

Create Gems from Stones

Annuity interest rates continued higher in October. The immediate annuity rate advanced 46 basis points to 5.17% from 4.71%, and deferred interest rates rose 42 basis points to 5.17% from 4.75%. The highest immediate annuity rate rose 8 basis points to 5.48% and the highest deferred rate rose 32 basis points to 5.45%.

Treasury rates continued their volatility as the 10 Year rose from a low of 3.69% to a high of 4.22% during October. The 30 Year treasury yield ranged from 3.86% to 4.33%, a 47 basis point swing. The ICE BofA BBB US Corp Index Option Adjusted Spread peaked at 210 basis points on October 13, 2022 with a low of 196 basis points on October 6, 2022.

US and Foreign equity markets rose in October. The S&P 500 gained 8.0% and aggregate MSCI World markets climbed 7.1%. The Fed allowed for a potential slowdown in its future increases sparking equity gains.

PRT Rate Action

November PRT rates continued to exhibit strength causing rate inversion in the eight to 12 year range. This enhances longer duration purchase opportunities including deferred life participants. Retiree only interest rates continue robust opportunities for tactical implementations.

Evaluating PRT Strategies

The PRT market is generally evaluated on the “price to settle” a given notional liability. QAS has utilized various metrics over the years to determine the value proposition of multiple strategies. Each strategy impacts both the asset and liability viewpoints. Marginal Excess Return is one way of providing a corporate finance metric that can serve as a measure in weighing settlement cost. As the market moves toward multiple PRT transactions, this metric can serve to reveal the most effective tactical strategy to deploy. This is especially true due to the multitude of implementation tools available.

Experience Creates Gems from Stones

QAS continues to focus on best outcomes. QAS

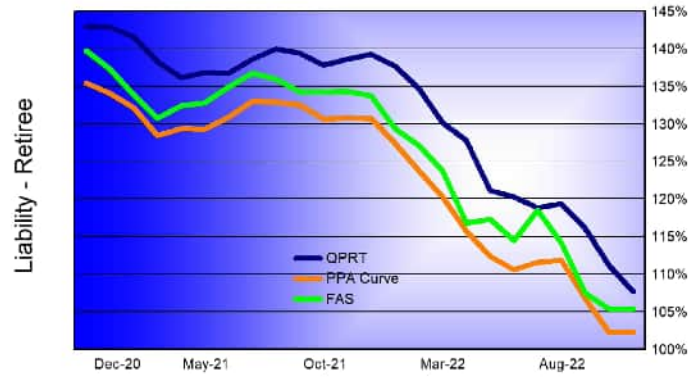
Where PRT Advice Matters Most

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Date	Immediate	+/-	High	+/-	Deferred	+/-	High	+/-
November	4.71%	0.42%	5.48%	0.08%	5.17%	0.42%	5.45%	0.32%

QAS Pension Risk Transfer 1000 Index©

Dec 2020 to Nov 2022 Relative Price PRT v. PPA Curve - FAS



Index Base = 100.0 Sept 2007
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accomplishes this via its Tactical Advice practice disciplines. We answer the *When, Where, How, Why and How Much* question by merging the art with the science of the PRT equation.

Next Month

Why does a Custom PRT Index matter? What does it mean? Why is it relevant?

Rates

The 10 year yield closed at 3.82% on November 17, 2022 and the ICE BofA BBB US Corp Index Option-Adjusted Spread fell to 182 basis points as of November 17th. Stay healthy.

PRT Model Plan Trax Index +/-	PRT	PPA
12 mo Hi-Lo %	+/- 25.2%	+/- 22.5%
YTD % Δ	- 22.7%	- 22.5%
3 mos % Δ	- 6.4%	- 3.4%
1 mo % Δ	- 4.2%	- 4.5%

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