

Stable Value

WHITEPAPER | OCTOBER 2026

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Stable value funds are fixed income products that seek to preserve principal while providing a higher yield than cash or money market funds. This combination has made them a mainstay of participant-directed defined contribution (DC) plans, where they are offered in roughly three of every four plans.¹ Their advantages (e.g., low volatility, daily transactions at book value, and returns that have historically fallen between short- and intermediate-term bonds) are balanced against drawbacks including the potential for guarantee-provider default and liquidity risk.

This paper explains how stable value funds are structured and how their crediting rates work, reviews their historical performance along with primary risks, discusses implementation considerations, and their potential role for defined contribution plans and investors.

Key Takeaways

- › Stable value seeks investment grade bond-like returns with money market-like volatility. Funds pair a longer-duration portfolio of high-quality fixed income securities with insurance or wrap contracts that allow participants to transact at book value, muting the volatility of the underlying assets.
- › Book value accounting is what makes the structure work. Market value gains and losses are amortized through a crediting rate over the duration of the underlying portfolio rather than recognized immediately, producing a stable and consistently positive return stream.
- › The stability of the stable value portfolio flows from an agreement with an insurance or financial company that underwrites and guarantees the crediting rate and the value of the principal. While structures differ, the financial strength of the guarantee provider is often the most important consideration.
- › The yield advantage over money market funds is cyclical, not structural. Because the crediting rate resets with a lag, stable value tends to trail money market funds while short-term rates are rising and to retain an advantage for a period after they fall.
- › Liquidity is typically offered daily for participants but can be restricted at the plan sponsor level. