



December 1, 2016

Vol. XVI, No. 12

### ***PRT Phoenix Rising***

No question. The bull bond market has died. If it were to rise again, it would be as a result of disruptive forces far greater than the Great Recession. Q. Where do we go when we go below zero? A. Unknown.

### ***Will the "Trump Effect" remain?***

The rate reversal is both swift and real. As a result, plans executing PRT by year end may enjoy a windfall. However, those remaining in LDI will only watch what could have been.

Such is the peril of LDI in a rising rate market.

### ***PRT Rising***

In 2017, a trend for fiscal stimulus will be met by borrowing. Borrowing will increase the cost of debt. Debt will finance further economic activity in an economy that is near full employment (some still on the sideline).

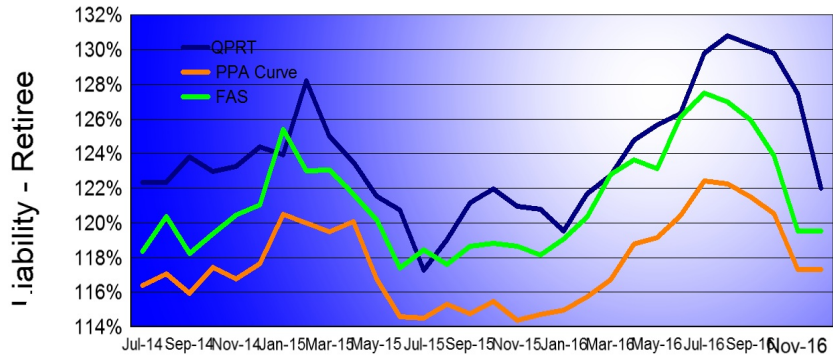
### ***Next Step: Rising Wages and Prices***

Mixed with the Fed rate hike, we give you:

### ***PRT Phoenix Rising***

## **QAS Pension Risk Transfer 1000 Index©**

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



Index Base = 100.0 - Sept 2007

Copyright Qualified Annuity Services, Inc. 2004-2016. All rights reserved.

### **Rates**

The dramatic shift is evidenced below. The follow through will continue to year end with the World Bank settlements including China Yuan for the first time. All of this allow the PRT Phoenix to take flight.

<b>PRT Trax Index</b>	
12 mo Hi-Lo %	+/- 9.4%
YTD % Δ	+ 2.1%
3 mos % Δ	- 6.4%
1 mo % Δ	- 4.2%

***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 Joe Cleary (201)447-3900

<b>Date</b>	<b>Immediate</b>	<b>Deferred</b>
November 1, 2016	2.41%	2.90%
December 1, 2016	2.88%	3.35%