

MINUTES OF THE BOARD OF DIRECTORS  
STABLE VALUE INVESTMENT ASSOCIATION  
FEBRUARY 9, 2001  
WASHINGTON, D.C.

The meeting of the Board of Directors of the Stable Value Investment Association was called to order at 8:30 a.m. on February 9, 2001.

Board members in attendance: Karen Chong-Wulff, Richard Cook, Jim Curry, Ben D'Angelo, Nate Duffield, Bill Gardner, Susan Graef, Aruna Hobbs, Eric Kirsch, Kim McCarrel, Jim McDevitt, Jim McKay, John Milberg, Gina Mitchell, Jeff Norris, Vicky Paradis, Al Turco and Karen Watson.

Board members not in attendance: Dave Van BenSchoten and David Wray.

The first item for presentation was a report from the Performance Measurement Task Force. Gina Mitchell presented the summary of responses from SVIA members. Bill Gardner provided the historical context for the work of the Task Force. Paul Donahue presented findings and the recommendation of the Task Force. The specific recommendation is to have the SVIA proceed to work with AIMR representatives to develop acceptable standards for stable value performance measurement.

The report and recommendation was discussed at length. The expressed concerns were:

- (i) Fear of jeopardizing book value for the stable value asset class.
- (ii) Fear that AIMR standards may serve to limit flexibility and management discretion among managers and plan sponsors.

The benefits expressed were:

- (i) Increased marketplace acceptance for stable value as an asset class.
- (ii) Favor with regulators, particularly the SEC.

By vote of 13-2, the Board adopted the Task Force recommendation, with the understanding that the expressed member and Board concerns would be addressed through the process of developing standards with AIMR.

The Board discussed FASB 133 and asked Bill Gardner and Jim McDevitt to pursue the issues raised by FASB 133 from the buyer and issuer perspective.

The Board approved the audited financial statement presented by Jim McDevitt.

Gina Mitchell reported to the Board on Asset Allocation issues and Kim McCarrell reported on Stable Value Communication and Outreach. The initiatives reported and discussed were:

- (i) Structuring the Association website to increase the site's potential as an education tool.
- (ii) Continued dialogue with the asset allocation firms.
- (iii) Planning for a Stable Value Academic / Education Symposium for early in 2002.
- (iv) Continued outreach to the media -- mainstream and trade press.

The Board approved meeting dates and cites proposed by staff for Association meetings to be held in 2002.

The Board heard a series of Committee Reports, including Government Relations, Membership, National Forum and Budget and Finance. The Association Budget for the current year was approved, as presented by Jim McDevitt and Gina Mitchell.

Finally, Aruna Hobbs presented a handout describing a potentially new stable value application -- funding IRC § 529 Plans.

The meeting adjourned at 3:15 p.m.

Respectfully submitted.

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Alfred A. Turco