

### *PRT Volumes Finishing High*

November purchase rates were down. The immediate annuity rate fell 7 basis points to 1.96% from 2.03%, and deferred purchase rates fell 6 basis points to 2.13% from 2.19%. The highest immediate annuity rate was up 5 basis points to 2.53%, while the highest deferred rate was unchanged at 2.50%. Increasing treasury rates were again the main driver.

At the end of November, US Treasury bond yields were down from the end of October. The Ten Year treasury yield fell from 1.55% to 1.43%, a 12 basis point drop and the Thirty Year treasury yield fell from 1.93% to 1.78%, a 15 basis point decline. The month end November ICE BofA BBB US Corp Index Option Adjusted Spread increased to 1.26% from October at 1.10%.

US and Foreign equity markets advanced in October. The S&P 500 notched down 0.80% in November while aggregate foreign markets MSCI were down 2.10%. Year-to-date the S&P was up 22.4% while foreign markets measured by MSCI were up 15.9%. As of December 10, the S&P 500 is up 1.2%.

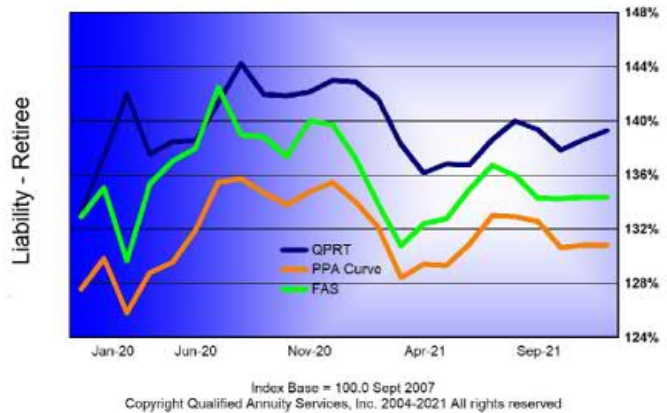
Omicron was identified as a highly contagious variant of COVID 19. However, those vaccinated seem to be less affected by it. The markets sold off, then recovered. Pharma companies seem to be confident in their remedies. New York placed stricter rules on businesses. The CME FedWatch Tool futures are predicting a greater than 98% chance of at least one 25 basis point move in the Fed Funds rate before the end of next year.

#### Seasonal Year End PRT Crunch

PRT volumes may surpass previous years in 2021. De-risking is gaining momentum. New providers are still coming to market. If the Fed tapers sooner, it should be positive for PRT pricing. Higher inflation is a touchy subject. This supply/demand imbalance has its roots in the pandemic. Fed action may be effective. However, consumers can adjust by looking for alternatives. Instead of a \$40 bottle of wine, live with a quality \$10 selection. In PRT, tactical settlements make more sense than other long term solutions. Early and ongoing advice is most

### QAS Pension Risk Transfer 1000 Index©

Jan 2020 to Dec 2021 Relative Price PRT v. PPA Curve - FAS



critical to successful outcomes. Transacting according to pre determined financial objectives can be tricky. QAS's Advice role creates open dialogue about price discovery and strategic thinking. QAS provides dynamic monitoring of PRT settlement cost. Consider engaging QAS as your PRT Advisor.

#### Rates

Since the end of November, the 10 year yield increased another 5 basis points to 1.49%, while the 30 year yield has increased 1 basis point to 1.98%. The 2 year treasury is up 20 basis points to 0.48% from September 30. The ICE BofA BBB US Corp Index Option Adjusted Spread has barely moved 2 basis points since the end of October. Stay healthy.

PRT Trax Index +/-	
12 mo Hi-Lo %	+/- 5.00%
YTD % Δ	- 2.60%
3 mos % Δ	- 0.10%
1 mo % Δ	+ 0.50%

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Date	Immediate	+/-	High	+/-	Deferred	+/-	High	+/-
December	1.96%	-0.07%	2.53%	+0.05%	2.13%	-0.06%	2.50%	+0.00%