

Stable Value

A simple outcome for participants achieved through great complexity for fiduciaries

For Your Information...

Fiduciary Considerations

Product

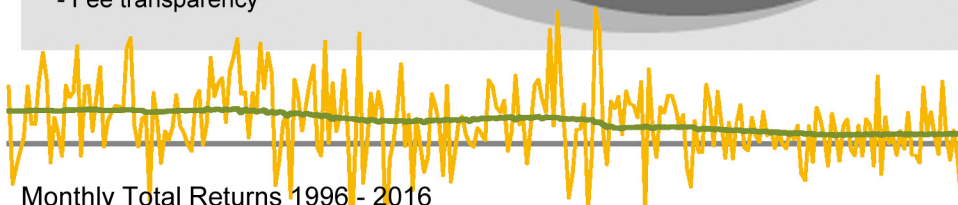
- Pooled or single client
- Access to collateral
- Exclusivity of claims
- Backstops
- Rate setting formula
- Process transparency
- Crediting rate structure
- Crediting rate floor
- Exit provisions
- Fee transparency

Wrap Contract(s)

- Number of guarantors
- Financial strength of guarantors
- Type of guarantees (implicit or explicit)
- Fees

Bond Portfolio

- Composition
- Credit Quality
- Duration
- Convexity
- Maturity Structure
- Yield



Monthly Total Returns 1996 - 2016

Short-Term Bond Index Fund Hueler Stable Value Index

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The stable value investment space has evolved considerably since the financial crisis of 2008. Wrap capacity has rebounded, however investment guidelines have tightened, fees are higher, and transfer restrictions to competing funds have increased.

While meeting the new standards has been difficult for many players in the stable value industry, prompting some to exit, these changes have ultimately served to improve this important investment product. Stable value funds can provide considerable utility to risk-averse DC plan participants, but due diligence, assessment, and monitoring by prudent fiduciaries is as critical as ever. For more information, see the Focus piece in the 4Q 2014 Market Recap on our website.

Bellwether Consulting is an independent investment advisor serving the needs of retirement plan sponsors and other institutional investors.

For more information please have a look at our website at www.bellwetherconsulting.net, or call us at (646) 205-9346.