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]

The Need

Retirement plan participants need a secure repository to help preserve wealth accumulation and 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

Since money market funds are allowed to invest only in certain low risk, short duration/high liquidity instruments, the returns they generate are typically lower than stable value funds. Money market funds may be unable to provide a guarantee that retirement plan participants will receive their entire principal and accumulated earnings when they withdraw their investments. In addition, money market funds may impose redemption fees and limits on withdrawals during times of extreme market stress.

Anchor Account

Principal Preservation and Predictable Returns

The New York Life Anchor Account (Anchor Account) is a pooled separate account stable value solution that primarily invests in a portfolio of high-quality fixed income securities. The Anchor Account provides plan participants a guarantee[2] of principal and accrued interest for benefit responsive[3] withdrawals, when the withdrawals are not triggered by plan sponsor driven activity.

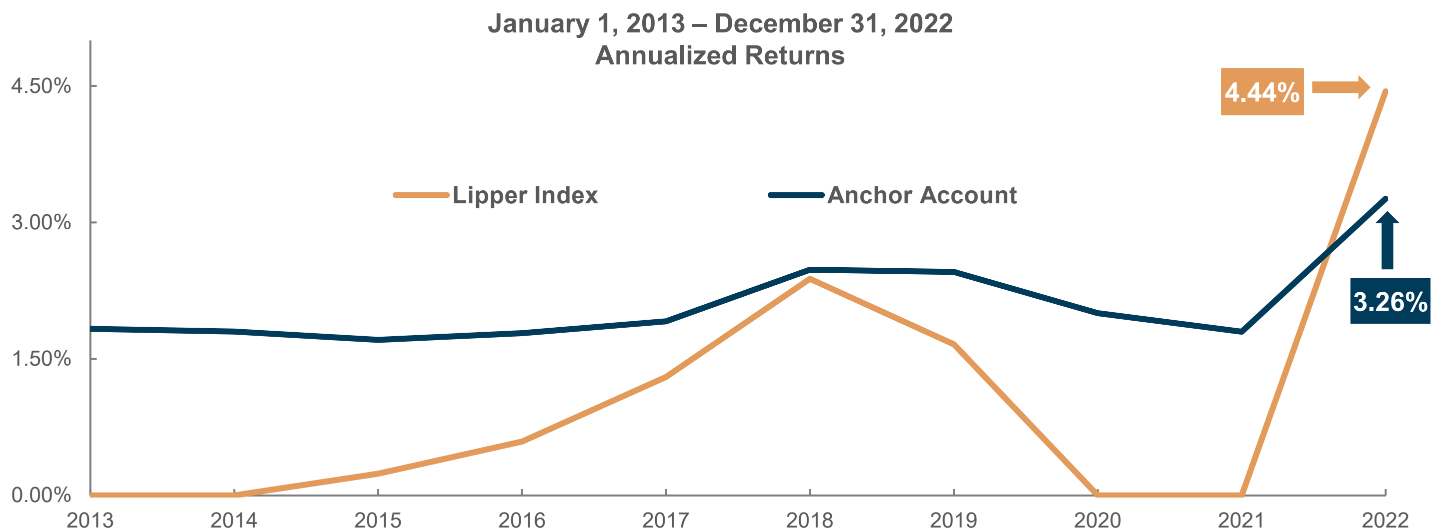
As an advisor, you understand the importance of the fiduciary role that plan sponsors accept when they choose to offer investments under a retirement plan.

The Anchor Account has consistently delivered competitive returns along with a guarantee of principal and accumulated interest.

NEW YORK LIFE

Lower Volatility

In comparison to money market funds, stable value funds have historically experienced lower volatility and are generally better equipped to withstand challenging market cycles. The chart below shows that the Anchor Account has experienced lower volatility than the Average Lipper Institutional Money Market Fund Index (Lipper Index)[4] over a 10-year period. In this illustration, beginning in 2012, the Lipper Index returns lingered at or just above 0.00%, began to rise in 2015 and hit a peak in 2018. Subsequently, on average, the Lipper Index, steadily declined and settled around 0.00% from 2020 until 2021. Then, beginning in mid-2022, the Fed raised interest rates a total of seven times by December 2022 and consequently, the Lipper Index ended 2022 at 4.44%. From 2012 to 2021, the Anchor Account delivered both higher and smoother returns. As interest rates rise, the returns for stable value funds typically follow suit, but with a time lag and the chart below exemplifies this manifestation. Due to the combination of rapidly rising rates and spiking inflation, the 2022 year-end returns for the Anchor Account lagged the Lipper Index.

