New York Life Anchor Account

NEW YORK LIFE STABLE VALUE INVESTMENTS

Product Guide

As of 6/30/2024

The New York Life Anchor Account (Anchor Account) is a pooled separate account group annuity contract seeking to provide a low-risk, stable investment option. The Anchor Account offers participants competitive yields and limited volatility, with a guarantee of principal and accumulated interest.

Contract Issuer & Guarantee Provider*

New York Life Insurance Company issues the Anchor Account group annuity contract and provides the guarantee of principal and accumulated interest. A leading provider of stable value products for over 40 years, New York Life currently manages more than $35 billion in stable value assets. New York Life Insurance Company, a mutual life insurance company founded in 1845, holds the highest ratings for financial strength currently awarded to any U.S. life insurer from the four major ratings agencies:

A++	AAA	Aaa	AA+
SUPERIOR	EXCEPTIONALLY STRONG	EXCEPTIONAL	VERY STRONG
A.M. BEST	FITCH	MOODY'S	STANDARD & POOR'S

Source: Individual third-party ratings reports as of 11/17/2023.
Note: The financial strength of New York Life Insurance Company applies only to its insurance products and not to investment products which are subject to market risk and fluctuation in value.

*All guarantees are subject to the claims-paying ability of New York Life Insurance Company.

Investment Manager

NYL Investors LLC

- Multi-product, fixed income asset manager
- Disciplined, team-oriented approach to management of fixed income portfolios
- Manages several stable value separate accounts, including customized solutions
- Experienced and highly specialized investment professionals dedicated to research, trading, and portfolio management

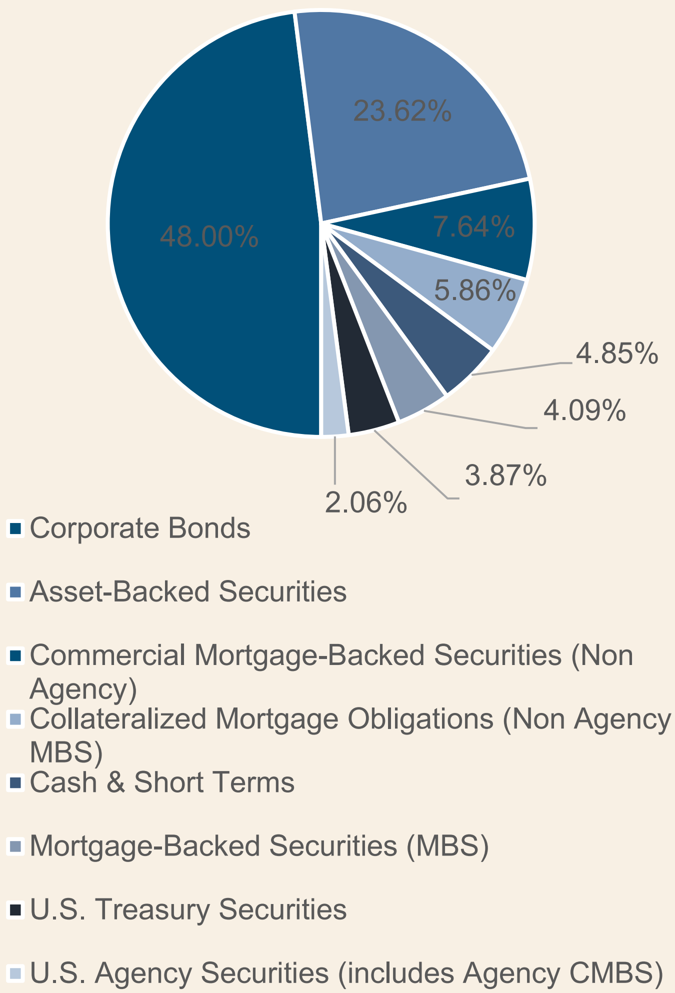
Portfolio Manager

Kenneth Sommer is the Head of the Investment Grade Portfolio Management team, and a Senior Portfolio Manager. He is responsible for managing all investment grade single sector and multi-sector third party fixed income portfolios including retail mutual funds and institutional separate accounts. Mr. Sommer received a B.S. from Binghamton University and an M.B.A. from Fordham University.

