

April 1, 2016

Vol. XVI, No. 4

## Balancing Act

Pension Risk Transfer (“PRT”) could use a push. Rates are extraordinarily low. Market returns are volatile. The pace of recovery seems headed to better footing. A return to historical interest rate levels would be good news. It may also take more time.

### Where Are We Headed?

Don’t have an answer. But darn good question. Returns from basic sectors have recovered from January - February malaise. Macro world stuff matters and continues unsettled politically and economically.

### Is PRT The Confluence Of Risk?

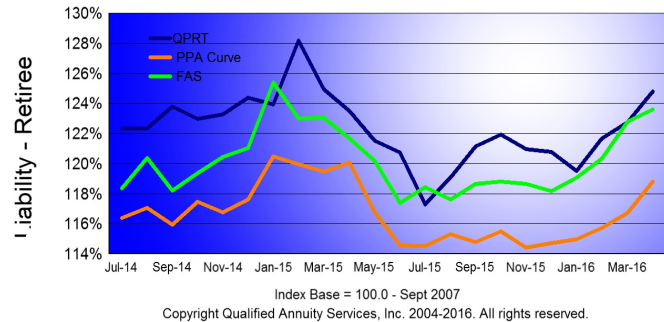
Market recovery has been dramatic. Buying market lows at the worst time is a good idea. But confidence waned. Not everyone jumped back in the pool. As safety bets in bonds grow, interest rate risk increases. PRT mitigates risks and costs, but price and timing (just like the market) is everything.

### Market Disruption Is Here

In the past, PRT supply far outstripped demand. That law of economics has been rewritten. Favor? Demand.

## QAS Pension Risk Transfer 1000 Index©

Apr 2016 - Relative Price PRT v. PPA Curve - FAS



## Strategy

Bond prices are headed in the wrong direction as risk bets evaporate. De-risking requires tactical thinking, preparation and full attention. Embedded plan design features impact pricing and availability - even for retiree only programs.

### What Should Plan Sponsors Do?

Retaining QAS as PRT advisor makes sense. Having critical thinking during a glide path helps craft realistic expectations. As PRT advisor, QAS delivers dynamic pricing and thinking that must synchronize with investing, budgeting in a market void of price.

### As the rules of risk change, QAS adds value for its clients.

Request more about QAS here:

<http://qualifiedannuity.com/contact.html>

**Learn More About Custom PRT Modeling and Glide Path Capabilities.**

**Get Informed. Think Strategic. Act Tactical.**

Ron McHugh, FSA MAAA CFA (508)733-8591 Don Cunningham (513)772-4488 Joe Cleary (201)447-3900

Date	Immediate	Deferred
March 1, 2016	2.58%	3.40%
April 1, 2016	2.53%	3.26%

© Copyright 2001-2016 Qualified Annuity Services, Inc.

The information contained in this document and attachments is Confidential.

Any unauthorized reproduction of this information without the consent of QAS is strictly prohibited.