

To: SVIA Board of Directors
From: Gina Mitchell, SVIA
Re: Action Items from October 14, 2019 Meeting
Date: November 6, 2019

SVIA's Board of Directors met on October 14 at the Fairmont Hotel in Washington, D.C. The following individuals attended or were registered for the Board meeting.

Board Members Attending:

Bradie Barr, Transamerica Stable Value Solutions Inc.
David Berg, PIMCO
LeAnn Bickel, Invesco Advisers, Inc.
Cindy Cristello, New York Life
Nick Gage, Galliard Capital Management, Inc.
Shane Johnston, Morley Capital Management
Stephen Kolocotronis, AIG Institutional Markets
Bob Madore, T. Rowe Price Associates, Inc.
Gina Mitchell, SVIA
Tom Schuster, Metropolitan Life Insurance Company
Russell Smith, Aetna Inc.
Sara Smithson, Raytheon
Kostas Sophias, JPMorgan Chase Bank, N.A.
Gary Ward, Prudential Financial
Keith Watson, Textron

Board Members Unable to Attend:

Patricia Selim, The Vanguard Group

SVIA Members Registered for the Board Meeting:

John Axtell, GSAM Stable Value, LLC
John Barrasso, Prudential Financial
Douglas Barry, Mellon Investments Corporation
Kappie Bogart, Transamerica Stable Value Solutions Inc.
Afua Brefo, Transamerica Stable Value Solutions Inc.
Bob Cahill, GSAM Stable Value, LLC
Peter Chabot, BlackRock
Karen Chong-Wulff, ICMA Retirement Corporation
David Cohen, John Hancock Investment Management
Jessica Cole, Invesco Advisers, Inc.
David Cruz, New York Life
Angela Demling, Invesco Advisers, Inc.
Paul Donahue, Metropolitan Life Insurance Company
Mark Dorfler, The Vanguard Group
Karen Edgerton, RGA
Tashil Fakir, JPMorgan Chase Bank, N.A.

John Faustino, Fi360
Jason Fields, Transamerica Stable Value Solutions Inc.
Terence Finan, Jackson National Life
John Fischer, Mutual of Omaha
Bill Gardner, Morley Capital Management
Jennifer Gilmore, Invesco Advisers, Inc.
Matt Gleason, GSAM Stable Value, LLC
James Gnerre, Transamerica Stable Value Solutions Inc.
Justin Goldstein, JPMorgan Asset Management
Jeffrey Graham, MassMutual Financial Group
David Graham, Pacific Life Insurance Company
Shalonda Green, Transamerica Stable Value Solutions Inc.
Paul Grigely, MassMutual Financial Group
Tim Grove, Prudential Financial
Aruna Hobbs, MassMutual Financial Group
John Hubenschmidt, RGA
John Knowles-Bagwell, NISA Investment Advisors, LLC
Jonathan Kreider, Great-West Financial
Michael Leonberger, Invesco Advisers, Inc.
Holly Litrenta, Transamerica Stable Value Solutions Inc.
Mark Ljubich, Metropolitan Life Insurance Company
Tom Manente, Great-West Financial
Kara Marr, RGA
James McKay, Columbia Threadneedle Investments
Bill McLaren, Lincoln Financial Group
Glen Miles, State Street Bank & Trust Company
Greg Miller-Breetz, Transamerica Stable Value Solutions Inc.
Jessica Mohan, PIMCO
John Moroney, Voya Financial
Paul Notte, Metropolitan Life Insurance Company
Robert O'Keefe, Sidley Austin LLP
Tami Pearse, Galliard Capital Management, Inc.
Gregory Pereiro, Invesco Advisers, Inc.
Jed Petty, Wellington Management Company
Mark Pherson, Transamerica Stable Value Solutions Inc.
Maya Pillai, Pacific Life Insurance Company
Lori Radford, Invesco Advisers, Inc.
Scott Revare, Fi360
Teresa Reynolds, RGA
Dan Riley, NISA Investment Advisors, LLC
Yijing Robertson, IBM Retirement Funds
Melissa Rowe, State Street Bank & Trust Company
John Ruth, Build Asset Management, LLC
Michael Sipper, New York Life
Marci Slovin, New York Life
Ron Stahl, Columbia Threadneedle Investments
Aziz Syed, Lincoln Financial Group
Nicole Townsend, The Vanguard Group

David Vincent, Voya Financial
Robert Windisch, Voya Financial

SVIA Staff:

Zach Gieske, SVIA

SVIA President, Gina Mitchell called the meeting to order and welcomed all to the meeting.

Recognition of Board Members. The Board of Directors recognized that AIG's Steve Kolocotronis was serving the last year of his four years as Chairman of the Board. The Board recognized Tom Shuster from Metropolitan Life for his service over the past six years on the Board.

SVIA Election. There were two service firm seats up for election for a term beginning January 1, 2020 and ending December 31, 2022. The Board heard from the three candidates:

- Cindy Cristello, New York Life
- Lucas Robustelli, MetLife
- Sean Walker, Fidelity.

All three candidates were introduced to the Board and meeting attendees. All three kicked off their election by presenting their reasons for running for election at the Board meeting.

The election for the Board was held electronically immediately following the Fall Forum. Lucas Robustelli and Cindy Cristello were elected to the Board for a three-year term.

Communications and Education. Vanguard's Patricia Selim was out on maternity leave and unable to attend the meeting and unable to give the chairperson's report. Zach Gieske reported that the website redesign was almost complete and would be finished and operational by yearend.