Contract Contributions[1]

Contributions are directed to a New York Life pooled separate account (New York Life's Pooled Separate Account No. 25) which primarily invests in a diversified portfolio of high-quality, fixed income securities.

Anchor Account
Asset Allocation as of 6/30/24



New York Life Anchor Account

Category	Stable Value
Inception Date	1/3/1995
Total Assets	$6.9 billion
Crediting Rate (Gross)	4.08%
Structure	Pooled Separate Account
Crediting Rate Reset*	Daily
Effective Duration	2.36 years
Investment Manager	NYL Investors LLC
Issuer	New York Life Insurance Company

* Certain clients and recordkeeping platforms utilize a quarterly rate reset and performance may differ.

The Anchor Account is the brand name for New York Life's Pooled Separate Account #25 in which all contributions are invested. The Anchor Account is a pooled separate account group annuity contract that seeks to provide a low-risk, stable investment option. New York Life Insurance Company (New York Life) issues the Anchor Account group annuity contract and provides the guarantee of principal and accumulated interest, subject to the terms of the contract.[2]

Contract Crediting Rate

Interest is accrued daily and credited monthly for the Anchor Account. The daily rate fluctuates based on the underlying separate account investments. Realized gains and losses are amortized over the target duration. The New York Life Anchor Account was introduced on January 3, 1995.

Minimum Investment Amount

An employer should expect to fund at least $3 million within the first 12 months. If the employer sponsors more than one plan which will use the Anchor Account group annuity contract, assets will be aggregated with regard to the minimum.

Contract Availability[2]

The New York Life Anchor Account group annuity contract is available to 401(a) and 401(k) qualified retirement plans, and 457(b) government plans. A separate Anchor Account group annuity contract may be issued to each plan. Prior to New York Life granting approval for an Anchor Account contract, a plan must complete and submit a Background Form.

Participant-Initiated Withdrawals

Participants may deposit and withdraw on a daily basis at contract value. Participants may also transfer to other investment options in the plan. However, transfer restrictions may exist if a plan offers competing funds (may include money market funds, other guaranteed funds, and bond funds with a duration less than 3 years). Participants can contact the plan administrator with questions regarding transfers from this option.

Contract Withdrawal and Transfer Restrictions

Aggregate participant withdrawal requests resulting from an employer-initiated event may be subject to an annual limit based on the plan's contract balance at the beginning of the year. If these withdrawals exceed the plan's designated percentage in any given year, the withdrawals will be paid; however, the excess over the annual limit may be subject to a market value adjustment.

No direct transfers from the Anchor Account to competing investment options are allowed. Competing options generally include money market funds, other guaranteed funds, and bond funds with a duration of less than 3 years.

Contract Termination Provisions

If a plan provides 12 months written notice of Anchor Account termination to New York Life, no market value adjustment or other penalty will be assessed against the plan's balance in the Stable Value Account.

If a plan does not provide 12 months advance written notice of termination, the plan's balance in the Stable Value Account may be subject to a market value adjustment. New York Life will pay a single sum equal to the plan's balance in the Stable Value Account projected for a two-year period at the contract crediting rate in effect on the stated termination date and discounted back to the stated termination date.

