902,041	524,833	02/15/2040	1FE
097023-BS-3	BOEING CORP. 3 3/8% Due 6/15/2046 JD15 3.375% 06/15/46		07/22/2019	GOLDMAN SACHS		4,757,350	5,000,000	4,577,150	4,594,057		4,771		4,771		4,598,827		158,523	158,523	102,656	06/15/2046	1FE
097023-CB-9	BOEING CORP. BASIC 3.850% 11/01/48		08/01/2019	BARCLAYS		20,625,400	20,000,000	19,277,500			5,395		5,395		19,282,895		1,342,505	1,342,505	576,965	11/01/2048	1FE
097023-CD-5	BOEING CORP. BASIC 3.200% 03/01/29		08/19/2019	Various		15,725,250	15,000,000	14,797,750	9,873,591		8,272		8,272		14,806,513		918,737	918,737	248,000	03/01/2029	1FE

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
097023-CF-0	BOEING CORP. BASIC 3.825% 03/01/59		08/01/2019	SUSQUEHANNA		24,660,950	25,000,000	23,976,490			5,270		5,270		23,981,760		679,190	679,190	451,563	03/01/2059	1FE
10567@-AA-0	BRAVES STADIUM COMPANY, LLC SENIOR SECURED NOTES 3.770% 09/30/41		09/30/2019	Redemption 100.0000		206,135	206,135	206,135	206,135						206,135				7,771	09/30/2041	2PL
10922N-AC-7	BRIGHTHOUSE FINANCIAL IN BASIC 3.700% 06/22/27		09/16/2019	Various		21,134,820	21,700,000	20,755,328	15,707,943		44,819		44,819		20,832,056		302,764	302,764	558,022	06/22/2027	2FE
10922N-AF-0	BRIGHTHOUSE FINANCIAL IN BASIC 4.700% 06/22/47		08/22/2019	Various		8,891,000	10,000,000	10,047,580	10,047,521		(495)		(495)		10,047,026		(1,156,026)	(1,156,026)	315,292	06/22/2047	2FE
12479R-AD-9	CAUTO 2017-1A 3.870% 04/15/47		09/15/2019	Paydown		249,057	249,057	249,012	249,050		6		6		249,057				5,890	04/15/2047	1FE
124857-AV-5	CBS CORP BASIC 3.700% 06/01/28		08/01/2019	Tax Free Exchange		147,876	150,000	147,554	147,764		112		112		147,876				3,700	06/01/2028	2FE
124857-AZ-6	CBS CORP BASIC 4.200% 06/01/29		08/12/2019	JANE STREET		963,087	890,000	897,565			(108)		(108)		897,457		65,630	65,630	16,510	06/01/2029	2FE
12523@-AA-9	CHENIERE TUG SERVICES LLC CHENIERE TUG SERVICES LLC 6.400% 09/30/30		09/30/2019	Redemption 100.0000		126,143	126,143	126,143	126,143						126,143				5,853	09/30/2030	3PL
12527D-AR-1	CFCRE 2011-C2 3.8343% Due 12/15/2047 Mo-1 3.834% 12/15/47		09/01/2019	Paydown		507,988	507,988	521,362	511,923		(3,935)		(3,935)		507,988				11,362	12/15/2047	1FM
12572Q-AF-2	CHICAGO MERCANTILE EXCHANGE 5.3% Due 9/15/2043 MS15 5.300% 09/15/43		07/03/2019	Various		14,815,440	11,400,000	11,491,623	11,489,058		(1,017)		(1,017)		11,488,042		3,327,398	3,327,398	491,752	09/15/2043	1FE
12625E-AC-3	COMM 2013-SFS 3.08636% Due 4/12/2035 Mo-1 3.086% 04/12/35		07/01/2019	Various															32,015	04/12/2035	1FM
126408-HK-2	CSX CORP BASIC 4.300% 03/01/48		08/21/2019	Various		18,337,620	16,800,000	16,743,552	16,744,630		540		540		16,745,170		1,592,450	1,592,450	660,062	03/01/2048	2FE
12650Y-AA-1	CSMC 2015-GLPB 3.6393% Due 11/15/2034 Mo-1 3.639% 11/15/34		07/31/2019	Various		7,841,895	7,500,000	7,736,495	7,132,454		(21,307)		(21,307)		7,617,455		224,440	224,440	180,541	11/15/2034	1FM
12650Y-AA-1	CSMC 2015-GLPB 3.6393% Due 11/15/2034 Mo-1 3.639% 11/15/34		08/01/2019	Paydown		201,562	201,562	212,676	152,703		(7,131)		(7,131)		201,562				4,863	11/15/2034	1FM
126650-BP-4	CVS CAREMARK CORP 6.036% Due 12/10/2028 Mo-10 6.036% 12/10/28		09/10/2019	Various		254,755	254,755	260,836	257,878		(3,123)		(3,123)		254,755				10,361	11/10/2028	2FE
126650-CX-6	CVS CAREMARK CORP BASIC 4.300% 03/25/28		07/08/2019	US BANCORP INC		12,363,468	11,750,000	11,622,148	11,111,805		6,307		6,307		11,638,342		725,125	725,125	389,240	03/25/2028	2FE
126671-2J-4	Countrywide Asset-Backed Certi SERIES 2004SD1 CLASS M1 3.064% 10/25/32		07/26/2019	Various		2,604,427	2,640,737	2,554,913	2,561,258		4,642		4,642		2,565,900		38,527	38,527	53,658	10/25/2032	1FM
12667G-F3-2	CWALT 2005-14 1A1 Flt % Due 7/25/2035 Mo-25 2.718% 07/25/35		09/25/2019	Paydown		41,011	24,953	17,779	17,992		11,384		11,384		29,377		11,635	11,635	989	07/25/2035	1FM
12668A-VL-6	CWALT 2005-56 Flt % Due 12/25/2035 Mo-25 2.538% 12/25/35		09/25/2019	Paydown		44,910	44,910	39,549	39,962		4,948		4,948		44,910				920	12/25/2035	1FM
12668B-RC-9	CWALT 2006-OC2 2.218% 02/25/36		09/25/2019	Paydown		198,903	167,161	139,162	(280,819)		453,098		453,098		172,279		26,624	26,624	8,258	02/25/2036	1FM
12668B-RC-9	CWALT 2006-OC2 2.218% 02/25/36		09/01/2019	Paydown					(3,823)		3,823		3,823							02/25/2036	4AM
12668B-RC-9	CWALT 2006-OC2 2.218% 02/25/36		09/01/2019	Paydown			(3,321)	(2,765)	(14,799)		12,015		12,015		(2,784)		2,784	2,784	(5)	02/25/2036	
126697-AB-7	CWL 2007-12 SERIES 200712 CLASS 1A2 2.884% 08/25/47		09/25/2019	Paydown		288,188	288,188	283,865			4,323		4,323		288,188				1,110	08/25/2047	6FE
12669E-G6-7	CWHL 2003-50 Adj % Due 1/19/2034 Mo-1 4.280% 01/19/34		09/01/2019	Paydown		91,929	91,929	90,665	90,749		1,179		1,179		91,929				2,525	01/19/2034	1FM
12669F-WD-1	CWHL 2004-5 5 1/4% Due 5/25/2034 Mo-1 5.250% 05/25/34		09/01/2019	Paydown		72,018	72,018	73,750	73,473		(1,454)		(1,454)		72,018				2,490	05/25/2034	1FM
12669W-AB-2	Countrywide Asset-Backed Certi SERIES 20078 CLASS 1A2 2.344% 11/25/37		09/25/2019	Paydown		250,827	250,827	237,659			13,168		13,168		250,827				1,191	11/25/2037	6FE
12695*-AA-3	CVS HEALTH CORPORATION PASS-THROUGH CERTIFICATES 3.416% 10/10/38		09/10/2019	Redemption 100.0000		151,024	151,024	151,024	151,024						151,024				3,440	10/10/2038	2
12696#-AA-8	HSS PROPERTIES CERTIFICATES 4.210% 09/01/47		09/01/2019	Redemption 100.0000		18,939	18,939	19,126	19,119		(179)		(179)		18,939				532	09/01/2047	1FE
12702*-AA-4	CVS HEALTH CORPORATION CVS HEALTH CORPORATION 3.901% 10/10/39		09/10/2019	Redemption 100.0000		112,934	112,934	112,934	112,934						112,934				2,938	10/10/2039	2
12708*-AA-8	CTL PHILADELPHIA LEASE FINANCE CTL PHILADELPHIA LEASE FINANCE 4.008% 12/27/26		09/27/2019	Redemption 100.0000		201,252	201,252	201,252	201,252						201,252				6,050	12/27/2026	1
14040H-BK-0	CAPITAL ONE FINANCIAL CORP 3 3/4% Due 7/28/2026 JJ28 3.750% 07/28/26		07/30/2019	KEY BANK		5,107,650	5,000,000	4,982,250	4,985,964		944		944		4,986,908		120,742	120,742	189,063	07/28/2026	2FE
144538-AC-9	Carrington Mortgage Loan Trust SERIES 2006FRE1 CLASS A3 2.204% 04/25/36		09/26/2019	Paydown		105,255	105,255	100,387			4,868		4,868		105,255				201	04/25/2036	6FE

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Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident-ification	2 Description	3 For-eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid-eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value: 11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amor-tization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recog-nized	14 Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	15 Total Foreign Exchange Change in Book /Adjusted Carrying Value	16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received DuringYear	21 Stated Con-tractual Maturity Date	22 NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
144539-AE-3	CARR 2006-NC5 SERIES 2006NC5 CLASS A5 2.114% 01/25/37		09/26/2019	Paydown		593,616	593,616	560,119	561,739		31,877		31,877		593,616				9,991	01/25/2037	4FM
14575H-AA-6	CAUTO 2016-1A 4.550% 02/15/46		09/15/2019	Paydown		14,814	14,814	15,421	14,814						14,814				435	02/15/2046	1FE
152314-HD-5	CXHE 2003-B Flt % Due 6/25/2033 Mo-25 2.718% 06/25/33		09/02/2019	DIRECT - 1																06/25/2033	5FE
152314-JW-1	CXHE 2003-B SERIES 2004B CLASS M2 2.804% 03/25/34		09/26/2019	Paydown		58,179	58,179	57,143	57,208		971		971		58,179				1,241	03/25/2034	1FM
152314-JY-7	CXHE 2003-B SERIES 2004B CLASS M4 3.441% 03/25/34		09/25/2019	Paydown		29,090	29,090	29,068	29,069		20		20		29,090				772	03/25/2034	1FM
161175-BJ-2	CHARTER COMM OPT LLC/CAP BASIC 3.750% 02/15/28		08/15/2019	Various		3,681,396	3,600,000	3,493,687	1,512,415		5,300		5,300		3,503,315		178,081	178,081	99,000	02/15/2028	2FE
161175-BK-9	CHARTER COMM OPT LLC/CAP BASIC 4.200% 03/15/28		09/23/2019	Various		40,406,406	38,150,000	37,683,435	32,716,659		31,638		31,638		37,734,974		2,671,432	2,671,432	1,450,178	03/15/2028	2FE
161175-BN-3	CHARTER COMM OPT LLC/CAP BASIC 5.750% 04/01/48		09/25/2019	Various		14,235,025	12,500,000	12,173,300			4,789		4,789		12,178,089		2,056,936	2,056,936	637,292	04/01/2048	2FE
161571-FK-5	CHAIT 2016-A4 SERIES 2012A4 CLASS A4 1.580% 08/15/21		08/15/2019	Call 100.0000		600,000	600,000	593,859	594,357		1,385		1,385		595,743		4,257	4,257	6,320	08/15/2021	1FE
161630-AE-8	CHASE 2007-A1 Adj % Due 2/25/2037 Mo-1 4.781% 02/25/37		09/01/2019	Paydown		16,402	16,402	16,101	16,123		279		279		16,402				482	02/25/2037	1FM
161630-AG-3	CHASE 2007-A1 Adj % Due 2/25/2037 Mo-1 4.697% 02/25/37		09/01/2019	Paydown		271,062	271,062	270,855	270,802		260		260		271,062				7,615	02/25/2037	1FM
161630-AU-2	CHASE 2007-A1 Adj % Due 2/25/2037 Mo-1 4.536% 02/25/37		09/01/2019	Paydown		15,614	15,614	15,156	15,185		430		430		15,614				462	02/25/2037	1FM
161630-AY-4	CHASE 2007-A1 Adj % Due 2/25/2037 Mo-1 4.661% 02/25/37		09/01/2019	Paydown		144,015	144,015	142,860	142,921		1,094		1,094		144,015				4,360	02/25/2037	1FM
16165M-AF-5	CFLX 2006-2 4.84837% Due 9/25/2036 Mo-1 4.816% 09/25/36		09/01/2019	Paydown		65,006	134,139	122,989	123,593		5,204		5,204		128,797		(63,790)	(63,790)	4,144	09/25/2036	1FM
165183-BG-8	CFII 2017-2A SERIES 20181A CLASS A1 3.040% 04/15/30		09/17/2019	Paydown		1,163,290	1,163,290	1,163,058	1,163,078		213		213		1,163,290				20,970	04/15/2030	1FE
16678R-AV-9	CCMFC 2004-1A 2.889% 01/25/35		09/01/2019	Paydown		28,677	28,677	26,734	26,775		1,902		1,902		28,677				216	01/25/2035	1FM
172973-5E-5	CMSI 2006-1 5 1/2% Due 2/25/2036 Mo-1 5.500% 02/25/36		09/01/2019	Paydown		18,591	18,591	16,372	16,372						16,372		2,219	2,219	697	02/25/2036	1FM
17307G-MC-9	Citigroup Mortgage Loan Trust SERIES 2004HYB4 CLASS AA 2.384% 12/25/34		09/25/2019	Paydown		156,365	156,365	151,478	151,513		4,852		4,852		156,365				2,997	12/25/2034	1FM
17309P-AB-2	Citigroup Mortgage Loan Trust SERIES 2006AMC1 CLASS A2B 2.214% 09/25/36		09/25/2019	Paydown		275,974	275,974	251,826	252,039		23,935		23,935		275,974				4,837	09/25/2036	2FM
17309P-AS-5	Citigroup Mortgage Loan Trust SERIES 2006AMC1 CLASS A1 2.189% 09/25/36		09/10/2019	Various		605,484	626,632	607,833	608,799		734		734		609,533		(4,049)	(4,049)	11,635	09/25/2036	1FM
17309P-AS-5	Citigroup Mortgage Loan Trust SERIES 2006AMC1 CLASS A1 2.189% 09/25/36		08/25/2019	Paydown		15,862	15,862	15,386	15,410		451		451		15,862				269	09/25/2036	1FM
17309Q-AH-7	Citigroup Mortgage Loan Trust SERIES 2006WFH3 CLASS M4 2.402% 10/25/36		08/27/2019	MORGAN STANLEY		12,090,938	13,500,000	11,880,000			36,663		36,663		11,916,663		174,275	174,275	163,490	10/25/2036	4FM
196500-AA-0	COLORADO INT GAS CO/ISS 4.15% Due 8/15/2026 FA15 4.150% 08/15/26		08/21/2019	SMBC NIKKO SECURITIES		2,643,725	2,500,000	2,493,925	2,495,160		341		341		2,495,501		148,224	148,224	106,056	08/15/2026	2FE
20268M-AA-4	COMMONBOND STUDENT LOAN TRUST SERIES 2018BGS CLASS A1 3.560% 09/25/45		09/02/2019	Paydown		829,321	829,321	829,277	829,284		37		37		829,321				19,682	09/25/2045	1FE
205887-CC-4	CONAGRA FOODS INC BASIC 4.850% 11/01/28		08/12/2019	Various		17,940,910	16,000,000	17,019,375			(24,681)		(24,681)		16,994,694		946,216	946,216	536,262	11/01/2028	2FE
205887-CE-0	CONAGRA FOODS INC BASIC 5.400% 11/01/48		08/16/2019	Various		11,628,633	10,250,000	10,335,487			1,121		1,121		10,336,608		1,292,025	1,292,025	393,668	11/01/2048	2FE
209115-A*-5	CONSOLIDATED EDISON INC. LTD PRTNRSHP W/ CON EDISON 8.710% 06/30/22		07/01/2019	Redemption 100.0000		414	414	414	414						414				1,612	06/30/2022	1
212015-AH-4	CONTINENTAL RESOURCES BASIC 5.000% 09/15/22		09/12/2019	Call 100.8330		473,915	470,000	478,930	475,173		(2,960)		(2,960)		472,214		(2,214)	(2,214)	27,219	09/15/2022	2FE
212168-AA-6	CONTINENTAL WIND LLC 6% Due 2/28/2033 FA31 6.000% 02/28/33		08/28/2019	Redemption 100.0000		431,235	431,235	431,235	431,235						431,235				12,937	02/28/2033	2FE
222862-AJ-3	COVENTRY HEALTH CARE INC BASIC 5.450% 06/15/21		08/15/2019	TENDER		1,158,421	1,100,000	1,136,146	1,135,239		(9,378)		(9,378)		1,125,861		32,560	32,560	39,967	06/15/2021	2FE

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Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
22541S-GE-2	CSFB 2004-1 5 1/4% Due 6/25/2034 Mo-1 5.250% 06/25/34		08/01/2019	Paydown		39,711	39,711	41,933	41,599		(1,887)		(1,887)		39,711				1,230	06/25/2034	1FM
22541S-GJ-1	CSFB 2004-1 5 1/4% Due 6/25/2034 Mo-1 5.250% 06/25/34		08/01/2019	Paydown		33,334	33,334	34,542	34,363		(1,030)		(1,030)		33,334				1,032	06/25/2034	1FM
225470-EC-3	CSFB 2005-10 Flt % Due 11/25/2035 Mo-25 2.718% 11/25/35		08/25/2019	Paydown		73,812	84,470	64,408	66,141		16,070		16,070		82,210		(8,398)	(8,398)	1,461	11/25/2035	1FM
22959#-AA-9	CSOLAR IV SOUTH, LLC SR SEC 5.371% 09/30/38		09/30/2019	Redemption 100.0000		235,819	235,819	235,804	233,373		2,446		2,446		235,819				9,500	09/30/2038	2FE
22964*-AC-2	CSOLAR IV WEST, LLC CSOLAR IV WEST, LLC 3.850% 03/31/41		07/01/2019	Redemption 100.0000		29	29	29	(1,827)		1,856		1,856		29				8,346	03/31/2041	2FE
22964*-AC-2	CSOLAR IV WEST, LLC CSOLAR IV WEST, LLC 3.850% 03/31/41		09/30/2019	Redemption 100.0000		491,498	491,498	491,498	489,411		2,086		2,086		491,498				14,114	03/31/2041	2PL
233046-AJ-0	DNKN 2015-1A SERIES 20191A CLASS A2I 3.787% 05/20/49		08/30/2019	Paydown		45,000	45,000	45,000							45,000				521	05/20/2049	2FE
24703D-BA-8	DELL INT LLC / EMC CORP BASIC 5.300% 10/01/29		08/12/2019	UBS WARBURG CONVERTIBLES		528,750	500,000	507,990			(172)		(172)		507,818		20,932	20,932	10,600	10/01/2029	2FE
24715@-AD-6	DELOITTE LLP GUARANTEED SENIOR NOTES 6.290% 09/17/19		09/17/2019	Maturity		15,000,000	15,000,000	15,000,000	15,000,000						15,000,000				943,500	09/17/2019	1
25150U-AA-6	DBALT 2007-OA2 Flt % Due 4/25/2047 Mo-1 3.216% 04/25/47		09/01/2019	Paydown		114,340	114,340	102,879	75,393		10,896		10,896		114,340				2,084	04/25/2047	1FM
25271C-AN-2	DIAMOND OFFSHORE DRILLING 4 7/8% Due 11/1/2043 MN1 4.875% 11/01/43		08/08/2019	Various		1,387,045	2,500,000	1,396,108	1,396,108						1,396,108		(9,063)	(9,063)	95,130	11/01/2043	4FE
254010-AB-7	DIGNITY HEALTH 4 1/2% Due 11/1/2042 MN1 4.500% 11/01/42		08/21/2019	MORGAN STANLEY		8,648,560	8,000,000	8,354,050	8,325,380		(5,200)		(5,200)		8,320,180		328,380	328,380	292,000	11/01/2042	2FE
25470D-AQ-2	DISCOVERY COMMUNICATIONS BASIC 2.950% 03/20/23		09/04/2019	BARCLAYS		2,864,176	2,800,000	2,847,376			(765)		(765)		2,846,611		17,565	17,565	38,088	03/20/2023	2FE
25470D-AR-0	DISCOVERY COMMUNICATIONS BASIC 3.950% 03/20/28		08/12/2019	Various		15,070,332	14,400,000	13,954,810	11,212,139		21,570		21,570		14,003,744		1,066,588	1,066,588	456,620	03/20/2028	2FE
26078J-AB-6	DowDuPont Inc BASIC 4.205% 11/15/23		09/18/2019	GOLDMAN SACHS		2,134,020	2,000,000	2,075,920			(7,645)		(7,645)		2,068,275		65,745	65,745	68,214	11/15/2023	2FE
26078J-AD-2	DowDuPont Inc BASIC 4.725% 11/15/28		09/18/2019	SUNTRUST EQUITABLE		5,690,400	5,000,000	5,342,388			(14,445)		(14,445)		5,327,942		362,458	362,458	164,227	11/15/2028	2FE
26078J-AF-7	DowDuPont Inc BASIC 5.419% 11/15/48		09/17/2019	BANK OF AMERICA		6,235,050	5,000,000	5,000,000	5,000,000						5,000,000		1,235,050	1,235,050	219,018	11/15/2048	2FE
26442L-A*-5	DUKE ENERGY KENTUCKY, INC DEBENTURES 3.420% 01/15/26		08/07/2019	SEAPORT GROUP		20,091,800	20,000,000	20,000,000	20,000,000						20,000,000		91,800	91,800	725,800	01/15/2026	2Z
26860#-AA-8	PIO PICO LLC SENIOR SECURED NOTES 4.170% 12/31/41		07/01/2019	Redemption 100.0000		(7)	(7)	(7)	(7)						(7)				921	12/31/2041	2PL
26986*-AA-1	EAGLE SOLAR, LLC EAGLE SOLAR, LLC 4.820% 12/31/42		07/01/2019	Redemption 100.0000		221,117	221,117	221,117	221,117						221,117				7,076	12/31/2042	2PL
281020-AN-7	EDISON INTERNATIONAL, INC. BASIC 5.750% 06/15/27		09/04/2019	JANE STREET		153,158	135,000	147,656			(207)		(207)		147,449		5,708	5,708	1,617	06/15/2027	2FE
28258#-AA-4	8point3 SOLAR INVESTCO 1 LLC 8point3 SOLAR INVESTCO 1 LLC 4.670% 11/30/35		08/31/2019	Redemption 100.0000		688,318	688,318	688,318	688,318						688,318				40,340	11/30/2035	3PL
283677-AW-2	EL PASO ELECTRIC COMPANY CALL @ MAKE WHOLE + 25BP 6.000% 05/15/35		07/02/2019	MILLENIUM ADVISORS		373,637	309,000	310,098	309,818		(15)		(15)		309,803		63,834	63,834	11,845	05/15/2035	2FE
292480-AK-6	ENABLE MIDSTREAM PARTNER 4.400% 03/15/27		08/01/2019	Various		7,935,664	7,900,000	7,799,281	923,560		2,261		2,261		7,798,561		137,103	137,103	143,367	03/15/2027	2FE
292480-AL-4	ENABLE MIDSTREAM PARTNER BASIC 4.950% 05/15/28		08/06/2019	CIBC WORLD MARKETS		5,686,254	5,400,000	5,388,702	5,389,529		537		537		5,390,066		296,188	296,188	195,278	05/15/2028	2FE
29256P-AJ-3	ECR 2005-3 2.978% 10/25/35		09/02/2019	DIRECT - 1																10/25/2035	1FM
29336U-AC-1	ENLINK MIDSTREAM PARTNER 5.6% Due 4/1/2044 A01 5.600% 04/01/44		08/12/2019	BANK OF AMERICA		4,250,000	5,000,000	5,571,650	5,527,039		(6,967)		(6,967)		5,520,073		(1,270,073)	(1,270,073)	243,444	04/01/2044	3FE
29372E-BV-9	EFF 2016-2 2.130% 07/20/22		09/02/2019	Various																07/20/2022	1FE
29373F-AB-0	Enterprise Fleet Financing LLC SERIES 20182 CLASS A2 3.140% 02/20/24		09/20/2019	Paydown		102,522	102,522	102,282	102,289		233		233		102,522				2,144	02/20/2024	1FE
29379V-BC-6	ENTERPRISE PRODUCTS OPER 5.1% Due 2/15/2045 FA15 5.100% 02/15/45		08/09/2019	CREDIT SUISSE FIRST BOSTON		583,455	500,000	531,135	529,919		(380)		(380)		529,540		53,915	53,915	25,358	02/15/2045	2FE
29379V-BQ-5	ENTERPRISE PRODUCTS OPER BASIC 4.250% 02/15/48		07/18/2019	BARCLAYS		5,680,080	5,600,000	5,592,440	5,592,555		71		71		5,592,626		87,454	87,454	222,794	02/15/2048	2FE

