

Data and Research Committee Update

Sue Graef, Vanguard - Chair, SVIA Data and Research Committee



April 12, 2015

Committee Membership

Data and Research Committee

Chair: Sue Graef, Vanguard

LeAnn Bickel, Invesco Advisers, Inc.

Geoffrey Cole, New York Life

Matthew Collins, Bank of Tokyo

Karen Edgerton, RGA

Joe Fazzino, UTC

Terry Finan, Jackson

Nick Gage, Galliard

Brett Gorman, PIMCO

Marc Magnoli, AIG

Russell Smith, Aetna

Scott Sokol, Valerian Capital

Aziz Syed, John Hancock Investments

Tressa Webb, Fidelity Investments

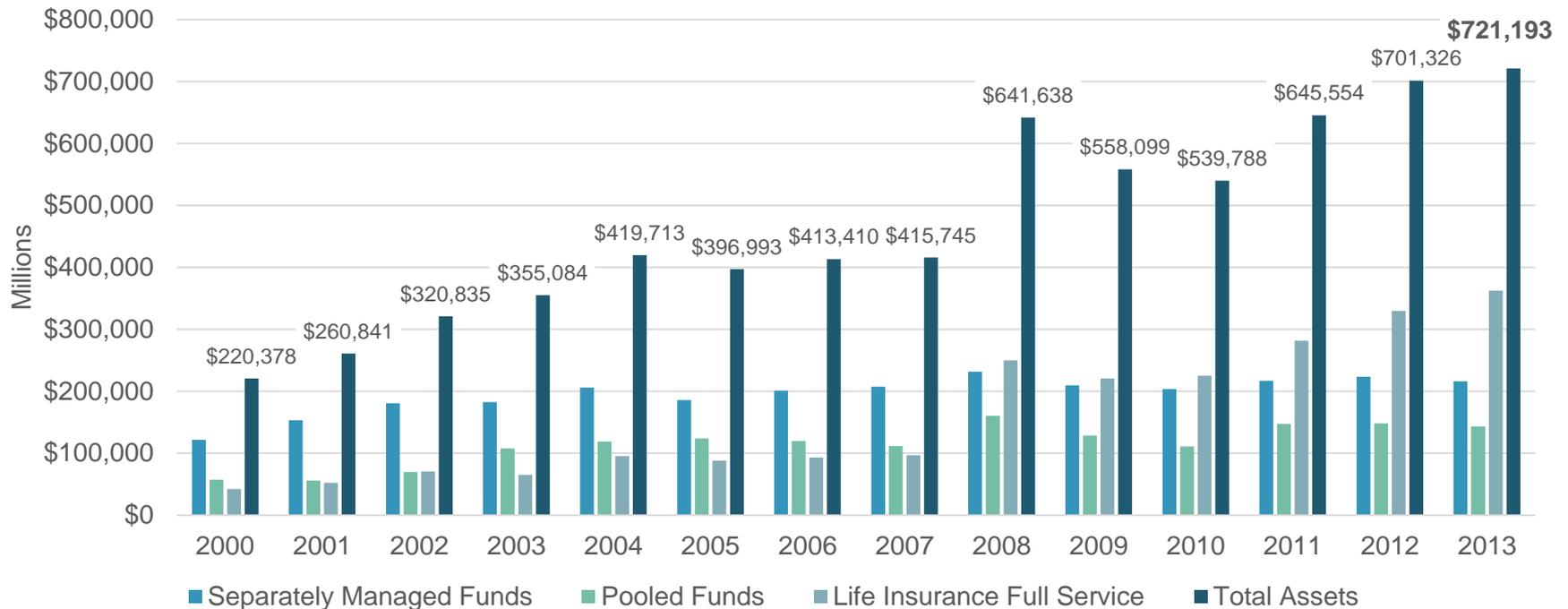
Major Surveys

	Annual Investment & Policy Survey	Quarterly Characteristics Survey	Biannual LIMRA-SVIA Sales & Assets Survey
Perspectives	Life Full Service Pooled Funds Separately Managed Funds	Managers with primarily synthetic GICs	Insurance Issuers and Banks
Respondents	9 Life Full Service 13 Pooled Funds 15 Separately Managed Funds	22 Managers (as of 12/31/2014)	20 Issuers
Next Survey or Status	2014: Waiting on final responses	1Q2015: Sending April 15th Responses due April 30th	3Q4Q2014: Recently released
Special Projects	Clarified a number of questions and added data points.	Added questions on new data points and clarified existing questions, considering expanding to all annual survey respondents. Now soliciting information in excel format.	

