

Volatility: The Spice of PRT

Annuity interest rates rose in March. The immediate annuity rate fell 31 basis points to 4.50% from 4.81%, and deferred interest rates fell 23 basis points to 4.53% from 4.76%. The highest immediate annuity rate fell 22 basis points to 5.08% and the highest deferred rate dropped 30 basis points to 4.82%.

Treasury rates experienced greater volatility as the 10 Year ranged 39 basis points from 3.25% to 3.64% during March. The 30 Year treasury yield ranged from 3.53% to 3.83%, or 30 basis points. The ICE BofA BBB US Corp Index Option Adjusted Spread ranged between a low of 154 and 198 ending at 177.

US and Foreign equity markets rose in March. The S&P 500 rose 3.51% and aggregate MSCI World markets rose 3.16%. The Fed's next move could have significant impact on the markets as confidence in the banking sector continues to erode.

PRT Rate Action

April 2023 PRT rates were volatile throughout the curve as liquidity stressed the mortgage financing sector. Annuity prices were modestly higher. The US T 10 had a narrower range than in March. The movement may suggest some moderation is at hand. The PRT calendar remains strong in Q2 with lead times reaching 6 weeks.

Dynamic Tools Accelerate Results

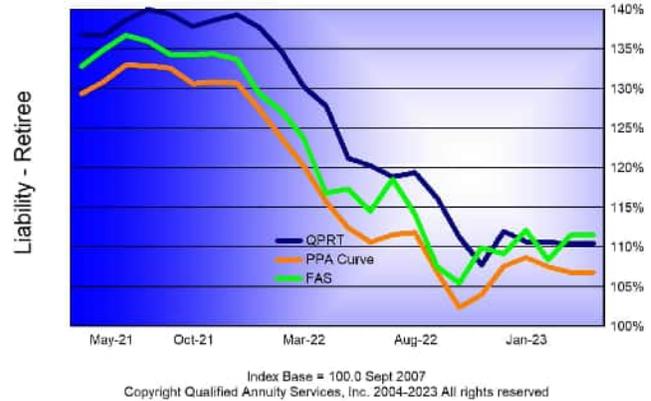
QAS facilitates its advice with rigorous discipline that is governed by Tactical implementation strategies. This ensures best possible outcomes so that businesses can focus on core business priorities. As the market continues to demand more, QAS continues to deliver results.

Structural Risks

Insurers and banking sectors have significantly different organic risks. Recent events suggest mismanagement of risks may have caused recent liquidity exposure leading to runs on cash. The financial markets are now much more sensitive to reactions by consumers. The idea of too big to fail has its roots in failures of management caused by the commodity approach to banking. Big drives economies of scale - at the cost of survival of the fittest.

QAS Pension Risk Transfer 1000 Index©

May 2021 to Apr 2023 Relative Price PRT v. PPA Curve - FAS



PRT Delivers Risk Mitigation

Defined Benefit pensions are long dated commitments to participants. There is room for innovation and creativity. As workforces change, some may like the check a month plan as a back up - or as a key to future longevity risks.

Procedural Prudence

Managing risks can be transferred. As a discipline, QAS implements the selection of annuity providers by adhering to the appropriate ERISA standards for "procedural prudence." QAS is in synch with ERISA.

Rates

The 10 year yield closed at 3.49% and the ICE BofA BBB US Corp Index Option-Adjusted Spread was 171 basis points on April 27, 2023. Stay healthy.

PRT Model Plan Trax Index +/-	PRT	PPA
12 mo Hi-Lo %	+/- 12.5%	+/- 9.9%
YTD % Δ	- 1.4%	- 0.7%
3 mos % Δ	- 0.2%	- 1.7%
1 mo % Δ	+ 0.1%	- 0.6%

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	+/-
April	4.50%	-0.31	5.08%	-0.22	4.53%	-0.23	4.82%	-0.30