New York Life Anchor Account

Performance

Class	Expense Charge	3 Month	YTD	1 Year	3 Years	5 Years	10 Years
Anchor Account (GROSS)	N/A	0.97%	1.93%	3.82%	3.17%	2.94%	2.62%
Anchor Account 35 (NET)	0.35%	0.89%	1.76%	3.47%	2.82%	2.59%	2.27%
Anchor Account 45 (NET)	0.45%	0.86%	1.71%	3.37%	2.72%	2.49%	2.17%
Anchor Account 65 (NET)	0.65%	0.82%	1.61%	3.17%	2.52%	2.29%	1.97%
Anchor Account 90 (NET)	0.90%	0.75%	1.49%	2.92%	2.27%	2.04%	1.72%

Calendar Year Performance (Data reflects full year information)

Class	Expense Charge	2023	2022	2021	2020	2019	2018
Anchor Account (GROSS)	N/A	3.66%	2.82%	2.26%	2.60%	2.87%	2.58%
Anchor Account 35 (NET)	0.35%	3.31%	2.47%	1.91%	2.25%	2.52%	2.23%
Anchor Account 45 (NET)	0.45%	3.21%	2.37%	1.81%	2.15%	2.42%	2.13%
Anchor Account 65 (NET)	0.65%	3.01%	2.17%	1.61%	1.95%	2.22%	1.93%
Anchor Account 90 (NET)	0.90%	2.76%	1.92%	1.36%	1.70%	1.97%	1.68%

Past performance is no guarantee of future results. Performance for periods greater than one year is annualized. The expense charge(s) shown may not have existed for the periods presented. Performance was calculated by applying the stated expense charge to the actual gross crediting rates for the periods shown. Prior to July 1, 2012 some clients may have experienced lower expense charges which may have resulted in actual returns higher than shown.

Expense & Revenue Options

New York Life will apply an annual expense charge to cover expenses for administration of the separate account group annuity contract and various recordkeeping and other services provided by third parties and/or affiliates of New York Life. A portion of the expense charge for the Anchor Account may be shared with third parties to help defray eligible plan expenses. The expense charge is deducted from the gross crediting rate to arrive at the net crediting rate. The table below shows the expense structures available for the Anchor Account:

Class	Expense Charge	Revenue Offset	CUSIP
Anchor Account 35	0.35%	0.00%	64953ABN9
Anchor Account 45	0.45%	0.10%	64953ABK5
Anchor Account 65	0.65%	0.30%	64953ABL3
Anchor Account 90	0.90%	0.55%	64953ABM1

Product History

	6/30/2024	2023	2022	2021	2020	2019
Sector Diversification						
Corporate Bonds	48.0%	49.1%	46.7%	48.2%	45.6%	52.7%
Commercial Mortgage-Backed Securities	7.6%	7.2%	6.6%	6.8%	8.8%	14.2%
Asset-Backed Securities	23.6%	23.4%	21.9%	22.2%	17.8%	16.1%
Cash & Short Terms	4.8%	3.8%	8.0%	7.2%	3.6%	3.3%
Mortgage-Backed Securities	4.1%	1.8%	2.0%	3.2%	4.1%	4.0%
Collateralized Mortgage Obligations	5.9%	4.6%	3.4%	1.1%	1.3%	1.4%
U.S. Agency Securities	2.1%	3.7%	3.6%	8.6%	16.0%	4.7%
U.S. Treasury Securities	3.9%	6.4%	7.8%	2.8%	2.8%	3.8%
Maturity Structure						
0 - 1 year	22.6%	13.30%	14.3%	15.1%	27.5%	21.7%
1 - 2 years	16.7%	21.62%	12.1%	7.8%	12.0%	30.6%
2 - 3 years	15.6%	14.54%	20.5%	13.2%	12.5%	14.2%
3 - 4 years	19.5%	18.79%	12.4%	15.0%	13.1%	11.7%
4 - 5 years	9.7%	15.98%	18.0%	15.7%	17.2%	17.0%
Over 5 years	15.9%	15.76%	22.7%	33.3%	17.7%	4.8%
Quality Distribution[3]						
AAA	17.2%	3.81%	28.0%	29.2%	44.2%	42.7%
AA	18.6%	16.66%	8.3%	6.6%	5.8%	6.6%
A	33.3%	19.66%	31.8%	29.9%	23.9%	22.9%
BBB	25.5%	32.69%	23.5%	26.4%	21.6%	23.3%
Below BBB	0.6%	26.59%	0.3%	0.7%	1.0%	1.2%
Cash	4.8%	0.60%	8.0%	7.2%	3.6%	3.3%

Data reflects 12/31 year-end information unless otherwise noted.