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Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
29379V-BT-9	ENTERPRISE PRODUCTS OPER BASIC 4.150% 10/16/28		08/09/2019	SMBC NIKKO SECURITIES		2,192,860	2,000,000	2,109,700			(2,423)		(2,423)		2,107,277		85,583	85,583	26,975	10/16/2028	2FE
29379V-BU-6	ENTERPRISE PRODUCTS OPER BASIC 4.800% 02/01/49		08/09/2019	SUSQUEHANNA		1,138,540	1,000,000	1,051,950			(147)		(147)		1,051,803		86,737	86,737	25,600	02/01/2049	2FE
30161N-AV-3	PECO ENERGY 4.45% Due 4/15/2046 AO15 4.450% 04/15/46		08/12/2019	BARCLAYS		5,374,168	4,700,000	4,741,610	4,741,319		(502)		(502)		4,740,817		633,351	633,351	173,711	04/15/2046	2FE
30231G-AN-2	EXXON MOBIL CORP BASIC 3.567% 03/06/45		09/19/2019	JANE STREET		536,830	500,000	465,080	465,130		559		559		465,690		71,140	71,140	18,677	03/06/2045	1FE
302491-AU-9	FMC CORP. BASIC 3.450% 10/01/29		09/17/2019	J.P. MORGAN		5,017,850	5,000,000	4,999,950							4,999,950		17,900	17,900		10/01/2029	2FE
302491-AV-7	FMC CORP. BASIC 4.500% 10/01/49		09/17/2019	Various		7,046,760	7,000,000	6,996,430							6,996,430		50,330	50,330		10/01/2049	2FE
302635-AA-5	FS INVESTMENT CORP 4% Due 7/15/2019 JJ15 4.000% 07/15/19		07/15/2019	Maturity		9,300,000	9,300,000	9,253,314	9,294,507		5,493		5,493		9,300,000				372,000	07/15/2019	2FE
30288*-AA-8	FLNG LIQUEFACTION 2, LLC SENIOR SECURED NOTES 4.540% 03/31/38		09/30/2019	Redemption 100.0000		402,500	402,500	402,500	402,500						402,500				18,274	03/31/2038	2FE
30291U-AN-8	FREMF 2014-K714 3.84885% Due 1/25/2047 Mo-1 3.981% 01/25/47		07/19/2019	PIERPONT SECURITIES		945,185	930,000	972,213	948,713		(6,431)		(6,431)		942,282		2,903	2,903	23,380	01/25/2047	1FM
31953*-AJ-1	UNION PACIFIC RAILROAD COMPANY SERIES A EQUIPTMENT NOTES 5.470% 05/31/22		07/02/2019	Redemption 100.0000		276,190	276,190	276,190	276,190						276,190				15,108	05/31/2022	1
31953*-AK-8	UNION PACIFIC RAILROAD COMPANY SERIES B EQUIPTMENT NOTES 5.470% 09/27/22		07/02/2019	Redemption 100.0000		257,143	257,143	257,143	257,143						257,143				14,066	09/27/2022	1
319963-BN-3	FIRST DATA CORP 5 3/8% Due 8/15/2023 FA15 5.375% 08/15/23		08/03/2019	Call 102.6880		5,134,400	5,000,000	5,067,500	5,024,084		(8,522)		(8,522)		5,015,562		(15,562)	(15,562)	394,192	08/15/2023	4FE
32027N-JT-9	FIRST FRANKLIN BANK SERIES 2004FF5 CLASS A1 2.764% 08/25/34		09/27/2019	Paydown		9,768	9,768	9,604	9,612		156		156		9,768				215	08/25/2034	1FM
32027N-WP-2	FIRST FRANKLIN BANK SERIES 2005FF10 CLASS A5 2.414% 11/25/35		09/27/2019	Paydown		19,575	19,575	18,645	18,665		910		910		19,575				411	11/25/2035	3FM
337738-AU-2	FISERV, INC. BASIC 3.500% 07/01/29		08/12/2019	J.P. MORGAN		1,569,615	1,500,000	1,497,480			28		28		1,497,508		72,107	72,107	7,292	07/01/2029	2FE
34417M-AA-5	FOCUS 2017-1A 3.857% 04/30/47		07/30/2019	Paydown		22,500	22,500	22,528	22,516		(16)		(16)		22,500				651	04/30/2047	2FE
34528F-AC-2	Ford Credit Auto Owner Trust SERIES 2018A CLASS A2B 2.125% 02/15/21		09/22/2019	Paydown		2,982,950	2,982,950	2,982,950	2,982,950						2,982,950				38,043	02/15/2021	1FE
34530Y-AE-3	FORDO 2015-C 1.74% Due 2/15/2021 Mo-15 1.740% 02/15/21		07/15/2019	Various		472,312	472,312	472,367	472,321		(7)		(7)		472,314		(2)	(2)	4,794	02/15/2021	1FE
345397-VU-4	FORD MOTOR CREDIT CO 5 7/8% Due 8/2/2021 FA2 5.875% 08/02/21		07/08/2019	J.P. MORGAN		526,255	500,000	556,875	518,526		(3,596)		(3,596)		514,930		11,325	11,325	27,580	08/02/2021	2FE
350910-AN-5	FOUR TIMES SQUARE TRUST 5.401% Due 12/13/2028 Mo-11 5.401% 12/13/28		09/11/2019	Paydown		56,526	56,526	56,853	56,587		(61)		(61)		56,526				2,029	12/13/2028	1FM
36192K-AT-4	GSMS 2012-GCJ7 3.377% Due 5/10/2045 Mo-1 3.377% 05/10/45		09/02/2019	DIRECT - 1																05/10/2045	1FM
36228F-YY-6	GSR 2003-13 Adj % Due 10/25/2033 Mo-1 4.355% 10/25/33		09/01/2019	Paydown		29,262	29,262	29,779	29,721		(459)		(459)		29,262				835	10/25/2033	1FM
36242D-2B-8	GSAMP 2005-AHL Flt % Due 4/25/2035 Mo-25 2.993% 04/25/35		09/25/2019	Paydown		14,967	14,967	12,058	13,336		1,631		1,631		14,967				380	04/25/2035	1FM
36242D-5W-9	GSAMP 2005-AHL 5 1/2% Due 6/25/2035 Mo-1 5.500% 06/25/35		09/01/2019	Paydown		23,149	23,149	23,091	23,091		58		58		23,149				876	06/25/2035	1FM
36242D-7X-5	GSAMP 2005-AHL 5.73548% Due 6/25/2035 Mo-1 5.745% 06/25/35		09/01/2019	Paydown		42,878	42,878	41,416	41,487		1,391		1,391		42,878				1,648	06/25/2035	1FM
36242D-ET-6	GSAMP 2005-AHL 5% Due 8/25/2019 Mo-1 5.000% 05/25/43		09/01/2019	Paydown		1,686	1,686	1,730	1,688		(2)		(2)		1,686				42	05/25/2043	1FM
36242D-EY-5	GSAMP 2005-AHL 5% Due 9/25/2034 Mo-1 5.000% 09/25/34		09/01/2019	Paydown		13,526	13,526	13,988	13,924		(398)		(398)		13,526				450	09/25/2034	1FM
36242D-FG-3	GSAMP 2005-AHL 5.897% 09/25/34		09/01/2019	JANNEY MONTGOMERY/SCOTT		2,118,242	2,160,353	2,118,242	2,130,328		(12,086)		(12,086)		2,118,242				350	09/25/2034	1FM
36242D-FG-3	GSAMP 2005-AHL 5.897% 09/25/34		09/01/2019	Paydown		28,840	28,840	30,521	(553,974)		9,118		9,118		28,840				2,394	09/25/2034	1FM
36242D-FG-3	GSAMP 2005-AHL 5.897% 09/25/34		09/01/2019	Paydown				38	(9,841)		154		154							09/25/2034	5AM
36242D-QY-2	GSAMP 2005-AHL 5% Due 12/25/2034 Mo-1 5.000% 12/25/34		09/01/2019	Paydown		4,180	4,180	4,125	4,131		49		49		4,180				138	12/25/2034	1FM
36254M-AC-2	GM Financial Securitized Term SERIES 20173A CLASS A2B 2.154% 09/16/20		07/16/2019	Call 100.0000		292,464	292,464	292,510	292,492		(6)		(6)		292,486		(22)	(22)	3,062	09/16/2020	1FE

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CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
36256X-AB-8	GM Financial Securitized Term SERIES 20191 CLASS A2A 3.290% 03/16/22		09/16/2019	Paydown		3,361,831	3,361,831	3,361,534	3,361,543		288		288		3,361,831				59,365	03/16/2022	1FE
36804*-AA-0	GATX CORP 2009-1 PASS THROUGH 8% Due 1/2/2024 JJ2 8.000% 01/02/24		07/02/2019	Redemption 100.0000		466,216	466,216	466,216	466,216						466,216				37,301	01/02/2024	2
36962G-4Y-7	GENERAL ELECTRIC CO 4 5/8% Due 1/7/2021 JJ7 4.625% 01/07/21		08/16/2019	CITICORP SECURITIES		2,134,104	2,100,000	2,191,497	2,122,631		(6,950)		(6,950)		2,115,681		18,423	18,423	108,726	01/07/2021	2FE
36962G-6S-8	GENERAL ELECTRIC CO 3.1% Due 1/9/2023 JJ9 3.100% 01/09/23		08/16/2019	MARKET AXESS		3,732,132	3,800,000	3,492,960	3,655,772		21,284		21,284		3,677,056		55,076	55,076	131,216	01/09/2023	2FE
370334-CG-7	GENERAL MILLS INC BASIC 4.200% 04/17/28		08/12/2019	US BANCORP INC		1,110,050	1,000,000	1,010,330	1,009,713		(555)		(555)		1,009,158		100,892	100,892	34,650	04/17/2028	2FE
37045V-AT-7	GENERAL MOTORS CORP BASIC 5.950% 04/01/49		08/16/2019	Various		3,822,540	3,500,000	3,311,875			1,824		1,824		3,313,699		508,841	508,841	196,019	04/01/2049	2FE
37940X-AB-8	GLOBAL PAYMENTS INC. BASIC 3.200% 08/15/29		08/15/2019	GOLDMAN SACHS		10,126,600	10,000,000	9,968,600			30		30		9,968,630		157,970	157,970	4,444	08/15/2029	2FE
38013B-AD-2	GM Financial Automobile Leasin SERIES 20173 CLASS A3 2.010% 11/20/20		09/20/2019	Paydown		220,393	220,393	218,507	218,853		1,540		1,540		220,393				2,962	11/20/2020	1FE
38141G-WB-6	GOLDMAN SACHS GROUP INC 3.850% 01/26/27		08/01/2019	WELLS FARGO SECURITIES LLC		3,869,164	3,700,000	3,726,696	3,722,595		(1,684)		(1,684)		3,720,911		148,253	148,253	146,011	01/26/2027	1FE
38141G-WL-4	GOLDMAN SACHS GROUP INC 3.691% 06/05/28		08/01/2019	CITICORP SECURITIES		32,649,435	31,500,000	31,280,090	31,270,182		11,636		11,636		31,281,818		1,367,617	1,367,617	775,110	06/05/2028	1FE
38141G-WV-2	GOLDMAN SACHS GROUP INC BASIC 3.814% 04/23/29		08/01/2019	CITICORP SECURITIES		1,565,685	1,500,000	1,506,375	1,506,073		(328)		(328)		1,505,745		59,941	59,941	44,815	04/23/2029	1FE
38406H-AA-0	GRCE 2014-GRCE 3.3687% Due 6/10/2028 Mo-1 3.369% 06/10/28		08/06/2019	Various		8,150,625	8,000,000	8,275,000	8,104,371		(26,672)		(26,672)		8,077,699		72,926	72,926	183,220	06/10/2028	1FM
38406H-AE-2	GRCE 2014-GRCE 3.52% Due 6/10/2028 Mo-1 3.520% 06/10/28		09/27/2019	Various		7,102,813	7,000,000	7,207,806	7,074,145		(24,005)		(24,005)		7,050,140		52,673	52,673	183,333	06/10/2028	1FM
387328-A#-4	GRANITE CONSTRUCTION INC. SENIOR SECURED NOTE 6.110% 12/12/19		07/29/2019	Redemption 100.0000		4,000,000	4,000,000	4,000,000	4,000,000						4,000,000				205,696	12/12/2019	2
39121J-A*-1	GREAT RIVER ENERGY FIRST MORTGAGE BONDS SERIES 20 5.810% 07/01/21		07/01/2019	Redemption 100.0000		2,511,628	2,511,628	2,511,628	2,511,628						2,511,628				145,926	07/01/2021	1
40430H-EC-8	HASC 2006-OPT1 SERIES 2006OPT2 CLASS M3 2.454% 01/25/36		09/04/2019	Various		1,062,825	1,110,000	1,057,275	1,060,337		2,437		2,437		1,062,774		51	51	22,261	01/25/2036	1FM
40430H-FN-3	HASC 2006-OPT1 SERIES 2006OPT3 CLASS M1 2.384% 02/25/36		09/02/2019	DIRECT - 1																02/25/2036	1FM
40430K-AH-4	HSI Asset Securitization Corpo SERIES 2006OPT4 CLASS M1 2.354% 03/25/36		09/06/2019	BANK OF AMERICA		1,330,768	1,500,000	1,203,750	1,216,867		11,964		11,964		1,228,831		101,937	101,937	27,183	03/25/2036	1FM
41161P-SM-6	HarborView Mortgage Loan Trust SERIES 20059 CLASS 2A1C 2.487% 06/20/35		09/10/2019	CITICORP SECURITIES		557,831	563,465	559,239	559,468		107		107		559,574		(1,744)	(1,744)	12,783	06/20/2035	1FM
41161P-SM-6	HarborView Mortgage Loan Trust SERIES 20059 CLASS 2A1C 2.487% 06/20/35		08/22/2019	Paydown		16,057	16,057	15,936	15,943		114		114		16,057				315	06/20/2035	1FM
41781#-AA-3	HARVEY STONE, LLC SENIOR SECURED NOTES 4.910% 04/15/26		07/01/2019	Redemption 100.0000		632,152	632,152	632,152	632,152						632,152				15,519	04/15/2026	2FE
418056-AV-9	HASBRO INC BASIC 3.500% 09/15/27		08/27/2019	BARCLAYS		3,759,977	3,700,000	3,695,338	3,695,862		272		272		3,696,134		63,843	63,843	123,744	09/15/2027	2FE
43710X-AC-2	HELT 2007-FRE1 2.178% 04/25/37		09/25/2019	Paydown		3,592,776	3,592,776	3,395,174	3,467,386		125,390		125,390		3,592,776				63,197	04/25/2037	1FM
44416*-AB-2	HUDSON TRANSMISSION 4.41% Due 5/23/2033 FMAN31 4.410% 05/23/33		08/31/2019	Redemption 100.0000		191,621	191,621	190,530	190,552		1,069		1,069		191,621				6,352	05/23/2033	2PL
44416*-AE-6	HUDSON TRANSMISSION HUDSON TRANSMISSION 4.440% 11/30/32		08/31/2019	Redemption 100.0000		8,701	8,701	8,701	8,701						8,701				290	11/30/2032	2PL
44416*-AF-3	HUDSON TRANSMISSION HUDSON TRANSMISSION 4.440% 11/30/32		09/01/2019	Redemption 100.0000															220	09/01/2032	2PL
44416*-AG-1	HUDSON TRANSMISSION HUDSON TRANSMISSION 4.440% 11/30/32		09/01/2019	Redemption 100.0000															1,264	09/01/2032	2PL
44891M-AD-3	Hyundai Auto Lease Securitizat SERIES 2016A CLASS A3 1.600% 07/15/19		07/01/2019	DIRECT - 1																07/15/2019	1FE
44919*-AC-2	I 595 EXPRESS, LLC NOTES 3.310% 12/31/31		09/30/2019	Redemption 100.0000		436,488	436,488	436,489	436,489						436,488				9,111	12/31/2031	1PL
45071K-BM-5	IXIS 2005-HE2 Flt % Due 9/25/2035 Mo-25 2.948% 09/25/35		09/25/2019	Paydown		117,783	117,783	110,680	117,783						117,783				2,712	09/25/2035	1FM
45254N-KF-3	IMM 2004-7 Flt % Due 11/25/2034 Mo-25 2.758% 11/25/34		09/25/2019	Paydown		240,285	240,285	229,173	231,287		8,998		8,998		240,285				5,259	11/25/2034	1FM

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Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
45255R-AB-3	Impac Secured Assets Corp. SERIES 20063 CLASS A2 2.254% 11/25/36		09/01/2019	Paydown			2,962	2,459	989		1,471		1,471		2,460		(2,460)	(2,460)		11/25/2036	
45255R-AB-3	Impac Secured Assets Corp. SERIES 20063 CLASS A2 2.254% 11/25/36		09/27/2019	Paydown		33,257	55,278	45,881	28,223		23,452		23,452		51,675		(18,418)	(18,418)	1,373	11/25/2036	1FM
45660N-B9-5	RAST 2004-A2 5 1/4% Due 5/25/2034 Mo-1 5.250% 05/25/34		09/01/2019	Paydown		57,161	57,161	31,439	33,956		23,206		23,206		57,161				2,026	05/25/2034	1FM
45660N-VH-5	RAST 2004-A2 5 3/4% Due 11/25/2033 Mo-1 5.750% 11/25/33		09/01/2019	Paydown		16,045	16,045	16,406	16,313		(267)		(267)		16,045				614	11/25/2033	1FM
460146-CS-0	INTERNATIONAL PAPER CO. BASIC 4.350% 08/15/48		08/16/2019	WELLS FARGO SECURITIES LLC		5,715,655	5,500,000	5,349,085			600		600		5,349,685		365,970	365,970	122,948	08/15/2048	2FE
466247-HE-6	JPMMT 2005-S2 2A15 Adj % Due 12/25/2034 Mo-1 4.185% 12/25/34		09/01/2019	Paydown		33,359	33,359	29,606	30,057		3,302		3,302		33,359				927	12/25/2034	1FM
466247-HP-1	JPMMT 2005-S2 2A15 4 3/4% Due 11/25/2019 Mo-1 4.750% 11/25/19		09/01/2019	Paydown		9,514	9,514	9,658	9,519		(5)		(5)		9,514				220	11/25/2019	1FM
466247-K7-7	JPMMT 2005-S2 2A15 Adj % Due 11/25/2033 Mo-1 4.620% 11/25/33		09/01/2019	Paydown		75,300	75,300	75,154	75,154		146		146		75,300				2,549	11/25/2033	1FM
466247-LZ-4	JPMMT 2005-S2 2A15 Adj % Due 2/25/2035 Mo-1 4.721% 02/25/35		09/01/2019	Paydown		37,280	37,280	36,864	36,852		428		428		37,280				1,079	02/25/2035	1FM
466247-QA-4	JPMMT 2005-S2 2A15 Adj % Due 6/25/2035 Mo-1 4.404% 06/25/35		09/01/2019	Paydown		103,065	103,065	102,679	102,695		370		370		103,065				2,840	06/25/2035	1FM
466247-QY-2	JPMMT 2005-S2 2A15 Adj % Due 6/25/2035 Mo-1 4.640% 06/25/35		09/01/2019	Paydown		107,239	107,239	106,054	106,527		713		713		107,239				3,067	06/25/2035	1FM
46630G-AS-4	JPMMT 2007-A1 Adj % Due 7/25/2035 Mo-1 4.676% 07/25/35		09/01/2019	Paydown		157,602	157,602	158,270	158,079		(477)		(477)		157,602				5,130	07/25/2035	1FM
46636V-AC-0	JPMCC 2011-C5 4.1712% Due 8/15/2046 Mo-1 4.171% 08/15/46		09/01/2019	Paydown		4,010,444	4,010,444	4,176,648	4,038,443		(27,999)		(27,999)		4,010,444				171,527	08/15/2046	1FM
46637T-AA-8	JPMCC 2012-WLDN 3.9054% Due 5/5/2030 Mo-1 3.905% 05/05/30		09/02/2019	DIRECT - 1																05/05/2030	1FM
46637Y-AA-7	JPMCC 2012-HSBC 3.0934% Due 7/5/2032 Mo-1 3.093% 07/05/32		09/01/2019	Paydown		63,989	63,989	63,230	63,713		276		276		63,989				1,304	07/05/2032	1FM
46645F-AJ-9	JPMCC 2015-UES SERIES 2015UES CLASS C 3.621% 09/05/32		09/12/2019	SOCIETE GENERALE		402,031	400,000	400,219			(8)		(8)		400,211		1,820	1,820	9,234	09/05/2032	1FM
46661#-AA-7	JFK FUEL INFRASTRUCTURE LLC SENIOR SECURED 3.440% 04/13/27		09/13/2019	Redemption 100.0000		364,348	364,348	364,348	364,348						364,348				8,358	04/13/2027	2
47760Q-AA-1	SERIES 20171A CLASS A2I 3.610% 07/30/47		07/07/2019	Paydown		12,500	12,500	12,500	12,500						12,500				338	07/30/2047	2FE
48248N-AA-8	KKR GROUP FINANCE CO 6 3/8% Due 9/29/2020 MS29 6.375% 09/29/20		07/31/2019	Call 104.4214		10,442,143	10,000,000	10,106,300	10,023,499		(7,586)		(7,586)		10,015,914		(15,914)	(15,914)	976,935	09/29/2020	1FE
492386-AT-4	KERR-MCGEE CORP BASIC 7.875% 09/15/31		09/18/2019	Tax Free Exchange		483,217	400,000	486,788	486,523		(3,306)		(3,306)		483,217				32,163	09/15/2031	2FE
492386-AU-1	KERR-MCGEE CORP BASIC 6.950% 07/01/24		09/18/2019	Tax Free Exchange		440,033	400,000	445,556	445,142		(5,109)		(5,109)		440,033				20,246	07/01/2024	2FE
49456B-AH-4	KINDER MORGAN INC 5.55% Due 6/1/2045 JD1 5.550% 06/01/45		08/22/2019	BARCLAYS		2,382,100	2,000,000	2,157,920			(809)		(809)		2,157,111		224,989	224,989	81,708	06/01/2045	2FE
49727@-AA-5	HMS 850 BARGE FLEETING HMS 850 BARGE FLEETING 4.410% 03/15/42		09/15/2019	Redemption 100.0000		27,925	27,925	27,925	27,925						27,925				821	03/15/2042	2
50077L-AK-2	KRAFT HEINZ FOODS CO 3.95% Due 7/15/2025 JJ15 3.950% 07/15/25		08/12/2019	Various		12,105,908	11,750,000	11,812,325	11,793,589		(3,788)		(3,788)		11,789,802		316,106	316,106	501,513	07/15/2025	2FE
50077L-AT-3	KRAFT HEINZ FOODS CO BASIC 4.625% 01/30/29		08/12/2019	Various		15,008,070	14,000,000	14,000,080	14,001,148		443		443		14,001,591		1,006,479	1,006,479	752,976	01/30/2029	2FE
502413-BA-4	L-3 COMMUNICATIONS HLDGS INC. 4.95% Due 2/15/2021 FA15 4.950% 02/15/21		07/02/2019	Tax Free Exchange		18,349,769	18,112,000	19,037,197	18,433,615		(83,846)		(83,846)		18,349,769				807,569	02/15/2021	2FE
502413-BE-6	L-3 COMMUNICATIONS HLDGS INC. 3.85% Due 12/15/2026 JD15 3.850% 12/15/26		07/02/2019	Tax Free Exchange		13,596,354	13,500,000	13,609,766	13,602,301		(5,947)		(5,947)		13,596,354				297,919	12/15/2026	2FE
502413-BF-3	L-3 COMMUNICATIONS HLDGS INC. BASIC 3.850% 06/15/23		07/02/2019	Tax Free Exchange		501,009	500,000	501,135	501,121		(113)		(113)		501,009				11,034	06/15/2023	2FE
502413-BG-1	L-3 COMMUNICATIONS HLDGS INC. BASIC 4.400% 06/15/28		07/02/2019	Tax Free Exchange		499,153	500,000	499,110	499,115		38		38		499,153				12,539	06/15/2028	2FE
521865-AY-1	LEAR CORP BASIC 3.800% 09/15/27		09/13/2019	Various		4,466,755	4,500,000	4,225,005	4,235,126		16,580		16,580		4,251,706		215,049	215,049	163,242	09/15/2027	2FE

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										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
52520M-BY-8	LMT 2005-2 Flt % Due 12/25/2035 Mo-25 2.768% 12/25/35		09/25/2019	Paydown		56,028	142,790	102,095	(80,053)		199,209		199,209		119,156		(63,129)	(63,129)	2,240	12/25/2035	1FM
53079E-BF-0	LIBERTY MUTUAL 4.85% Due 8/1/2044 FA1 4.850% 08/01/44		09/27/2019	Various		23,742,036	20,300,000	20,247,715	18,605,217		558		558		20,248,740		3,493,296	3,493,296	1,129,228	08/01/2044	2FE
53154*-AB-9	LIBERTY UTILITIES FINANCE GP1 SENIOR NOTES 4.490% 08/01/22		09/30/2019	SEAPORT GROUP		8,361,440	8,000,000	8,000,000	8,000,000						8,000,000		361,440	361,440	419,067	08/01/2022	2Z
53154*-AK-9	LIBERTY UTILITIES FINANCE GP1 SR UNSEC NOTES 3.300% 04/30/22		09/05/2019	SEAPORT GROUP		7,080,430	7,000,000	7,000,000	7,000,000						7,000,000		80,430	80,430	204,692	04/30/2022	2FE
534187-AR-0	LINCOLN NATIONAL CORP CALL @ MAKE WHOLE +20BP 6.150% 04/07/36		08/27/2019	TENDER		19,926,144	14,400,000	16,654,032	16,473,676		(51,116)		(51,116)		16,422,560		3,503,584	3,503,584	787,200	04/07/2036	2FE
534187-BF-5	LINCOLN NATIONAL CORP 3 5/8% Due 12/12/2026 MS12 3.625% 12/12/26		09/19/2019	RBC CAPITAL MARKETS		2,303,246	2,200,000	2,230,661	1,725,500		(2,176)		(2,176)		2,224,269		78,977	78,977	73,124	12/12/2026	2FE
539830-BB-4	LOCKHEED MARTIN CORP 4.07% Due 12/15/2042 JD15 4.070% 12/15/42		08/21/2019	CITICORP SECURITIES		17,666,870	15,150,000	16,034,346			(4,607)		(4,607)		16,029,739		1,637,131	1,637,131	424,772	12/15/2042	2FE
55282M-AE-4	MADISON AVENUE TRUST SERIES 2017330M CLASS B 3.478% 08/15/34		07/15/2019	Various		5,106,641	5,000,000	5,074,975	5,060,319		(5,963)		(5,963)		5,054,355		52,285	52,285	105,967	08/15/2034	1FM
55291K-AB-3	MASTR Asset Backed Securities SERIES 2006WMC3 CLASS A2 2.104% 08/25/36		09/26/2019	Paydown		29,415	29,415	15,406	15,786		13,629		13,629		29,415				317	08/25/2036	1FM
55336V-AS-9	MPLX LP BASIC 4.800% 02/15/29		09/18/2019	MORGAN STANLEY		17,917,738	16,250,000	17,703,350	1,242,924		(18,248)		(18,248)		17,685,126		232,612	232,612	480,833	02/15/2029	2FE
559080-AM-8	MAGELLAN MIDSTREAM PRTNRS BASIC 4.200% 10/03/47		07/10/2019	JEFFERIES & COMPANY INC.		2,033,500	2,000,000	1,986,820	1,987,106		119		119		1,987,225		46,275	46,275	65,100	10/03/2047	2FE
56540#-AA-3	MAPLELEAF MIDSTREAMNINVESTMENT MAPLELEAF MIDSTREAM INVESTMENT 4.560% 09/30/25		07/05/2019	Redemption 100.0000		301,616	301,616	301,616	301,616						301,616				10,583	09/30/2025	2PL
576433-UE-4	MARM 2004-13 Adj % Due 4/21/2034 Mo-1 4.852% 04/21/34		09/01/2019	Paydown		112,953	112,953	112,155	112,208		745		745		112,953				3,683	04/21/2034	1FM
576433-UF-1	MARM 2004-13 Adj % Due 11/21/2034 Mo-1 4.749% 11/21/34		09/02/2019	DIRECT - 1																11/21/2034	1FM
576433-UF-1	MARM 2004-13 Adj % Due 11/21/2034 Mo-1 4.749% 11/21/34		07/01/2019	Paydown																11/21/2034	1FM
576436-CW-7	MASD 2006-1 Flt % Due 1/25/2036 Mo-25 2.668% 01/25/36		09/25/2019	Paydown		75,210	75,210	62,048	67,787		7,423		7,423		75,210				1,734	01/25/2036	1FM
57643M-KK-9	MASTR 2005-1 5 1/2% Due 5/25/2035 Mo-1 5.500% 05/25/35		09/01/2019	Paydown		56,417	56,417	56,708	56,665		(248)		(248)		56,417				2,061	05/25/2035	1FM
57644U-AE-5	MASTR Asset Backed Securities SERIES 2006HE2 CLASS A3 2.194% 06/25/36		07/01/2019	CITICORP SECURITIES															103,649	06/25/2036	1FM
57644U-AE-5	MASTR Asset Backed Securities SERIES 2006HE2 CLASS A3 2.194% 06/25/36		09/02/2019	DIRECT - 1																06/25/2036	3FM
57878#-AA-3	MAYZURE, LLC MAYZURE, LLC 5.160% 06/28/28		09/28/2019	Redemption 100.0000		813,540	813,540	813,540							813,540				17,484	08/28/2026	2PL
59048@-AA-6	MESA AIRLINES INC CERTIFICATES 4.750% 01/15/28		07/15/2019	Redemption 100.0000		544,070	544,070	544,070	544,070						544,070				25,843	01/15/2028	1PL
607120-EZ-1	MOBILE AIRPORT AUTHORITY 3.81% Due 11/9/2032 FMAN9 3.810% 11/09/32		08/09/2019	Redemption 100.0000		220,883	220,883	220,883	214,228		6,655		6,655		220,883				6,181	11/09/2032	1
61691C-AA-7	MSCCG 2016-SNR 3.348% Due 11/15/2034 Mo-1 3.460% 11/15/34		07/01/2019	Paydown		11,725	11,725	11,725	11,725						11,725				232	11/15/2034	1FM
61744C-DH-6	MSHEL 2005-2 SERIES 2004HE3 CLASS M1 2.887% 03/25/34		09/02/2019	DIRECT - 1																03/25/2034	1FM
61744C-MQ-6	MSHEL 2005-2 SERIES 2005NC1 CLASS M6 3.199% 01/25/35		07/22/2019	Various		1,585,496	1,666,750	1,429,618	1,346,896		28,403		28,403		1,522,213		63,283	63,283	32,309	01/25/2035	1FM
61744C-XM-3	MSHEL 2005-2 SERIES 2006WMC1 CLASS A2C 2.354% 12/25/35		09/25/2019	Paydown		25,678	25,678	25,229	25,251		427		427		25,678				557	12/25/2035	1FM
61748H-CE-9	MSM 2004-7AR Adj % Due 9/25/2034 Mo-1 4.413% 09/25/34		09/01/2019	Paydown		78,237	78,237	77,894	77,902		335		335		78,237				2,353	09/25/2034	1FM
61749B-AD-5	Morgan Stanley Capital Inc SERIES 2006NC5 CLASS A2B 2.164% 10/25/36		09/26/2019	Paydown		14,699	14,699	9,479	9,634		5,065		5,065		14,699				239	10/25/2036	1FM
61763B-AR-5	MSBAM 2013-C13 2.936% Due 11/15/2046 Mo-1 2.936% 11/15/46		09/01/2019	Paydown		2,322	2,322	2,391	2,322						2,322				101	11/15/2046	1FM

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										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
61913P-AA-0	MHL 2004-1 Flt % Due 11/25/2034 Mo-25 2.798% 11/25/34		09/25/2019	Paydown		426,176	426,176	406,532	409,936		16,240		16,240		426,176				9,411	11/25/2034	1FM
61913P-AB-8	MHL 2004-1 2.843% 11/25/34		09/25/2019	Paydown		38,159	38,159	35,846	36,030		2,129		2,129		38,159				854	11/25/2034	1FM
628530-BC-0	MYLAN LABORATORIES 5.4% Due 11/29/2043 MN29 5.400% 11/29/43		07/29/2019	Various		33,499,328	32,900,000	35,562,602	35,441,962		(30,904)		(30,904)		35,411,057		(1,911,729)	(1,911,729)	1,189,487	11/29/2043	2FE
628530-BK-2	MYLAN LABORATORIES 4.55% Due 4/15/2028 AO15 4.550% 04/15/28		07/29/2019	RBC CAPITAL MARKETS		15,702,800	14,800,000	14,610,097			7,532		7,532		14,617,629		1,085,171	1,085,171	534,979	04/15/2028	2FE
62963#-AD-3	NRP (OPERATING) LLC NRP OPERATING LLC 5.050% 07/19/20		07/19/2019	Redemption 100.0000		840,477	840,477	832,072	832,725		7,753		7,753		840,477				42,444	01/19/2020	4
63946B-AD-2	NBCUNIVERSAL MEDIA LLC 5.15% Due 4/30/2020 AO31 5.150% 04/30/20		09/03/2019	Various		10,199,600	10,000,000	9,984,500	9,997,465		1,256		1,256		9,998,721		1,279	1,279	633,058	04/30/2020	1FE
64079*-AB-8	NEPTUNE REGIONAL TRANSMISSION 10 DRAWDOWNS, BLENDED RATE AT 6.210% 06/30/27		09/30/2019	Redemption 100.0000		229,972	229,972	229,972	229,972						229,972				10,711	06/30/2027	1PL
64352V-HV-6	NEW CENTURY HOME EQ LOAN TRUST SERIES 20043 CLASS M1 2.974% 11/25/34		09/27/2019	Paydown		12,618	12,618	12,592	12,594		23		23		12,618				296	11/25/2034	1FM
64352V-JK-8	NEW CENTURY HOME EQ LOAN TRUST Flt % Due 2/25/2035 Mo-25 2.813% 02/25/35		09/25/2019	Paydown		60,627	60,627	52,337	55,465		5,162		5,162		60,627				1,302	02/25/2035	1FM
64760@-AA-2	NEW ORLEANS ENERGY PARTNERS NEW ORLEANS ENERGY PARTNERS LL 4.270% 08/15/32		09/15/2019	Redemption 100.0000		161,762	161,762	161,762	161,762						161,762				4,455	08/15/2032	1
65106A-AR-4	NCMT 2006-1 Flt % Due 3/25/2036 Mo-25 2.468% 03/25/36		07/23/2019	Various		12,528,750	13,000,000	10,128,750	10,901,335		218,218		218,218		11,119,553		1,409,197	1,409,197	198,877	03/25/2036	1FM
651639-AE-6	NEWMONT GOLDCORP CORPORATION CALL @MAKE WHOLE +25BP 5.875% 04/01/35		08/28/2019	Tax Free Exchange		445,904	400,000	447,228	447,122		(1,218)		(1,218)		445,904				34,678	04/01/2035	2FE
651639-AX-4	NEWMONT GOLDCORP CORPORATION BASIC 2.800% 10/01/29		09/05/2019	SEAPORT GROUP		997,650	1,000,000	991,760							991,760		5,890	5,890		10/01/2029	2FE
65475W-AE-8	Nissan Auto Receivables Owner SERIES 2015B CLASS A4 1.790% 01/17/22		09/15/2019	Paydown		202,368	202,368	200,747	200,899		1,469		1,469		202,368				2,411	01/17/2022	1FE
655044-AN-5	NOBLE ENERGY INC BASIC 4.950% 08/15/47		08/16/2019	BARCLAYS		5,450,350	5,000,000	4,562,650			4,058		4,058		4,566,708		883,643	883,643	250,938	08/15/2047	2FE
655663-D@-8	NORDSON CORP NORDSON 2.620% 07/26/21		07/26/2019	Redemption 100.0000		2,000,000	2,000,000	1,980,760			19,240		19,240		2,000,000				26,200	07/26/2021	2
655663-E@-7	NORDSON CORP 2.89% Due 7/28/2025 JJ28 2.890% 07/28/25		07/28/2019	Redemption 100.0000		2,571,429	2,571,429	2,571,429	2,571,429						2,571,429				74,314	07/28/2025	2
674599-CL-7	OCCIDENTAL PETROLEUM 4.1% Due 2/15/2047 FA15 4.100% 02/15/47		09/23/2019	Various		8,910,450	9,000,000	8,947,320	4,990,046		682		682		8,949,247		(38,797)	(38,797)	410,000	02/15/2047	2FE
674599-CN-3	OCCIDENTAL PETROLEUM BASIC 4.200% 03/15/48		09/23/2019	WELLS FARGO SECURITIES LLC		10,078,900	10,000,000	9,842,500			2,291		2,291		9,844,791		234,109	234,109	431,667	03/15/2048	2FE
68347@-AA-5	OPATHO GAS TRANS, LLC OPATHO GAS TRANS, LLC 5.330% 03/31/34		09/30/2019	Redemption 100.0000		220,918	220,918	220,918	220,918						220,918				8,824	03/30/2034	2Z
68383N-CZ-4	OPMAC 2005-5 Flt % Due 12/25/2035 Mo-25 2.348% 12/25/35		09/25/2019	Paydown		286,846	286,846	268,569	270,795		16,051		16,051		286,846				5,037	12/25/2035	1FM
68389X-AE-5	ORACLE SYSTEMS CORP BASIC 6.500% 04/15/38		07/16/2019	MORGAN STANLEY		1,532,751	1,100,000	1,401,378	1,400,808		(5,244)		(5,244)		1,395,564		137,187	137,187	54,221	04/15/2038	1FE
68389X-AM-7	ORACLE SYSTEMS CORP 5 3/8% Due 7/15/2040 JJ15 5.375% 07/15/40		07/16/2019	Various		19,690,838	15,800,000	16,744,248	16,647,855		(12,843)		(12,843)		16,635,012		3,055,826	3,055,826	856,327	07/15/2040	1FE
68389X-BG-9	ORACLE SYSTEMS CORP 4 3/8% Due 5/15/2055 MN15 4.375% 05/15/55		07/16/2019	Various		23,430,852	21,300,000	21,193,721	21,197,692		660		660		21,198,352		2,232,500	2,232,500	629,016	05/15/2055	1FE
68389X-BN-4	ORACLE SYSTEMS CORP BASIC 3.250% 11/15/27		08/09/2019	JANE STREET		530,300	500,000	495,260	495,658		262		262		495,920		34,380	34,380	12,097	11/15/2027	1FE
68389X-BQ-7	ORACLE SYSTEMS CORP BASIC 4.000% 11/15/47		07/16/2019	JANE STREET		8,391,600	8,000,000	8,129,980	8,128,103		(1,373)		(1,373)		8,126,730		264,870	264,870	216,000	11/15/2047	1FE
68715#-AA-7	LANDSBERG ORORA SERIES A GUARANTEED SENIOR NOT 3.260% 07/16/23		07/18/2019	Tax Free Exchange		8,000,000	8,000,000	8,000,000	8,000,000						8,000,000				262,249	07/16/2023	2PL
69363P-AA-8	Public Service New Hampshire F SERIES 20181 CLASS A1 3.094% 02/01/26		08/08/2019	Paydown		201,487	201,487	201,482	201,487						201,487				7,671	02/01/2026	1FE
703481-A*-2	PATTERSON-UTI ENERGY INC 4.97% Due 10/5/2020 AO5 4.970% 10/05/20		09/25/2019	Redemption 100.0000		15,000,000	15,000,000	15,000,000	15,000,000						15,000,000				1,127,862	10/05/2020	2
71682@-AA-2	PETROS MISSISSIPPI FUND LLC PETROS MISSISSIPPI FUND I, LLC 6.950% 03/01/27		07/31/2019	Redemption 100.0000		112,545	112,545	112,545							112,545				4,050	03/01/2027	1FE
718172-BL-2	PHILIP MORRIS 4 1/4% Due 11/10/2044 MN10 4.250% 11/10/44		09/10/2019	MORGAN STANLEY		536,225	500,000	496,225			29		29		496,254		39,971	39,971	7,201	11/10/2044	1FE

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1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
718172-CJ-6	PHILIP MORRIS BASIC 3.375% 08/15/29		09/19/2019	JANE STREET		516,875	500,000	495,685			117		117		495,802		21,073	21,073	6,656	08/15/2029	1FE
73107G-AA-1	POLARIS INTERMEDIATE BASIC 8.500% 12/01/22		09/09/2019	Various		2,500,000	3,000,000	3,032,500	3,022,279		(6,962)		(6,962)		3,015,317		(515,317)	(515,317)	196,917	12/01/2022	5FE
74160M-CS-9	PRIME 2003-3 5 1/2% Due 1/25/2034 Mo-1 5.500% 01/25/34		09/01/2019	Paydown		157,245	157,245	165,795	165,104		(7,859)		(7,859)		157,245				5,763	01/25/2034	1FM
744320-BA-9	PRUDENTIAL FINANCIAL INC. BASIC 3.935% 12/07/49		09/19/2019	JANE STREET		743,204	700,000	626,115	626,181		794		794		626,974		116,230	116,230	21,883	12/07/2049	1FE
749239-AF-6	Residential Asset Mortgage Pro SERIES 2006RZ5 CLASS M1 2.414% 08/25/46		09/01/2019	BANK OF AMERICA		6,890,015	7,571,445	6,890,015	(500)		500		500		6,890,015				62,051	08/25/2046	1FM
749239-AF-6	Residential Asset Mortgage Pro SERIES 2006RZ5 CLASS M1 2.414% 08/25/46		07/25/2019	Paydown			(53)	(47)	(47)						(47)		47	47		08/25/2046	
749239-AF-6	Residential Asset Mortgage Pro SERIES 2006RZ5 CLASS M1 2.414% 08/25/46		07/25/2019	Paydown			(17)	(15)	(6)						(15)		15	15		08/25/2046	1FM
749239-AF-6	Residential Asset Mortgage Pro SERIES 2006RZ5 CLASS M1 2.414% 08/25/46		07/25/2019	Paydown			(68,878)	(61,527)	(61,759)		118		118		(61,641)		61,641	61,641	(150)	08/25/2046	6FE
74979U-AA-3	RS 2018 PRIVATE, LLC RS 2018 PRIVATE, LLC 4.040% 06/20/26		09/20/2019	Redemption 100.0000		387,500	387,500	387,500	387,500						387,500				11,741	06/20/2026	1PL
75406Y-AD-9	Residential Asset Securities C SERIES 2006KS9 CLASS AI4 2.304% 11/25/36		05/25/2018	Paydown			23	19	20						19		(19)	(19)		11/25/2036	
75406Y-AD-9	Residential Asset Securities C SERIES 2006KS9 CLASS AI4 2.304% 11/25/36		09/25/2019	Paydown		46	66,977	57,559	57,894		183		183		58,077		(58,031)	(58,031)	808	11/25/2036	1FM
75406Y-AD-9	Residential Asset Securities C SERIES 2006KS9 CLASS AI4 2.304% 11/25/36		07/25/2019	Paydown			(23,916)	(20,553)	(20,673)		40		40		(20,632)		20,632	20,632	(49)	11/25/2036	6FE
761118-KU-1	RALI 2005-QO3 Flt % Due 10/25/2045 Mo-25 2.418% 10/25/45		09/25/2019	Paydown		218,705	218,705	171,684	173,654		45,052		45,052		218,705				4,666	10/25/2045	1FM
761713-BA-3	REYNOLDS AMERICAN INC 5.700% 08/15/35		08/21/2019	WELLS FARGO SECURITIES LLC		9,327,231	8,100,000	9,352,908	9,260,057		(31,218)		(31,218)		9,228,839		98,392	98,392	471,960	08/15/2035	2FE
774341-AL-5	ROCKWELL INTL CORP (NEW) 4.350% 04/15/47		07/18/2019	JEFFERIES & COMPANY INC.		8,082,428	7,400,000	7,504,692	7,501,733		(1,045)		(1,045)		7,500,688		581,740	581,740	247,684	04/15/2047	2FE
78403D-AG-5	SBA TOWER TRUST 2.898% Due 10/15/2019 Mo-15 2.898% 10/15/19		09/13/2019	Various		5,000,000	5,000,000	5,000,000	5,000,000						5,000,000				107,065	10/15/2019	1FE
78512*-AA-5	S&E REPLACEMENT POWER LLC SENIOR SECURED NOTES 4.120% 05/31/29		07/01/2019	Redemption 100.0000		(3,660)	(3,660)	(3,660)	(4,429)		769		769		(3,660)				2,438	05/31/2029	1FE
78512*-AA-5	S&E REPLACEMENT POWER LLC SENIOR SECURED NOTES 4.120% 05/31/29		09/30/2019	Redemption 100.0000		356,811	356,811	356,811	354,488		2,323		2,323		356,811				9,820	05/31/2029	1PL
78514R-AE-5	CARR 2005-NC4 Flt % Due 9/25/2035 Mo-25 2.518% 09/25/35		09/25/2019	Paydown		269,011	269,011	230,593	260,107		8,904		8,904		269,011				5,675	09/25/2035	1FM
78532*-AD-5	THE SABINE MINING COMPANY SENIOR SECURED NOTES 4.580% 02/21/32		08/21/2019	Redemption 100.0000		312,500	312,500	312,500	312,500						312,500				14,313	02/21/2032	2
78572X-AE-1	SABRA HEALTH/CAPTL CORP 5 1/2% Due 2/1/2021 FA1 5.500% 02/01/21		07/01/2019	Call 101.3750		1,013,750	1,000,000	1,008,750	1,002,696		(1,227)		(1,227)		1,001,469		(1,469)	(1,469)	63,861	02/01/2021	2FE
80284R-AF-6	Santander Drive Auto Receivabl SERIES 20163 CLASS C 2.460% 03/15/22		09/15/2019	Paydown		137,764	137,764	136,806	137,049		715		715		137,764				2,257	03/15/2022	1FE
805564-DV-0	SAST 2004-2 SERIES 19992 CLASS BF1 8.410% 05/25/29		09/01/2019	Paydown		40,739	40,739	40,434	40,439		300		300		40,739				1,171	05/25/2029	1FM
805564-QL-8	SAST 2004-2 Flt % Due 8/25/2035 Mo-25 3.818% 08/25/35		09/25/2019	Paydown		97,874	97,874	93,530	94,114		3,760		3,760		97,874				2,657	08/25/2035	1FM
805564-SD-4	SAST 2004-2 Flt % Due 10/25/2035 Mo-25 2.678% 10/25/35		09/25/2019	Paydown		420,951	420,951	365,554	374,549		46,402		46,402		420,951				8,241	10/25/2035	1FM
805564-ST-9	SAST 2004-2 Flt % Due 11/25/2035 Mo-25 2.498% 11/25/35		09/02/2019	DIRECT - 1																11/25/2035	1FM
81375W-CU-8	Securitized Asset Backed Recei SERIES 2005OP1 CLASS M3 3.074% 01/25/35		09/26/2019	Paydown		24,473	24,473	23,555	23,593		880		880		24,473				499	01/25/2035	3FM
81744L-AZ-7	SEMT 2007-2 Flt % Due 6/20/2036 Mo-20 2.234% 06/20/36		09/02/2019	DIRECT - 1																06/20/2036	1FM
81744L-AZ-7	SEMT 2007-2 Flt % Due 6/20/2036 Mo-20 2.234% 06/20/36		07/20/2019	Paydown																06/20/2036	1FM

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Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
81744M-AA-0	SEMT 2007-3 Flt % Due 7/20/2036 Mo-20 2.244% 07/20/36		09/02/2019	DIRECT - 1																07/20/2036	1FM
81744M-AA-0	SEMT 2007-3 Flt % Due 7/20/2036 Mo-20 2.244% 07/20/36		08/20/2019	Paydown																07/20/2036	1FM
817743-AA-5	SERVPRO MASTER ISSUER, LLC SERIES 20191A CLASS A2 3.882% 10/25/49		09/18/2019	BARCLAYS		4,020,938	4,000,000	4,000,000							4,000,000		20,938	20,938		10/25/2049	2FE
82436@-AA-8	GVEST FREDERICKSBURG LLC GVEST FREDERICKSBURG LLC 4.500% 06/15/38		09/15/2019	Redemption 100.0000		93,616	93,616	93,616	93,616						93,616				2,809	06/15/2038	2
83401A-AA-6	Social Professional Loan Progr SERIES 2018D CLASS A1FX 3.120% 02/25/48		09/21/2019	Paydown		127,995	127,995	127,987	127,995						127,995				2,687	02/25/2048	1FE
83404R-AA-6	Social Professional Loan Progr SERIES 2018B CLASS A1FX 2.640% 08/26/47		09/16/2019	Paydown		1,310,780	1,310,780	1,308,823	1,190,981		(543)		(543)		1,310,780				18,678	08/26/2047	1FE
83406E-AB-1	Social Professional Loan Progr SERIES 2018A CLASS A2A 2.390% 02/25/42		09/24/2019	Paydown		493,229	493,229	493,173	187,897		48		48		493,229				4,868	02/25/2042	1FE
83612K-AE-1	Soundview Home Equity Loan Tru SERIES 2007OPT3 CLASS 2A4 2.304% 08/25/37		07/24/2019	MORGAN STANLEY		3,598,320	3,828,000	3,426,060			6,369		6,369		3,432,429		165,891	165,891	43,474	08/25/2037	4FE
837004-CM-0	SOUTH CAROLINA ELECTRIC & GAS BASIC 4.250% 08/15/28		09/13/2019	TENDER		7,449,650	6,500,000	6,483,750	6,484,230		939		939		6,485,169		964,481	964,481	296,201	08/15/2028	1FE
84751P-KW-8	Specialty Underwriting & Resid Flt % Due 12/25/2036 06-AB1 2.318% 12/25/36		09/25/2019	Paydown		194,499	194,499	189,090	189,240		5,259		5,259		194,499				3,810	12/25/2036	2FM
84756N-AF-6	SPECTRA ENERGY PARTNERS LP BASIC 3.500% 03/15/25		09/04/2019	TD SECURITIES		1,046,280	1,000,000	951,040	955,315		4,335		4,335		959,650		86,630	86,630	35,125	03/15/2025	2FE
84860*-AB-9	SPIRITS OF ST.LOUIS BASKETBALL SENIOR SECURED NOTES 3.850% 03/31/33		09/30/2019	Redemption 100.0000		83,642	83,642	83,642	83,642						83,642				2,457	03/31/2033	2PL
848609-AA-1	SPIRITS NEWCO LLC SENIOR SECURED NOTES 5.300% 06/30/36		09/30/2019	Redemption 100.0000		61,653	61,653	61,653	60,603		1,049		1,049		61,653				4,045	06/30/2036	2PL
84929#-AA-6	SPOWER FINANCE, LLC SPOWER FINANCE, LLC 4.550% 12/31/36		07/01/2019	Redemption 100.0000		170,907	170,907	170,907	170,907						170,907				3,888	12/31/2036	3PL
84929*-AA-0	SPOWER FINANCE 2, LLC SPOWER FINANCE 2, LLC 4.960% 12/31/41		07/01/2019	Redemption 100.0000															7,986	12/31/2041	3PL
85208N-AA-8	SPRINT SPECTRUM / SPEC I 3.36% Due 9/20/2021 MJSD20 3.360% 09/20/21		09/02/2019	DIRECT - 1																09/20/2021	2FE
855244-AT-6	STARBUCKS CORP. BASIC 3.550% 08/15/29		09/03/2019	MITSUBISHI SECURITIES		8,763,280	8,000,000	8,440,210			(3,064)		(3,064)		8,437,147		326,134	326,134	79,283	08/15/2029	2FE
858271-A*-0	STEELRIVER TRANSMISSION STEELRIVER TRANSMISSION COMPA 3.820% 06/30/47		07/01/2019	Redemption 100.0000		190,897	190,897	190,897	190,897						190,897				3,646	06/30/2047	2FE
858271-A*-0	STEELRIVER TRANSMISSION STEELRIVER TRANSMISSION COMPA 3.820% 06/30/47		09/30/2019	Redemption 100.0000		328,346	328,346	328,346	328,346						328,346				9,407	06/30/2047	2PL
860630-AD-4	STIFEL FINANCIAL CORP 4 1/4% Due 7/18/2024 JJ18 4.250% 07/18/24		07/03/2019	Various		10,497,300	10,000,000	10,003,590	10,008,724		(854)		(854)		10,007,870		489,430	489,430	385,569	07/18/2024	2FE
863576-EM-2	SASC 2005-6 Flt % Due 12/25/2035 Mo-25 2.208% 12/25/35		09/02/2019	DIRECT - 1																12/25/2035	1FM
863579-BC-1	SARM 2004-12 2.568% 09/25/34		09/25/2019	Paydown		98,770	98,770	81,855	82,452		16,318		16,318		98,770				2,007	09/25/2034	1FM
86358E-MA-1	SAIL 2004-8 Flt % Due 9/25/2034 Mo-25 2.948% 09/25/34		09/25/2019	Paydown		33,516	33,516	30,007	27,678		5,838		5,838		33,516				1,443	09/25/2034	1FM
86358R-6A-0	Amortizing Residential Collate SERIES 2002BC6 CLASS M1 3.169% 08/25/32		08/25/2019	Paydown		181,082	181,082	178,636	178,755		2,327		2,327		181,082				4,017	08/25/2032	1FM
86359A-3E-1	SASC 2003-31A Adj % Due 10/25/2033 Mo-1 4.450% 10/25/33		09/01/2019	Paydown		134,680	134,680	134,091	134,112		568		568		134,680				3,757	10/25/2033	1FM
86359A-5A-7	SASC 2003-31A Adj % Due 11/25/2033 Mo-1 4.401% 11/25/33		09/01/2019	Paydown		228,093	228,093	229,447	229,338		(1,245)		(1,245)		228,093				7,383	11/25/2033	1FM
86359A-5M-1	SASC 2003-31A Adj % Due 11/25/2033 Mo-1 4.580% 11/25/33		09/01/2019	Paydown		146,460	146,460	147,015	146,956		(497)		(497)		146,460				4,794	11/25/2033	1FM
86359A-FD-0	SASC 2003-31A Flt % Due 12/25/2032 Mo-25 3.668% 12/25/32		09/25/2019	Paydown		45,987	45,987	40,756	43,311		2,675		2,675		45,987				1,245	12/25/2032	1FM
86359A-ZE-6	SASC 2003-31A 4.539% 06/25/33		09/01/2019	Paydown		18,292	18,292	17,183	17,363		928		928		18,292				549	06/25/2033	1FM
86359L-DX-4	SAMI 2004-AR5 Flt % Due 10/19/2034 Mo-19 2.717% 10/19/34		09/19/2019	Paydown		115,848	115,848	110,309	110,639		5,209		5,209		115,848				2,318	10/19/2034	1FM

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Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
86359L-FN-4	SAMI 2004-AR5 Flt % Due 4/19/2035 Mo-19 2.757% 04/19/35		09/19/2019	Paydown		54,001	54,001	51,905	51,999		2,002		2,002		54,001				1,147	04/19/2035	1FM
87053*-AA-1	SWEETWATER INVETSORS II, LLC SENIOR SECURED NOTES 4.740% 03/01/26		09/01/2019	Redemption 100.0000		1,562,469	1,562,469	1,562,469	1,562,469						1,562,469				74,061	03/01/2026	2PL
87165L-BU-4	SYNCT 2016-3 SERIES 20172 CLASS A 2.620% 10/15/25		07/01/2019	PARIBAS SECURITIES															26,200	10/15/2025	1FE
87244B-AA-6	TGIF FUNDING LLC 6.202% 04/30/47		07/24/2019	Various		2,325,000	2,400,000	2,400,000	2,400,000						2,400,000		(75,000)	(75,000)	109,982	04/30/2047	3FE
87342R-AD-6	BELL 2016-1A SERIES 20181 CLASS A2I 4.300% 11/25/48		08/28/2019	Paydown		42,500	42,500	42,500	42,500						42,500				1,361	11/25/2048	2FE
88033G-CA-6	TENET HEALTHCARE CORP 4 3/8% Due 10/1/2021 JJ1 4.375% 10/01/21		09/11/2019	Various		2,093,000	2,000,000	2,005,000	2,003,513		(824)		(824)		2,002,690		(2,690)	(2,690)	197,514	10/01/2021	3FE
881561-PB-4	TMTS 2005-8HE 3.554% 12/25/34		07/19/2019	Various		2,844,365	2,847,925	2,639,671	2,686,436		18,850		18,850		2,705,286		139,079	139,079	64,581	12/25/2034	1FM
88307*-AA-3	TEXOMA WIND LLC SENIOR SECURED 4.120% 06/30/34		07/01/2019	Redemption 100.0000		818,033	818,033	818,033	818,033						818,033				16,851	06/30/2034	2PL
89238B-AB-8	Toyota Auto Receivables Owner SERIES 2018A CLASS A2A 2.100% 10/15/20		09/15/2019	Paydown		112,708	112,708	112,369	112,420		288		288		112,708				1,579	10/15/2020	1FE
89238T-AC-7	Toyota Auto Receivables Owner SERIES 2018B CLASS A2B 2.375% 03/15/21		09/16/2019	Paydown		972,027	972,027	972,027	972,027						972,027				12,375	03/15/2021	1FE
90214G-AA-5	2014 ESA PROJECT COMPANY LLC SENIOR SECURED NOTES 6.070% 03/30/30		09/30/2019	Redemption 100.0000		98,862	98,862	98,862	97,396		1,466		1,466		98,862				8,238	03/30/2030	2PL
90226#-AA-3	2014 REPLACEMENT POWER STATUTO (NOVEC) SENIOR SECURED NOTES 3.850% 05/31/29		09/30/2019	Redemption 100.0000		311,558	311,558	311,558	309,519		2,039		2,039		311,558				6,998	05/31/2029	1PL
90363@-AB-6	USTA NATIONAL TENNIS CENTER, I 4.08% Due 9/8/2039 JJ8 4.080% 09/08/39		07/08/2019	Redemption 100.0000		192,379	192,379	192,379	192,379						192,379				7,923	07/08/2039	1PL
907818-EY-0	UNION PACIFIC CORP BASIC 3.950% 09/10/28		08/07/2019	J.P. MORGAN		4,425,880	4,000,000	3,990,040	3,990,753		763		763		3,991,515		434,365	434,365	184,772	09/10/2028	2FE
91845#-AA-2	VZ (SR NOTE) CTL PASS-THROUGH 3.81% Due 5/15/2035 Mo-15 3.810% 05/15/35		09/15/2019	Redemption 100.0000		148,268	148,268	148,268	148,268						148,268				3,769	05/15/2035	2
91854*-AA-4	VERIZON CTL-HIDDEN RIDGE 3.62% Due 7/31/2036 Mo-15 3.620% 08/15/36		09/15/2019	Redemption 100.0000		178,631	178,631	178,631	178,631						178,631				4,320	08/15/2036	2
92211M-AC-7	VANTAGE DATA CENTERS ISSUER, L SERIES 20181A CLASS A2 4.072% 02/16/43		09/16/2019	Paydown		21,250	21,250	21,259	21,259		(9)		(9)		21,250				577	02/16/2043	1FE
92343V-ER-1	VERIZON COMMUNICATIONS BASIC 4.329% 09/21/28		08/12/2019	DEUTSCHE BANK		4,269,110	3,800,000	4,139,306			(4,970)		(4,970)		4,134,336		134,774	134,774	65,344	09/21/2028	2FE
92348R-AA-6	Verizon Owner Trust SERIES 20173A CLASS A1A 2.060% 04/20/22		08/07/2019	TD SECURITIES		1,999,531	2,000,000	1,983,122	1,986,110		3,786		3,786		1,989,895		9,636	9,636	26,208	04/20/2022	1FE
92783#-AA-4	VIRGINIA INTERNATIONAL GATEWAY 3.93% Due 6/30/2030 MJSD30 3.930% 06/30/30		09/30/2019	Redemption 100.0000		(826)	(826)	(826)	(826)						(826)				1,980	06/30/2030	1FE
92925C-BH-4	WAMU 2005-AR19 Flt % Due 12/25/2045 Mo-25 2.518% 12/25/45		09/25/2019	Paydown		113,311	113,311	102,546	103,232		10,079		10,079		113,311				2,584	12/25/2045	1FM
92935J-BC-8	WFRBS 2011-C2 4.869% Due 2/15/2044 Mo-1 4.869% 02/15/44		09/01/2019	Paydown		97,940	97,940	105,564	92,065		(1,875)		(1,875)		97,940				2,772	02/15/2044	1FM
949757-AD-0	WFMBS 2004-6 5 1/2% Due 6/25/2034 Mo-1 5.500% 06/25/34		09/01/2019	Paydown		174,487	174,487	185,856	184,147		(9,659)		(9,659)		174,487				6,451	06/25/2034	1FM
949769-AA-1	WFMBS 2003-L Adj % Due 11/25/2033 Mo-1 4.752% 11/25/33		09/01/2019	Paydown		51,272	51,272	51,699	51,647		(375)		(375)		51,272				1,539	11/25/2033	1FM
949779-AB-8	WFMBS 2004-EE Adj % Due 12/25/2034 Mo-1 4.966% 12/25/34		09/01/2019	Paydown		233,456	233,456	234,685	234,569		(1,113)		(1,113)		233,456				7,584	12/25/2034	1FM
94978#-BE-6	LEGG MASON MORTGAGE CAPITAL 6 1/4% Due 2/1/2028 Mo-1 6.250% 02/01/28		09/01/2019	Redemption 100.0000		156,120	156,120	156,826	156,515		(395)		(395)		156,120				6,508	02/01/2028	2
949808-AP-4	WFMBS 2003-J Adj % Due 10/25/2033 Mo-1 4.583% 10/25/33		09/01/2019	Paydown		119,502	119,502	120,924	120,729		(1,227)		(1,227)		119,502				3,826	10/25/2033	1FM
94980Q-AH-2	WFMBS 2004-W Adj % Due 11/25/2034 Mo-1 4.869% 11/25/34		09/01/2019	Paydown		29,825	29,825	30,207	30,177		(352)		(352)		29,825				907	11/25/2034	1FM
94980Q-AJ-8	WFMBS 2004-W Adj % Due 11/25/2034 Mo-1 4.869% 11/25/34		09/01/2019	Paydown		118,817	118,817	116,039	116,209		2,608		2,608		118,817				3,614	11/25/2034	1FM
94980R-AD-9	WFMBS 2004-Z Adj % Due 12/25/2034 Mo-1 4.970% 12/25/34		09/01/2019	Paydown		115,259	115,259	112,918	114,102		1,157		1,157		115,259				3,731	12/25/2034	1FM

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										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
94981G-AF-7	WFMBS 2004-R Adj % Due 9/25/2034 Mo-1 4.823% 09/25/34		09/01/2019	Paydown		54,569	54,569	54,331	54,339		231		231		54,569				1,718	09/25/2034	1FM
94981Q-AF-5	WFMBS 2005-AR16 3.03912% Due 3/25/2035 Mo-1 5.010% 03/25/35		09/01/2019	Paydown		544,729	544,729	549,473	547,888		(3,159)		(3,159)		544,729				18,338	03/25/2035	1FM
94981R-AC-0	WFMBS 2005-AR3 Adj % Due 3/25/2035 Mo-1 4.917% 03/25/35		09/01/2019	Paydown		161,342	161,342	157,015	157,301		4,040		4,040		161,342				5,049	03/25/2035	1FM
94982A-AH-5	WFMBS 2004-Y Adj % Due 11/25/2034 Mo-1 4.908% 11/25/34		09/01/2019	Paydown		293,418	293,418	295,458	295,224		(1,806)		(1,806)		293,418				10,199	11/25/2034	1FM
94982F-AQ-4	WFMBS 2005-2 4 3/4% Due 4/25/2020 Mo-1 4.750% 04/25/20		09/01/2019	Paydown		16,321	16,321	16,391	16,297		23		23		16,321				373	04/25/2020	1FM
94982J-AD-5	WFMBS 2005-6 5 1/2% Due 8/25/2035 Mo-1 5.500% 08/25/35		09/01/2019	Paydown		31,276	31,276	32,078	32,001		(725)		(725)		31,276				1,147	08/25/2035	1FM
94983C-AJ-6	WFMBS 2005-AR10 Adj % Due 6/25/2035 Mo-1 4.983% 06/25/35		09/01/2019	Paydown		158,476	158,476	157,238	157,289		1,187		1,187		158,476				5,274	06/25/2035	1FM
94983C-AV-9	WFMBS 2005-AR10 Adj % Due 6/25/2035 Mo-1 4.983% 06/25/35		09/01/2019	Paydown		382,639	382,639	388,379	387,975		(5,337)		(5,337)		382,639				12,735	06/25/2035	1FM
94983E-AH-6	WFMBS 2005-AR12 Adj % Due 6/25/2035 Mo-1 5.013% 06/25/35		09/01/2019	Paydown		110,422	110,422	106,015	106,298		4,124		4,124		110,422				3,571	06/25/2035	1FM
94985T-BC-1	WFMBS 2007-3 5 1/2% Due 4/25/2022 Mo-1 5.500% 04/25/22		09/01/2019	Call 100.0000		66,076	66,076	68,384	66,936		(138)		(138)		66,798		(722)	(722)	2,118	04/25/2022	1FM
94985T-BC-1	WFMBS 2007-3 5 1/2% Due 4/25/2022 Mo-1 5.500% 04/25/22		08/01/2019	Paydown		5,584	5,584	5,779	5,656		(73)		(73)		5,584				140	04/25/2022	1FM
95001Q-AU-5	WELLS FARGO COMMERCIAL MORTGAG SERIES 2018C46 CLASS A4 4.152% 08/15/51		09/12/2019	Various		11,234,375	10,000,000	10,299,830	10,296,978		(6,227)		(6,227)		10,290,751		943,624	943,624	326,278	08/15/2051	1FM
95058X-AD-0	WEN 2015-1A SERIES 20181A CLASS A2I 3.573% 03/15/48		09/17/2019	Paydown		5,000	5,000	5,000	5,000						5,000				134	03/15/2048	2FE
958254-AE-4	WESTERN GAS PARTNERS LP 3.95% Due 6/1/2025 JD1 3.950% 06/01/25		07/18/2019	Various		10,623,947	10,700,000	10,518,130	10,555,790		10,048		10,048		10,565,839		58,108	58,108	260,777	06/01/2025	2FE
960413-AU-6	WESTLAKE CHEMICAL CORP BASIC 4.375% 11/15/47		08/12/2019	BANK OF AMERICA		7,672,338	7,900,000	7,868,445	7,868,962		280		280		7,869,242		(196,904)	(196,904)	258,259	11/15/2047	2FE
96188#-AA-6	WETT HOLDINGS LLC SENIOR SECURED NOTES 4.310% 12/18/24		09/30/2019	Redemption 100.0000		88,889	88,889	88,889	88,889						88,889				2,394	12/18/2024	2FE
96328D-AT-1	WHLS 2016-1A 1.59% Due 5/20/2025 Mo-20 1.590% 05/20/25		09/02/2019	DIRECT - 1																05/20/2025	1FE
96811X-AA-2	WILDFLOWER ENERGY LP IP PAID ON 3/30, CK DATES FOR 6.090% 09/30/21		09/30/2019	Redemption 100.0000		267,389	267,389	267,772	233,160		34,229		34,229		267,389				20,870	09/30/2021	2
96928#-AH-6	WILLIAM BLAIR CTL CTL PASS-THRU TRUST - SEE USER 6.130% 01/15/32		09/15/2019	Redemption 100.0000		68,111	68,111	68,111	68,111						68,111				2,785	03/15/2007	2
96928*-FP-7	BECKNELL INDUSTRIAL CHAMPAIGN SENIOR SECURED NOTES 4.470% 01/15/35		09/15/2019	Redemption 100.0000		185,707	185,707	191,448	190,748		(5,042)		(5,042)		185,707				5,549	01/15/2035	2
96930*-AA-1	FIRST ENERGY - WILLIAM BLAIR C LEASED - BACKED CERTIFICATES 3.720% 06/15/25		09/15/2019	Redemption 100.0000		336,894	336,894	337,312	337,167		(273)		(273)		336,894				8,537	06/15/2025	2
97181#-LA-9	UNION PACIFIC RAILROAD 1/6/05 BNK COMBINES INT FOR KV 5.380% 07/02/28		07/02/2019	Redemption 100.0000		39,951	39,951	39,951	39,951						39,951				2,448	07/02/2028	1
97651#-AF-1	WINWHOLESALE INC. SENIOR UNSECURED NOTE 4.020% 06/18/27		08/01/2019	Redemption 100.0000		(1,666,667)	(1,666,667)	(1,666,667)	(1,666,667)						(1,666,667)					06/18/2026	2
98162X-AB-1	World Omni Automobile Lease Se SERIES 2019A CLASS A2A 2.930% 11/15/21		09/13/2019	Paydown		40,373	40,373	40,371			2		2		40,373				590	11/15/2021	1FE
AG0828-19-8	UPPER MICHIGAN ENERGY RESOURCE UPPER MICHIGAN ENERGY RESOURCE 3.260% 08/28/29		09/05/2019	Tax Free Exchange		20,000,000	20,000,000	20,000,000							20,000,000				12,678	08/28/2029	2Z
AG0830-19-4	NSA OP, LP NSA OP, LP 3.980% 08/30/29		09/06/2019	Tax Free Exchange		8,000,000	8,000,000	8,000,000							8,000,000				5,307	08/30/2029	2Z
AG0912-19-0	WATERS CORPORATION WATERS CORPORATION 3.530% 09/12/29		09/19/2019	Tax Free Exchange		12,000,000	12,000,000	12,000,000							12,000,000				8,237	09/12/2029	2Z
BK0821-19-3	GRAYMONT WESTERN CANADA INC. 3.560% 08/21/34		08/27/2019	Tax Free Exchange		8,000,000	8,000,000	8,000,000							8,000,000				4,747	08/21/2034	2Z
BS0627-19-7	RXR REALTY LLC RXR REALTY LLC 4.220% 06/25/24		07/08/2019	Tax Free Exchange		8,000,000	8,000,000	8,000,000							8,000,000				10,316	06/25/2024	2Z

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										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
BS0807-19-5	FLNG LIQUEFACTION 3 LLC FLNG LIQUEFACTION 3 LLC 4.360% 06/30/39		08/14/2019	Tax Free Exchange		9,000,000	9,000,000	9,000,000							9,000,000				47,960	06/30/2039	2Z
EB0823-19-6	ALASKA VENTURES LLC ALASKA VENTURES LLC 4.670% 06/30/33		08/30/2019	Tax Free Exchange		3,000,000	3,000,000	3,000,000							3,000,000				2,724	06/30/2033	2PL
G0566*-AA-7	ARQIVA PP FINANCING PLC 4.42% Due 6/30/2025 JD30 4.420% 06/30/25		07/01/2019	Redemption 100.0000		560,000	560,000	560,000	560,000						560,000				12,376	06/30/2025	2FE
G7333#-AD-4	RPC GROUP PLC SENIOR NOTES 4.810% 12/15/21		08/02/2019	Redemption 100.0000		10,000,000	10,000,000	10,000,000	10,000,000						10,000,000				876,787	12/15/2021	2
G9027*-AA-1	TRANSOCEAN CONQUEROR LIMITED SENIOR SECURED NOTES 5.520% 05/31/22		09/30/2019	Redemption 100.0000		2,319,392	2,319,392	2,319,392	2,319,392						2,319,392				80,429	05/31/2022	2PL
GF0815-19-1	NEW JERSEY RESOURCES CORP NEW JERSEY RESOURCES CORP 3.290% 07/17/29		08/26/2019	Tax Free Exchange		16,000,000	16,000,000	16,000,000							16,000,000				16,084	07/17/2029	1Z
JK0624-19-3	GENUINE PARTS COMPANY GENUINE PARTS COMPANY 3.100% 06/30/24		07/03/2019	Tax Free Exchange		23,625,000	23,625,000	23,625,000							23,625,000				18,309	06/30/2024	2Z
JK0701-19-9	TEXAS NEW MEXICO POWER COMPANY TEXAS NEW MEXICO POWER COMPANY 3.600% 07/01/29		07/05/2019	Tax Free Exchange		5,000,000	5,000,000	5,000,000							5,000,000				2,000	07/01/2029	1Z
K7017#-AA-8	MERIDIAN SPIRIT APS 4.11% Due 8/1/2030 MJSD31 4.110% 08/01/30		09/30/2019	Redemption 100.0000		91,442	91,442	91,442	91,442						91,442				2,819	06/30/2030	2FE
R6236@-AA-0	NORSPAN LNG III AS NORSPAN LNG III AS 4.870% 07/27/29		09/03/2019	Redemption 100.0000		735,246	735,246	735,246	735,246						735,246				35,409	07/27/2029	2PL
TP0801-19-5	EVERCORE, INC EVERCORE, INC 4.340% 08/01/29		08/12/2019	Tax Free Exchange		8,000,000	8,000,000	8,000,000							8,000,000				10,609	08/01/2029	2Z
TP1029-14-3	KAYNE ANDERSON MLP INVESTMENT MANDATORY REDEEMABLE PREFERRED 3.860% 10/29/22		08/27/2019	Tax Free Exchange		5,000,000	5,000,000	5,000,000	5,000,000						5,000,000				143,142	10/29/2022	1FE
013716-AU-9	ALCAN ALUMINIUM CALL @MAKE WHOLE +25BP 6.125% 12/15/33	A	09/27/2019	SUSQUEHANNA		675,940	500,000	597,085	596,813		(3,419)		(3,419)		593,395		82,545	82,545	24,330	12/15/2033	1FE
67077M-AT-5	NUTRIEN LTD BASIC 4.200% 04/01/29	A	08/12/2019	Various		1,791,171	1,625,000	1,686,284			(1,576)		(1,576)		1,684,708		106,463	106,463	24,631	04/01/2029	2FE
87952V-AL-0	TELESAT CANADA/ TELESAT L 8 7/8% Due 11/15/2024 MN15 8.875% 11/15/24	A	08/02/2019	J.P. MORGAN		5,931,638	5,505,000	6,188,125	6,011,764		(95,593)		(95,593)		5,916,171		15,466	15,466	354,212	11/15/2024	4FE
00AC08-14-7	SOCIEDAD CONCESIONARIA OPERADO SOCIEDAD CONCESIONARIA OPERADO 4.090% 12/15/26	D	09/16/2019	Tax Free Exchange		19,000,000	19,000,000	19,000,000							19,000,000				69,076	12/15/2026	2Z
03328W-AE-8	ANCHC 2016-9A Flt % Due 1/15/2029 JAJO15 5.103% 01/15/29	D	07/15/2019	Various		3,750,000	3,750,000	3,750,000	3,750,000						3,750,000				149,705	01/15/2029	1FE
05530H-A#-7	BBA AVIATION PLC 5.91% Due 5/18/2023 MN18 5.910% 05/18/23	D	09/18/2019	Redemption 100.0000		7,000,000	7,000,000	7,000,000	7,000,000						7,000,000				1,249,766	05/18/2023	3
05530H-A@-9	BBA AVIATION PLC 5.81% Due 5/18/2021 MN18 5.810% 05/18/21	D	09/18/2019	Redemption 100.0000		18,000,000	18,000,000	18,000,000	18,000,000						18,000,000				1,902,485	05/18/2021	3
05530H-B#-6	BBA AVIATION PLC SERIES C SENIOR NOTES 4.170% 12/17/26	D	09/18/2019	Redemption 100.0000		8,000,000	8,000,000	8,000,000	8,000,000						8,000,000				1,244,767	12/17/2026	3
062519-AC-7	CORPORACION INMOBILIARIA VESTA CORPORACION INMOBILIARIA VESTA 5.180% 06/14/29	D	09/05/2019	Tax Free Exchange		10,000,000	10,000,000	10,000,000							10,000,000				100,722	06/14/2029	2Z
062591-AC-6	CORPORACION INMOBILIARIA VESTA CORPORACION INMOBILIARIA VESTA 5.280% 06/14/31	D	09/05/2019	Tax Free Exchange		3,000,000	3,000,000	3,000,000							3,000,000				30,800	06/14/2031	2Z
09628W-AC-6	BLUEM 2016-2A Flt % Due 8/20/2028 FMAN21 4.136% 08/20/28	D	09/04/2019	Call 100.0000		8,000,000	8,000,000	8,000,000	8,000,000						8,000,000				292,982	08/20/2028	1FE
09628W-AE-2	BLUEM 2016-2A Flt % Due 8/20/2028 FMAN21 4.836% 08/20/28	D	09/04/2019	Various		8,000,000	8,000,000	8,000,000	8,000,000						8,000,000				337,782	08/20/2028	1FE
46137N-AB-4	INVERSIONES LATIN AMERICA INVERSIONES LATIN AMERICA 5.350% 03/31/33	D	09/30/2019	Redemption 100.0000		275,231	275,231	275,231	275,231						275,231				14,725	03/31/2033	2FE
46359C-AA-1	ENGENIUM CAPITAL EQUIPMENT DOLLAR TRUST ASSET BACKED NOTE 3.670% 12/21/26	D	09/20/2019	Redemption 100.0000		2,161,432	2,161,432	2,161,068	2,161,138		294		294		2,161,432				50,764	12/21/2026	2FE
47048J-AC-7	JTWN 2016-9A Flt % Due 10/20/2028 JAJO20 4.278% 10/20/28	D	08/02/2019	Various		13,600,000	13,600,000	13,600,000	13,600,000						13,600,000				482,539	10/20/2028	1FE
47048J-AE-3	JTWN 2016-9A Flt % Due 10/20/2028 JAJO20 4.978% 10/20/28	D	08/02/2019	Various		5,200,000	5,200,000	5,200,000	5,200,000						5,200,000				211,862	10/20/2028	1FE
50247V-AB-5	LYB INTL FINANCE BV 5 1/4% Due 7/15/2043 JJ15 5.250% 07/15/43	D	08/13/2019	Various		23,002,320	20,880,000	21,185,994	21,170,256		(3,734)		(3,734)		21,166,522		1,835,798	1,835,798	688,000	07/15/2043	2FE

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Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
50247W-AB-3	LYB INTERNATIONAL FINANC 3.500% 03/02/27	D	08/02/2019	Various		10,725,858	10,600,000	10,219,728	3,374,482		17,064		17,064		10,242,826		483,032	483,032	216,796	03/02/2027	2FE
68784Y-AB-0	OSCAR US Funding Trust SERIES 20191A CLASS A2 3.100% 04/11/22	C	09/26/2019	Paydown		43,750	43,750	43,745			5		5		43,750				618	04/11/2022	1FE
75405T-AA-7	RAS LAFFAN LNG II 5.298% Due 9/30/2020 MS31 5.298% 09/30/20	D	09/30/2019	Redemption 100.0000		273,500	273,500	273,500	273,500						273,500				16,222	09/30/2020	1FE
90352J-AC-7	UBS GROUP FUNDING SWITZE 4.253% 03/23/28	D	09/25/2019	UBS WARBURG CONVERTIBLES		15,973,362	14,600,000	14,822,545	14,287,863		(14,485)		(14,485)		14,792,798		1,180,564	1,180,564	603,046	03/23/2028	1FE
D3141#-AC-0	HAUS CREAMER SENIOR NOTES 4.380% 05/08/23	D	07/23/2019	STONECASTLE SECURITIES LLC		9,960,000	10,000,000	10,000,000	10,000,000						10,000,000		(40,000)	(40,000)	310,250	05/08/2023	3
EB0702-19-2	JOHN WOOD GROUP PLC JOHN WOOD GROUP PLC 4.610% 07/02/26	C	07/17/2019	Tax Free Exchange		10,000,000	10,000,000	10,000,000							10,000,000				19,208	07/02/2026	2Z
EB0723-19-8	IPSEN SA IPSEN SA 3.630% 07/23/26	D	07/26/2019	Tax Free Exchange		20,000,000	20,000,000	20,000,000							20,000,000				6,050	07/23/2026	2Z
F1068#-AD-9	BONDUELLE S.A. 5.04% Due 8/2/2022 FA2 5.040% 08/02/22	D	08/02/2019	Redemption 100.0000		3,000,000	3,000,000	3,000,000	3,000,000						3,000,000				151,200	08/02/2022	2PL
G5814#-AA-2	MARI JONE LTD. /MARI BOYLE LTD MARI JONE SEREIS A 5.580% 06/30/31		09/30/2019	Redemption 100.0000		122,431	122,431	122,431	122,431						122,431				4,286	06/30/2031	2PL
G5814#-AB-0	MARI JONE LTD. /MARI BOYLE LTD MARI JONE SEREIS B 5.580% 06/30/31		09/30/2019	Redemption 100.0000		122,431	122,431	122,431	122,431						122,431				4,286	06/30/2031	2PL
GF0620-19-5	ARTS ET TECHNIQUES DU PROGRES ARTS ET TECHNIQUES DU PROGRES 4.220% 06/20/26	D	07/05/2019	Tax Free Exchange		10,000,000	10,000,000	10,000,000							10,000,000				17,583	06/20/2026	2Z
GF0620-91-4	ARTS ET TECHNIQUES DU PROGRES ARTS ET TECHNIQUES DU PROGRES 4.420% 06/20/29	D	07/05/2019	Tax Free Exchange		10,000,000	10,000,000	10,000,000							10,000,000				18,417	06/20/2029	2Z
GF0807-19-8	QIC FINANCE PROPERTY FUND LTD QIC FINANCE PROPERTY FUND LTD 3.670% 08/07/29	D	08/14/2019	Tax Free Exchange		8,000,000	8,000,000	8,000,000							8,000,000				5,709	08/07/2029	1Z
GF0916-19-7	SOUTH EAST WATER LIMITED SOUTH EAST WATER LIMITED 2.940% 09/16/31	B	09/26/2019	Tax Free Exchange		12,289,000	12,289,000	12,289,000							12,289,000				10,036	09/16/2031	2Z
GF2006-19-5	ARTS ET TECHNIQUES DU PROGRES ARTS ET TECHNIQUES DU PROGRES 4.520% 06/20/31	D	07/05/2019	Tax Free Exchange		6,000,000	6,000,000	6,000,000							6,000,000				11,300	06/20/2031	2Z
L8038*-AA-4	SBM BALEIA AZUL SARL 5 1/2% Due 9/15/2027 MJSD15 5.500% 09/15/27	D	09/15/2019	Redemption 100.0000		344,000	344,000	344,000	344,000						344,000				14,190	09/15/2027	3
N4345#-AD-9	IBERDROLA INTERNATIONAL B.V. GUARANTEED SERIES D 5.920% 08/19/19	D	08/19/2019	Maturity		10,000,000	10,000,000	10,181,300	10,013,470		(13,470)		(13,470)		10,000,000				592,000	08/19/2019	2
P7906#-AA-7	PORT OF SPAIN WATERFRONT DEVEL SECURE NOTES 6.090% 01/01/23	D	08/22/2019	Redemption 100.0000		2,096,853	2,096,853	2,087,756	2,090,059		6,794		6,794		2,096,853				120,243	01/01/2023	3
Q0102#-AA-3	ADANI ABBOT POINT TERMINAL PTY 5.43% Due 9/22/2021 MS22 5.430% 09/22/21	D	08/20/2019	IMPERIAL CAPITAL		17,730,000	18,000,000	18,000,000	18,000,000						18,000,000		(270,000)	(270,000)	890,520	09/22/2021	2
Q2308#-AA-1	CHARTER HALL INVESTMENT MANAGE SENIOR GUARANTEED NOTES 3.940% 05/23/27	D	08/14/2019	SEAPORT GROUP		4,151,920	4,000,000	4,000,000	4,000,000						4,000,000		151,920	151,920	114,260	05/23/2027	2FE
Q2308#-AC-7	CHARTER HALL INVESTMENT MANAGE SENIOR GUARANTEED NOTES 4.040% 05/23/29	D	08/14/2019	SEAPORT GROUP		6,240,780	6,000,000	6,000,000	6,000,000						6,000,000		240,780	240,780	175,740	05/23/2029	2FE
Q3261#-AL-0	DOWNER GROUP 6 1/2% Due 9/1/2019 MS1 6.500% 09/01/19	D	09/01/2019	Maturity		7,000,000	7,000,000	7,790,160	7,095,376		(95,376)		(95,376)		7,000,000				458,500	09/01/2019	2
Q3629#-AE-3	ETSA UTILITIES FINANCE PTY LTD 6.31% Due 9/16/2019 MS16 6.310% 09/16/19	D	09/16/2019	Maturity		5,000,000	5,000,000	5,000,000	5,000,000						5,000,000				315,500	09/16/2019	1
Q3946*-AC-7	FOXTEL MGMT. PTY LTD. SENIOR SECURED NOTES 6.200% 09/24/19	D	09/24/2019	Maturity		14,000,000	14,000,000	14,000,000	14,000,000						14,000,000				868,000	09/24/2019	2FE
Q4436#-AA-2	HALLETT HILL NO. 2 PTY LTD SENIOR SECURED NOTES 3.780% 06/27/27	D	09/27/2019	Redemption 100.0000		100,826	100,826	100,826	100,826						100,826				2,858	06/27/2027	2FE
Q7450@-AE-0	PERTH AIRPORT PTY LTD SERIES E SENIOR NOTES 3.500% 07/09/25	D	08/27/2019	ALLISON-WILLIAMS COMPANY		6,202,620	6,000,000	6,000,000	6,000,000						6,000,000		202,620	202,620	238,000	07/09/2025	2FE
Q7450@-AF-7	PERTH AIRPORT PTY LTD SERIES F SENIOR NOTES 3.600% 07/09/27	D	08/27/2019	ALLISON-WILLIAMS COMPANY		8,373,920	8,000,000	8,000,000	8,000,000						8,000,000		373,920	373,920	326,400	07/09/2027	2FE
Q8048#-AA-3	RAVENHALL FINANCE PTY LTD RAVENHALL FINANCE PTY LTD 4.230% 03/31/42	B	09/30/2019	Redemption 100.0000		1,769,311	1,769,311	1,769,311							1,769,311	1,366		1,366	16,857	03/31/2042	1FE
TN0821-19-8	ISPT FINANCE PTY LTD. ISPT FINANCE PTY LTD. 3.380% 08/28/29	B	09/09/2019	Tax Free Exchange		19,575,000	19,575,000	19,575,000							19,575,000				20,217	08/28/2029	1Z

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CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
TP0828-19-8	CARIBBEAN UTILITIES COMPANY LT CARIBBEAN UTILITIES COMPANY LT 3.830% 08/28/39	D	09/09/2019	Tax Free Exchange		10,000,000	10,000,000	10,000,000							10,000,000				11,703	08/28/2039	1Z
Y8564*-AB-0	TEEKAY SHUTTLE TANKER FINANCIA SERIES B SECURED NOTES 4.960% 11/15/23	D	07/01/2019	Redemption 100.0000		428,345	428,345	428,345	428,345						428,345				10,623	11/15/2023	2FE
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						1,760,325,853	1,692,075,741	1,703,607,394	1,065,343,024		(250,954)		(250,954)		1,699,484,767	1,366	59,871,452	59,872,818	55,904,685	XXX	XXX
LX1447-10-6	CALPINE CORP CALPINE CORP TLB5 +250 01/15/24		09/30/2019	Redemption 100.0000		46,201	46,201	46,014	33,248		188		188		46,201				1,628	01/15/2024	3FE
LX1453-76-5	TRIBUNE TRIBUNE MEDIA TLB 2020 +300 12/27/20		09/19/2019	Redemption 100.0000		490,039	490,039	489,153	488,245		1,793		1,793		490,039				19,332	12/27/2020	3FE
LX1520-78-7	NTHRIVE INC NTHRIVE INC TLB-2 +450 10/20/22		09/30/2019	Various		39,934	39,934	39,516	32,186		686		686		39,934				2,076	10/20/2022	4FE
LX1527-11-3	MULTIPLAN MULTIPLAN TLB +275 06/07/23		09/09/2019	Various		11,102,632	11,898,130	11,921,221	10,894,709		5,777		5,777		11,838,378		(735,746)	(735,746)	317,086	06/07/2023	4FE
LX1528-16-0	STATION CASINOS STATION CASINOS TLB +250 06/08/23		07/30/2019	CITICORP SECURITIES		997,314	994,827	987,366			(887)		(887)		986,479		10,835	10,835	15,835	06/08/2023	3FE
LX1528-16-0	STATION CASINOS STATION CASINOS TLB +250 06/08/23		09/30/2019	Redemption 100.0000		23,260	23,260	22,872			388		388		23,260				731	06/08/2023	3FE
LX1530-03-4	HERTZ CORPORATION HERTZ CORP TLB +275 06/30/23		07/30/2019	BARCLAYS		975,762	979,434	975,743	975,044		(1,310)		(1,310)		973,734		2,028	2,028	25,538	06/30/2023	3FE
LX1530-03-4	HERTZ CORPORATION HERTZ CORP TLB +275 06/30/23		09/30/2019	Redemption 100.0000		43,823	43,823	43,439	28,287		393		393		43,823				1,362	06/30/2023	3FE
LX1531-80-0	PCI PHARMA SERVICES PCI PHARMA SERVICES 1L TL +400 08/23/23		09/30/2019	Various		32,500	32,500	32,175	31,857		643		643		32,500				1,621	08/23/2023	4FE
LX1538-16-9	WIRECO WORLDGROUP INC WIRECO 1ST LIEN TL +500 09/30/23		09/30/2019	Redemption 100.0000		10,000	10,000	10,031	9,913		87		87		10,000				562	09/30/2023	5FE
LX1540-98-3	LESLIES POOLMRT LESLIES POOLMART TLB +350 08/09/23		09/30/2019	Various		32,118	32,118	31,748	17,905		(550)		(550)		32,118				1,335	08/09/2023	4FE
LX1541-01-5	GULF FINANCE LLC GULF FINANCE LLC TLB +525 08/17/23		09/30/2019	Redemption 100.0000		11,954	11,954	11,855	11,744		210		210		11,954				677	08/17/2023	5FE
LX1549-92-7	CONSOLIDATED COMMUNICATIONS CONSOLIDATED COMM TLB +300 10/05/23		08/20/2019	WELLS FARGO SECURITIES LLC		945,330	989,874	983,688	981,639		(1,035)		(1,035)		980,604		(35,274)	(35,274)	31,941	10/05/2023	4FE
LX1549-92-7	CONSOLIDATED COMMUNICATIONS CONSOLIDATED COMM TLB +300 10/05/23		09/30/2019	Redemption 100.0000		18,819	18,819	18,913	18,767		53		53		18,819				772	10/05/2023	4FE
LX1552-37-6	ELDORADO RESORTS ELDORADO RESORTS INC TLB +225 04/17/24		09/20/2019	Redemption 100.0000		365,822	365,822	351,189			14,633		14,633		365,822				8,543	04/17/2024	3FE
LX1555-70-0	PETSMART PETSMART INC TLB-2 +425 03/10/22		07/01/2019	GOLDMAN SACHS		(73,022)			42,666		(74,788)		(74,788)		12,670		(85,692)	(85,692)	243,173	03/10/2022	5FE
LX1555-70-0	PETSMART PETSMART INC TLB-2 +425 03/10/22		07/01/2019	Redemption 0.0000					(42,666)		87,458		87,458						47,108	03/10/2022	5FE
LX1561-96-3	BASS PRO GROUP BASS PRO GROUP TLB +500 09/25/24		07/23/2019	J.P. MORGAN		945,000	1,000,000	990,125	974,622		67		67		974,689		(29,689)	(29,689)	37,241	09/25/2024	4FE
LX1561-96-3	BASS PRO GROUP BASS PRO GROUP TLB +500 09/25/24		09/30/2019	Various		68,813	68,813	67,985	67,115		1,698		1,698		68,813				3,866	09/25/2024	4FE
LX1563-77-9	TEAM HEALTH HOLDINGS INC TEAM HEALTH HOLDINGS TLB +275 02/06/24		09/30/2019	Redemption 100.0000		7,673	7,673	6,456			1,217		1,217		7,673				3	02/06/2024	4FE
LX1577-14-2	RCN GRANDE RCN GRANDE 1ST LIEN TL+300 02/01/24		09/30/2019	Redemption 100.0000		50,294	50,294	50,063	49,801		493		493		50,294				2,063	02/01/2024	4FE
LX1579-24-7	NOVOLEX NOVOLEX 1ST LIEN TL +300 12/29/23		09/20/2019	Redemption 100.0000		140,954	140,954	139,676	80,296		1,452		1,452		140,954				5,593	12/29/2023	4FE
LX1580-94-8	SINCLAIR TELIVISION SINCLAIR TELEVISION TLB2 +225 01/03/24		09/30/2019	Redemption 100.0000		12,690	12,690	12,706	12,682		8		8		12,690				449	01/03/2024	3FE
LX1592-02-6	REYNOLDS GROUP HOLDINGS REYNOLDS GROUP HLDGS 1L TL+275 02/07/23		08/20/2019	CREDIT SUISSE FIRST BOSTON		992,411	994,898	982,462			(378)		(378)		982,084		10,327	10,327	19,433	02/07/2023	4FE
LX1592-02-6	REYNOLDS GROUP HOLDINGS REYNOLDS GROUP HLDGS 1L TL+275 02/07/23		09/30/2019	Redemption 100.0000		59,172	59,172	58,573	47,420		754		754		59,172				2,254	02/07/2023	4FE

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Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
LX1592-14-1	TRIBUNE MEDIA TRIBUNE MEDIA TLC 2024 +300 01/27/24		09/19/2019	Redemption 100.0000		6,107,708	6,107,708	6,088,576	6,036,260		71,448		71,448		6,107,708				240,953	01/27/2024	3FE
LX1592-57-0	SPRINT COMMUNICATIONS INC SPRINT COMMUNICATIONS TLB +250 02/03/24		09/30/2019	Redemption 100.0000		35,354	35,354	35,530	35,398		(45)		(45)		35,354				1,322	02/03/2024	3FE
LX1596-21-7	GRAY TELEVISION GRAY TELEVISION TLB-2 +225 02/28/24		07/23/2019	CITICORP SECURITIES		1,000,000	1,000,000	987,500			(718)		(718)		986,782		13,218	13,218	16,655	02/28/2024	3FE
LX1596-95-1	CHANGE HEALTHCARE CHANGE HEALTHCARE TLB +250 03/01/24		09/30/2019	Redemption 100.0000		3,179,246	3,179,246	3,165,313	2,622,304		23,893		23,893		3,179,246				83,785	03/01/2024	4FE
LX1597-34-8	GREENWAY MEDICAL TECH GREENWAY MED TECH 1L TL +375 02/15/24		09/30/2019	Redemption 100.0000		15,000	15,000	15,025	14,894		106		106		15,000				728	02/15/2024	4FE
LX1598-37-9	UNITY (CS&L)) UNITI GROUP(CS&L) TLB +500 10/24/22		09/30/2019	Redemption 100.0000		6,552	6,552	6,432	6,423		129		129		6,552				345	10/24/2022	5FE
LX1599-59-1	INFOR/LAWSON INFOR US INC TLB-6 +275 02/02/22		09/30/2019	Redemption 100.0000		27,330	27,330	27,266	14,553		64		64		27,330				992	02/02/2022	4FE
LX1599-80-7	WORLDWIDE EXPRESS WORLDWIDE EXPRESS 1LTL +400 02/02/24		09/30/2019	Redemption 100.0000		28,949	28,949	28,851	28,691		259		259		28,949				1,488	02/02/2024	4FE
LX1606-14-9	ARCH COAL ARCH COAL TLB +275 03/07/24		09/30/2019	Redemption 100.0000		15,267	15,267	15,191			76		76		15,267				466	03/07/2024	3FE
LX1612-04-8	BOYD GAMING BOYD GAMING TLB +225 09/15/23		09/05/2019	Redemption 100.0000		232,383	232,383	229,769			2,614		2,614		232,383				4,807	09/15/2023	3FE
LX1612-96-4	AMERICAN AXLE & MFG INC AMERICAN AXLE TLB +225 04/06/24		07/29/2019	Redemption 100.0000		1,655,314	1,655,314	1,595,557			59,758		59,758		1,655,314				36,938	04/06/2024	3FE
LX1616-94-0	BWAY HOLDING CO BWAY HOLDING CO TLB +325 04/03/24		09/27/2019	Various		48,669	48,669	47,795	22,616		918		918		48,669				1,465	04/03/2024	4FE
LX1616-95-7	SUDDENLINK (ALTICE) CSC HOLDING TLB 2025 +225 07/15/25		07/15/2019	Redemption 100.0000		20,253	20,253	20,247	20,236		17		17		20,253				557	07/15/2025	3FE
LX1619-00-1	DOLE FOOD CO DOLE FOOD CO TLB +275 04/06/24		08/13/2019	CITICORP SECURITIES		973,442	987,013	967,273			(671)		(671)		966,602		6,839	6,839	26,527	04/06/2024	4FE
LX1619-00-1	DOLE FOOD CO DOLE FOOD CO TLB +275 04/06/24		09/30/2019	Redemption 100.0000		135,857	135,857	133,921	63,779		2,205		2,205		135,857				4,850	04/06/2024	4FE
LX1625-21-4	FORTERRA FINANCE FORTERRA FINANCE TLB +300 10/25/23		09/30/2019	Various		17,934	17,934	17,438	17,388		546		546		17,934				736	10/25/2023	4FE
LX1630-26-3	ENDO INTERNATIONAL ENDO INTERNATIONAL TLB +425 04/27/24		09/30/2019	Redemption 100.0000		22,811	22,811	22,431	12,337		385		385		22,811				1,109	04/27/2024	4FE
LX1634-16-6	DAYCO PRODUCTS DAYCO PRODUCTS TLB 1L +425 05/19/23		08/30/2019	Redemption 100.0000		17,295	17,295	17,089	10,677		245		245		17,295				796	05/19/2023	4FE
LX1645-97-2	ALBERTSONS ALBERTSON'S LLC TB5 +300 12/22/22		08/15/2019	Redemption 100.0000		13,718,651	13,718,651	13,660,305	7,700,366		100,976		100,976		13,718,651				448,171	12/22/2022	3FE
LX1647-15-0	KAR AUCTION KAR AUCTION TLB5 +250 03/09/23		08/08/2019	J.P. MORGAN		601,479	601,479	601,910	598,555		341		341		598,896		2,582	2,582	15,610	03/09/2023	3FE
LX1650-74-1	AMERICAN RENAL AMERICAN RENAL TLB +550 06/22/24		09/30/2019	Redemption 100.0000		20,885	20,885	20,683	15,792		182		182		20,885				977	06/22/2024	4FE
LX1651-83-0	BRAND ENERGY & INFRASTRUCTURE BRAND ENERGY 1ST LIEN +425 06/16/24		09/30/2019	Redemption 100.0000		43,343	43,343	42,785	35,353		1,576		1,576		43,343				3,193	06/16/2024	4FE
LX1652-94-5	SURGERY CENTER HOLDINGS SURGERY CENTER HLDGS 1L TL+325 08/31/24		09/30/2019	Redemption 100.0000		11,307	11,307	11,297	11,268		39		39		11,307				469	08/31/2024	4FE
LX1654-14-9	PENN INTERNATIONAL & MANUF PENN ENGINERING TLB +275 06/13/24		09/30/2019	Redemption 100.0000		120,690	120,690	120,539	119,635		1,055		1,055		120,690				4,720	06/13/2024	4FE
LX1669-37-8	DURAVANT DURAVANT 1ST LIEN TL +325 07/19/24		09/30/2019	Redemption 100.0000		5,000	5,000	4,987	4,947		53		53		5,000				221	07/19/2024	4FE
LX1678-66-8	NBTY INC NBTY 1ST LIEN TL +350 09/15/24		09/30/2019	Redemption 100.0000		26,000	26,000	25,920	25,791		209		209		26,000				1,165	09/15/2024	4FE
LX1679-89-8	USI INC USI INC TLB +300 05/16/24		09/30/2019	Redemption 100.0000		15,961	15,961	15,961	15,961						15,961				675	05/16/2024	4FE
LX1685-92-9	GOLDEN NUGGET GOLDEN NUGGET 1L TL +275 10/04/23		08/13/2019	JEFFERIES & COMPANY INC.		995,867	994,624	983,434			(979)		(979)		982,455		13,411	13,411	20,400	10/04/2023	4FE

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CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
LX1685-92-9	GOLDEN NUGGET GOLDEN NUGGET 1L TL +275 10/04/23		09/30/2019	Redemption 100.0000		14,707	14,707	14,535	1,272		177		177		14,707				452	10/04/2023	4FE
LX1686-39-8	AIR MEDICAL AIR MEDICAL TLB +425 03/14/25		07/01/2019	GOLDMAN SACHS		4,837,722	4,987,342	4,837,722							4,837,722					03/14/2025	4FE
LX1686-39-8	AIR MEDICAL AIR MEDICAL TLB +425 03/14/25		09/30/2019	Redemption 100.0000		12,658	12,658	12,278			381		381		12,658				173	03/14/2025	4FE
LX1687-34-7	NAVICURE INC NAVICURE INC 1ST LIEN TL +375 11/01/24		09/30/2019	Redemption 100.0000		10,000	10,000	9,950	9,867		133		133		10,000				467	11/01/2024	4FE
LX1687-84-2	CAESARS RESORT COLLECTION CAESARS RESORT TLB +275 12/22/24		09/30/2019	Redemption 100.0000		18,750	18,750	18,703	18,599		151		151		18,750				733	12/22/2024	3FE
LX1687-99-0	RING CONTAINER TECH RING CONTAINER 1ST LIEN +275 10/31/24		08/06/2019	BANK OF AMERICA		976,981	985,605	968,313			(906)		(906)		967,408		9,573	9,573	15,660	10/31/2024	4FE
LX1687-99-0	RING CONTAINER TECH RING CONTAINER 1ST LIEN +275 10/31/24		09/30/2019	Redemption 100.0000		20,038	20,038	19,985	19,900		138		138		20,038				784	10/31/2024	4FE
LX1692-32-1	CHASSIX INC CHASSIX INC TLB +550 11/15/23		09/30/2019	Redemption 100.0000		12,500	12,500	12,250	12,111		389		389		12,500				779	11/15/2023	4FE
LX1692-75-0	NAVISTAR INTERNATIONAL NAVISTAR TLB 2024 +350 11/02/24		08/20/2019	J.P. MORGAN		989,975	994,950	987,487			(2,606)		(2,606)		984,882		5,093	5,093	26,932	11/02/2024	3FE
LX1692-75-0	NAVISTAR INTERNATIONAL NAVISTAR TLB 2024 +350 11/02/24		07/31/2019	Redemption 100.0000		2,525	2,525	2,506			19		19		2,525				62	11/02/2024	3FE
LX1693-43-6	ACRISURE ACRISURE LLC TLB +425 11/22/23		09/30/2019	Redemption 100.0000		12,626	12,626	12,579	12,575		51		51		12,626				648	11/22/2023	4FE
LX1695-07-6	UTZ QUALITY FOODS LLC UTZ 1ST LIEN TL +350 11/13/24		07/01/2019	BANK OF AMERICA		4,962,405	4,987,342	4,962,405							4,962,405					11/13/2024	4FE
LX1695-07-6	UTZ QUALITY FOODS LLC UTZ 1ST LIEN TL +350 11/13/24		09/30/2019	Redemption 100.0000		32,860	32,860	32,721			139		139		32,860				937	11/13/2024	4FE
LX1695-10-0	EXCELITAS TECHNOLOGIES EXCELITAS TECH. 1ST LIEN +350 12/01/24		09/30/2019	Redemption 100.0000		7,576	7,576	7,509			66		66		7,576				288	12/01/2024	4FE
LX1696-41-3	TORTOISE INVESTMENT TORTOISE 1ST LIEN TL +350 01/31/25		09/30/2019	Redemption 100.0000		17,500	17,500	17,413	17,310		190		190		17,500				784	01/31/2025	3FE
LX1696-89-2	GATES GLOBAL GATES GLOBAL TLB2 +275 03/31/24		08/06/2019	CREDIT SUISSE FIRST BOSTON		988,718	994,937	983,744			(1,320)		(1,320)		982,423		6,295	6,295	21,172	03/31/2024	4FE
LX1696-89-2	GATES GLOBAL GATES GLOBAL TLB2 +275 03/31/24		09/30/2019	Redemption 100.0000		46,627	46,627	46,013	18,610		614		614		46,627				1,683	03/31/2024	4FE
LX1699-98-7	REXNORD REXNORD 1ST LIEN +200 08/21/24		09/23/2019	CREDIT SUISSE FIRST BOSTON		1,295,613	1,287,566	1,287,566	1,287,566						1,287,566		8,047	8,047	38,483	08/21/2024	3FE
LX1702-04-7	CALPINE CORP CALPINE CONSTRUCTION 1L +250 01/15/25		07/30/2019	CREDIT SUISSE FIRST BOSTON		993,706	994,950	977,538			(971)		(971)		976,567		17,138	17,138	17,481	01/15/2025	3FE
LX1702-04-7	CALPINE CORP CALPINE CONSTRUCTION 1L +250 01/15/25		09/30/2019	Redemption 100.0000		15,000	15,000	14,981	14,898		102		102		15,000				558	01/15/2025	3FE
LX1708-91-1	SUDDENLINK (ALTICE) CABLEVISION TLB 2026 +250 01/12/26		07/01/2019	J.P. MORGAN		488,813	495,000	497,475	495,368		(1,211)		(1,211)		494,156		(5,344)	(5,344)	12,448	01/12/2026	3FE
LX1710-23-0	CINEWORLD FINANCE US INC CINEWORLD TLB +225 02/28/25		07/23/2019	BARCLAYS		823,122	828,299	814,839			(707)		(707)		814,131		8,990	8,990	12,172	02/28/2025	4FE
LX1710-23-0	CINEWORLD FINANCE US INC CINEWORLD TLB +225 02/28/25		09/30/2019	Redemption 100.0000		26,376	26,376	26,110	13,744		290		290		26,376				798	02/28/2025	4FE
LX1711-65-9	US LBM US LBM 1ST LIEN TL +375 08/20/22		09/30/2019	Redemption 100.0000		35,760	35,760	35,224	12,499		536		536		35,760				1,619	08/20/2022	4FE
LX1712-04-6	JANUS INTERNATIONAL JANUS INTL 2L +775 02/09/26		08/12/2019	Redemption 100.0000		3,000,000	3,000,000	2,947,500	2,901,063		98,937		98,937		3,000,000				191,417	02/09/2026	5FE
LX1712-69-9	SCIENTIFIC GAMES SCIENTIFIC GAMES TLB-5 +275 08/14/24		09/30/2019	Redemption 100.0000		36,370	36,370	36,045	23,751		342		342		36,370				1,306	08/14/2024	3FE
LX1713-34-1	ROBERTSHAW HOLDINGS ROBERTSHAW 1L TL +325 02/15/25		09/30/2019	Redemption 100.0000		10,000	10,000	9,988	9,954		46		46		10,000				380	02/15/2025	4FE
LX1714-03-4	TRANSDIGM TRANSDIGM TLG +250 08/22/24		09/30/2019	Redemption 100.0000		7,576	7,576	7,405			170		170		7,576				251	08/22/2024	4FE

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										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
LX1714-58-8	APEX TOOLS APEX TOOL TLB +375 02/12/22		08/21/2019	Tax Free Exchange		4,714,744	4,732,681	4,681,495	4,638,394		76,351		76,351		4,714,744				191,073	02/12/2022	4FE
LX1716-43-5	ASURION LLC ASURION TLB-6 +300 11/03/23		09/30/2019	Redemption 100.0000		33,580	33,580	33,254	12,572		369		369		33,580				1,188	11/03/2023	4FE
LX1716-91-4	AIR MEDICAL AIR MEDICAL TLB +325 04/28/22		09/30/2019	Redemption 100.0000		10,507	10,507	10,237	7,432		273		273		10,507				431	04/28/2022	4FE
LX1718-75-3	GTT COMMUNICATIONS INC GTT COMMUNICATIONS 1L +275 05/31/25		09/30/2019	Redemption 100.0000		23,750	23,750	23,633	23,551		199		199		23,750				929	05/31/2025	4FE
LX1720-08-0	AMNEAL HOLDINGS , LLC AMNEAL HOLDINGS TLB +350 05/04/25		09/30/2019	Redemption 100.0000		20,000	20,000	19,900	19,794		206		206		20,000				899	05/04/2025	4FE
LX1720-16-3	CHG PPC PARENT LLC CHG PPC PARENT LLC 1L +275 03/22/25		09/30/2019	Redemption 100.0000		8,750	8,750	8,728	8,688		62		62		8,750				342	03/22/2025	4FE
LX1723-78-7	PLY GEM HOLDINGS PISCES MIDCO (NCI) TLB +375 04/12/25		09/30/2019	Redemption 100.0000		30,075	30,075	30,019	30,001		74		74		30,075				1,486	04/12/2025	4FE
LX1726-54-1	ASPEN DENTAL MANAGEMENT INC ASPEN DENTAL TLB +275 04/30/25		08/06/2019	RBC CAPITAL MARKETS		800,741	812,935	812,935	812,935						812,935		(12,194)	(12,194)	23,380	04/30/2025	4FE
LX1726-54-1	ASPEN DENTAL MANAGEMENT INC ASPEN DENTAL TLB +275 04/30/25		09/30/2019	Redemption 100.0000		15,664	15,664	15,491	2,498		174		174		15,664				494	04/30/2025	4FE
LX1727-02-8	WEST CORP WEST CORP TLB-1 +350 10/10/24		09/11/2019	CREDIT SUISSE FIRST BOSTON		3,494,700	3,960,000	3,945,150	3,935,706		50,203		50,203		3,985,909		(491,209)	(491,209)	201,862	10/10/2024	4FE
LX1727-75-4	COMPASS DIVERSIFIED HOLDINGS COMPASS DIVERSIFIED TLB +225 04/05/25		09/30/2019	Redemption 100.0000		780,000	780,000	778,050	774,960		5,040		5,040		780,000				21,310	04/05/2025	3FE
LX1729-71-9	PEABODY ENERGY CORP PEABODY ENERGY CORP 1LTL +275 03/31/25		09/30/2019	Redemption 100.0000		6,173	6,173	6,173	6,173						6,173				241	03/31/2025	3FE
LX1730-00-6	CONSOLIDATED PRECISION CONSOLIDATED PRECISION 1L+375 04/24/25		09/30/2019	Redemption 100.0000		25,031	25,031	24,890	12,407		202		202		25,031				981	04/24/2025	4FE
LX1731-50-9	HUB INTERNATIONAL HUB INTERNATIONAL TLB +300 04/19/25		08/13/2019	MORGAN STANLEY		977,563	994,975	966,369			(1,097)		(1,097)		965,272		12,291	12,291	27,943	04/19/2025	4FE
LX1731-50-9	HUB INTERNATIONAL HUB INTERNATIONAL TLB +300 04/19/25		09/30/2019	Redemption 100.0000		28,825	28,825	28,310	13,658		572		572		28,825				978	04/19/2025	4FE
LX1732-59-8	PLASTIPAK HOLDINGS INC PLASTIPAK HOLDING TLB +250 10/14/24		07/30/2019	WELLS FARGO SECURITIES LLC		991,206	994,937	977,525			(791)		(791)		976,734		14,472	14,472	17,495	10/14/2024	3FE
LX1732-59-8	PLASTIPAK HOLDINGS INC PLASTIPAK HOLDING TLB +250 10/14/24		09/30/2019	Redemption 100.0000		12,626	12,626	12,626	12,626						12,626				470	10/14/2024	3FE
LX1732-88-7	JORDAN HEALTH SERVICES JORDAN HEALTH SERVICE 1L +500 05/10/25		09/30/2019	Redemption 100.0000		35,000	35,000	34,494	34,256		744		744		35,000				2,031	05/10/2025	4FE
LX1733-20-8	SRS DISTRIBUTION INC SRS DISTRIBUTION TLB +325 05/17/25		07/31/2019	Redemption 100.0000		25,000	25,000	24,781	24,711		289		289		25,000				843	05/17/2025	4FE
LX1734-56-0	TRANSDIGM TRANSDIGM TLE +250 05/30/25		07/23/2019	CREDIT SUISSE FIRST BOSTON		982,525	994,962	972,576			(1,444)		(1,444)		971,132		11,393	11,393	20,799	05/30/2025	4FE
LX1734-56-0	TRANSDIGM TRANSDIGM TLE +250 05/30/25		09/30/2019	Redemption 100.0000		20,118	20,118	19,742	4,338		391		391		20,118				654	05/30/2025	4FE
LX1734-57-8	TRANSDIGM TRANSDIGM TLF +250 06/09/23		09/30/2019	Redemption 100.0000		12,594	12,594	12,295			299		299		12,594				378	06/09/2023	4FE
LX1734-90-9	SPRINGS WINDOW FASHION SPRINGS WINDOW 1LTL +425 06/15/25		09/30/2019	Redemption 100.0000		30,000	30,000	29,700	29,542		458		458		30,000				1,580	06/15/2025	4FE
LX1735-65-8	LIFESCAN GLOBAL CORP LIFESCAN 1ST LIEN TL +600 09/28/24		09/30/2019	Redemption 100.0000		139,510	139,510	136,095	135,821		3,689		3,689		139,510				3,054	09/28/2024	4FE
LX1736-06-0	VALEANT PHARMA VALEANT PHARMA TLB +300 06/01/25		09/30/2019	Redemption 100.0000		386,950	386,950	384,048			2,902		2,902		386,950				11,153	06/01/2025	3FE
LX1737-21-7	ORTHO-CLINICAL DIAGNOSTICS ORTHO-CLINICAL 1L TL +325 05/31/25		09/27/2019	Redemption 100.0000		125,008	125,008	123,719	88,859		1,682		1,682		125,008				5,040	05/31/2025	4FE
LX1739-43-7	VERTEX AEROSPACE VERTEX AEROSPACE TLB +450 06/29/25		09/30/2019	Redemption 100.0000		11,250	11,250	11,194	11,129		121		121		11,250				597	06/29/2025	4FE
LX1740-66-6	TENNECO INC TENNECO 1ST LIEN TL +300 10/01/25		09/30/2019	Redemption 100.0000		50,000	50,000	49,773	39,891		272		272		50,000				1,892	10/01/2025	3FE

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Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
LX1740-74-0	KINDRED HEALTHCARE GENTIVA HEALTH SVCS 1L +375 06/21/25		08/20/2019	J.P. MORGAN		966,408	970,045	960,345	956,458		(2,815)		(2,815)		953,643		12,764	12,764	35,700	06/21/2025	4FE
LX1740-74-0	KINDRED HEALTHCARE GENTIVA HEALTH SVCS 1L +375 06/21/25		09/30/2019	Redemption 100.0000		34,711	34,711	34,451	14,455		318		318		34,711				1,472	06/21/2025	4FE
LX1740-76-5	KINDRED HEALTHCARE GENTIVA HEALTH SVCS 2L +700 06/21/26		07/02/2019	Redemption 100.0000		3,250,000	3,250,000	3,217,500	3,188,621		61,379		61,379		3,250,000				157,788	06/21/2026	5FE
LX1740-85-6	KINDRED HEALTHCARE KINDRED HEALTHCARE TLB +500 06/21/25		09/30/2019	Redemption 100.0000		28,314	28,314	27,777	15,567		623		623		28,314				1,482	06/21/2025	4FE
LX1741-66-4	AVAYA INC AVAYA INC TLB +425 12/15/24		09/30/2019	Redemption 100.0000		44,407	44,407	44,145	26,054		367		367		44,407				2,139	12/15/2024	4FE
LX1743-91-8	ASURION LLC ASURION TLB-7 +300 11/03/24		09/30/2019	Redemption 100.0000		7,500	7,500	7,463	7,440		60		60		7,500				308	11/03/2024	4FE
LX1752-46-3	Applovin Corp APPLOVIN CORP TLB +375 08/07/25		09/30/2019	Redemption 100.0000		32,500	32,500	32,388	32,694		(194)		(194)		32,500				1,518	08/07/2025	4FE
LX1753-32-1	Verscend Holding Corp VERSCEND TLB +450 08/27/25		09/30/2019	Redemption 100.0000		15,000	15,000	15,059	15,002		(2)		(2)		15,000				786	08/27/2025	4FE
LX1756-32-4	US LUMBER US LUMBER TLB +575 09/25/25		09/30/2019	Redemption 100.0000		23,750	23,750	23,578	23,514		236		236		23,750				1,469	09/25/2025	4FE
LX1760-02-9	MESSER INDUSTRIES USA INC MESSER INDUSTRIES TL +250 03/01/26		08/06/2019	CITICORP SECURITIES		992,513	997,500	982,538			(1,442)		(1,442)		981,096		11,417	11,417	11,307	03/01/2026	4FE
LX1760-02-9	MESSER INDUSTRIES USA INC MESSER INDUSTRIES TL +250 03/01/26		09/30/2019	Redemption 100.0000		52,784	52,784	52,017			767		767		52,784				892	03/01/2026	4FE
LX1761-64-7	GOODRX GOODRX TLB +275 10/03/25		08/13/2019	BARCLAYS		976,611	983,991	972,921			(1,986)		(1,986)		970,935		5,676	5,676	18,320	10/03/2025	4FE
LX1761-64-7	GOODRX GOODRX TLB +275 10/03/25		09/30/2019	Redemption 100.0000		17,500	17,500	17,259			241		241		17,500				499	10/03/2025	4FE
LX1763-36-1	HOLLEY PURCHASER HOLLEY PURCHASER 1LTL +500 10/17/25		09/30/2019	Redemption 100.0000		23,500	23,500	23,296	23,260		240		240		23,500				1,542	10/17/2025	4FE
LX1764-52-6	WYNN RESORTS WYNN RESORTS TLB +225 10/22/24		09/20/2019	Redemption 100.0000		7,481,250	7,481,250	7,432,622	4,474,611		51,545		51,545		7,481,250				234,751	10/22/2024	3FE
LX1764-61-7	DAWN ACQUISITION LLC DAWN ACQUISITION TLB +375 12/31/25		09/30/2019	Redemption 100.0000		22,500	22,500	22,466			34		34		22,500				1,001	12/31/2025	4FE
LX1765-21-8	THOR INDUSTRIES INC THOR INDUSTRIES TLB +375 02/01/26		09/17/2019	Redemption 100.0000		1,834,010	1,834,010	1,815,670			18,340		18,340		1,834,010				52,294	02/01/2026	3FE
LX1765-84-6	MEREDITH CORP MEREDITH CORP TLB +275 01/31/25		08/13/2019	JEFFERIES & COMPANY INC.		918,094	915,805	911,226			(1,983)		(1,983)		909,243		8,852	8,852	18,688	01/31/2025	3FE
LX1766-78-6	CONCRETE PUMPING CONCRETE PUMPING 1LTL +600 12/06/25		07/31/2019	Redemption 100.0000		137,500	137,500	133,375	133,229		4,271		4,271		137,500				3,811	12/06/2025	4FE
LX1767-02-4	LIFEPOINT HEALTH LIFEPOINT HEALTH 1L TL +450 11/16/25		09/30/2019	Redemption 100.0000		40,000	40,000	39,500	29,671		529		529		40,000				2,125	11/16/2025	4FE
LX1771-16-6	SPRINT COMMUNICATIONS INC SPRINT COMM TLB FEB 2024 +300 02/02/24		08/06/2019	J.P. MORGAN		991,269	995,000	985,050	984,458		(1,432)		(1,432)		983,025		8,243	8,243	30,071	02/02/2024	3FE
LX1771-16-6	SPRINT COMMUNICATIONS INC SPRINT COMM TLB FEB 2024 +300 02/02/24		09/30/2019	Redemption 100.0000		26,250	26,250	25,900	17,317		358		358		26,250				991	02/02/2024	3FE
LX1777-93-2	DURAVANT DURAVANT LLC 1L TL INCREM +425 07/19/24		09/30/2019	Redemption 100.0000		12,500	12,500	12,288			213		213		12,500				560	07/19/2024	4FE
LX1781-65-2	DYNASTY ACQUISITION CO INC DYNASTY ACQ 1L TL US BOR +400 04/06/26		07/01/2019	BARCLAYS		1,300,699	1,300,699	1,300,699							1,300,699					04/06/2026	4FE
LX1784-18-5	DYNASTY ACQUISITION CO INC DYNASTY ACQ 1L CDN BOR +400 04/06/26		07/01/2019	BARCLAYS		699,301	699,301	699,301							699,301					04/06/2026	4FE
LX1791-52-9	AMC ENTERTAINMENT AMC TLB 2026 +300 04/22/26		08/20/2019	CITICORP SECURITIES		996,166	994,922	979,587			(1,678)		(1,678)		977,909		18,257	18,257	9,513	04/22/2026	3FE
LX1791-52-9	AMC ENTERTAINMENT AMC TLB 2026 +300 04/22/26		09/30/2019	Redemption 100.0000		12,383	12,383	12,243			140		140		12,383				318	04/22/2026	3FE
LX1791-82-6	II-VI INC II-VI INC TLB +350 06/28/26		07/01/2019	BANK OF AMERICA		3,960,000	4,000,000	3,960,000							3,960,000					06/28/2026	4FE
LX1807-56-4	US RENAL CARE US RENAL CARE TLB +500 06/13/26		07/01/2019	BARCLAYS		12,740,000	13,000,000	12,740,000							12,740,000					06/13/2026	4FE

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1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
LX1807-63-0	ACCENTCARE ACCENTCARE (PLUTO) TLB +500 06/18/26		07/01/2019	J.P. MORGAN		7,920,000	8,000,000	7,920,000							7,920,000					06/18/2026	4FE
LX1807-63-0	ACCENTCARE ACCENTCARE (PLUTO) TLB +500 06/18/26		09/30/2019	Redemption 100.0000		20,000	20,000	19,800			200		200		20,000				21	06/18/2026	4FE
LX1808-57-0	MULTI-COLOR CORP MULTI-COLOR (LABL) TLB +450 06/28/26		07/01/2019	BANK OF AMERICA		7,419,863	7,445,000	7,419,863							7,419,863						4FE
LX1810-24-6	NEXSTAR BROADCASTING NEXSTAR BROADCASTING TLB4 +275 07/15/26		07/01/2019	BANK OF AMERICA		7,960,000	8,000,000	7,960,000							7,960,000					07/15/2026	3FE
LX1823-47-0	APEX TOOLS APEX TOOLS TLB +550 08/19/24		09/30/2019	Redemption 100.0000		60,829	60,829	60,561			268		268		60,829				423	08/19/2024	4FE
LX1592-75-2	TELESAT CANADA TELESAT CANADA TLB +250 11/17/23	A	07/23/2019	J.P. MORGAN		992,475	994,962	980,038			(407)		(407)		979,631		12,844	12,844	16,961	11/17/2023	3FE
LX1592-75-2	TELESAT CANADA TELESAT CANADA TLB +250 11/17/23	A	09/30/2019	Redemption 100.0000		51,444	51,444	50,396	16,704		1,102		1,102		51,444				1,827	11/17/2023	3FE
LX1721-92-2	TITAN ACQUISITION LTD HUSKY (TITAN) TLB +300 03/14/25	A	09/30/2019	Redemption 100.0000		7,500	7,500	7,481	7,450		50		50		7,500				308	03/14/2025	4FE
LX1732-07-7	LAIRD LAIRD 1ST LIEN TL +450 07/02/25	D	09/30/2019	Redemption 100.0000		27,927	27,927	28,066	27,860		67		67		27,927				2,051	07/02/2025	4FE
LX1740-18-7	STARS GROUP HOLDINGS BV STARS GROUP TLB +350 07/10/25	D	09/30/2019	Redemption 100.0000		2,500	2,500	2,488	2,477		23		23		2,500				115	07/10/2025	4FE
8299999. Subtotal - Bonds - Bank Loans						142,026,392	144,202,229	142,885,337	57,734,575		669,553		669,553		143,190,948		(1,164,563)	(1,164,563)	3,209,383	XXX	XXX
8399997. Total - Bonds - Part 4						2,059,491,179	2,012,525,968	1,999,477,581	1,165,466,653		201,759		201,759		1,994,750,770	1,366	63,770,770	63,772,136	60,922,167	XXX	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999. Total - Bonds						2,059,491,179	2,012,525,968	1,999,477,581	1,165,466,653		201,759		201,759		1,994,750,770	1,366	63,770,770	63,772,136	60,922,167	XXX	XXX
8999997. Total - Preferred Stocks - Part 4							XXX													XXX	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks							XXX													XXX	XXX
00846U-10-1	AGILENT TECHNOLOGIES INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	702		327	607	(281)			(281)		327		376	376	4		L
018581-10-8	ALLIANCE DATA SYSTEMS CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	13.000	1,681		3,424	1,951	1,473			1,473		3,424		(1,743)	(1,743)	25		L
02079K-10-7	ALPHABET INC-CL-C COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	9,872		3,801	8,285	(4,484)			(4,484)		3,801		6,071	6,071			L
02376R-10-2	AMERICAN AIRLINES EXIT TL COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	230		272	225	47			47		272		(41)	(41)	1		L
025816-10-9	AMERICAN EXPRESS COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	946		614	763	(149)			(149)		614		332	332	9		L
03073E-10-5	AMERISOURCEBERGEN CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	587		709	521	188			188		709		(122)	(122)	8		L
03076C-10-6	AMERIPRISE FINANCIAL INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	1,031		802	731	71			71		802		229	229	20		L
031162-10-0	AMGEN INC COMMON STOCK		09/23/2019	Various	39.000	7,340		6,057	7,592	(1,535)			(1,535)		6,057		1,283	1,283	145		L
032511-10-7	ANADARKO PETROLEUM CORP COMMON STOCK		08/09/2019	MERGER	1,463.000	106,547		84,950	63,568	20,424			20,424		84,950		21,598	21,598	870		L
03748R-75-4	APARTMENT INVT & MGMT CO - A APARTMENT INVT & MGMT CO		07/22/2019	WEEDEN & CO LP	11.000	544		413							413		131	131	4		L
037833-10-0	APPLE COMPUTER INC FORMERLY APPLE COMPUTER INC.		09/23/2019	Various	536.000	114,570		60,152	84,549	(24,397)			(24,397)		60,152		54,418	54,418	1,039		L
038222-10-5	APPLIED MATERIALS INC COMMON STOCK		09/23/2019	Various	46.000	2,359		723	1,506	(783)			(783)		723		1,636	1,636	24		L
03965L-10-0	ALCOA INC COMMON STOCK		09/23/2019	Various	38.000	1,004		822	641	182			182		822		181	181	4		L
060505-10-4	BANK OF AMERICA CORP. COMMON STOCK		09/23/2019	Various	1,487.000	43,892		24,290	36,640	(12,350)			(12,350)		24,290		19,602	19,602	671		L
064058-10-0	BANK OF NEW YORK MELLON CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	56.000	2,619		2,261	2,636	(375)			(375)		2,261		357	357	49		L
09062X-10-3	BIOGEN IDEC INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	28.000	6,718		7,874	8,426	(552)			(552)		7,874		(1,155)	(1,155)			L
09247X-10-1	BLACKROCK INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	6.000	2,677		1,881	2,357	(476)			(476)		1,881		797	797	59		L

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										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
09857L-10-8	BOOKING HOLDINGS INC COMMON STOCK		09/23/2019	Various	5.000	9,700		6,227	8,612	(2,385)			(2,385)		6,227		3,472	3,472			L
101121-10-1	BOSTON PROPERTIES INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	29.000	3,777		3,358	3,264	94			94		3,358		419	419	83		L
10922N-10-3	BRIGHTHOUSE FINANCIAL IN COMMON		07/22/2019	WEEDEN & CO LP	2.000	74		90	61	29			29		90		(16)	(16)			L
124857-20-2	CBS CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	67.000	2,811		3,039	2,929	109			109		3,039		(227)	(227)	36		L
127097-10-3	CABOT OIL & GAS CORP CL A COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	145		181	179	2			2		181		(36)	(36)	2		L
134429-10-9	CAMPBELL SOUP CO COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	67.000	3,125		3,203	2,210	993			993		3,203		(78)	(78)	70		L
143130-10-2	CARMAX INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	15.000	1,271		893	941	(48)			(48)		893		378	378			L
149123-10-1	CATERPILLAR INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	19.000	2,440		1,435	2,414	(980)			(980)		1,435		1,005	1,005	52		L
156782-10-4	CERNER CORP. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	16.000	1,097		992	839	153			153		992		105	105	3		L
16119P-10-8	CHARTER COMMUNICATIONS COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	29.000	12,223		7,734	8,264	(530)			(530)		7,734		4,489	4,489			L
17275R-10-2	CISCO SYSTEMS INC COMMON STOCK		09/23/2019	Various	324.000	18,277		8,375	14,039	(5,664)			(5,664)		8,375		9,902	9,902	334		L
172967-42-4	CITIGROUP INC (TRAVELERS/CITICORP MERGE)		09/23/2019	Various	196.000	13,736		10,421	10,204	217			217		10,421		3,315	3,315	242		L
174610-10-5	CITIZENS FINANCIAL GROUP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	26.000	932		497	773	(276)			(276)		497		435	435	26		L
192446-10-2	COGNIZANT TECH SOLUTIONS COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	41.000	2,493		2,593	2,603	(10)			(10)		2,593		(100)	(100)	25		L
200340-10-7	COMERICA INC COMMON STOCK		09/23/2019	Various	21.000	1,423		918	1,442	(524)			(524)		918		504	504	41		L
20825C-10-4	PHILLIPS PETROLEUM COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	43.000	2,587		1,972	2,681	(710)			(710)		1,972		616	616	39		L
222070-20-3	COTY COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	93		152	59	93			93		152		(59)	(59)	3		L
23355L-10-6	DXC TECHNOLOGY COMPANY COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	14.000	448		440	744	(304)			(304)		440		8	8	8		L
23918K-10-8	DAVITA INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	83.000	4,925		6,380	4,271	2,109			2,109		6,380		(1,455)	(1,455)			L
247361-70-2	DELTA AIR LINES INC. COMMON STOCK		09/23/2019	Various	90.000	5,374		3,910	4,491	(581)			(581)		3,910		1,464	1,464	80		L
24906P-10-9	DENTSPLY SIRONA INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	20.000	1,045		1,215	744	470			470		1,215		(169)	(169)	5		L
25179M-10-3	DEVON ENERGY CORP. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	27.000	697		694	609	85			85		694		3	3	5		L
254709-10-8	DISCOVER FINANCIAL SERVICES COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	16.000	1,333		867	944	(77)			(77)		867		466	466	20		L
25470F-30-2	DISCOVERY COMMUNICATIONS COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	34.000	839		731	785	(54)			(54)		731		109	109			L
269246-40-1	E Trade Group Inc COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	404		238	395	(157)			(157)		238		165	165	4		L
278642-10-3	EBAY INC COMMON STOCK		09/23/2019	Various	173.000	7,000		4,666	4,856	(190)			(190)		4,666		2,334	2,334	60		L
29476L-10-7	EQUITY RESIDENTIAL PROP TRUST COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	58.000	4,943		4,204	3,829	375			375		4,204		739	739	97		L
30034W-10-6	Evergy Inc COMMON		09/23/2019	Various	45.000	2,849		2,450	2,555	(104)			(104)		2,450		399	399	53		L
313747-20-6	FEDERAL REALTY INVEST TRUST COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	13.000	1,750		1,925	1,535	390			390		1,925		(175)	(175)	40		L
316773-10-0	FIFTH THIRD BANCORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	110.000	3,059		2,176	2,588	(412)			(412)		2,176		883	883	75		L
344849-10-4	FOOT LOCKER INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	329.000	13,249		15,585	17,503	(1,918)			(1,918)		15,585		(2,336)	(2,336)	364		L
354613-10-1	FRANKLIN RESOURCES INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	27.000	785		1,096	801	295			295		1,096		(311)	(311)	21		L
369550-10-8	GENERAL DYNAMICS CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	103.000	19,238		14,881	16,193	(1,311)			(1,311)		14,881		4,357	4,357	306		L

