

February 22, 2010

To: SVIA Board of Directors

From: Gina Mitchell

Re: Summary of Today's Conference Call on Capacity Related Request

SVIA's Board of Directors held a conference call today to consider a request made by a potential wrap provider for assistance. Because of concerns about wrap capacity and the desire to increase wrap capacity this request was brought to the Board's attention.

The company, Wake Capital, asked that the association help obtain individual manager cash flow data, provide assistance with a credit rating agency on the importance of having a special purpose entity wrap provider in the stable value market, and provide contacts in the agency that have knowledge about stable value that could assist in helping Wake Capital obtain a rating.

The Board noted that individual managers had been approached by Wake Capital to provide data. Some remarked that they did not provide data because of client confidentiality concerns. Some on the call indicated that they may revisit this request by looking at ways to provide information without violating client confidentiality. Additionally, the group noted that there were two consulting groups that could be a resource to Wake Capital on cash flow. They are the Hewitt and Hueler Analytics.

The Board also discussed the request to contact a rating agency and provide contacts within the agency for Wake Capital. The Association has never acted in this capacity, nor has it had this type of request. The Association has been a resource to the rating agencies by providing an overview of stable value characteristics in the aggregate when asked by a rating agency.

The Board felt the Association's foremost responsibility is to protect and preserve the asset class for the benefit of all Association members. Association efforts must be inclusive and exclusively for the entirety of the membership. For these reasons, the Board decided Wake Capital's request was outside the scope of the Association activities and the Board respectfully declined Wake Capital's request.

Members of the Board that participated in today's call were: Jordan Culp, Terry Finan, Warren Howe, Jim King, Steve LeLauren, Marc Magnoli, Sharon Parkes, Marijn Smit, David Starr and Michael Wyatt. Ed Adams, Tony Camp, Pete Chapplear and Doris Fritz were unable to participate in the call.