

# Capital Preservation: The Stable Value Advantage

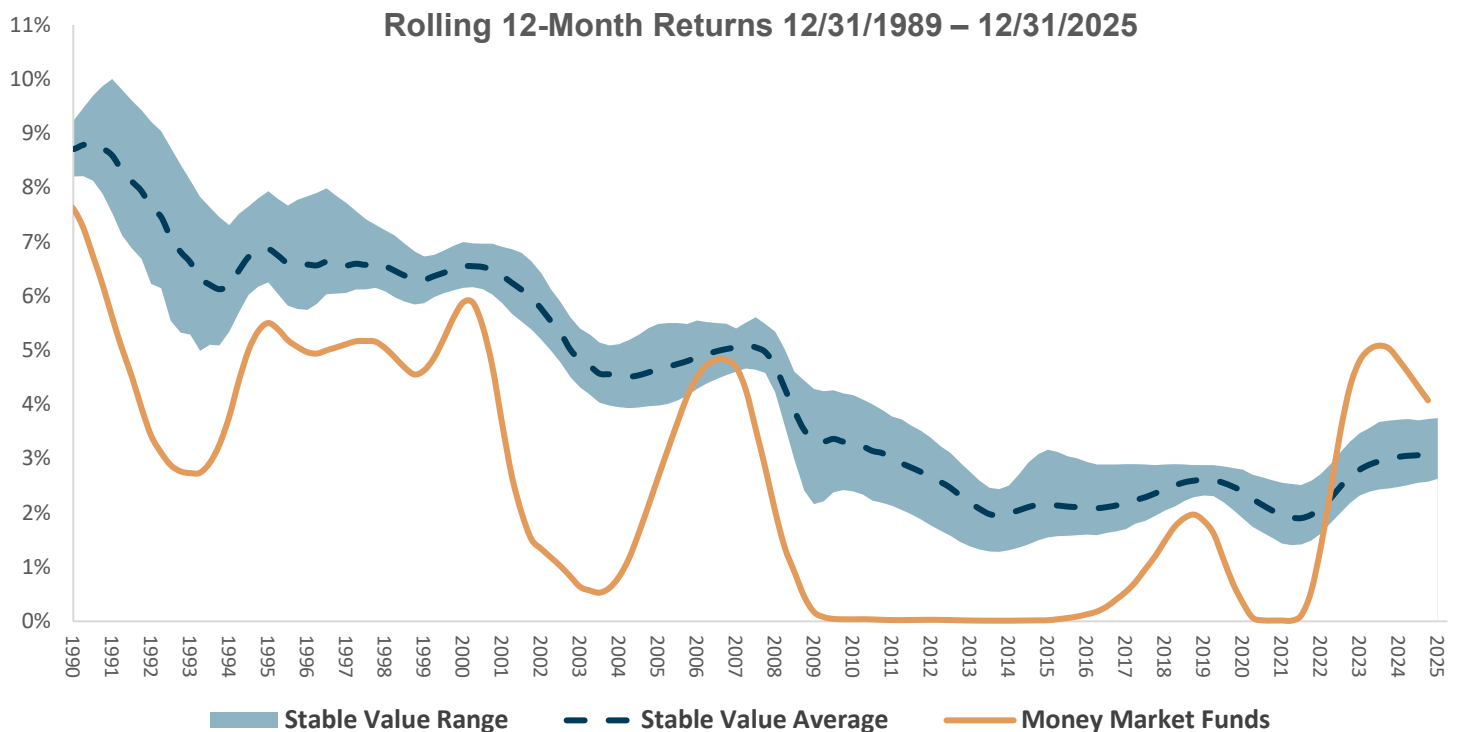
BROUGHT TO YOU BY NEW YORK LIFE STABLE VALUE INVESTMENTS

## The Choices

The objective of both stable value funds and money market funds is capital preservation. However, stable value funds generally have offered 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.

## A Look at Long-Term Performance

Money market funds are limited to low-risk, short-duration, highly liquid investments, which typically results in lower returns and may not guarantee full principal and accumulated earnings at withdrawal. Money market funds tend to adjust rapidly to interest rates, while stable value funds are structured for longer-term capital preservation and tend to respond more gradually to rate fluctuations. As demonstrated in the chart below, stable value funds have consistently outperformed money market funds in most market environments, often by a meaningful margin.



