

### Rates Breach June 2019 Previous Highs

March purchase rates made another big move up. The immediate annuity rate rose 23 basis points to 2.60% from 2.37%, and deferred purchase rates rose 35 basis points to 2.85% from 2.50%. The highest immediate annuity rate was up 40 basis points to 3.33%, while the highest deferred rate rose 39 basis points to 3.23%. Treasury rates continued their Fed driven advance despite the macros.

At the end of February, US Treasury bond yields were up from the end of January. The Ten Year treasury yield rose from 1.79% to 1.83%, a 4 basis point move and the Thirty Year treasury yield rose from 2.11% to 2.17%, a 6 basis point increase. The ICE BofA BBB US Corp Index Option Adjusted Spread advanced from 134 to 160, a 26 basis point increase at February month end.

US and Foreign equity markets declined in February. The S&P 500 declined 7.20% while aggregate foreign markets MSCI were down 6.6%.

A new Omicron variant takes a back seat to the Russian threat to Ukraine's sovereignty. The Fed's efforts to quench inflation have begun, tempered by Global posturing on Ukraine.

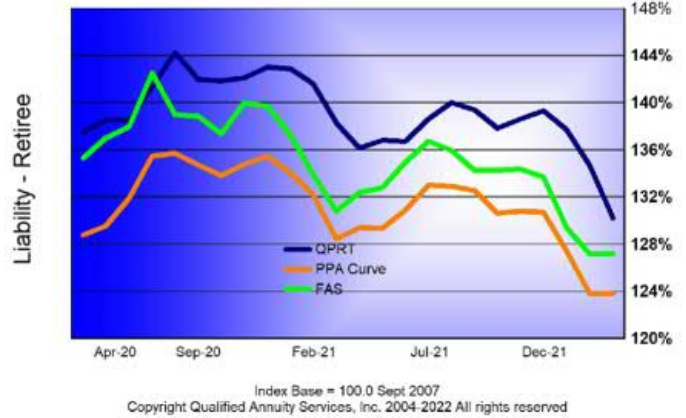
**What You Want To Know About PRT Rate Impact**  
Macro economic events have opened another chapter as the world of risk becomes a war on three fronts. It's playing out at a time when the Fed's previous actions stoked the flow of funds to keep functional liquidity afloat. This is quite an intricate task. The PRT Risk Vortex is underway (use the link below to read the January Newsletter). The ICE BofA BBB US Corp Index Option Adjusted Spread Index rose to 185 basis points on March 15, 2022. PRT prices fell by 6.5% from January 1 to March 1, 2022 breaching the previous highs in June 2019.

#### What's Your Concern?

Any plan considering settlements or termination annuity placements is exposed to more risk if driven by a calendar dependent PRT event. This most often occurs in a plan termination. In just eight weeks, PRT prices have fallen by 6.5%. However, if the plan is invested in duration matching, then the deficit margin, if any, is likely to remain

### QAS Pension Risk Transfer 1000 Index©

Apr 2020 to Mar 2022 Relative Price PRT v. PPA Curve - FAS



intact. Translation: price becomes irrelevant. You just have to be prepared to pay the market price.

This is why QAS specializes in the "What, When, Where and How?" de-risking solutions. Tactical thinking and strategy is more art than science. At QAS, PRT Advice Matters Most. Consider engaging QAS as your PRT Advisor where best outcomes is our mission.

#### PRT Advice Driven by Best Outcomes Rates

The 10 year yield ended at 1.83% in February and stood at 2.14% for a 31 basis point as of March 18. The 30 year yield increased 25 basis points from February month end to 2.42% on March 18. The ICE BofA BBB US Corp Index Option Adjusted Spread rose 26 basis points to 160 at February month end. Stay healthy.

PRT Trax Index +/-	
12 mo Hi-Lo %	+/- 7.50%
YTD % Δ	- 6.50%
3 mos % Δ	- 6.50%
1 mo % Δ	- 3.30%

As the rules of risk change, QAS adds value for its clients. Read more or subscribe here:

<https://www.qualifiedannuity.com/monthly-newsletters/>

#### Where PRT Advice Matters Most

Ron McHugh, FSA MAAA CFA Advisor (508)733-8591 # Joe Cleary Relationship Manager (201)447-3900

Date	Immediate	+/-	High	+/-	Deferred	+/-	High	+/-
March	2.60%	0.23%	3.33%	0.40%	2.85%	0.35%	3.23%	0.39%