Date	Assets ($ billions)	Market to Book Value	Effective Duration (years)	Average Maturity (years)
6/30/2024	$6.87	94.82%	2.36	2.97
3/31/2024	$7.01	94.64%	2.25	3.04
12/31/2023	$7.12	94.49%	2.06	3.18
9/30/2023	$7.35	92.57%	2.03	3.24
6/30/2023	$7.80	92.83%	2.10	3.31
3/31/2023	$8.00	93.56%	2.05	3.37
12/31/2022	$8.03	92.79%	2.09	3.14
9/30/2022	$7.94	92.29%	2.14	3.78
6/30/2022	$7.87	94.32%	1.99	3.86

Product History (cont'd)

Date	Assets ($ billions)	Market to Book Value	Effective Duration (years)	Average Maturity (years)
3/31/2022	$7.48	96.59%	2.23	4.09
12/31/2021	$7.26	100.30%	2.41	4.04
9/30/2021	$7.24	101.40%	2.45	4.22
6/30/2021	$7.07	101.88%	2.31	3.92
3/31/2021	$7.03	101.79%	2.35	3.85
12/31/2020	$7.09	102.84%	2.54	3.18
9/30/2020	$6.64	103.02%	2.23	2.81
6/30/2020	$6.34	102.95%	2.08	2.54
3/31/2020	$6.11	99.95%	1.93	2.39
12/31/2019	$5.32	101.23%	1.95	2.40

Investment Commentary[4]

Market Review

The first half of 2024 played out much like 2023 in financial markets. For much of the first half, U.S. economic data continued to outperform expectations of a Fed induced slowdown, leading to higher interest rates and positive risk asset performance. The last couple of months, we've seen this trend start to reverse. The Citi Economic Surprise Index, which measure data surprises relative to market expectations, hit its lowest level since August 2022, signaling that recent economic data has come in far worse than expectations. Market participants have also taken notice of the recent weakness in economic data. The Fed Funds Futures market is now pricing in over 50 bps of interest rate cuts in 2024, as opposed to only 25 bps of interest rate cuts as of April 30th. In addition to the weakening economic data, there will be plenty of event risk to follow in the second half with the most notable event being the very contentious U.S. election in November.

The ISM manufacturing index came in at 48.5 in June, below the 49.1 consensus estimate, and in contractionary (below 50) territory. This marks the third straight month of contraction in the Manufacturing industry. Going back to November 2022, the ISM Manufacturing index has now printed in contractionary territory in 19 of the 20 proceeding months. Within the index, the Production sub-component fell into contractionary territory from 50.2 to 48.5. The New Orders sub-component did increase 4 points in June but remains in contractionary territory at 49.3. The ISM prices paid sub-index eased from 57 to 52.9 in June, the slowest growth in costs this year, and a positive development in an otherwise disappointing manufacturing report. The ISM services index came in at 48.8 in June, below the 51.0 consensus estimate and the lowest level since the depths of the pandemic in May 2020. The business activity sub-component fell over eleven points to 49.6, the largest drop since August 2020. The new orders subcomponent, a forward-looking indicator of demand, also fell into contractionary territory in June for the first time since December 2022 (54.1 to 47.3).

Headline CPI in May was unchanged MoM and 3.3% YoY, versus the 0.1% MoM and 3.4% YoY consensus estimate. In a positive development for price weary consumers, grocery prices overall were unchanged in May, with many items such as beef, eggs and vegetables declining. Consumers also saw relief at the pump in May with gasoline prices declining 3.6%, the steepest drop since November. Core CPI, which excludes food and energy, came in at 0.2% MoM and 3.4% YoY, below the 0.3% MoM and 3.5% YoY consensus estimate. Core services inflation rose only 0.2% (0.4% prior) while core goods were flat (-0.1% prior). Within the core services component, auto insurance, recreation services and airfare saw the largest price declines. Within the core goods component, a seasonally adjusted drop in new car prices combined with price declines in discretionary goods offset a 0.6% gain in used-car prices. During the month of June, the economy gained 206k jobs, above the 190k consensus estimate. Net revisions for the prior two months were revised down by 111k, driven in large part by downward revisions in leisure and hospitality (-41k) and government (-25k).

The unemployment rate rose from 4.0% to 4.1%, the highest level since November 2021. The labor force participation rate came in a 62.6%, matching the consensus estimate. U.S. prime-age participation (25 to 54 years) rose from 83.6% to 83.7%, the highest level since May 2001. Average hourly earnings grew at 0.3% (MoM) and 3.9% (YoY) in June matching consensus expectations.

The FOMC held their fourth monetary policy meeting of the year on June 11th- 12th. As expected, they kept rates unchanged at a level between 5.25 – 5.50%. In addition to the policy statement and ensuing press conference from Chair Powell, the Federal Reserve also released their updated Summary of Economic Projections (SEP).

Source: Blomberg, June 2024
The ISM Manufacturing Index is calculated by Bloomberg by applying the real value added by the manufacturing industry by year to the manufacturing index and giving the remaining percent to the non-manufacturing index.
Headline inflation (CPI) accounts for every good or service included in an index; Core CPI excludes food and energy prices.
NYL Investors affiliates may develop and publish research that is independent of, and different than, the views expressed

Within the updated dot plot, the 2024 median showed 25 bps of cuts (75 bps in March), a hawkish surprise as the consensuses estimate was for 50 bps of cuts in 2024. Eight committee members put down 50 bps of cuts, seven members put down 25 bps of cuts and four members put down no cuts. The 2025 median dot showed 100 bps of cuts (75 bps in March). In addition, the longer run rate projection, which represents the Fed's estimate of the neutral rate of interest (r-s), was revised higher from 2.6% to 2.8%. Within the updated 2024 economic projections, core PCE was moved up to 2.8% from 2.6%. Both the unemployment rate and GDP for 2024 were unchanged at 4.0% and 2.1%, respectively. During Chair Powell's press conference, he acknowledged that recent inflation data has eased but further progress is needed to bolster confidence. On employment, Chair Powell said the labor market is in better balance and he believes we will see a gradual cooling in the jobs market as we move through the second half of the year. The overall message from Chair Powell and the committee seemed to be cautious optimism. The Fed believes inflation is back on the downward trend we saw in the second half of last year, but further progress is needed to ensure inflation is on a sustainable downward trajectory. Until that trajectory is confirmed through several months of on-consensus or weaker than expected inflation data, we expect the Fed to hold interest rates steady.

Investment Grade Credit closed Q2 and June weaker, with its worst monthly excess return since September 2022. During the quarter, the Bloomberg US Credit Index widened 3 bps to close at +88, just shy of the widest levels of the year. Total returns were modestly negative (-5 bps) as rates and spreads were slightly higher. Year-to-date, index level total return is -46bps and excess return is +80 bps, a testament to the incremental carry/coupon IG credit currently offers. All-in yields remain top of mind for investors, with the yield-to-worst on the index closing at 5.43%, just below the one-year average of 5.50%. Financials outperformed during the period, generating +23 bps of excess returns, while Industrials and Utilities lagged, generating -16 bps and -24 bps in excess returns respectively. BBBs (+9 bps) outperformed higher quality credit during the period, as Double-A's generated -31 bps in excess returns during the quarter, while longer duration credit continued to outperform short and intermediate paper.

