Capital Preservation: The Stable Value Advantage

BROUGHT TO YOU BY NEW YORK LIFE STABLE VALUE INVESTMENTS

New York Life Stable Value Investments

A leading provider of stable value products for over 40 years, with more than $35 billion of stable value assets under management.[1]

As an advisor, you understand the importance of the fiduciary role that plan sponsors accept when they choose to offer investments under a retirement plan.

The Need

Retirement plan participants need a secure repository to help preserve wealth accumulation and provide a reliable source of consistent returns. Retirement plan sponsors need to offer prudent investment alternatives to plan participants as part of compliance with ERISA 404(c).

The Choices

The objective of both stable value funds and money market funds is capital preservation. Stable value funds generally offer more competitive yields, limited volatility and have historically outperformed money market funds. Additionally, many stable value funds can potentially provide protection of both principal and accumulated interest.

Money Market Funds Limitations

Money market and stable value funds can both provide capital preservation with low volatility. However, their risk-return profiles are not the same. Money market funds are allowed to invest only in certain low risk, shorter duration, high liquidity instruments. The investment universe for stable value funds is less restrictive, and they typically invest in short-term to intermediate-term fixed income securities. As a result, the returns they generate have historically been higher than money market funds for over 30 years.[3] While both stable value funds and money market funds are susceptible to some volatility, stable value funds are structured to provide smoother returns than money market funds.[3] Additionally, money market funds may impose redemption fees and limits on withdrawals during times of extreme market stress. Lastly, a unique feature of stable value funds is the ability to provide a guarantee that retirement plan participants will receive their entire principal and accumulated earnings when they withdraw their investments.

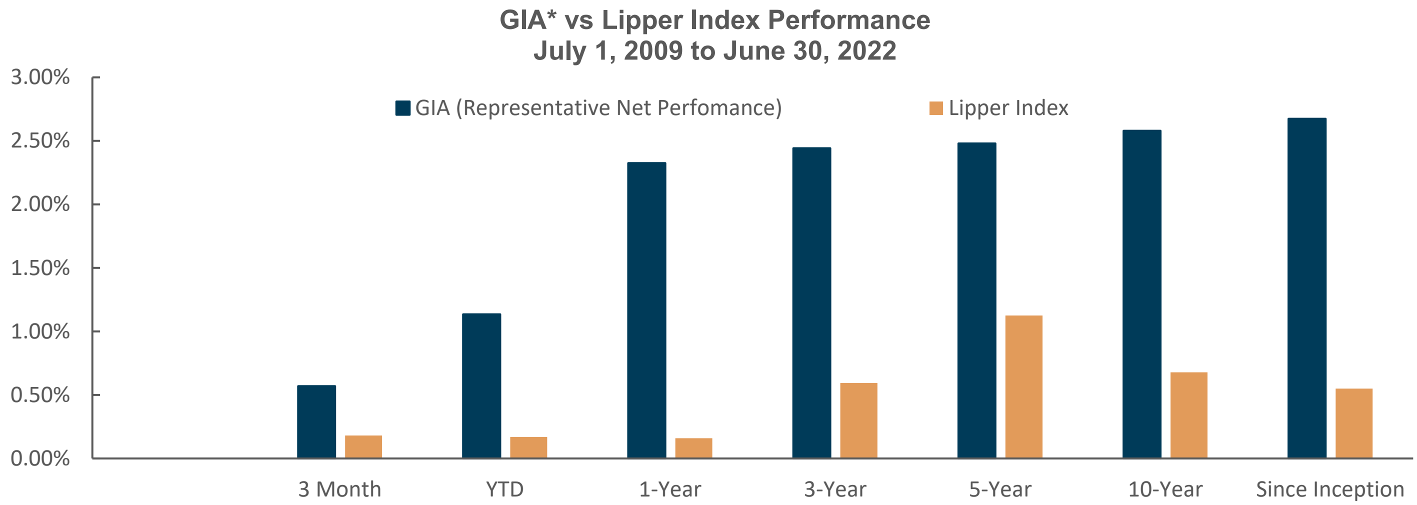
Guaranteed Interest Account
Principal Preservation and Predictable Returns

The New York Life Guaranteed Interest Account (GIA) is a general account stable value solution. GIA contributions are directed to a broadly diversified fixed income portfolio within the New York Life general account. The primary investment objective of the general account is to ensure that New York Life can meet its obligations to contractholders and policyholders.