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Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
37045V-10-0	GENERAL MOTORS CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	166.000	6,180		4,744	5,553	(808)			(808)		4,744		1,436	1,436	189		L
37940X-10-2	GLOBAL PAYMENTS INC. COMMON STOCK		09/18/2019	FRACTIONAL SHARES	0.000	28		13	18	(5)			(5)		13		15	15			L
38141G-10-4	GOLDMAN SACHS GROUP INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	46.000	9,818		8,630	7,684	946			946		8,630		1,189	1,189	133		L
40434L-10-5	HEWLETT PACKARD INC. COMMON STOCK		09/23/2019	Various	108.000	2,163		1,349	2,210	(861)			(861)		1,349		814	814	52		L
413875-10-5	HARRIS CORP COMMON STOCK		07/01/2019	Tax Free Exchange	332.000	40,760		40,760	44,704	(3,944)			(3,944)		40,760				455		L
42824C-10-9	HEWLETT PACKARD ENTERPRISE COMMON STOCK		09/23/2019	Various	177.000	2,537		1,281	2,338	(1,057)			(1,057)		1,281		1,257	1,257	60		L
436106-10-8	HollyFrontier Corp COMMON		09/23/2019	PIPELINE TRADING SYSTEMS	16.000	851		1,139	818	321			321		1,139		(289)	(289)	16		L
437076-10-2	HOME DEPOT INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	63.000	13,309		7,408	10,825	(3,417)			(3,417)		7,408		5,901	5,901	171		L
438516-10-6	HONEYWELL INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	14.000	2,340			1,850	(1,849)			(1,849)				2,339	2,339	34		L
44107P-10-4	HOST MARRIOT CORP. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	22.000	379		398	367	32			32		398		(20)	(20)	14		L
446150-10-4	HUNTINGTON BANCSHARES INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	11.000	159		108	131	(23)			(23)		108		51	51	5		L
452308-10-9	ILLINOIS TOOL WORKS COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	11.000	1,697		929	1,394	(465)			(465)		929		768	768	33		L
458140-10-0	INTEL CORP. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	81.000	4,122		2,231	3,801	(1,570)			(1,570)		2,231		1,891	1,891	77		L
460146-10-3	INTERNATIONAL PAPER CO. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	328		344	323	21			21		344		(15)	(15)	12		L
46625H-10-0	JP MORGAN CHASE & CO COMMON STOCK		09/23/2019	Various	126.000	14,834		8,075	12,300	(4,225)			(4,225)		8,075		6,759	6,759	302		L
47233W-10-9	JEFFRIES FINANCIAL GROUP INC. COMMON STOCK		07/22/2019	WEEDEN & CO LP	20.000	414		417	347	70			70		417		(3)	(3)	5		L
47233W-10-9	JEFFRIES FINANCIAL GROUP INC. COMMON STOCK		09/27/2019	Spin Off	0.000	1,136		1,136	820	316			316		1,136						L
478160-10-4	JOHNSON & JOHNSON COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	12.000	1,581		1,150	1,549	(399)			(399)		1,150		431	431	34		L
48203R-10-4	JUNIPER NETWORKS INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	9.000	241		234	242	(8)			(8)		234		7	7	3		L
482480-10-0	KLA CORPORATION COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	1,418		443	805	(362)			(362)		443		975	975	20		L
501044-10-1	KROGER CO. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	12.000	309		429	330	99			99		429		(120)	(120)	5		L
501889-20-8	LKQ CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	287		299	214	85			85		299		(12)	(12)			L
502413-10-7	L-3 COMMUNICATIONS HLDGS INC. COMMON STOCK		07/01/2019	MERGER	222.000	51,414		37,156	38,553	(1,397)			(1,397)		37,156		14,258	14,258	377		L
502431-10-9	L3 HARRIS TECHNOLOGIES INC L3 HARRIS TECHNOLOGIES INC		07/03/2019	FRACTIONAL SHARES	1.000	113		46							46		67	67			
512807-10-8	LAM RESEARCH CORP. COMMON STOCK		09/23/2019	Various	25.000	5,583		1,820	3,404	(1,584)			(1,584)		1,820		3,763	3,763	55		L
532457-10-8	LILLY (ELI) & CO COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	31.000	3,539		2,571	3,587	(1,017)			(1,017)		2,571		969	969	60		L
540424-10-8	LOEWS CORP COMMON STOCK		09/23/2019	Various	36.000	1,894		1,307	1,639	(332)			(332)		1,307		587	587	6		L
548661-10-7	LOWE'S COMPANIES COMMON STOCK		09/23/2019	Various	60.000	6,334		4,140	5,542	(1,401)			(1,401)		4,140		2,193	2,193	70		L
55261F-10-4	M&T BANK CORPORATION (FORMERLY FIRST EMPIRE)		09/23/2019	PIPELINE TRADING SYSTEMS	12.000	1,874		1,443	1,718	(274)			(274)		1,443		430	430	36		L
565849-10-6	MARATHON OIL COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	29.000	380		416	416						416		(37)	(37)	4		L
56585A-10-2	MARATHON PETROLEM COMMON STOCK		07/22/2019	WEEDEN & CO LP	10.000	552		465	590	(125)			(125)		465		87	87	11		L
571748-10-2	MARSH & MCLENNAN COS COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	809		434	638	(204)			(204)		434		375	375	10		L
571903-20-2	MARRIOT INTERNATIONAL COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	952		479	760	(281)			(281)		479		473	473	6		L
58155Q-10-3	MCKESSON HBOC INC. MANUAL PROJ SHARE OK,CMRA RONG		09/23/2019	PIPELINE TRADING SYSTEMS	12.000	1,715		2,391	1,326	1,065			1,065		2,391		(676)	(676)	14		L
58933Y-10-5	MERCK & COMPANY, INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	759		495	688	(192)			(192)		495		264	264	15		L
59156R-10-8	METLIFE INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	442.000	21,092		19,711	18,149	1,563			1,563		19,711		1,380	1,380	575		L

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595112-10-3	MICRON TECHNOLOGY COMMON STOCK		07/22/2019	WEEDEN & CO LP	20.000	944		305	635	(329)			(329)		305		638	638			L
61174X-10-9	HANSEN NATURAL CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	414		330	345	(15)			(15)		330		84	84			L
617446-44-8	MORGAN STANLEY COMMON STOCK		09/23/2019	Various	78.000	3,424		2,643	3,093	(450)			(450)		2,643		781	781	64		L
629377-50-8	NRG ENERGY, INC. COMMON STOCK		09/23/2019	Various	70.000	2,610		1,401	2,772	(1,371)			(1,371)		1,401		1,209	1,209	5		L
64110D-10-4	NETAPP INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	22.000	1,199		685	1,313	(628)			(628)		685		514	514	28		L
651229-10-6	NEWELL RUBBERMAID INC. COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	18.000	322		799	335	464			464		799		(476)	(476)	12		L
65249B-20-8	NEW CORP-CLASS A COMMON STOCK		07/22/2019	WEEDEN & CO LP	15.000	204		192	173	19			19		192		11	11	2		L
666807-10-2	NORTHROP GRUMMAN CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	30.000	11,073		4,996	7,347	(2,351)			(2,351)		4,996		6,078	6,078	115		L
67103H-10-7	O'REILLY AUTOMOTIVE INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	3.000	1,194		727	1,033	(306)			(306)		727		466	466			L
674599-10-5	OCCIDENTAL PETROLEUM COMMON STOCK		08/09/2019	FRACTIONAL SHARES	0.000	11		17	15	2			2		17		(5)	(5)	1		L
681919-10-6	OMNICOM GROUP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	622		545	586	(41)			(41)		545		76	76	15		L
68389X-10-5	ORACLE SYSTEMS CORP COMMON STOCK		09/23/2019	Various	935.000	51,597		34,415	42,215	(7,801)			(7,801)		34,415		17,183	17,183	626		L
693475-10-5	PNC BANK CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	11.000	1,553		998	1,286	(288)			(288)		998		555	555	34		L
74736K-10-1	QORVO INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	510		383	425	(42)			(42)		383		126	126			L
754730-10-9	RAYMOND JAMES FINANCIAL COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	8.000	674		600	595	4			4		600		75	75	8		L
755111-50-7	RAYTHEON CO COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	1,083		630	920	(290)			(290)		630		453	453	17		L
756577-10-2	RED HAT INC. COMMON STOCK		07/10/2019	MERGER	511.000	97,090		59,674	87,820	(30,187)			(30,187)		59,674		37,416	37,416			L
7591EP-10-0	REGIONS FINANCIAL CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	29.000	465		276	388	(113)			(113)		276		190	190	12		L
773903-10-9	ROCKWELL INTL CORP (NEW) COMMON STOCK		07/22/2019	WEEDEN & CO LP	7.000	1,115		774	1,053	(280)			(280)		774		341	341	14		L
775711-10-4	Rollins Inc COMMON		09/23/2019	PIPELINE TRADING SYSTEMS	14.000	477		534	505	29			29		534		(57)	(57)	4		L
78468R-62-2	SPDR Bloomberg Barclays High Y SPDR BBG BARC HY BND ETF		08/14/2019	GOLDMAN SACHS	92,333.000	9,892,288		10,008,404							10,008,404		(116,116)	(116,116)	139,009		U
808513-10-5	SCHWAB, CHARLES CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	57.000	2,426		1,736	2,367	(631)			(631)		1,736		690	690	29		L
844741-10-8	SOUTHWEST AIRLINES COMMON STOCK		09/23/2019	Various	19.000	1,017		709	883	(174)			(174)		709		308	308	11		L
855244-10-9	STARBUCKS CORP. COMMON STOCK		09/23/2019	Various	96.000	8,724		5,339	6,182	(843)			(843)		5,339		3,385	3,385	78		L
871503-10-8	SYMANTEC CORP COMMON STOCK		09/23/2019	Various	178.000	4,184		3,715	3,363	352			352		3,715		469	469	37		L
87165B-10-3	SYNCHRONY FINANCIAL COMMON STOCK		09/23/2019	Various	97.000	3,351		3,089	2,276	814			814		3,089		262	262	54		L
872540-10-9	TJX COMPANIES, INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	47.000	2,547		1,673	2,103	(429)			(429)		1,673		873	873	20		L
87612E-10-6	TARGET CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	10.000	872		775	661	114			114		775		97	97	13		L
891027-10-4	TORCHMARK CORP COMMON STOCK		08/12/2019	Tax Free Exchange	292.000	22,557		22,557	21,763	794			794		22,557				147		L
891906-10-9	TOTAL SYSTEM SERVICES COMMON STOCK		09/18/2019	MERGER	473.000	62,974		32,417	38,450	(6,033)			(6,033)		32,417		30,557	30,557	246		L
902973-30-4	U.S. BANCORP(SUPER REGIONAL) COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	159.000	8,851		6,724	7,266	(543)			(543)		6,724		2,128	2,128	176		L
907818-10-8	UNION PACIFIC CORP COMMON STOCK		07/22/2019	WEEDEN & CO LP	22.000	3,818		1,865	3,041	(1,176)			(1,176)		1,865		1,953	1,953	39		L
910047-10-9	UNITED AIRLINES HOLDINGS, INC COMMON STOCK		07/22/2019	WEEDEN & CO LP	6.000	563		318	502	(184)			(184)		318		245	245			L
911363-10-9	UNITED RENTALS INC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	899		475	718	(243)			(243)		475		424	424			L
91324P-10-2	UNITED HEALTHCARE COMMON STOCK		07/22/2019	WEEDEN & CO LP	8.000	2,042		931	1,993	(1,062)			(1,062)		931		1,111	1,111	16		L
91529Y-10-6	UNUM GROUP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	7.000	207		234	206	28			28		234		(27)	(27)	6		L
92826C-83-9	Visa Lnd Dev(Visa Int) COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	15.000	2,623		1,079	1,979	(900)			(900)		1,079		1,545	1,545	11		L
929042-10-9	VORNADO REALTY COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	36.000	2,262		2,618	2,233	385			385		2,618		(356)	(356)	71		L
931142-10-3	WAL-MART STORES COMMON STOCK		07/22/2019	WEEDEN & CO LP	47.000	5,302		3,102	4,378	(1,276)			(1,276)		3,102		2,200	2,200	74		L
931427-10-8	WALGREEN CO COMMON STOCK		09/23/2019	Various	92.000	4,978		8,056	6,286	1,770			1,770		8,056		(3,078)	(3,078)	101		L

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident-ification	2 Description	3 For-eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid-eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value: 11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amor-tization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recog-nized	14 Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	15 Total Foreign Exchange Change in Book /Adjusted Carrying Value	16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received DuringYear	21 Stated Con-tractual Maturity Date	22 NAIC Desig-nation and Admini-strative Symbol /Market Indicator (a)
941848-10-3	WATERS CORPORATION COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	11.000	2,506		1,379	2,075	(696)			(696)		1,379		1,126	1,126			L
949746-10-1	WELLS FARGO & CO COMMON STOCK		09/23/2019	Various	120.000	5,705		6,416	5,530	886			886		6,416		(711)	(711)	135		L
959802-10-9	WESTERN UNION COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	14.000	313		260	239	21			21		260		54	54	8		L
984121-60-8	XEROX CORP. XEROX CORP		07/22/2019	WEEDEN & CO LP	7.000	238		187	138	48			48		187		52	52	5		L
984121-60-8	XEROX CORP. XEROX CORP		08/01/2019	Tax Free Exchange	570.000	16,313		16,313	11,263	5,050			5,050		16,313				428		L
98421M-10-6	XEROX HOLDINGS CORP XEROX HOLDINGS CORP		09/23/2019	PIPELINE TRADING SYSTEMS	13.000	388		347							347		41	41			L
989701-10-7	ZION BANCORPORATION, N.A.		09/23/2019	PIPELINE TRADING SYSTEMS	19.000	841		543	774	(231)			(231)		543		298	298	18		L
G0408V-10-2	AON CORP COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	9.000	1,735		842	1,308	(467)			(467)		842		893	893	12		L
G491BT-10-8	INVESCO PLC COMMON STOCK		09/23/2019	PIPELINE TRADING SYSTEMS	39.000	663		1,342	653	689			689		1,342		(679)	(679)	36		L
G51502-10-5	JOHNSON CONTROLS INTERNATIONAL COMMON STOCK		07/22/2019	WEEDEN & CO LP	325.000	13,321		14,223	9,636	4,586			4,586		14,223		(901)	(901)	254		L
G7945M-10-7	SEAGATE TECHNOLOGY COMMON STOCK		09/23/2019	Various	48.000	2,499		2,387	1,852	535			535		2,387		112	112	91		L
N53745-10-0	LYONDELLBASELL INDU-CL A COMMON STOCK		09/23/2019	Various	122.000	10,453		10,342	10,146	196			196		10,342		112	112	297		L
G5494J-10-3	LINDE PLC LINDE PLC	D	07/22/2019	WEEDEN & CO LP	7.000	1,425		1,158	1,092	66			66		1,158		267	267	12		L
9099999. Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						10,914,828	XXX	10,739,780	825,198	(97,628)			(97,628)		10,739,780		175,054	175,054	150,276	XXX	XXX
46140H-30-4	INVESCO DB ENERGY FUND		07/02/2019	WALLACHBETH CAPITAL	250,896.000	3,502,707		3,538,992	3,121,146	417,846			417,846		3,538,992		(36,286)	(36,286)			L
46140H-40-3	INVESCO DB OIL FUND		09/18/2019	WALLACHBETH CAPITAL	170,426.000	1,697,728		1,639,414	1,443,508	195,906			195,906		1,639,414		58,314	58,314			L
464288-51-3	IShares iBoxx High Yield Corpo COMMON STOCK		08/05/2019	Various	646,600.000	55,330,495		54,716,548							54,716,548		613,947	613,947	1,654,280		L
46428Q-10-9	ISHARES SILVER TRUST COMMON STOCK		09/18/2019	WALLACHBETH CAPITAL	71,343.000	1,195,684		1,242,499	1,035,900	206,598			206,598		1,242,499		(46,815)	(46,815)			L
78463V-10-7	SPDR GOLD TRUST COMMON STOCK		09/18/2019	WALLACHBETH CAPITAL	25,275.000	3,594,536		2,893,393	3,064,594	(171,201)			(171,201)		2,893,393		701,143	701,143			L
9299999. Subtotal - Common Stocks - Mutual Funds						65,321,150	XXX	64,030,846	8,665,148	649,149			649,149		64,030,846		1,290,303	1,290,303	1,654,280	XXX	XXX
9799997. Total - Common Stocks - Part 4						76,235,978	XXX	74,770,626	9,490,346	551,521			551,521		74,770,626		1,465,357	1,465,357	1,804,556	XXX	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						76,235,978	XXX	74,770,626	9,490,346	551,521			551,521		74,770,626		1,465,357	1,465,357	1,804,556	XXX	XXX
9899999. Total - Preferred and Common Stocks						76,235,978	XXX	74,770,626	9,490,346	551,521			551,521		74,770,626		1,465,357	1,465,357	1,804,556	XXX	XXX
9999999 - Totals						2,135,727,157	XXX	2,074,248,207	1,174,956,999	551,521	201,759		753,280		2,069,521,396	1,366	65,236,127	65,237,493	62,726,723	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 1

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule/ Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate or Index Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Un-discounted Premium (Received) Paid	12 Current Year Initial Cost of Un-discounted Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase/ (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amorti-zation)/ Accretion	20 Adjustment to Carrying Value of Hedged Item	21 Potential Exposure	22 Credit Quality of Refer-ence Entity	23 Hedge Effectiveness at Inception and at Quarter-end (b)
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	10/19/2018	10/19/2019	614	1,699,998	2767.78	56,950			68,839		68,839	52,840				1,939	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	11/20/2018	11/20/2019	492	1,299,995	2641.89	45,500			87,805		87,805	63,659				2,430	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	12/20/2018	12/20/2019	405	999,996	2467.42	33,600			75,110		75,110	39,091				2,355	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	01/18/2019	01/17/2020	479	1,279,991	2670.71		41,088		78,314		78,314	37,226				3,497	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	02/20/2019	02/20/2020	682	1,900,001	2784.70		57,380		92,071		92,071	34,691				5,946	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	03/20/2019	03/20/2020	620	1,750,006	2824.23		52,500		77,098		77,098	24,598				6,007	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	04/18/2019	04/20/2020	861	2,500,011	2905.03		73,500		84,654		84,654	11,154				9,322	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	05/20/2019	05/20/2020	760	2,159,995	2840.23		68,256		94,795		94,795	26,539				8,629	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	06/20/2019	06/19/2020	609	1,800,011	2954.18		49,680		54,296		54,296	4,616				7,640	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	07/19/2019	07/20/2020	840	2,499,995	2976.61		72,500		72,653		72,653	153				11,219	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	08/20/2019	08/20/2020	1,345	3,899,997	2900.51		124,410		154,669		154,669	30,259				18,400	N/A	0002
S&P 500 OPTIONS SPREAD	S&P 500 INDEX		Equity/Index	GOLDMAN SACHS LCZ7XYGSLJHFXXNDX90	09/20/2019	09/18/2020	969	2,900,004	2992.07		91,350		87,249		87,249	(4,101)				14,280	N/A	0002
0019999999. Subtotal - Purchased Options - Hedging Effective - Call Options and Warrants										136,050	630,664		1,027,553	XXX	1,027,553	320,724				91,664	XXX	XXX
0079999999. Subtotal - Purchased Options - Hedging Effective										136,050	630,664		1,027,553	XXX	1,027,553	320,724				91,664	XXX	XXX
0149999999. Subtotal - Purchased Options - Hedging Other														XXX							XXX	XXX
0219999999. Subtotal - Purchased Options - Replications														XXX							XXX	XXX
0289999999. Subtotal - Purchased Options - Income Generation														XXX							XXX	XXX
0359999999. Subtotal - Purchased Options - Other														XXX							XXX	XXX
0369999999. Total Purchased Options - Call Options and Warrants										136,050	630,664		1,027,553	XXX	1,027,553	320,724				91,664	XXX	XXX
0379999999. Total Purchased Options - Put Options														XXX							XXX	XXX
0389999999. Total Purchased Options - Caps														XXX							XXX	XXX
0399999999. Total Purchased Options - Floors														XXX							XXX	XXX
0409999999. Total Purchased Options - Collars														XXX							XXX	XXX
0419999999. Total Purchased Options - Other														XXX							XXX	XXX
0429999999. Total Purchased Options										136,050	630,664		1,027,553	XXX	1,027,553	320,724				91,664	XXX	XXX
0499999999. Subtotal - Written Options - Hedging Effective														XXX							XXX	XXX
0569999999. Subtotal - Written Options - Hedging Other														XXX							XXX	XXX
0639999999. Subtotal - Written Options - Replications														XXX							XXX	XXX
0709999999. Subtotal - Written Options - Income Generation														XXX							XXX	XXX
0779999999. Subtotal - Written Options - Other														XXX							XXX	XXX
0789999999. Total Written Options - Call Options and Warrants														XXX							XXX	XXX
0799999999. Total Written Options - Put Options														XXX							XXX	XXX
0809999999. Total Written Options - Caps														XXX							XXX	XXX
0819999999. Total Written Options - Floors														XXX							XXX	XXX
0829999999. Total Written Options - Collars														XXX							XXX	XXX
0839999999. Total Written Options - Other														XXX							XXX	XXX
0849999999. Total Written Options														XXX							XXX	XXX
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	08/11/2016	09/21/2023		22,715,000	1.298				1,209,250		1,384,568	813,750				226,527	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	09/27/2016	11/15/2023		15,670,200	1.1193				411,600		330,967	795,200				159,204	N/a	0001

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule/ Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate or Index Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Un-discounted Premium (Received) Paid	12 Current Year Initial Cost of Un-discounted Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase/ (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amorti-zation)/ Accretion	20 Adjustment to Carrying Value of Hedged Item	21 Potential Exposure	22 Credit Quality of Refer-ence Entity	23 Hedge Effectiveness at Inception and at Quarter-end (b)
TO BUY USD SELL AUD	AUD	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	02/08/2016	02/18/2024		4,003,736	1.4154				178,511		(85,355)	169,443				41,939	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	10/05/2016	10/27/2024		13,437,600	1.1198				358,800		318,503	681,600				151,419	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	09/17/2014	11/12/2024		25,920,000	1.296				4,122,000		4,504,460	1,136,000				293,345	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	11/02/2016	11/16/2024		27,737,500	1.1095				490,000		236,413	1,420,000				314,250	N/a	0001
TO BUY USD SELL AUD	AUD	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	02/08/2016	02/18/2025		4,003,736	1.4154				178,511		(124,133)	169,443				46,484	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	02/26/2015	04/29/2025		20,026,500	1.5405				4,050,800		4,141,196	604,500				236,609	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	04/24/2015	05/27/2025		22,671,000	1.5114				4,237,500		4,167,624	697,500				269,687	N/a	0001
TO BUY USD SELL CHF	CHF	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	09/11/2015	10/08/2025		20,502,306	0.9755				456,207		1,466,686	295,640				251,674	N/a	0001
TO BUY USD SELL CAD	CAD	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	11/20/2015	12/15/2025		15,031,943	1.3305				(72,657)		182,382	(438,620)				187,354	N/a	0001
TO BUY USD SELL AUD	AUD	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	02/08/2016	02/18/2026		4,003,736	1.4154				178,511		(157,125)	169,443				50,611	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	04/13/2016	05/04/2026		16,926,000	1.1284				577,500		223,090	852,000				217,373	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	10/19/2016	11/10/2026		11,072,700	1.2303				12,600		(146,209)	418,500				147,706	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	10/07/2016	12/15/2026		4,966,000	1.2415				50,400		28,639	186,000				66,689	N/a	0001
TO BUY USD SELL DKK	DKK	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	11/08/2016	12/15/2026		24,948,025	6.734				425,401		(724,120)	1,278,312				335,031	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	10/07/2016	01/06/2027		7,449,000	1.2415				75,600		38,366	279,000				100,451	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	05/24/2016	01/31/2027		17,516,400	1.4597				2,769,600		2,585,282	558,000				237,321	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	11/01/2016	05/18/2027		14,670,000	1.2225				(76,800)		(386,305)	558,000				202,685	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	06/04/2015	06/25/2027		22,504,000	1.1252				706,000		(93,438)	1,136,000				313,035	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	02/16/2017	08/16/2027		19,984,000	1.249				321,600		905,189	744,000				280,528	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	05/24/2017	08/17/2027		20,151,000	1.1195				532,800		169,253	1,022,400				282,921	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	06/08/2017	09/13/2027		17,947,200	1.1217				508,800		227,711	908,800				253,159	N/a	0001
TO BUY USD SELL CAD	CAD	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	06/20/2017	09/20/2027		11,303,693	1.327				(24,757)		292,822	(328,965)				159,639	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	05/25/2016	07/20/2028		22,077,000	1.4718				3,643,500		3,387,305	697,500				327,659	N/a	0001
TO BUY USD SELL SEK	SEK	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	09/08/2016	10/26/2028		20,000,000	8.45				2,825,713		1,961,514	1,914,601				301,321	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	10/21/2016	11/21/2028		18,301,500	1.2201				(132,000)		(473,568)	697,500				276,811	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	11/18/2016	12/31/2028		21,190,000	1.0595				(608,000)		1,171,081	1,136,000				322,413	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	10/08/2014	12/20/2029		19,270,800	1.6059				4,524,000		5,006,226	558,000				308,184	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	11/01/2016	12/31/2029		16,665,823	1.223				558,707		135,855	633,656				266,917	N/a	0001
TO BUY USD SELL CAD	CAD	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	01/23/2018	10/23/2030		20,088,388	1.2445				1,207,639		1,866,517	(548,275)				334,205	N/a	0001