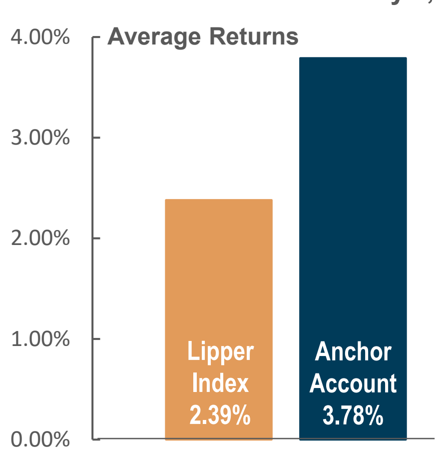


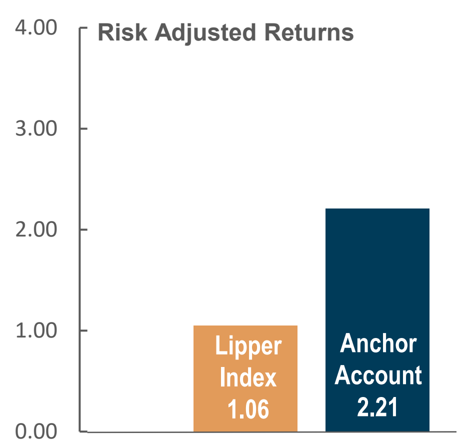
Sources: Lipper Inc. and New York Life. December 31, 2012 – December 31, 2022. All returns are net of fees. Past performance is not a guarantee of future results. It is not possible to invest directly in an index.

A Closer Look at Returns & Risk

By examining both the average returns and the risk adjusted returns of the Anchor Account against the Lipper Index from 1995 - 2022, the Anchor Account demonstrated significantly higher returns in both illustrations.

January 1, 1995 – December 31, 2022

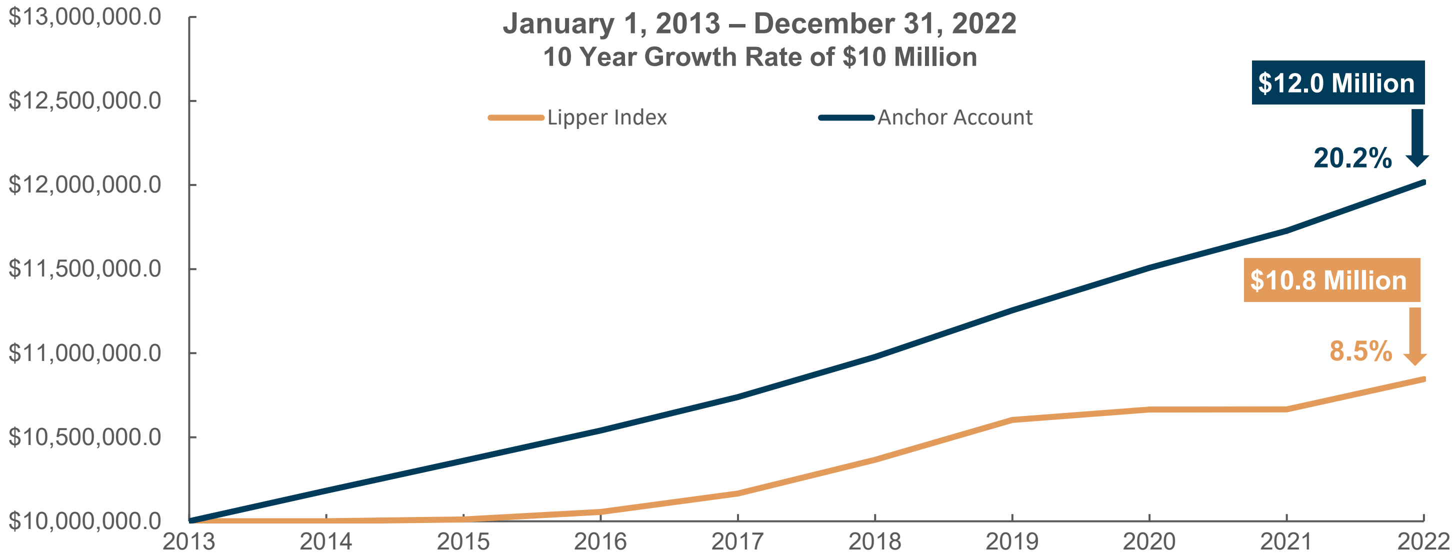




While the Anchor Account carries relatively low risk, primary inherent risks include interest rate risk, credit/default risk, liquidity risk and group annuity contract risk. All returns are net of fees. January 1, 1995, is the inception date of the Anchor Account. Past performance is not a guarantee of future results. Average return is the average of the net performance returns for the calendar year. Risk adjusted return is the average return divided by standard deviation. Past performance is not a guarantee of future results. It is not possible to invest directly in an index.

