

# Why Choose New York Life Stable Value For 529 Programs?

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.*

## Stability. Strength. Leadership.

For over 175 years, New York Life Insurance Company's (New York Life) unsurpassed financial strength and long-term investment approach have provided consistent value and solid financial protection for our customers. New York Life is the largest<sup>1</sup> and most admired<sup>2</sup> mutual insurance company in the U.S. As a mutual company, we are focused on delivering on our long-term promises, and not on the need to answer to outside investors or Wall Street. In other words, our mutuality provides strong alignment with the needs and interests of our clients. Financial strength, stability, and permanence have been our prime objectives since 1845.

New York Life has earned the highest ratings for financial strength currently awarded to any U.S. life insurer by all four major credit rating agencies.<sup>3</sup> We have earned these ratings, in part, because of our leading position in the U.S. insurance market, well capitalized balance sheet, favorable liability profile, and commitment to mutuality. New York Life is built to successfully weather challenging times.

<b>A++</b>	A.M. Best	<b>Aaa</b>	Moody's
<b>AAA</b>	Fitch	<b>AA+</b>	Standard & Poor's

An insurer's ability to maintain a high level of financial stability while meeting financial objectives is another clear indicator of its long-term security. One way to assess an insurer's strength in this area is to consider its total surplus. For life insurance companies, no measure of financial strength is more important than surplus. This is capital above and beyond the funds we have already set aside to pay the benefits we promise to our customers. It provides a cushion against potential future adverse economic events, so we can continue to meet our obligations for the long-term.

New York Life has remained financially strong through depressions, recessions, world wars, and natural disasters. As of December 31, 2020, New York Life had a total surplus, including investment reserves, of more than \$27.0 billion.<sup>4</sup> This is the highest surplus that New York Life has accumulated. We are prepared to meet all our commitments. We are committed to maintaining strong capitalization and to retaining ample financial surplus—being able to provide guarantees without financially straining the organization is always a top priority.



While we may not have been able to predict when a global pandemic would strike, we have been stress testing our balance sheet against such a scenario for decades to ensure we would withstand the resultant challenges and continue to have the financial strength to meet our obligations. The recent COVID-19 pandemic-related economic environment is reminiscent of that experienced during the Great Recession in 2007–2009. Following the Great Recession, New York Life demonstrated its commitment to the stable value marketplace by creating new stable value investment strategies to accommodate market shortages caused by capacity restrictions and the exit of most of the bank-based wrap issuers. New York Life is built for times like these.<sup>SM</sup> We have weathered the Civil War, the 1918 flu pandemic, the Great Depression, two World Wars, and more, and have always come out strong from these crises.

*“If there is one factor that explains New York Life’s longevity and our ability to not only weather times of crisis but emerge from them stronger, it is that we have remained a mutual life insurer since we opened for business in 1845.”*

*— New York Life Chairman and CEO Ted Mathas*

## **New York Life Stable Value and 529 Programs**

For more than 40 years, New York Life has been a provider of stable value solutions and has over \$35 billion of stable value assets under management.<sup>5</sup> We are committed to the asset class and have dedicated ourselves to providing solutions to fit all sizes and types of programs. We do not have a bias for one type of structure over another and offer general account, separate account, and collective investment trust solutions, as well as synthetic guaranteed investment contracts. All the guarantees behind our proprietary stable value solutions are backed 100% by New York Life.<sup>6</sup>

Specific to 529 programs, New York Life currently offers stable value capabilities on behalf of many 529 college savings programs across the United States, most of which have been customized to meet the needs of each plan. We are highly relationship-driven and strive to understand our customers so that we may serve them better and more consistently. Our dedicated team of stable value specialists can provide guidance for the prudent review and appropriate selection process of stable value as a capital preservation option, as well as the post-implementation monitoring process and detailed annual reviews.

Currently, the New York Life Guaranteed Interest Account (GIA) is an ideal capital preservation solution for 529 programs. GIA is a general account stable value solution that guarantees principal and accumulated interest.<sup>6</sup> GIA provides a guaranteed minimum crediting rate, and its crediting rates are set biannually (January 1 and July 1). Contributions to GIA are directed to a broadly diversified fixed income portfolio within New York Life’s general account.

