



January 1, 2017

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Hibernation Not an Option

If the New Year is any indication, developing an active glide path strategy is more critical than ever before. While some DB plans may opt to remain in LDI, the hibernation approach is not a good option.

Why?

Unknowns, or risks, have increased dramatically.

What's the Impact?

Rate trends may have reversed. However, the march to higher rates will still be met with some gut wrenching fits and starts. The benefit of PRT is known: *a risk transfer option that costs nothing until exercised*. Remember that cash itself has risks. The question is:

What's the PRT Price?

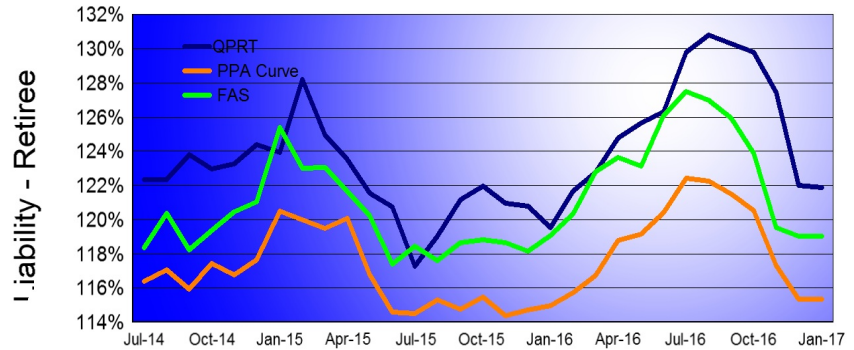
And if you can't answer that question:

Get PRT Advice

While many plans want to terminate, the idea of building a war chest may not be the best approach. Key implementation steps must be taken to assure preparation and planning for the correct strategy for each plan sponsor. This includes understanding PRT from a

QAS Pension Risk Transfer 1000 Index©

Jan 2017 - Relative Price PRT v. PPA Curve - FAS



Index Base = 100.0 - Sept 2007

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tactical perspective. No implementation should occur without a full vetting of the potential ultimate cost. That is where advice can pay big dividends.

Rates

The trend has changed. But the path is very rocky and the climb steep.

PRT Trax Index	
12 mo Hi-Lo %	+/- 7.4%
YTD % Δ	- 0.7%
3 mos % Δ	- 6.3%
1 mo % Δ	- 0.7%

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

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Learn More About Custom PRT Modeling and Glide Path Capabilities.

Get Informed. Think Strategic. Act Tactical.

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Date	Immediate	Deferred
December 1, 2016	2.88%	3.35%
January 1, 2017	3.00%	3.53%