Tashil Fakir from JP Morgan reported on the Diversity Working Group. He reported that 22 new attendees were coming to the Fall Forum. He thanked the Working Group as well as the members who volunteered to host the new attendees by helping introduce and guide them through the meeting. Fakir noted that the Working Group would be surveying the new attendees for their feedback as well as looking for ways to involve new attendees in the Association.

Gina Mitchell noted that the committee's working group would be getting together to draft a white paper on retirement income and the role of the stable value. The paper would document and explain the value proposition of stable value and stable value's role in accumulation and deaccumulation.

The work of the Stable Times Editorial Board as well as press, which was mostly positive was also discussed.

Data and Research. PIMCO's David Berg and Chair of the Data and Research reported on the four products of the Committee:

- Annual Investment and Policy Survey. Stable value assets covered in this survey increased to \$839 billion at year-end 2018 from \$733 billion at year-end 2017. However, most of that increase is due to changes in survey participation. 98.75% of assets covered in 2017 (\$724 billion) did not adjust

reporting and those assets now represent 89.13% of the total AUM covered in this survey (\$748 billion). When comparing only companies with consistent reporting for both years total AUM increased by 3.21%. Consistent reporting for individually managed accounts increased by 5.62%, the same for pooled funds increased by 1.78%, and general and separate accounts who reported in both 2017 and 2018 increased by 2.3%. The new general and separate account segments account for 22.87% more assets than the previous insurance company segment which included both.

- Quarterly Characteristic Survey. Assets under management have increased by \$8.8 billion on a common-company basis. Stable Value Assets as of 3Q2019 totaled \$810 billion, which represents more than 10% of the \$7.8 trillion US DC market (ICI as of 2Q2019).
- Stable Value Asset Report. Berg noted that this report is only available to the members who participate. He reported that participation had increased from 29 to 45 firms.
- Biannual LIMRA & SVIA Sales and Asset Survey. Berg reported that the survey from the first half of 2019 was now available. The survey covers stable value assets including wraps from both insurance and bank issuers.

Berg noted that the Committee had undertaken many refinements to its data collection efforts. Further, he highlighted two new projects. The Committee has surveyed the membership to refine its approach for reporting expense ratios. The Committee is evaluating next steps and will use this information to update the SVIA quarterly report as well as make recommendations to Morningstar.

Berg reported that SVIA had surveyed 14 plan sponsors out of a potential 25 sponsors on stable value. This report was to facilitate a dialogue among SVIA and other large plan sponsors who use stable value. As such, this survey is only available to plan sponsors.

Government Relations. Transamerica Stable Value Solutions' Bradie Barr and Chair of the Government Relations Committee highlighted the issues that the Committee was addressing. She reported that the SECURE Act had passed the House. However, action in the Senate was unlikely. She noted that RSSA had been introduced in the Senate, but it was unlikely to advance in the Senate. Further she emphasized that the CIT provisions that the Committee had been working on were included in the RSSA. She concluded that it is possible that the SECURE Act may be folded into an omnibus budget or reconciliation bill at the end of this Congress.

Barr noted that the NAIC risk-based capital factors are still under consideration and thanked Cindy Cristello from NY Life for monitoring this important issue.

Barr stated that stable value litigation had cooled, which was attributed to the court's rejection of the claims of plaintiffs.

Barr reported that the Committee is following fiduciary rules of the SEC, states, as well as the Department of Labor. Further, she pointed out that Morgan Lewis will be providing an in-depth discussion of this subject at the Fall Forum.

Barr said that the Committee was developing a tracking sheet that aggregates all the issues that the Government Relations addresses. It will provide a high-level overview of the issues as well as their status. Finally, it will provide links and/or resources that are helpful on these issues.

Finance. Invesco's LeAnn Bickel, SVIA's Treasurer, Secretary and Chair of the Board's Finance Subcommittee reported on the Association's finances. Bickel reported that the subcommittee continued to review the SVIA Investment Policy Statement as well as the monthly reconciliation of accounts to ensure they are aligned with statement. She noted that the Subcommittee reviews monthly reports on SVIA revenues, expenses, and budget. Bickel highlighted that the Subcommittee had renewed two CDs:

- \$103,037.95 with United Bank at 2.084% expires March 7, 2020 (7-month), and
- \$168,429.41 with Synchrony at 2.40% expires September 8, 2020 (12-month).

She reminded the Board that SVIA had received an unqualified opinion on audited financial statements for 2018 and that all taxes for 2018 had been filed. She announced that SVIA had begun 2020 dues collection and that as of October 8th, \$130,158 or 18% had been collected.

Events. SVIA's Gina Mitchell and chair of the Events Committee thanked the Events Planning Committee for putting together yet another excellent program. Based on the feedback given by attendees in a survey after the Fall Forum, attendees found the Fall Forum was a very good event. Attendees rated the event a 4.2 out of 5. The two highest rated sessions were Donna Brazile and Peter Hart. Further, attendees were very appreciative of the networking events at the Fall Forum. Suggestions were made to better identify reserved and open tables at the networking breakfasts and to hold more stable value specific sessions.

Mitchell reviewed past events and noted that while SVIA members preferred resort settings for the Spring Seminars, they also preferred locations with direct flights. Further, while members enjoyed the Ritz Carlton at Dove Mountain, they found the location a little too remote to justify a return visit.

Mitchell asked for everyone's input on topics and speakers for SVIA's next Spring Seminar, which is March 29-31, 2020 at the Ritz Carlton in Rancho Mirage in Palm Springs, California.

She invited and reminded everyone that Board meetings are open to all members and that all members are welcome and encouraged to attend. SVIA's next Board meeting is January 6-7 at the Fairmont Hotel in Washington, D.C.