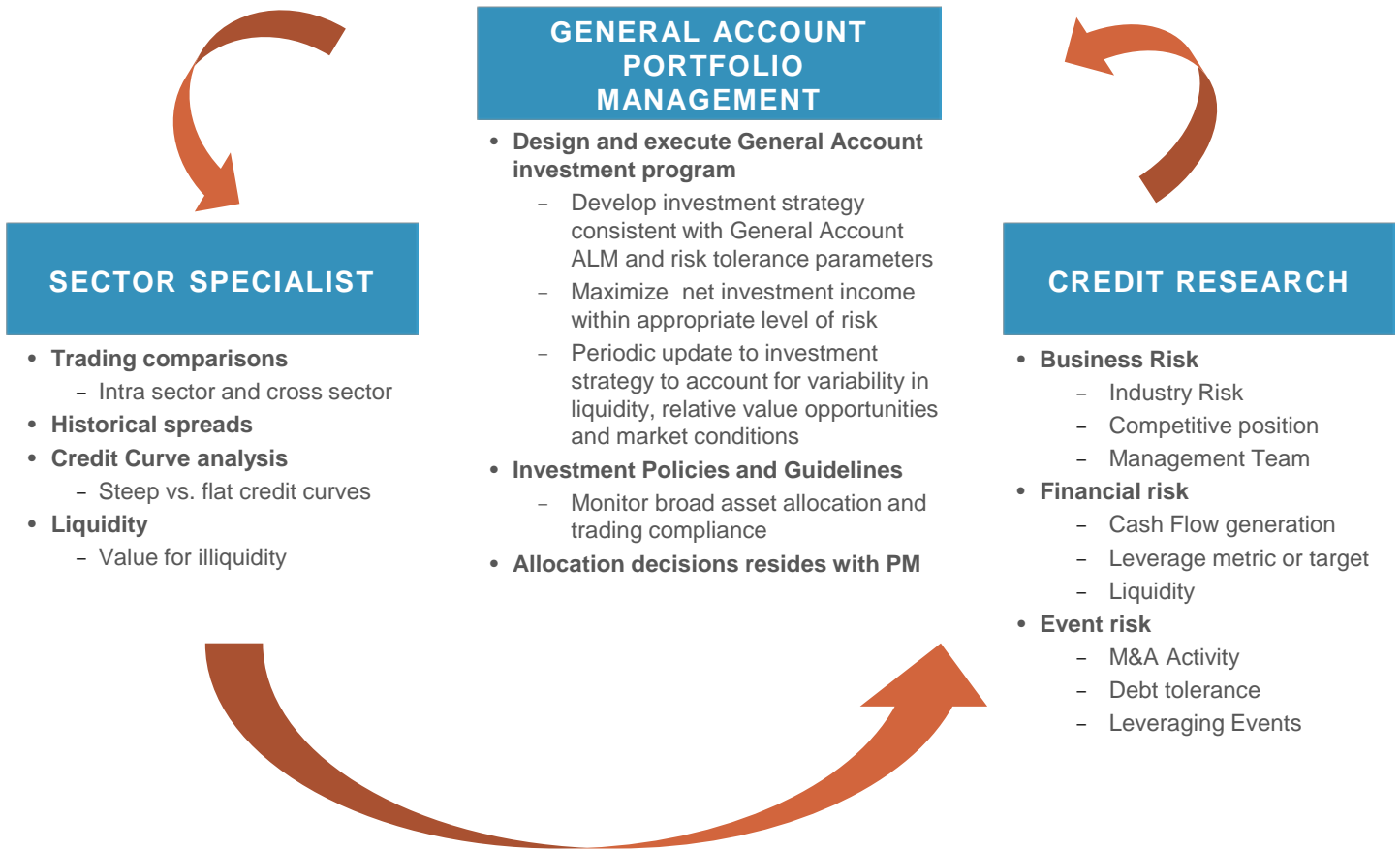
NYL Investors LLC (NYL Investors) is the sole investment manager of GIA and is a wholly owned subsidiary of New York Life and a part of New York Life Investments, a multi-boutique, diversified, global asset manager.<sup>7</sup>

NYL Investors’ investment management approach is grounded on the following key principals:

- Avoidance of Macro-Forecasting
- Bottom-up fundamental research provides the basis for investment selection
- Capital preservation through loss-avoidance is central to our style
- Constructing well-diversified portfolios reduces risk
- Maintaining a long-term focus is critical to unlocking fundamental value
- Appropriate level of liquidity

A collaborative team approach and a comprehensive approach to managing risk are both key drivers to NYL Investors’ investment process.