The primary calendar remained active in the second quarter, as $352 bn in gross supply came to market, bringing year-to-date supply to $889 bn, a 26% increase versus the same period last year. The first half supply now represents 74% of 2023's full year volume, a possible sign issuers were actively looking to tap the market before the summer months and the election cycle here in the U.S. Demand for the calendar remains robust with limited new issue concessions and deals which are significantly oversubscribed. Financial issuance outpaced Industrial issuance by a narrow margin (42% vs. 39%) while Utilities comprised just 18% of issuance thus far. Finally, long duration issuance remains well below desired levels as just 24% of total issuance came in the back end of the curve. The lack of 30yr supply has resulted in flatter credit curves and limited opportunities for those investors with longer duration demand.

While top line return figures for MBS would point to a rather uneventful second quarter, the intra-period volatility of those returns was in fact quite high. The MBS index generated 7bp of total return and -9bp on a duration adjusted basis for Q2 2024. June was a painful month for the asset class, and as interest rates moved to year-to-date highs into a steeper curve, mortgages, particularly discount coupons, underperformed. Furthermore, the looming overhang of the forecasted $25-30bn "Available for Sale" (AFS) securities sale from Truist as part of a balance sheet restructuring weighed on lower coupons. The wides of the index for the quarter hit on April 16th at +55bp in OAS and -62bp of underperformance versus matched treasuries — in line with where the sector would finish the first month of Q2. Fast forward one month later to the release of April CPI on May 15th, and the MBS Index reached a year-to-date tight of +42bp OAS and nearly 100bp of excess returns for the month, with IG credit being essentially flat. Sellers immediately emerged and persisted as 10-year notes drifted back towards 4.6%, resulting in mortgages erasing nearly half of the outperformance generated in the first half of the month over the subsequent three trading days — right around where the sector would close the month. The volatility of interest rates and MBS returns were much more subdued in June up until the final trading day of the month. Prior to that, MBS excess returns at the benchmark level generally oscillated between +20-30bp, but saw -19bp of underperformance on month and quarter end as 10-year treasuries sold off 11bp to close at 4.4%.

In terms of performance across the coupon stack, down-in-coupon (3.0s and lower) outperformed purely as a function of the returns generated during the month of May, which the sector largely held in June. Up-in-coupon (5.5s and higher) languished into the bull flattening that occurred during May and June, and the belly (3.5-5.0s) served as a funding vehicle to rotate out of mortgages in the second half of the quarter. Ginnies underperformed their Conventional counterparts in 30yr space, largely concentrated in 4.5s and lower. 15yrs also underperformed 30yrs, with 15yr 1.5s unwinding nearly all the outperformance from Q1 due to the -89bp of excess returns experienced in Q2. We expect MBS performance will continue to be very rangebound and dictated by treasury curve levels and shape, as active players like money managers and hedge funds continue to police price action. Bank activity remains sparce in the wake of a still uncertain Fed Funds path as well as Basel III Endgame.

Unsurprisingly, second quarter price action for ABS and CMBS was much less volatile and more straightforward. On an excess basis CMBS outperformed by 7bp during the period on an excess return basis with 24bp in duration adjusted returns. However, on an absolute basis, ABS was the best performing sector within the Bloomberg U.S. Aggregate Index, generating 98bp in total return for the quarter, bringing YTD total returns to +166bp — also the highest within the Agg followed by CMBS at +154bp. On a duration adjusted basis, CMBS continues to be the highest performing sector within the index at +171bp in excess returns, driven by strong outperformance of Conduit in Q1. Both sectors continue to see robust origination volumes, with ABS running 31% higher year-over-year at $191bn, and CMBS 151% higher at $47.8bn in private label.

Source: Bloomberg, Citi Velocity, NYL Investors.
Core Personal Consumption Expenditures Price Index (PCE) excludes food and energy.
MBS – Mortgage-Backed Securities. OAS – Option-Adjusted Spread.
Past performance is not indicative of future results.
NYL Investors affiliates may develop and publish research that is independent of, and different than, the views expressed.