The GIA offers predicable returns through a semi-annual fixed rate declaration. Additionally, it provides plan participants a guarantee[2] of principal and accrued interest for benefit-responsive[4] withdrawals when the withdrawals are not triggered by plan sponsor driven activity.

Historical Performance Comparisons: GIA vs. Money Market

The chart below illustrates the representative performance of GIA as compared to the Lipper Money Market Institutional Index (Lipper Index). Since its inception, the GIA has consistently outperformed the Lipper Index. By investing in New York Life's general account, the GIA may access investment strategies that are not utilized in money market funds, such as private placement bonds, commercial mortgage loans, and longer duration fixed income securities. These expanded strategies, combined with a longer duration, generally result in the generation of higher yields, which can be passed along to participants through GIA's crediting rate. In addition to principal preservation, the GIA also offers a minimum guaranteed crediting rate that ranges from 1% to 3%.



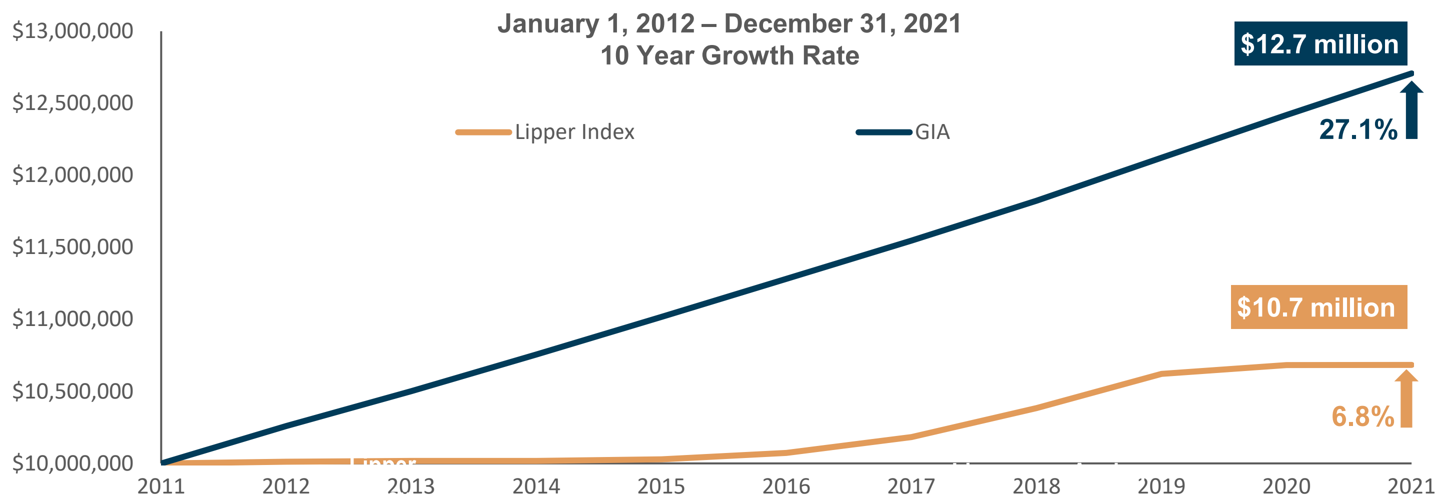
Sources: Lipper Inc. and New York Life. FOR ILLUSTRATIVE PURPOSES ONLY.

**Data presented shows the return a client would have received assuming an investment in the contract was made at inception of the GIA on 7/1/2009 and the subsequent crediting rates for Investment Pool 2009. GIA's inception date is July 1, 2009. There are certain limitations inherent in hypothetical Portfolios and Hypothetical results, particularly that they are based on assumptions and do not reflect trading in actual client accounts and do not reflect the impact that material economic and market factors may have had on an actual account.*

No GIA client received this representative net performance since the expense class of 10 bps did not exist at inception. Assumes no cash flows. All returns are net of fees. Past performance is not a guarantee of future results. It is not possible to invest directly in an index.