## Collaborative Team Approach



## Comprehensive Approach to Managing Risk



Definition: Risk management includes an effort to manage risk but should not be confused with and doesn't imply low risk. Past performance is not indicative of future returns, which will vary.

*With NYL Investors as the sole investment manager and New York Life as the sole wrap provider for GIA, our deeply experienced investment teams may uncover opportunities, navigate market volatility, and stay true to their time-tested investment strategies. Our investment professionals are not bound to mandated limitations set by third parties, and this allows investment decisions to be made in accordance with proven investment and risk management processes.*

## New York Life Differentiators for 529 Programs

### Mutual Structure

New York Life has been a mutual company since its inception. We are accountable to our customers, not to outside investors.

### Financial Strength

New York Life has been meeting its obligations for over 175 years, in good times and bad. Our enduring financial strength, along with our \$27 billion surplus<sup>4</sup> helps us to be prepared to meet all our commitments.

### Commitment to the 529 Marketplace

Our solutions and services are present in many states' programs.

### Stable Value Experience

New York Life has over 40 years of experience managing stable value solutions. We have teams of individuals whose focus is dedicated to the stable value asset class. We are proud to be a long-standing Gold Value Program Member of the Stable Value Investment Association.

### Investment Manager Expertise

NYL Investors is a deeply experienced and disciplined manager with a long-term orientation and capital preservation mindset. The team of portfolio managers and analysts apply a consistent, proven investment process to the GIA portfolio.

### Meaningful Guarantees

All the guarantees behind our proprietary stable value solutions, including the minimum crediting rate for GIA, are backed by the full faith and credit of New York Life.<sup>6</sup>

BUILT FOR TIMES LIKE THESE is a trademark of New York Life Insurance Company.

1 Based on revenue as reported by "Fortune 500 ranked within Industries, Insurance: Life, Health (Mutual)," Fortune magazine, June 2021. In the recently released 2021 World's Most Admired Companies ranking from Fortune, New York Life Insurance Company claimed the top position in the Insurance: Life and Health category of the annual ranking of corporate reputation\*.

Rankings are determined by a proprietary formula that weights nine criteria to create an overall score. For methodology, please see <https://fortune.com/franchise-list-page/fortune-500-methodology-2021/>.

2 As reported by "Fortune 2021 World's Most Admired Companies ranking within Insurance (Life and Health)," Fortune magazine, February 2021. For methodology, please see <https://fortune.com/company/new-york-life-insurance/worlds-most-admired-companies/>.

3 Individual independent rating agency commentary as of 10/15/2020: A.M. Best (A++), Fitch (AAA), Moody's Investors Service (Aaa), and Standard & Poor's (AA+).

4 Total surplus, which includes the Asset Valuation Reserve (AVR), is one of the key indicators of the company's long-term financial strength and stability and is presented on a consolidated basis of the company. NYLIC's statutory surplus was \$21.73 billion and \$22.03 billion at December 31, 2020 and 2019, respectively. Included in NYL's statutory surplus is the surplus of its subsidiaries and affiliates, New York Life Insurance and Annuity Corporation's (NYLIAC), whose statutory surplus totaled \$9.45 billion and \$9.35 billion at December 31, 2020 and 2019, respectively, and Life Insurance Company of North America's (LINA), whose statutory surplus was \$1.85 billion at December 31, 2020. AVR for NYL was \$3.59 billion and \$3.37 billion at December 31, 2020 and 2019, respectively. AVR for NYLIAC was \$1.60 billion and \$1.56 billion at December 31, 2020 and 2019, respectively. AVR for LINA was \$0.07 billion at December 31, 2020. NYL's 2020 Report to Policy Owners.

5 As of March 31, 2021.

6 Guarantees are based on the claims-paying ability of New York Life Insurance Company.

7 "New York Life Investments" is both a service mark and the common trade name of certain investment advisors affiliated with New York Life Insurance Company.

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