



Opportunity Redux

Equity returns are lifting pension funded status. It appears that Ben has convinced many that its time for "risk on". In the Defined Benefit plan landscape that may mean something entirely different in 2014.

Pension Risk Transfer Makes Sense

It's about risk - relative to embedded debt. And DB plan debt can be retired - just like other forms of debt. This reduces leverage to the business balance sheet. And 2014 will see a significant up tick in Pension Risk Transfer ("PRT") deal flow.

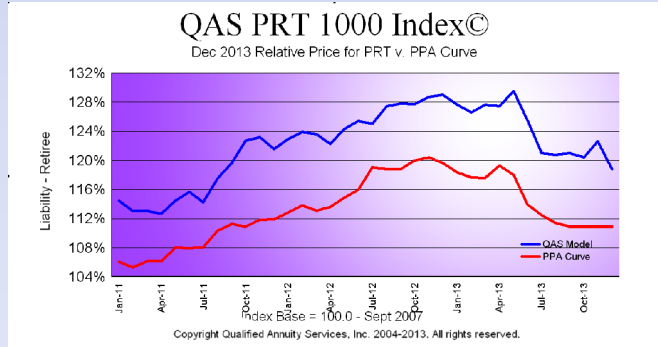
Two Sides of the Sword

As rates were driven to record lows, DB plan debt soared. Now rates are rising - and have been doing so as the Fed begins to taper. And now, DB debt is shrinking. Rising rates are a friend to DB finance. It may be time to lighten LDI bond allocations or time to swap those bond holdings for a PRT transfer.

Tactical Opportunity

We were the first to take a view that PRT is a tactical decision. PRT can do something that bonds cannot:

Eliminate Risk



Market Comment: Soon...

The PRT Curve has narrowed against the PPA Curve. We expect spreads to increase during 2014. We also think that the "new normal" of Fed tapering will result in higher debt cost. This is a prelude to a rate increase. Not to be outdone, the smart money has already moved from bonds to equities. But there is plenty of gas left in the tank.

QAS as Independent ERISA Fiduciary

Our PRT Advice is time tested. Our Independent ERISA Fiduciary services have evolved as a discipline. This discipline has been honed through the most financially stressful periods in recent years. The demand for sound ERISA governance begins and ends with one word: **experience**.

Learn more about QAS's Independent ERISA Fiduciary services here:

http://qualifiedannuity.com/services_fs.html

Call now to get more information on custom PRT index modeling capabilities.

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
October 1, 2013	3.53%	4.20%
November 1, 2013	3.20%	4.03%
December 1, 2013	3.37%	3.87%