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule/ Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate or Index Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Un-discounted Premium (Received) Paid	12 Current Year Initial Cost of Un-discounted Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase/ (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amorti-zation)/ Accretion	20 Adjustment to Carrying Value of Hedged Item	21 Potential Exposure	22 Credit Quality of Refer-ence Entity	23 Hedge Effectiveness at Inception and at Quarter-end (b)
TO BUY USD SELL CAD	CAD	D PART 1	Currency	BANK OF AMERICA CU00019DJT3UXIJIZJI4WX 0774	11/08/2018	02/10/2023		6,863,418	1.3113				66,348		202,400	(197,379)				62,971	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	04/05/2017	12/07/2027		31,995,000	1.0665				(702,000)		(975,133)	1,704,000				457,869	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	06/07/2017	06/27/2027		22,530,000	1.1265				732,000		489,423	1,136,000				313,507	N/a	0001
TO BUY USD SELL NOK	NOK	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	06/29/2017	07/27/2027		29,157,989	8.4025				2,225,139		3,634,603	1,420,755				407,884	N/a	0001
TO BUY USD SELL AUD	AUD	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	06/22/2017	08/11/2027		22,644,000	1.32485				2,394,000		1,295,943	897,000				317,592	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	05/23/2017	08/23/2027		19,467,000	1.2978				1,033,500		1,614,331	697,500				273,604	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	01/25/2018	03/14/2030		18,577,000	1.429				2,601,300		3,832,882	604,500				300,412	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	09/18/2018	11/28/2033		19,746,000	1.3164				1,312,500		2,727,990	697,500				371,684	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	10/31/2018	01/31/2029		12,767,000	1.2767				478,000		1,251,930	465,000				195,143	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	11/15/2018	02/28/2028		38,367,000	1.2789				1,500,000		3,637,268	1,395,000				556,625	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	08/22/2017	09/07/2027		12,930,500	1.1755				941,600		786,425	624,800				182,206	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	02/26/2019	09/16/2031		13,164,000	1.3164				875,000		1,368,114	875,000				227,721	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	05/08/2019	05/22/2034		29,890,800	1.2996				1,626,100		2,559,174	1,626,100				572,080	N/a	0001
TO BUY USD SELL AUD	AUD	D PART 1	Currency	JPMorgan Chase Bank 7H6GLXDRUGQFU57RNE97	05/15/2019	07/01/2024		24,237,500	1.4440				612,500		743,891	612,500				264,293	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	06/29/2017	07/19/2024		17,136,000	1.1424				787,500		762,970	852,000				187,823	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	07/13/2017	08/16/2027		19,395,000	1.293				961,500		1,410,718	697,500				272,260	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	06/22/2017	08/16/2027		33,480,000	1.116				783,000		296,842	1,704,000				469,980	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	08/07/2018	04/16/2028		9,060,100	1.2943				457,800		770,566	325,500				132,466	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	07/27/2017	08/17/2029		45,885,000	1.311				2,873,500		4,299,021	1,627,500				721,419	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	09/13/2017	10/18/2032		25,013,100	1.1911				2,125,200		2,085,481	1,192,800				451,974	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	01/24/2018	02/26/2033		28,382,000	1.4191				3,804,000		6,017,388	930,000				519,847	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	10/27/2017	11/15/2032		27,497,400	1.3094				1,690,500		2,582,338	976,500				498,321	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	10/24/2018	01/24/2029		17,104,500	1.1403				756,000		1,434,447	852,000				261,173	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	02/15/2019	03/19/2031		23,094,000	1.283				973,800		1,988,740	973,800				391,134	N/a	0001
TO BUY USD SELL GBP	GBP	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	11/21/2018	01/15/2031		24,283,900	1.2781				934,800		2,420,251	883,500				408,182	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	03/28/2019	04/24/2029		39,270,000	1.122				1,123,500		2,015,808	1,123,500				607,499	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	04/05/2019	05/02/2029		16,836,000	1.1224				487,500		999,656	487,500				260,748	N/a	0001
TO BUY USD SELL AUD	AUD	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	04/23/2019	03/31/2042		57,738,233	1.4104				1,083,101		3,955,776	1,083,101				1,369,841	N/a	0001
TO BUY USD SELL AUD	AUD	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	05/23/2019	08/28/2029		20,027,400	1.4469				452,400		621,114	452,400				315,357	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	07/23/2019	09/05/2034		33,453,000	1.1151				756,000		1,530,899	756,000				646,571	N/a	0001
TO BUY USD SELL JPY	JPY	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	08/01/2019	08/22/2029		24,953,789	108.200				(26,611)		979,402	(26,611)				392,603	N/a	0001
TO BUY USD SELL EUR	EUR	D PART 1	Currency	Barclays G5GSEF7VJP5I7OUK5573	09/13/2017	10/18/2032		4,764,400	1.1911				404,800		397,234	227,200				86,090	N/a	0001
0899999999. Subtotal - Swaps - Hedging Effective - Other													69,821,613	XXX	90,279,289	46,891,394				19,460,030	XXX	XXX
0909999999. Subtotal - Swaps - Hedging Effective													69,821,613	XXX	90,279,289	46,891,394				19,460,030	XXX	XXX
0969999999. Subtotal - Swaps - Hedging Other														XXX							XXX	XXX
1029999999. Subtotal - Swaps - Replication														XXX							XXX	XXX
1089999999. Subtotal - Swaps - Income Generation														XXX							XXX	XXX
1149999999. Subtotal - Swaps - Other														XXX							XXX	XXX
1159999999. Total Swaps - Interest Rate														XXX							XXX	XXX
1169999999. Total Swaps - Credit Default														XXX							XXX	XXX
1179999999. Total Swaps - Foreign Exchange														XXX							XXX	XXX
1189999999. Total Swaps - Total Return														XXX							XXX	XXX
1199999999. Total Swaps - Other													69,821,613	XXX	90,279,289	46,891,394				19,460,030	XXX	XXX

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule/ Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate or Index Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Un-discounted Premium (Received) Paid	12 Current Year Initial Cost of Un-discounted Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase/ (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amorti-zation)/ Accretion	20 Adjustment to Carrying Value of Hedged Item	21 Potential Exposure	22 Credit Quality of Refer-ence Entity	23 Hedge Effectiveness at Inception and at Quarter-end (b)
1209999999. Total Swaps													69,821,613	XXX	90,279,289	46,891,394				19,460,030	XXX	XXX
1269999999. Subtotal - Forwards														XXX							XXX	XXX
1399999999. Subtotal - Hedging Effective										136,050	630,664		70,849,166	XXX	91,306,842	47,212,118				19,551,694	XXX	XXX
1409999999. Subtotal - Hedging Other														XXX							XXX	XXX
1419999999. Subtotal - Replication														XXX							XXX	XXX
1429999999. Subtotal - Income Generation														XXX							XXX	XXX
1439999999. Subtotal - Other														XXX							XXX	XXX
1449999999 - Totals										136,050	630,664		70,849,166	XXX	91,306,842	47,212,118				19,551,694	XXX	XXX

(a)

Code	Description of Hedged Risk(s)

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
0001	HEDGE CURRENCY RISK OF PRIVATE PLACEMENT BONDS
0002	DIVIDEND LIABILITY

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges 15	16	17	18	19	20	21	22
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expira-tion	Exchange	Trade Date	Transac-tion Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Quarter-end (b)	Value of One (1) Point
FAZ9	148	28,682,400	DEC 2019 S&P MID 400 MINI FUTURES	COMPANY PLAN HEDGE	LIABILITIES	Equity/Index	12/20/2019	CME LCZ7XYGSLJUHFXXNXD90	09/16/2019	1,965.9000	1,938.0000	196,840	196,840	(412,920)		(412,920)			1,139,600	99/99	100
RTYZ9	395	30,118,750	DEC 2019 RUSSELL 2000 EMINI FUTURES	COMPANY PLAN HEDGE	LIABILITIES	Equity/Index	12/20/2019	CME LCZ7XYGSLJUHFXXNXD90	09/16/2019	1,583.2000	1,525.0000	17,775	17,775	(1,149,450)		(1,149,450)			1,283,750	99/99	50
MFSZ9	281	26,672,520	DEC 2019 MINI MSCI EAFE INDEX FUTURES	COMPANY PLAN HEDGE	LIABILITIES	Equity/Index	12/20/2019	ICE T330E4AS4QXXS2TT7X50	09/16/2019	1,907.2000	1,898.4000	92,730	92,730	(123,640)		(123,640)			1,264,500	98/98	50
MESZ9	277	13,876,315	DEC 2019 MINI MSCI EMERG MKT FUTURES	COMPANY PLAN HEDGE	LIABILITIES	Equity/Index	12/20/2019	ICE T330E4AS4QXXS2TT7X50	09/16/2019	1,031.2000	1,001.9000	67,865	67,865	(405,805)		(405,805)			720,200	97/97	50
ESZ9	800	119,140,000	DEC 2019 S&P EMINI FUTURES	COMPANY PLAN HEDGE	LIABILITIES	Equity/Index	12/20/2019	CME LCZ7XYGSLJUHFXXNXD90	09/16/2019	3,008.6500	2,978.5000	588,000	588,000	(1,206,000)		(1,206,000)			5,040,000	98/98	50
1279999999. Subtotal - Long Futures - Hedging Effective												963,210	963,210	(3,297,815)		(3,297,815)			9,448,050	XXX	XXX
FVZ9	180	18,000,000	DEC 2019 CBT 5-YR T-NOTE	REPLICATION	SCH D1	Interest Rate	12/31/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	119.9140	119.1484	(8,437)	(8,437)				(137,811)	(137,811)	144,000	0002	1,000
TUZ9	110	22,000,000	DEC 2019 CBT 2-YR TNOTE	REPLICATION	SCH D1	Interest Rate	12/31/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	107.8945	107.7500	(3,438)	(3,438)				(31,797)	(31,797)	70,400	0002	2,000
USZ9	50	5,000,000	US LONG BOND FUTURES DEC 2019	REPLICATION	SCH D1	Interest Rate	12/19/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	164.7500	162.3125	(1,563)	(1,563)				(121,875)	(121,875)	150,000	0002	1,000
FVZ9	10	1,000,000	DEC 2019 CBT 5-YR T-NOTE	REPLICATION	SCH D1	Interest Rate	12/31/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	119.8984	119.1484	(469)	(469)				(7,500)	(7,500)	8,000	0002	1,000
USZ9	26	2,600,000	US LONG BOND FUTURES DEC 2019	REPLICATION	SCH D1	Interest Rate	12/19/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	164.7860	162.3125	(813)	(813)				(64,313)	(64,313)	78,000	0002	1,000
TUZ9	50	10,000,000	DEC 2019 US 2YR T-NOTE	REPLICATION	SCH D1	Interest Rate	12/31/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	108.0664	107.7500	(1,563)	(1,563)				(31,641)	(31,641)	32,000	0002	2,000
FVZ9	1,300	130,000,000	DEC 2019 CBT 5-YR TNOTE	REPLICATION	SCH D1	Interest Rate	12/31/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	119.8491	119.1484	(60,930)	(60,930)				(910,927)	(910,927)	1,040,000	0002	1,000
USZ9	50	5,000,000	US LONG BOND FUTURES DEC 2019	REPLICATION	SCH D1	Interest Rate	12/19/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	164.7500	162.3125	(1,563)	(1,563)				(121,875)	(121,875)	150,000	0002	1,000
UXYZ9	23	2,300,000	DEC 2019 ULTRA 10-YR T-NOTE	REPLICATION	SCH D1	Interest Rate	12/19/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	144.2656	142.4062	(719)	(719)				(42,766)	(42,766)	40,250	0002	1,000
TUZ9	20	4,000,000	DEC 2019 US 2YR T-NOTE	REPLICATION	SCH D1	Interest Rate	12/31/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	108.0742	107.7500	(625)	(625)				(12,969)	(12,969)	12,800	0002	2,000
FVZ9	190	19,000,000	DEC 2019 US 5YR T-NOTE	REPLICATION	SCH D1	Interest Rate	12/31/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	119.9140	119.1484	(8,905)	(8,905)				(145,467)	(145,467)	152,000	0002	1,000
1289999999. Subtotal - Long Futures - Hedging Other												(89,022)	(89,022)				(1,628,940)	(1,628,940)	1,877,450	XXX	XXX
1329999999. Subtotal - Long Futures												874,188	874,188	(3,297,815)		(3,297,815)	(1,628,940)	(1,628,940)	11,325,500	XXX	XXX
FVZ9	33	3,931,899	DEC 2019 CBT 5-YR NOTE	FUNDING AGREEMENT	SCH D1	Interest Rate	12/31/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	119.9040	119.1484	1,547	1,547				24,936	24,936	26,400	0002	1,000
1339999999. Subtotal - Short Futures - Hedging Effective												1,547	1,547				24,936	24,936	26,400	XXX	XXX
USZ9	20	3,246,250	US TREASURY BOND - CBT	ASSET HEDGE	SCH D1	Interest Rate	12/19/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	164.7500	162.3125	625	625				48,750	48,750	60,000	0002	1,000
WNZ9	8	1,535,250	DEC 2019 US ULTRA BOND	ASSET HEDGE	SCH D1	Interest Rate	12/19/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	195.8203	191.9062	(500)	(500)				31,313	31,313	38,400	0002	1,000
WNZ9	25	4,797,656	DEC 2019 US ULTRA BOND	ASSET HEDGE	SCH D1	Interest Rate	12/19/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	195.8203	191.9062	(1,563)	(1,563)				97,852	97,852	120,000	0002	1,000
UXYZ9	20	2,848,125	DEC 2019 US 10YR T-NOTE	ASSET HEDGE	SCH D1	Interest Rate	12/19/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	144.2656	142.4062	625	625				37,188	37,188	35,000	0002	1,000
UXYZ9	60	8,544,375	DEC 2019 US 10YR T-NOTE	ASSET HEDGE	SCH D1	Interest Rate	12/19/2019	CBT LCZ7XYGSLJUHFXXNXD88	08/26/2019	144.2656	142.4062	1,875	1,875				111,563	111,563	105,000	0002	1,000
1349999999. Subtotal - Short Futures - Hedging Other												1,063	1,063				326,664	326,664	358,400	XXX	XXX
1389999999. Subtotal - Short Futures												2,609	2,609				351,600	351,600	384,800	XXX	XXX
1399999999. Subtotal - Hedging Effective												964,757	964,757	(3,297,815)		(3,297,815)	24,936	24,936	9,474,450	XXX	XXX
1409999999. Subtotal - Hedging Other												(87,960)	(87,960)				(1,302,276)	(1,302,276)	2,235,850	XXX	XXX
1419999999. Subtotal - Replication																				XXX	XXX
1429999999. Subtotal - Income Generation																				XXX	XXX

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges 15	16	17	18	19	20	21	22
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expira-tion	Exchange	Trade Date	Transac-tion Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Quarter-end (b)	Value of One (1) Point
1439999999. Subtotal - Other																				XXX	XXX
1449999999 - Totals												876,797	876,797	(3,297,815)		(3,297,815)	(1,277,340)	(1,277,340)	11,710,300	XXX	XXX

Broker Name	Beginning Cash Balance	Cumulative Cash Change	Ending Cash Balance
Goldman Sachs	1,012,437	614,417	1,626,854
Wells Fargo	11,592,871	(510,859)	11,082,012
Total Net Cash Deposits	12,605,308	103,559	12,708,866

(a)

Code	Description of Hedged Risk(s)
0001	HEDGE EQUITY MARKET RISK
0002	HEDGE INTEREST RATE RISK

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1		2	3	4	Book/Adjusted Carrying Value			Fair Value			11	12
Description of Exchange, Counterparty or Central Clearinghouse		Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	5 Contracts With Book/Adjusted Carrying Value >0	6 Contracts With Book/Adjusted Carrying Value <0	7 Exposure Net of Collateral	8 Contracts With Fair Value >0	9 Contracts With Fair Value <0	10 Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
0199999999 - Aggregate Sum of Exchange Traded Derivatives		XXX	XXX	XXX	12,708,866		12,708,866	12,708,866		12,708,866	11,710,300	11,710,300
BANK OF AMERICA	CU00019DJT3UXIJIZJI4WXO774	Y	Y	31,510,000	34,703,898	(914,214)	2,279,684	34,934,048	(2,190,252)	1,233,796	7,026,122	7,026,122
Barclays	G5GSEF7VJP5I7OUK5573	Y	Y	32,680,000	20,454,901	(26,611)		34,568,651		1,888,651	7,993,290	7,993,290
GOLDMAN SACHS	LCZ7XYGSLJHFXXNDX90	Y	Y	1,050,000	1,108,740	(42,701)	16,039	1,027,553			91,664	91,664
JPMorgan Chase Bank	7H6GLXDRUGQFU57RNE97	Y	Y	22,460,000	16,305,639	(702,000)		23,941,976	(975,133)	506,843	4,440,618	4,440,618
0299999999. Total NAIC 1 Designation				87,700,000	72,573,178	(1,685,526)	2,295,723	94,472,228	(3,165,385)	3,629,290	19,551,694	19,551,694
0899999999. Aggregate Sum of Central Clearinghouses (Excluding Exchange Traded)												
0999999999 - Gross Totals				87,700,000	85,282,044	(1,685,526)	15,004,589	107,181,094	(3,165,385)	16,338,156	31,261,994	31,261,994
1. Offset per SSAP No. 64					12,708,866							
2. Net after right of offset per SSAP No. 64					72,573,178	(1,685,526)						

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged by Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse		2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
GOLDMAN SACHS & CO	FOR8UP27PHTHYVLBNG30	Treasury	912828-C5-7	US TREASURY	1,712,551	1,700,000	1,699,432	03/31/2021	I
WELLS FARGO	KB1H1DSPRFMYMCUFXT09	Treasury	912828-C5-7	US TREASURY	11,081,211	11,000,000	10,996,327	03/31/2021	I
0199999999 - Total					12,793,762	12,700,000	12,695,760	XXX	XXX

Collateral Pledged to Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse		2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
0299999999 - Total							XXX	XXX	XXX

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date
(Securities lending collateral assets reported in aggregate on Line 10 of the Assets page and not included on Schedules A, B, BA, D, DB and E)

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation and Administrative Symbol/ Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Date
0599999. Total - U.S. Government Bonds						XXX
1099999. Total - All Other Government Bonds						XXX
1799999. Total - U.S. States, Territories and Possessions Bonds						XXX
2499999. Total - U.S. Political Subdivisions Bonds						XXX
3199999. Total - U.S. Special Revenues Bonds						XXX
3899999. Total - Industrial and Miscellaneous (Unaffiliated) Bonds						XXX
4899999. Total - Hybrid Securities						XXX
5599999. Total - Parent, Subsidiaries and Affiliates Bonds						XXX
6099999. Subtotal - SVO Identified Funds						XXX
6399999. Subtotal - Bank Loans						XXX
6499999. Total - Issuer Obligations						XXX
6599999. Total - Residential Mortgage-Backed Securities						XXX
6699999. Total - Commercial Mortgage-Backed Securities						XXX
6799999. Total - Other Loan-Backed and Structured Securities						XXX
6899999. Total - SVO Identified Funds						XXX
6999999. Total - Bank Loans						XXX
7099999. Total Bonds						XXX
7399999. Total - Preferred Stocks						XXX
7799999. Total - Common Stocks						XXX
7899999. Total - Preferred and Common Stocks						XXX
9999999 - Totals						XXX

General Interrogatories:

1. Total activity for the year Fair Value $ .... Book/Adjusted Carrying Value $ ....
2. Average balance for the year Fair Value $ .... Book/Adjusted Carrying Value $ ....
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1 $ .... NAIC 2 $ .... NAIC 3 $ .... NAIC 4 $ .... NAIC 5 $ .... NAIC 6 $ ....

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

(Securities lending collateral assets included on Schedules A, B, BA, D, DB and E and not reported in aggregate on Line 10 of the Assets page)

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation and Administrative Symbol/ Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Date
0599999. Total - U.S. Government Bonds						XXX
1099999. Total - All Other Government Bonds						XXX
1799999. Total - U.S. States, Territories and Possessions Bonds						XXX
2499999. Total - U.S. Political Subdivisions Bonds						XXX
3199999. Total - U.S. Special Revenues Bonds						XXX
3899999. Total - Industrial and Miscellaneous (Unaffiliated) Bonds						XXX
4899999. Total - Hybrid Securities						XXX
5599999. Total - Parent, Subsidiaries and Affiliates Bonds						XXX
6099999. Subtotal - SVO Identified Funds						XXX
6399999. Subtotal - Bank Loans						XXX
6499999. Total - Issuer Obligations						XXX
6599999. Total - Residential Mortgage-Backed Securities						XXX
6699999. Total - Commercial Mortgage-Backed Securities						XXX
6799999. Total - Other Loan-Backed and Structured Securities						XXX
6899999. Total - SVO Identified Funds						XXX
6999999. Total - Bank Loans						XXX
7099999. Total Bonds						XXX
7399999. Total - Preferred Stocks						XXX
7799999. Total - Common Stocks						XXX
7899999. Total - Preferred and Common Stocks						XXX
9999999 - Totals						XXX

General Interrogatories:

1. Total activity for the year Fair Value $ .... Book/Adjusted Carrying Value $ ....
2. Average balance for the year Fair Value $ .... Book/Adjusted Carrying Value $ ....

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
JP Morgan Chase	New York, NY		1.670	241,833		4,797,847	(44,259,937)	17,531,228	XXX
Bank of America	New York, NY					(117,647,751)	(127,609,130)	(131,314,300)	XXX
PNC	Pittsburgh, PA					41,218,763	38,000,307	57,696,218	XXX
Wells Fargo	San Francisco, CA					(1,103,615)	(1,269,985)	(1,252,432)	XXX
Bank of NY Mellon	Pittsburgh, PA					(25,148)	160,127	86,619	XXX
Cash Other						576	492	492	XXX
0199998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories		XXX	XXX						XXX
0199999. Totals - Open Depositories		XXX	XXX	241,833		(72,759,328)	(134,978,127)	(57,252,174)	XXX
0299998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories		XXX	XXX						XXX
0299999. Totals - Suspended Depositories		XXX	XXX						XXX
0399999. Total Cash on Deposit		XXX	XXX	241,833		(72,759,328)	(134,978,127)	(57,252,174)	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	XXX				XXX
0599999. Total - Cash		XXX	XXX	241,833		(72,759,328)	(134,978,127)	(57,252,174)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Amount Received During Year
	TREASURY BILL T-BILL		09/23/2019	1.797	10/03/2019	80,991,913		32,347
	TREASURY BILL T-BILL		09/10/2019	1.985	10/01/2019	40,000,000		46,317
	TREASURY BILL T-BILL		09/10/2019	2.000	10/08/2019	37,485,417		43,750
	TREASURY BILL T-BILL		09/27/2019	1.739	10/15/2019	395,196,482		277,947
	TREASURY BILL T-BILL		09/25/2019	1.785	10/29/2019	9,986,117		2,975
0199999. Subtotal - Bonds - U.S. Governments - Issuer Obligations						563,659,929		403,336
0599999. Total - U.S. Government Bonds						563,659,929		403,336
1099999. Total - All Other Government Bonds								
1799999. Total - U.S. States, Territories and Possessions Bonds								
2499999. Total - U.S. Political Subdivisions Bonds								
	FHLB DISC CORP AGENCY DEBENTURES		09/30/2019	1.500	10/01/2019	258,500,000		10,771
	FHLB DISC CORP AGENCY DEBENTURES		09/25/2019	1.800	10/03/2019	112,988,144		67,233
	FHLB DISC CORP AGENCY DEBENTURES		09/30/2019	1.650	10/16/2019	149,896,875		6,875
2599999. Subtotal - Bonds - U.S. Special Revenues - Issuer Obligations						521,385,019		84,879
3199999. Total - U.S. Special Revenues Bonds						521,385,019		84,879
	BANK OF NEW YORK MELLON		09/30/2019	1.900	10/01/2019	50,000,000		
	CARGILL GLOBAL FUND		09/19/2019	2.000	10/03/2019	49,994,444		
	EXXON MOBIL CORP		09/19/2019	2.040	10/07/2019	43,985,040		
	HOME DEPOT INC		09/30/2019	1.850	10/01/2019	28,000,000		
	HOME DEPOT INC		09/26/2019	1.850	10/03/2019	49,994,861		
	TOYOTA MOTOR CREDIT CORP		08/27/2019	2.060	10/31/2019	49,912,826		
	UNILEVER CAPITAL CORP		09/19/2019	2.070	10/01/2019	50,000,000		
3299999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						321,887,171		
3899999. Total - Industrial and Miscellaneous (Unaffiliated) Bonds						321,887,171		
4899999. Total - Hybrid Securities								
5599999. Total - Parent, Subsidiaries and Affiliates Bonds								
6099999. Subtotal - SVO Identified Funds								
6599999. Subtotal - Bank Loans								
7799999. Total - Issuer Obligations						1,406,932,119		488,215
7899999. Total - Residential Mortgage-Backed Securities								
7999999. Total - Commercial Mortgage-Backed Securities								
8099999. Total - Other Loan-Backed and Structured Securities								
8199999. Total - SVO Identified Funds								
8299999. Total - Bank Loans								
8399999. Total Bonds						1,406,932,119		488,215
8899999 - Total Cash Equivalents						1,406,932,119		488,215

The Guardian Life Insurance Company of America