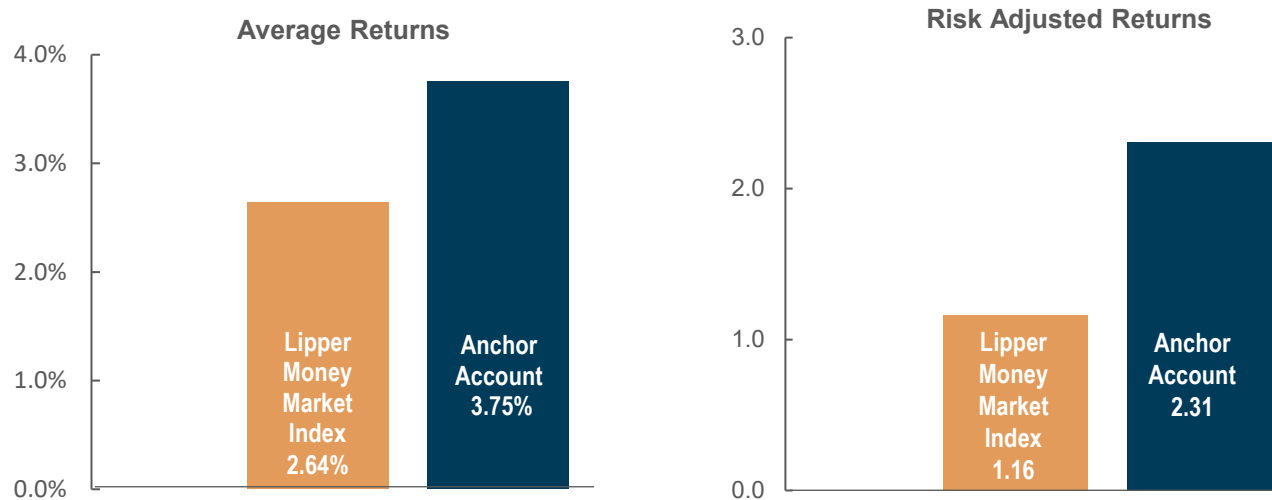
Source: Stable Value Investment Association (SVIA), *Stable Value at a Glance*, [www.stablevalue.org/stable-value-at-a-glance/](http://www.stablevalue.org/stable-value-at-a-glance/). See disclosures and definitions on page 2.



## A Closer Look at Returns & Risk

Stable value funds seek to deliver a compelling balance of risk and return. As illustrated in the charts below, a comparison of both average and risk-adjusted returns shows that the New York Life Anchor Account (Anchor Account) outperformed the Average Lipper Institutional Money Market Fund Index (Lipper Money Market Index), while maintaining lower volatility.

January 1, 1995 – December 31, 2025



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.

## Conclusion

Money market funds are designed to invest in high-quality, short-duration instruments with an emphasis on liquidity, which can limit their return potential over longer time periods. In contrast, stable value funds have historically delivered higher returns with similarly low volatility, benefiting from a broader, diversified investment approach.

As a result, stable value has provided participants with a meaningful long-term advantage across a wide range of market environments, making it an important consideration for plan sponsors when evaluating capital preservation options.

“Stable Value” is represented as a composite of the historical returns derived from data collected by the SVIA for its four stable value market segments (individually managed accounts, pooled funds, insurance company general accounts, and insurance company separate accounts). Historical return data is presented as both a range (with the top and bottom deciles removed) and as an average. Data from 1990 to 2008 was collected from stable value managers to form a composite for use in research conducted by David Babbel and Miguel Herce, and data from 2008 to present is sourced from the SVIA’s Quarterly Characteristics Survey with the period from 2008 to 2015 derived from reported crediting rate data. Returns are gross of stable value management fees but net of fees necessary to deliver the product, such as stable value wrap, third party fixed income management, trust, custody, and fund administrative fees. This composite is composed of varying types of stable value products and, as such, should not be used as a comparison to a specific product. “Money Market” is a simulation of money market returns from the iMoneyNet MFR Money Funds Index. Returns illustrated are gross before any fees.

1. 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.

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