- Individual responses are confidential and only SVIA staff have access to individual firm responses/statistics.

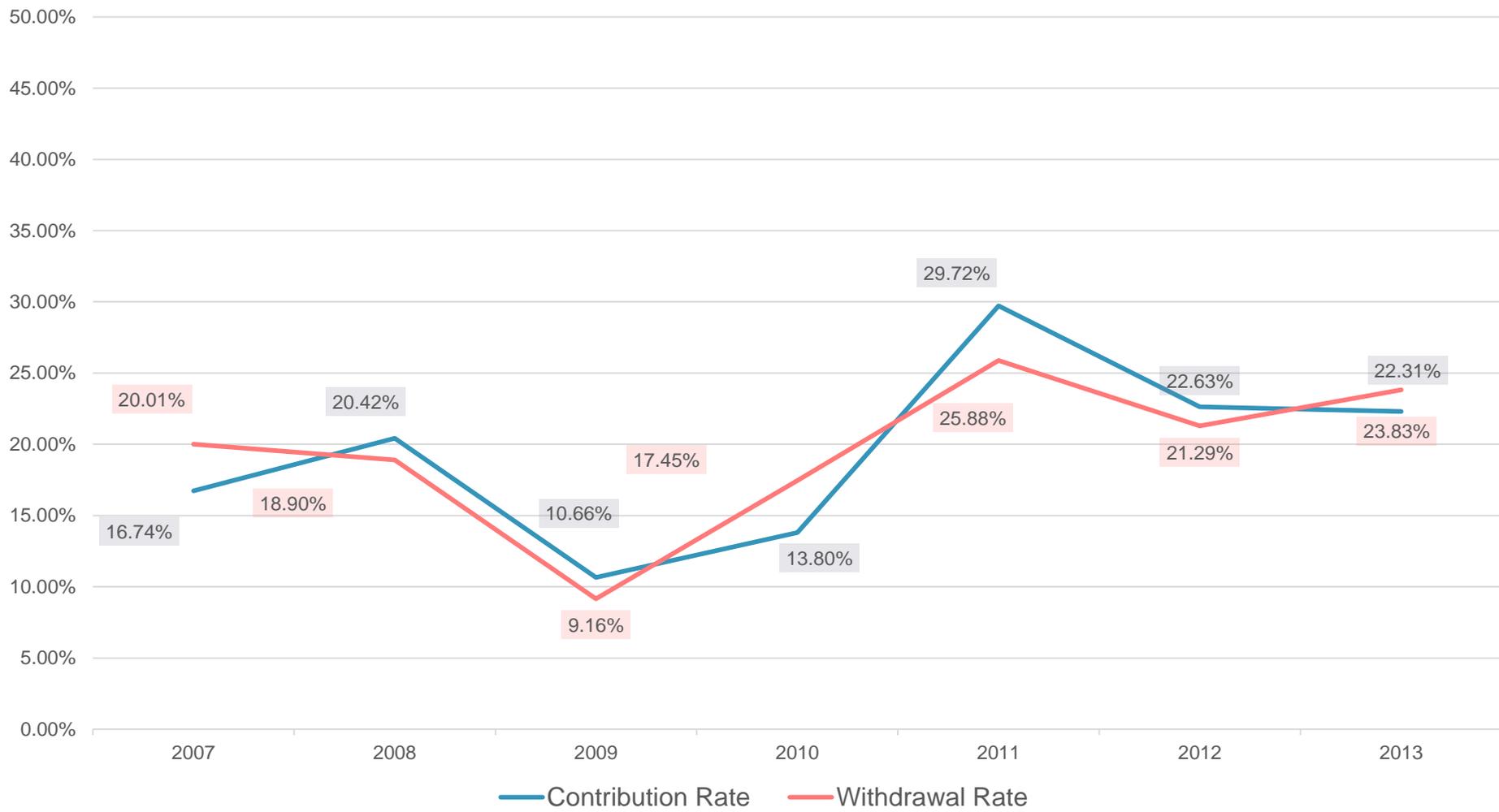


Investment & Policy Survey: Assets Under Management

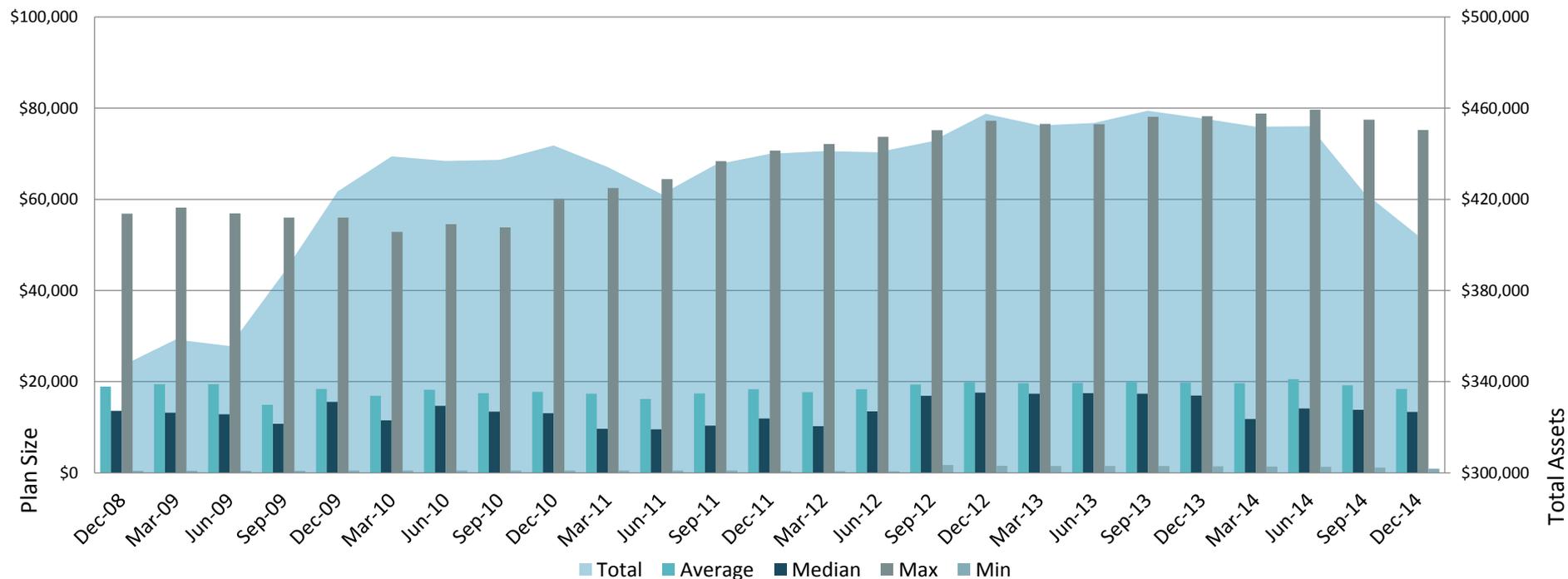


- From 2012 to 2013, Stable Value assets grew 3% to \$721 billion
- Reviewed responses with a number of firms for 2014 to ensure assets are not being double counted

Investment & Policy Survey: Contribution and Withdrawal Rates



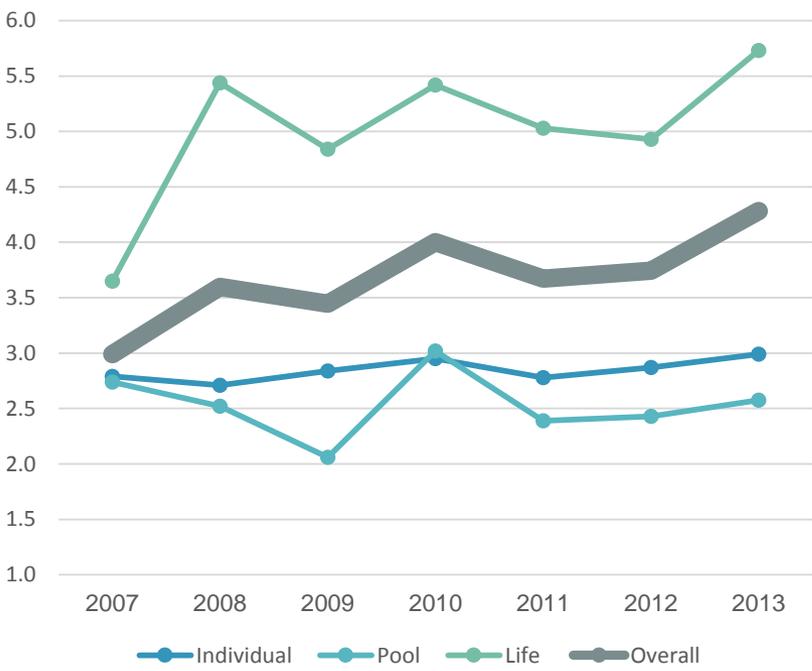
Quarterly Characteristics Survey: Assets Under Management



- The past two quarters have seen reporting changes in assets by two managers. Adjusting for these reporting change, assets under management declined by \$6.4 billion from 3Q2014 to the 4Q2014, and \$6.2 billion from 2Q2014 to 3Q2014.
- Initially this survey included only stable value managers on separate account and pooled funds.
- Considering expanding the survey to all management segments and segmenting survey by management type.

