



August 1, 2017

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About Risk

When a business establishes a defined benefit plan, the primary purpose is to provide for a retirement income for employees. Interestingly, there are paternalistic reasons. Management often views a need to provide a safety net for workers upon retirement. With this in hand, workers feel somewhat comfortable about retirement.

What's The Point?

As DB plans mature, work force shifts and changes cause unexpected disruptions for participants in some businesses. Faced with these challenges, the DB plan still exists to provide a baseline income upon retirement.

What's The Impact?

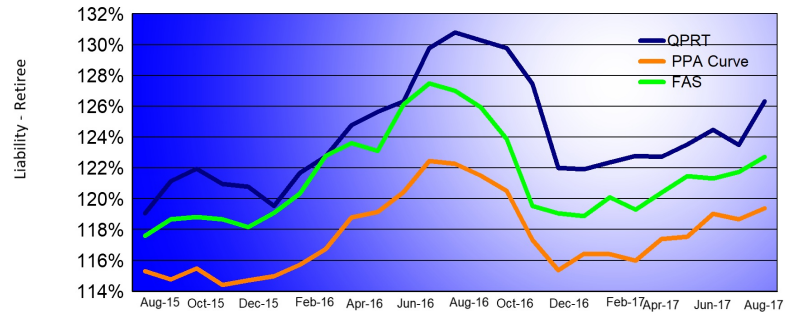
Workers are generally aware that DB plans have risks. And when things go awry, there are concerns. Plan sponsors face investment and regulatory risks within DB plans.

What Should Plan Sponsors Do?

Plan sponsors need to take charge of organic pension risk by exploring ways to mitigate such risks, including outright transfer. The goal remains: preserve pension security with a replacement income at retirement.

QAS Pension Risk Transfer 1000 Index©

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



Index Base = 100.0 - Sept 2007

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Rates

Rates fell in August reflecting overall decline and also by adjustments in data received from some providers. Resulting PRT pricing rose as the market contemplates Fed moves to raise rates. Volatility remains tight at 7.4% as the trend reversed. Tactical strategy continues to exhibit opportunity in a touchy market.

PRT Trax Index +/-	
12 mo Hi-Lo %	+/- 7.4%
YTD % Δ	+ 4.7%
3 mos % Δ	+ 1.7%
1 mo % Δ	+ 1.8%

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

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Date	Immediate	Deferred
July 1, 2017	2.78%	3.19%
August 1, 2017	2.67%	3.02%

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