Funding agreements are general account investment contracts that provide a guarantee of principal and accumulated interest. Contracts can be individually negotiated with specific terms tailored for each institutional investor’s needs.\(^1\)\(^2\)

**Flexibility offered by funding agreements**

Plan sponsors have a range of options with funding agreements.

- Guarantee of principal and interest\(^1\)
- May be funded by the purchaser with either a lump sum payment or installment payments
- Minimum contract size = $1,000,000
- Choice of maturities:
  - Rolling maturities — floating rate, reset quarterly and typically against a pre-determined index
  - Fixed maturities 1 to 10 years
- Payout at maturity — either a single lump sum or scheduled installment payments

**Benefits to plan sponsors and participants**

- Strong financial strength ratings
- Guarantee of principal and interest\(^3\)
- Attractive yields
- Predictable returns
- Customization
- Can be matched to specific liabilities
Typical funding agreement uses

- Health Savings Accounts (HSA)
- 529 Plans
- Construction financing
- Fund expenses
- Money market funds
- Securities lending cash collateral portfolios
- Municipalities, government pools
- Short-term investment funds
- Corporate cash pools
- Nuclear decommissioning trusts
- Foundations and endowments
- Financial institutions

To learn more about our stable value solutions please contact our team at (833) 948-2275