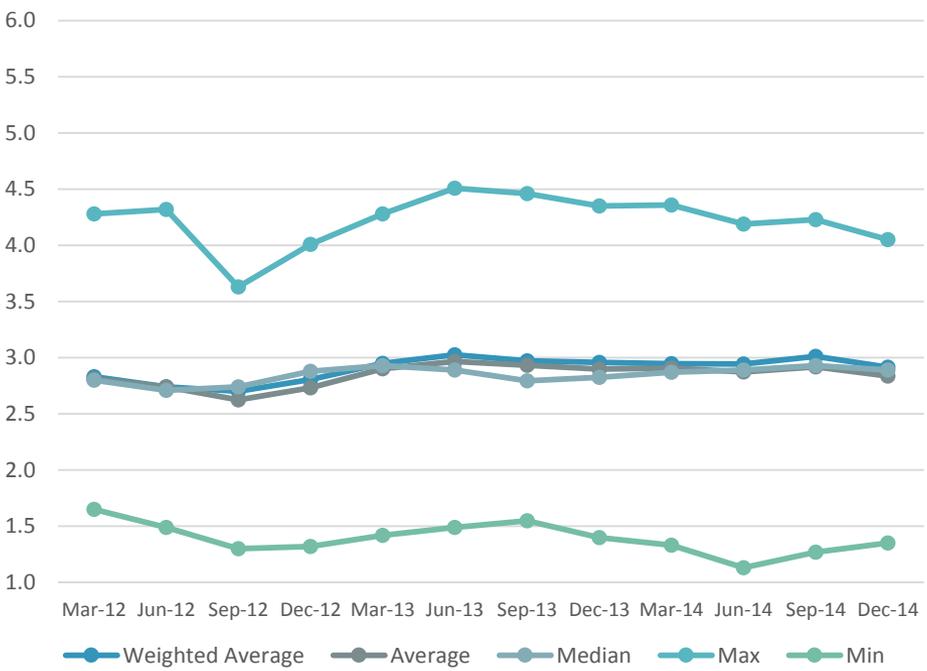
Average Duration of Portfolio Holdings

Annual Survey



Quarterly Survey

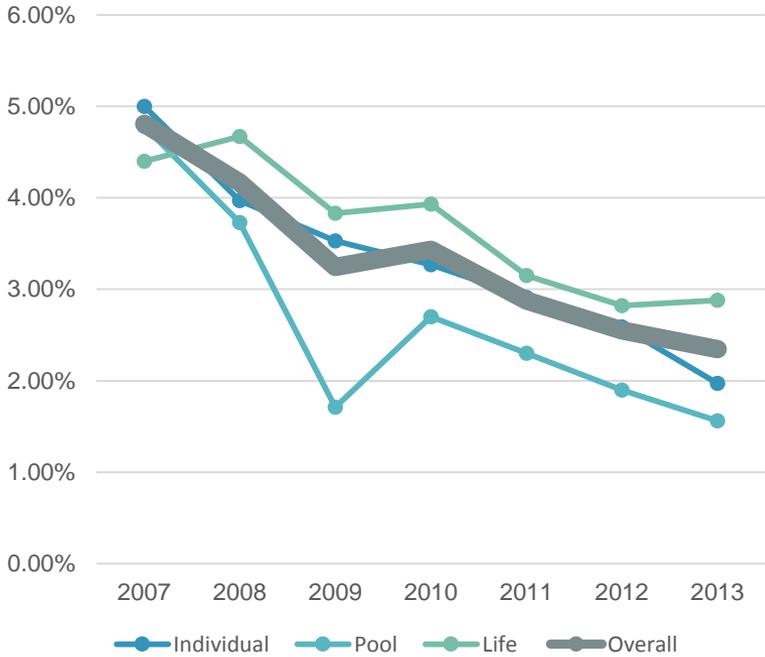
(Individual and Pooled funds)



- Durations have remained relatively stable at 3 years over the most recent 2 quarters for the individually managed separate accounts and pool funds.

