



July 1, 2017

Vol. XVII, No. 7

Tactical PRT Advice

PRT markets are driven by rates and risks. They are also driven by opportunity as providers invest differently. This drives volatility in PRT pricing. Interest rates are accommodative as in the past. However, preparation and planning are absolute necessities to implement PRT de-risking with favorable outcomes.

What's The Point?

Opportunistic pricing is sometimes available from PRT providers. Tactical PRT advice is needed to prepare plan sponsors to act with confidence based upon pre defined metrics that solve their needs.

What's The Impact?

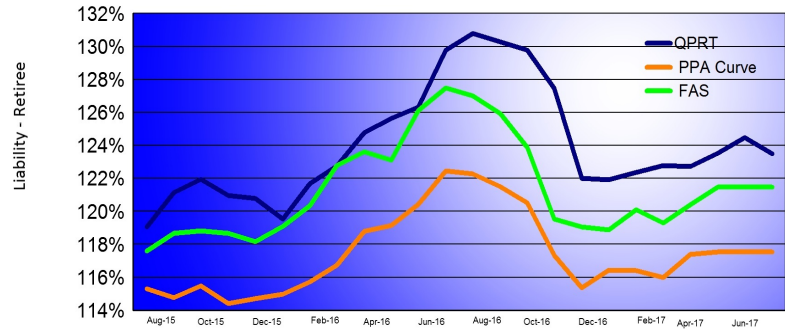
Plans must be thoroughly reviewed and risks fully understood before going to market. Plan amendments may be needed as a first step. Otherwise plans may face obstacles at just the wrong time: when distributing plan benefits.

What Should Plan Sponsors Do?

Plan sponsors need advice from sources capable of implementing a tactical approach. PRT advice sits side by side with other team disciplines to meet plan sponsor goals. Independent and transparent advice is key to implementing a successful tactical solution.

QAS Pension Risk Transfer 1000 Index©

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



Index Base = 100.0 - Sept 2007

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Rates

Rates rose by 10 basis points for retirees during July nudging PRT prices a bit lower. However, 12-month volatility has dampened somewhat from 12.5% to 7.3% illustrating a somewhat narrower range of movement. The upward trend in rates has stalled. Tactical strategy remains key to opportunity.

PRT Trax Index +/-	
12 mo Hi-Lo %	+/- 7.3%
YTD % Δ	+ 1.2%
3 mos % Δ	+ 0.6%
1 mo % Δ	- 0.8%

***As the rules of risk change,
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Get Informed. Think Strategic. Act Tactical.

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Date	Immediate	Deferred
June 1, 2017	2.68%	3.11%
July 1, 2017	2.78%	3.19%

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