MetLife | Stable Value

Stable value vs. money market funds

An overview of how stable value solutions differ from money market funds

Superior value

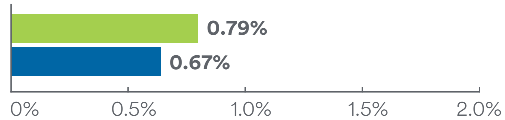
Most retirement plans include an income-producing, low risk, liquid fund; a choice where plan participants will not see their balances decline in the next market "correction." While both money market funds and stable value solutions meet this description, the differences between the two for plan participants are significant.

Most stable value portfolios are built around intermediate duration bonds, which have historically offered higher total returns over time than the shorter duration instruments in which money market funds are required to invest. In addition, stable value products offer lower volatility when compared to money market solutions. This reduced volatility is achieved through the credited rate, which amortizes the market value gains and losses over the duration of the assets backing the stable value contract. This provides a more stable pattern of returns for participants.

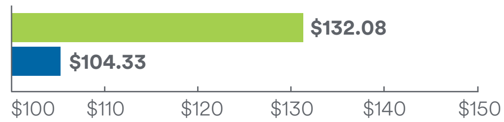
Lower risk/higher return

To highlight the benefits of stable value relative to money market funds, we compared the performance of a hypothetical money market fund with a hypothetical Met Managed GIC.

Risk (10-year standard deviation)



Total return (10-year growth of $100)

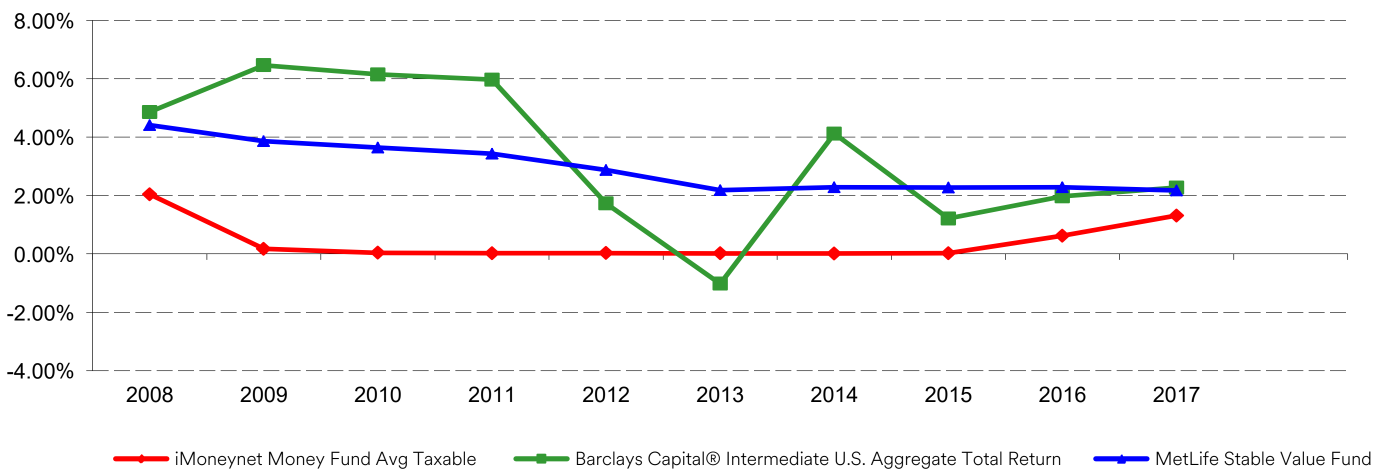


As of December 31, 2017

- Met Managed GIC credited rate
- Money market total return

Volatility Smoothing Chart

MetLife Stable Value Fund vs Money Market Funds



Assumptions - Returns are net of fees. Fees are a flat 50 basis points. YTM for rate reset purpose is the annualized yield to worst of the Barclays Capital® Intermediate U.S. Aggregate Total Return. The duration assumption for rate reset purposes is the Barclays Capital® Intermediate U.S. Aggregate Modified Adjusted Duration. The money market return is the iMoneyNet All Taxable Money Fund Average historical return and is not reflective of expenses, the deduction of which would reduce returns. Effective 12/31/16 Money Market Fund Statistics U.S. SEC - Weighted Average Net Prime is used.

Security

Our stable value solutions are firmly based on MetLife's guarantee to pay participant-initiated withdrawals at full book value. However, the typical money market fund prospectus states that the constant $1 share price is an "objective," not a guarantee.[1]

Liquidity

Our stable value solutions pay benefits as specified by the plan, as frequently as daily, up to the contract's full book value. Compared to money market funds, our stable value solutions typically provide a higher rate of return without sacrificing the liquidity associated with money market funds.

A hypothetical comparison of a Met Managed GIC (MMGIC) and a money market fund

To highlight the benefits of stable value relative to money market funds, we compared the performance of a hypothetical money market fund with a hypothetical MMGIC. Indexes were used to provide an objective source of data. The money market fund was assumed to have the same characteristics as the iMoneyNet All Taxable Money Fund Average, a standard benchmark for money market funds. The MMGIC was assumed to be invested in a fund whose characteristics and performance matched the Barclays Capital® Intermediate U.S. Aggregate Total Return, a common benchmark for intermediate-term bond funds.

A single $100 contribution was placed in each fund on December 31, 2008 and performance was tracked for 10 years.

	MMGIC credited rate	Money market total return	Credited rate differential	Money market market value	MMGIC contract value	MMGIC market value
2008	4.41%	2.04%	2.37%	$102.04	$104.39	$104.34
2009	3.86%	0.17%	3.69%	$102.21	$107.92	$110.54
2010	3.64%	0.04%	3.60%	$102.25	$111.89	$116.78
2011	3.43%	0.02%	3.41%	$102.27	$115.60	$123.17
2012	2.87%	0.03%	2.84%	$102.30	$119.44	$124.70
2013	2.18%	0.02%	2.16%	$102.32	$122.03	$122.81
2014	2.28%	0.01%	2.27%	$102.33	$124.28	$127.25
2015	2.27%	0.02%	2.25%	$102.35	$126.89	$128.16
2016	2.28%	0.62%	1.66%	$102.98	$129.52	$130.04
2017	2.17%	1.31%	0.86%	$104.33	$132.08	$132.33
Avg	**2.94%**	**0.43%**				
Std dev	**0.79%**	**0.67%**				

As of December 31, 2017

The results shown are hypothetical and were generated using the assumptions and methodologies described below. These results were generated using actual quarter end iMoneynet Money Fund average taxable returns. The scenario assumes an initial lump-sum deposit of $100 and no additional cash flow. Met Managed GIC fees cover investment management and insurance costs and asset custodial services. All fees are withdrawn from the market value, unless paid directly by the plan sponsor, and are reflected through a deduction in the gross credited rate. Fees are assumed to be 0.50%. The money market return is the average historical return and is not reflective of expenses, the deduction of which would reduce returns. Past performance is not an indication of future results. Money market funds are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other U.S. Government agency.

For more information about MetLife stable value solutions, call **Warren Howe** **1-860-768-0068**.

1. Guarantees are subject to the financial strength and claims-paying ability of Metropolitan Life Insurance Company and are subject to policy terms and conditions.