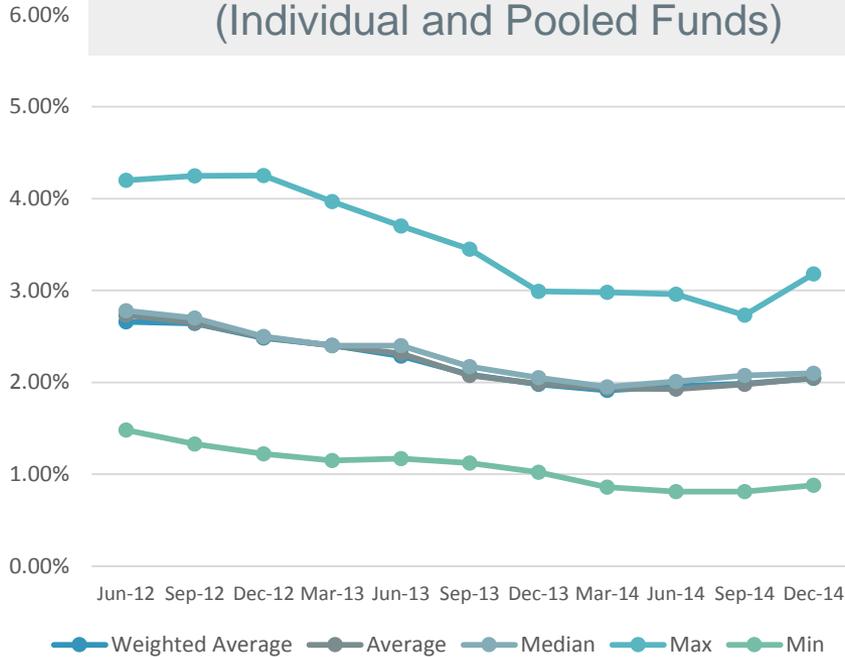
Crediting Rate*

Annual Survey



Quarterly Survey

(Individual and Pooled Funds)



- Annual Survey 2012-2013: Crediting rates declined from an average of 2.55% to 2.34% for the larger surveyed group.
- Quarterly Survey 2013-2014: Crediting rates increased modestly from 2.05% to 2.10%.

*Spot rate: GROSS of stable value management and distribution fees, and NET of contract, including wrap, fees