However, it's worth noting 75% of the CMBS volume is coming from single-asset single-borrower — an out of benchmark sector. We expect ABS and CMBS to see consistent demand through the balance of the year as money manager inflows remain robust, all-in yields remain attractive, and over $6tn remain in money market funds, providing a substantial backstop for risk assets when the Fed begins to normalize policy.

Market Outlook

As we reflect upon the first half of 2024, we couldn't help but compare it to the first half of 2023. Below is an excerpt from our outlook this time last year:

If we had to sum up the first half of 2023, the first word which comes to mind is resiliency. From the labor market, to growth, to the health of consumers and certainly, to the financial markets, all have been remarkably resilient. While many market participants either predicted or prepared for a recession to occur in the second half of 2023, the probability of such seems to decline with each passing data point, which has in turn resulted in expectations for tighter monetary policy to persist much longer than participants had priced in from the start of the year. That said, there is no question what many thought would be the come-back of Fixed Income total returns (present company included) the performance of the equity market has surpassed nearly all expectations. With the S&P 500 up by over 15% in the first half and the Bloomberg U.S. Aggregate Bond Index up just 2%, the winner is clear.

The similarities are simply stunning. The U.S. economy continues to surpass all expectations, as the equity market climbs to historic highs and Fixed Income returns remain stuck in negative territory as the Fed holds rates higher for longer. We believe the Fed will ultimately begin their rate cutting cycle in the second half of this year but anticipate the path will be shallower than most anticipate. Valuations across Core Fixed Income remain stretched, but we struggle to identify a strong negative catalyst which could push spreads meaningfully wider. We continue to look for opportunities to out carry our respective benchmarks with an emphasis on structured product and investment grade credit. We anticipate maintaining enhanced flexibility through the summer months and continue to monitor better opportunities for further risk taking.

Please contact your New York Life Stable Value Investments Sales Director
with questions, or to obtain a copy of the Anchor Account specimen contract.

1 The assets in this account are owned by New York Life; but are maintained solely for the benefit of participating retirement plans and are not chargeable with any other liabilities arising out of any other business of New York Life.

2 While the Anchor Account carries relatively low risk, primary inherent risks include (i) interest rate risk—the risk that increases in interest rates may decrease the value of existing debt securities held in the Anchor Account and the risk of reinvesting cash flows at lower interest rates; (ii) credit/default risk — the risk that downgrades to the credit ratings of existing debt securities held in the Anchor Account, may decrease their value and the risk that issuers of debt securities will default on scheduled payments of interest and/or principal; (iii) liquidity risk—the risk of the effect on the Anchor Account's total value of large unexpected withdrawals; (iv) Anchor Account group annuity contract risk—the risk that New York Life will default on its obligations under the contract or that other events could render the contract invalid; or the contract is terminated and a contractual negative adjustment to the withdrawal amount applies; or that New York Life will not provide book value coverage for redemptions following certain employer-initiated events or actions (such as a plan termination, layoffs, early retirement programs, or bankruptcy of the plan sponsor). Depending upon the nature of the event, the occurrence could result in a loss in value to the contract holder's interest in the Anchor Account and/or may cause participants to receive less than book value.

3 Ratings by Moody's S&P and/or Fitch. AAA through BBB represents investment grade. Below BBB is non-investment grade. When a security has multiple ratings, the highest of three major rating agencies Moody's, S&P and/or Fitch is used.

4 The information contained in the Investment Commentary section is for general information use only and should not be relied upon for investment decision-making purposes and reflects the opinions of NYL Investors LLC as of the date of this material. Views and opinions are subject to change without notice in response to changing circumstances and market conditions. There can be no guarantees that any forward-looking statements will come to pass. It is not possible to invest in an index.

Stable Value Investments
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