



# OFFICE OF THE STATE TREASURER

403(b) Stable Value / Fixed Analysis | 4.15.2016

# Investment – 403(b)

	Fixed Account	Stable Value	Stable Value	Stable Value
<b>Product</b>	Voya Fixed Plus Account III	Voya Stabilizer	MassMutual	Prudential-Principal Preservation Separate Account (PPSA)
<b>Type of Account</b>	General Account	Separate Account	Separate Account	Separate Account
<b>Objectives</b>	The Voya Fixed Plus Account III is a set of contractual promises backed by VRIAC's general account	Stabilizer investment funds are separate accounts established by Voya Retirement Insurance and Annuity Company (VRIAC). The separate accounts are managed by Voya Investment Management, Co. LLC, an affiliate of VRIA. Intermediate Stable Value Fund (SA-734)	The Capital Preservation Account is a separate account wrapped by MassMutual, managed by investment management Babson Capital	ISSUER: Prudential Retirement Insurance and Annuity Company INVESTMENT ADVISER: Prudential Investment Management, Inc.
<b>Net Assets</b>	\$27.1B	TBD	\$558M	\$1.1B
<b>Issuer/ Guarantor Credit Ratings</b>	<b>S&amp;P: A</b> (6th of 22) <b>Moody's: A2</b> (6th of 21) <b>Fitch: A</b> (6th of 19) <b>AM Best: A</b> (3rd of 16)	<b>S&amp;P: A</b> (6th of 22) <b>Moody's: A2</b> (6th of 21) <b>Fitch: A</b> (6th of 19) <b>AM Best: A</b> (3rd of 16)	<b>S&amp;P: AA+</b> (2nd of 22) <b>Moody's: Aa2</b> (3rd of 21) <b>Fitch: AA+</b> (2nd of 19) <b>AM Best: A++</b> (1st of 16)	<b>S&amp;P: AA-</b> (4th of 22) <b>Moody's: A1</b> (5th of 21) <b>Fitch: A+</b> (5th of 19) <b>AM Best: A+</b> (2nd of 16)

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<b>Rate Declaration Frequency</b>	Credit Rate is determined at least monthly , and a guaranteed minimum floor rate is set each December	TBD	Quarterly	Semi annually
<b>Issuer/ Guarantor</b>	Voya is the sole guarantee provider	Voya	MassMutual	Prudential
<b>Average Credit Quality</b>	A	TBD	AA	AA-
<b>Average Duration</b>	7 to 7.5 years	TBD	2.66 years. Max is 3 years.	3.4 years
<b>Current Crediting Rate</b>	<ul style="list-style-type: none"> <li>• 457 and 401(a): 2.10%</li> <li>• 403(b): 3.00% in 2016, 2.50% in 2017 and the prevailing large case credited rate thereafter (currently 2.10%)</li> </ul>	TBD	1.60%	1.70%
<b>Minimum Guaranteed Rate</b>	The contractually guaranteed minimum interest rate is 1.00%.	1.0%	1.0%	1.50%

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<b>Employee Transfer Restrictions:</b> <b>Equity wash rules</b>	Transfers between plan investment options offered in the program are subject to an industry standard equity wash provision. Participant benefit withdrawals are allowed at any time.	Plan participants are allowed full Book Value for withdrawals. A 90 day equity wash is required if a competing fund is in the plan.	Industry-wide standard 90-day equity wash provision applies. Participant directed transfer of assets in or out of this investment option is done without surrender charge, or market value adjustment. Benefit payments made at book value.	Plan participants are allowed full Book Value for withdrawals. A 90 day equity wash is required if a competing fund is in the plan.
<b>Plan Sponsor Termination Provision</b>	<ul style="list-style-type: none"> <li>• Payout is via a lump sum if termination occurs after the contract has been in place for 5 years.</li> <li>• Prior to the 5 year anniversary, the spread pay provision applies to the fixed account assets. The assets would be distributed per the schedule below. the payout is 4 years and 1 day as follows:               <ul style="list-style-type: none"> <li>• 1/5 of the assets as of the date of the request                   <ul style="list-style-type: none"> <li>• 1/4 – 12 months later</li> <li>• 1/3 – 12 months later</li> <li>• 1/2 – 12 months later</li> </ul> </li> <li>• The remaining balance 12 months later</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>1. <b>Market Value</b> – The Plan Sponsor can withdraw in cash its pro-rata share at MV with a 30 day Notice</li> <li>2. <b>Book Value</b> Settlement – This option provides payment of the Interest Accumulation Fund generally over the duration of the separate account.</li> <li>3. <b>Payment-in-kind</b> – only for individual managed accounts – transfer of the securities in the separate account to the new provider</li> </ol>	Allows for full or partial termination at book value with a 12-month notice.	Plan sponsor to receive immediate book-value in ordinary circumstances
<b>Portability</b>	Yes	The contract is available to be record kept by other plan administrators.	Available on multiple record keepers	PPSA is available on over 30 recordkeeping platforms

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<b>Historical Rates</b>	2011: 2.85% 2012: 2.50% 2013: 2.25% 2014: 2.10% 2015: 2.10%	TBD	2011: 2.60% 2012: 2.01% 2013: 1.29% 2014: 1.19% 2015: 1.59%	2011: 2.75% 2012: 2.07% 2013: 1.55% 2014: 1.62% 2015: 1.70%
<b>Benchmark</b>	N/A	TBD	Blended Benchmark Index comprises 50% Citigroup 3-month Treasury bill and 50% Merrill Lynch 1–3 year Treasury note.	No specific benchmark; Could be compared to the 5-Year Treasury and Barclays Capital U.S. Intermediate Aggressive Bond Index
<b>Market/Book Value</b>	N/A	TBD	99.8%	101.2%

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<b>Additional Disclosures/ Requirements</b>	Must be used in all three plans in order to get the 6 bps fee reduction	The Product has to be implemented on all plans.	No share classes exist with no Revenue Share. If the product is not implemented on across the plan, the expense can be subject to change	The Product has to be implemented on all plans
<b>Share Class</b>	N/A	TBD		
<b>Expense Ratio</b>	.38%	.40%	.80%	TBD:
<b>Investment Management Fee</b>	N/A		.55%	It is a spread product, expenses fluctuate depending on the yield. Prudential keeps the rate above crediting rate as necessary expenses.
<b>Wrap Fee</b>	N/A		N/A	No revenue share if it not needed. If revenue share is needed it is deducted from crediting rate
<b>Revenue Sharing</b>	N/A	0	.25%	



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