A Closer Look at Growth

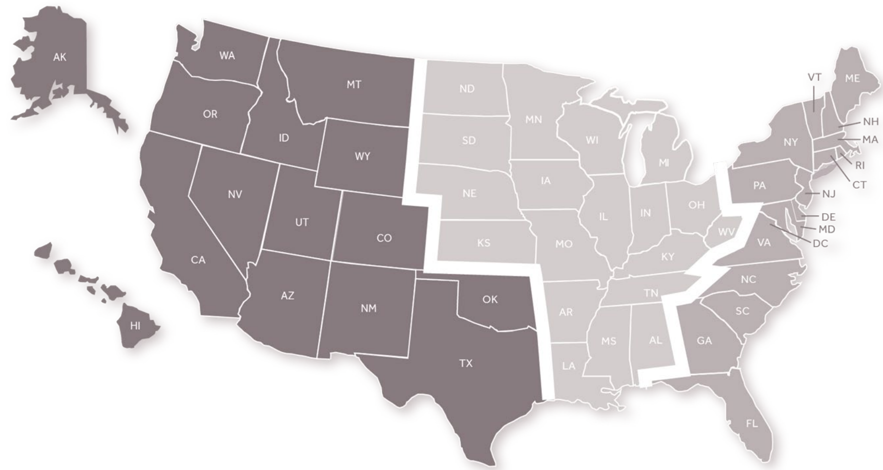
The illustration below depicts a hypothetical $10 million single, lump sum contribution allocated to both the GIA and the Lipper Index and tracked for 10 years. The results show a material difference in growth. Over 10 years, the GIA investment would have grown by 27.1% to $12.7 million versus the Lipper Index which would have grown by only 6.8% to $10.7 million.



Sources: Lipper Inc. and New York Life. FOR ILLUSTRATIVE PURPOSES ONLY. There are certain limitations inherent in hypothetical Portfolios and Hypothetical results, particularly that they are based on assumptions and do not reflect trading in actual client accounts and do not reflect the impact that material economic and market factors may have had on an actual account. No GIA client received the depicted hypothetical performance. Assumes no cash flows. All returns are net of fees. Net performance for GIA is based on the lowest share expense class of 10bps. Past performance is not a guarantee of future results. It is not possible to invest directly in an index.

Historically, the GIA has delivered consistent and steady returns through a variety of economic cycles.

Ready to discuss stable value options in more detail? Contact your New York Life representative or visit us at stablevalueinvestments.com



Glenn Macdonald, CFP®
HEAD OF STABLE VALUE INVESTMENT ONLY
EAST
glenn_macdonald@newyorklife.com
617.771.2549

Debbie Vince
WEST
deborah_vince@newyorklife.com
562.533.3013

Fred Spreen
MIDWEST
frederick_spreen@newyorklife.com
732.614.7847

Brian Sullivan
KEY ACCOUNTS & RELATIONSHIP MANAGEMENT
brian_j_sullivan@newyorklife.com
617.610.5757

Edward Kaminski, CIMA®
BUSINESS CONSULTANT
edward_kaminski@newyorklife.com
201.685.6378

Rosanne Dolan, RPA
MARKETING
rosanne_m_dolan@newyorklife.com
201.685.6199

Kimberly Robinson
RELATIONSHIP MANAGER
kimberly_m_robinson@newyorklife.com
617-416-5306

1. As of June 30, 2022.
2. New York Life Insurance Company provides the guarantee of principal and accumulated interest, based on its claims-paying ability. This option is not guaranteed by the FDIC or the federal government.
3. Source: Stable Value investment Association, [www.stablevalue.org/stable-value-at-a-glance.](www.stablevalue.org/stable-value-at-a-glance)
4. The term benefit responsive is used to describe investments that guarantee contract value regardless of whether the fair value of the contract's underlying assets is more or less than contract value.
5. The Lipper Institutional Money Market Index represents funds that invest in high-quality financial instruments rated in the top two grades with a weighted average maturity of 60 days or less. The funds are commonly limited to institutional investors or 401(k) and pension plans and often require high minimum investments and have lower total expense ratios relative to other money market funds. It is not possible to invest in an index.

Money market funds are not guaranteed by the FDIC or any other government agency. They generally seek to preserve the value of an investment at $1.00 per share, but it is possible to lose money by investing in a money market fund.

The GIA is a group annuity contract and not a mutual fund or a collective trust and is issued by New York Life Insurance Company, New York NY.

The information contained herein is general in nature and is provided solely for educational and informational purposes. New York Life does not provide legal, accounting or tax advice. You should obtain advice specific to your circumstances from your own legal, accounting and tax advisors.

Stable Value Investments
New York Life Insurance Company
30 Hudson Street, Jersey City, NJ 07302
stablevalueinvestments.com

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