



About Face

Pension risk doesn't have to be a mystery. Usually pension risk is viewed through the eyes of asset risk. Liability Driven Investing brought views to the more relevant side of the balance sheet. Given that the liability is reflected on the business balance sheet, something happened.

It's Not About Assets

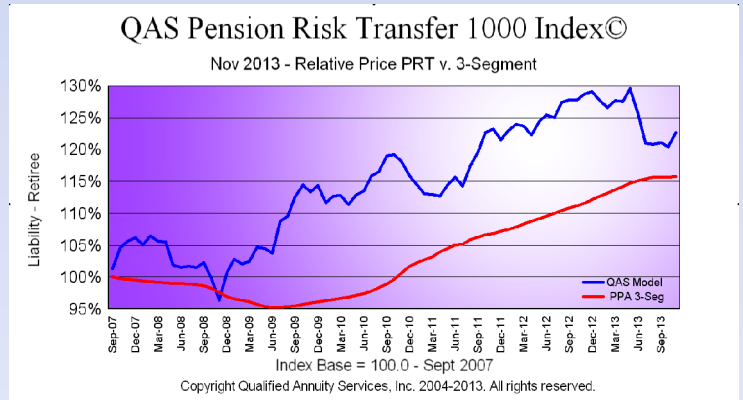
No business really wishes to have lots of debt, especially debt that has to be amortized with cash every month.

Risk Is About Cash Flow

Pensioners must be paid - each and every month. As the economy recovers, equity returns are reaching new highs. In the last 12 years, there were two instances in which assets exceeded liabilities in DB plans. As plans approach fully funded status the question is:

Will History Repeat Itself?

As Pension Risk Transfer ("PRT") gains visibility and equity markets firm, perhaps risk mitigation will have new meaning. With relevant research, PRT may become mainstream to DB finance.



Market Comment: *Not Quite Yet*

The PPA 3-Segment rates appear to have leveled off. Don't be deceived. The 24-month averaging is still at work here. Our forward view sees still lower rates for PPA 3-Segment based the interrupted ascent earlier this year. Look for PRT to become more attractive as businesses borrow and investors turn to equities.

PRT Advisory Services

Our PRT Advice results from more than 30 years of experience. This evokes strong discipline to our practice. We can meet the demands for sound ERISA governance to implement our PRT strategies. Now is time to engage QAS as your PRT Advisor.

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Get Informed. Think Strategic. Act Tactical.

For information contact Don Cunningham (513-772-4488) or Joe Cleary (201-447-3900) or QAS.

Date	Immediate Life Annuity	Deferred Life Annuity
September 1, 2013	3.70%	4.37%
October 1, 2013	3.53%	4.20%
November 1, 2013	3.20%	4.03%