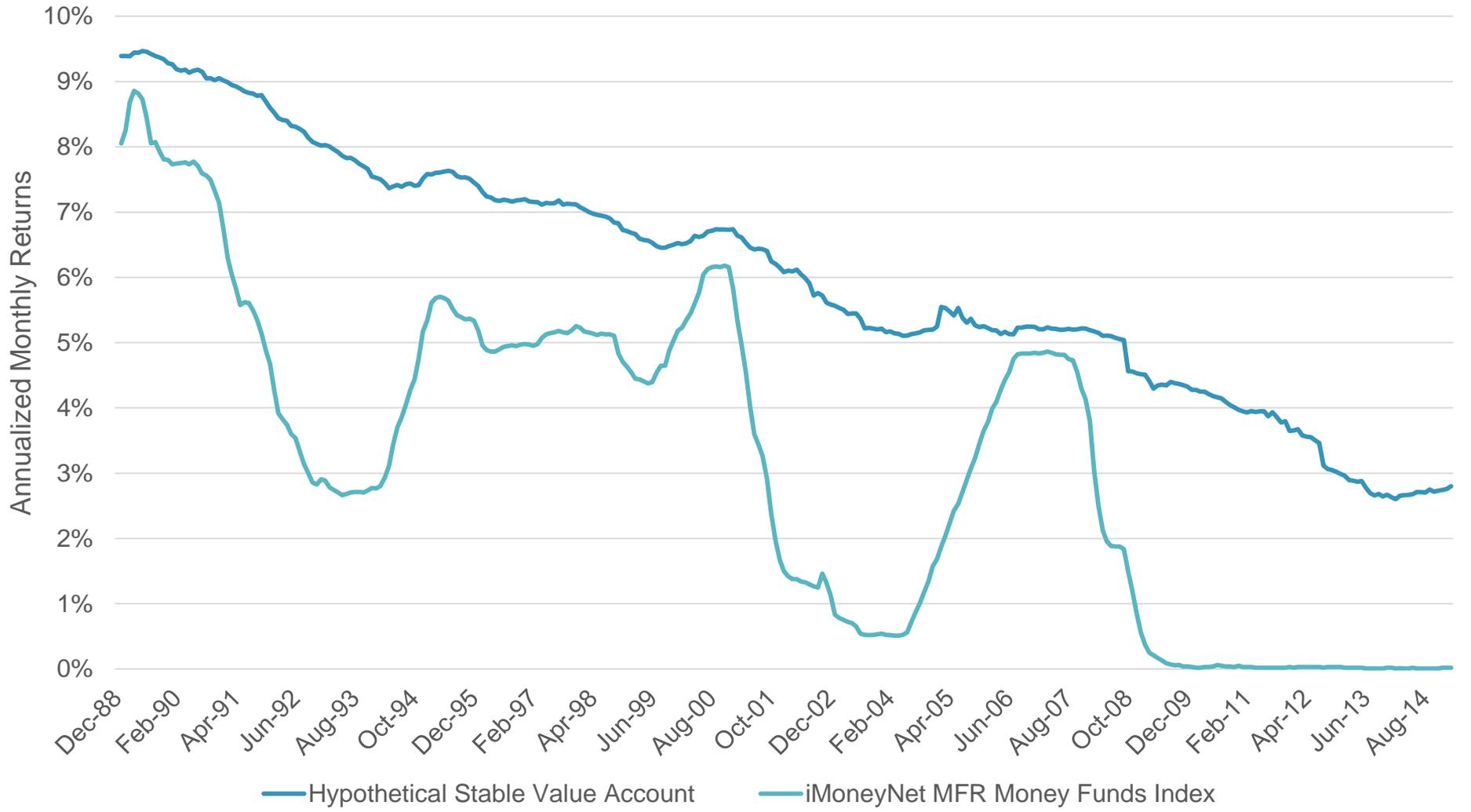


Sales and Assets Survey: 3Q4Q2014

- 3Q & 4Q 2014 **total sales** (qualified and funding agreements): \$27.8 billion, a decrease of 36% from the same period in 2013
- Annual 2014 **total sales** of \$62.9 billion are 25 percent lower than the year before for the companies reporting in both periods.
- 3Q & 4Q2014 new **stable value** sales: \$8.5 billion, a decrease for the common companies of more than 70% from the second half of 2013.
- Annual 2014 **stable value** sales: \$21.9 billion, an increase of 53% compared with annual common company 2013 sales.
- Companies reported \$124 million in total **renewal** sales, a decrease of 7% from second half 2013 sales. (Stable value renewal sales declined 4%.)
- The \$9.2 billion in **ongoing contributions** to existing contracts (qualified and funding agreements) decreased by 7% when calculated on a common company basis from the same period in 2013.
- Stable value assets total **\$338.2 billion** for the participating companies. Combined with General Account with Portfolio Guaranteed Rates, total qualified assets amount to more than **\$578 billion**, a decrease of 3% on a common company basis from the second half of 2013.

Monthly Statistics:

Stable Value vs. Money Market Funds - 12/31/1988 to 2/28/2015



Quarterly Characteristics Survey

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Total Assets	434,175	422,250	435,255	439,962	441,150	440,672	445,420	457,549	452,420	453,489	458,883	455,541	451,891	452,081	423,118	404,212
Portfolio Quarterly Return															0.48%	0.50%
Crediting Rates	3.04%	3.01%	2.99%	2.86%	2.73%	2.66%	2.64%	2.48%	2.40%	2.28%	2.08%	1.98%	1.91%	1.96%	1.98%	2.04%
Management and Contract Fees															0.39%	0.37%
Duration	2.82	2.84	2.76	2.74	2.83	2.74	2.70	2.81	2.95	3.03	2.97	2.96	2.95	2.94	3.01	2.92
Credit Quality	8.67	8.69	8.09	8.13	8.47	8.48	8.08	8.14	8.55	8.24	8.28	8.39	8.32	8.31	8.08	8.24
Market to Book Ratio	102.70%	103.72%	104.15%	104.06%	104.49%	104.65%	105.24%	104.79%	104.41%	102.3%	102.23%	101.79%	102.14%	102.56%	102.09%	102.18%
Gross Yield of Underlying Assets															1.59%	1.61%

Data and Research Committee

- Provide meaningful and timely data to the membership
 - Broken into categories to allow for informative comparison
- Ensure confidentiality of survey participants
- Verify integrity of data collected
- Serve as a resource to the public on stable value funds