A Closer Look at Growth

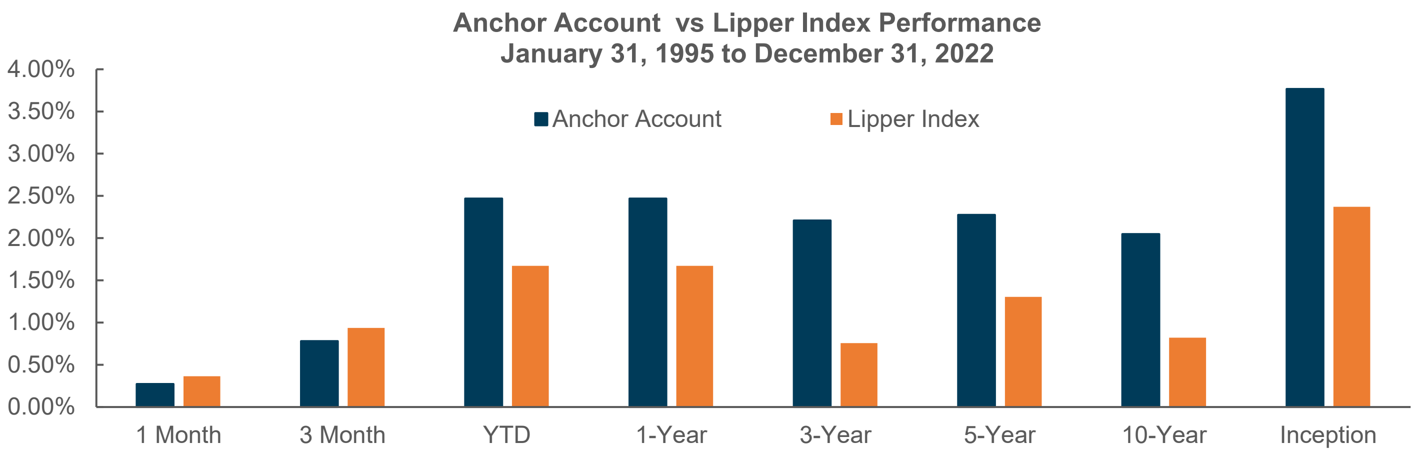
The illustration below depicts a hypothetical $10 million single, lump sum contribution allocated to both the Anchor Account and the Lipper Index and tracked for 10 years. The results show a material difference in growth. Over 10 years, the Anchor Account grew by 20.2% to $12.0 million versus the Lipper Index which grew by only 8.5% to $10.8 million.



For illustrative purposes only and not intended to represent the performance of any specific account. 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 plans and do not reflect the impact that material economic and market factors may have had on the management of actual client plans. This does not imply any future performance. 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.

Long-Term Performance Comparison

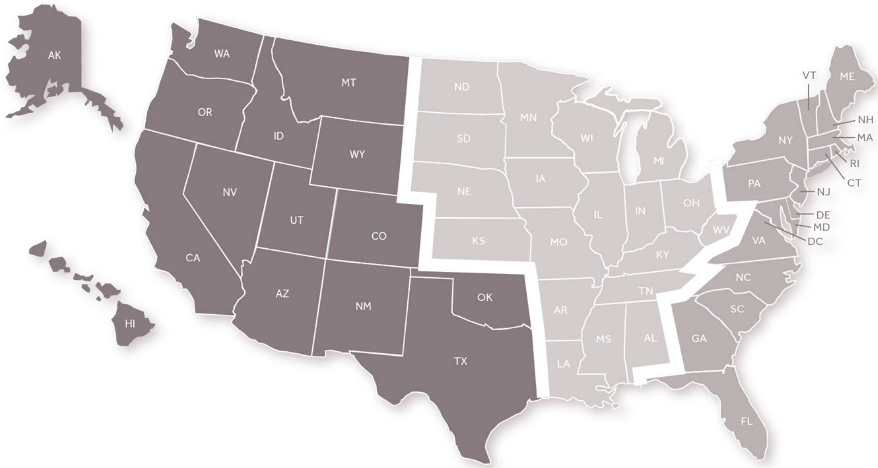
Money market funds have historically adjusted very quickly to both rapidly rising and declining interest rates. In contrast, stable value funds have taken longer to respond to changes in interest rates because they are designed as long-term capital preservation vehicles. The chart below shows that since its inception, over 25 years ago, the Anchor Account has delivered consistent, long-term outperformance versus the Lipper Index over various time periods and market cycles.



Sources: Lipper Inc. and New York life. All performance is net of fees. Past performance is not a guarantee of future results. It is not possible to invest directly in an index.

Historically, the Anchor Account has significantly outperformed money market funds, and 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 December 31, 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. 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.
4. The Average Lipper Institutional Money Market Fund Index is an equally weighted performance average adjusted for capital gains distributions and income dividends of all of the institutional money market funds in the Lipper Universe. Lipper Inc., a wholly-owned subsidiary of Thomson Reuters, is an independent monitor of mutual fund performance. Lipper averages are not class specific. Lipper returns are unaudited. Results are based on average total returns of similar funds with all dividend and capital gain distributions reinvested. 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 Anchor Account 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
Stable Value Investments is a division of New York Life Insurance Company.
5058663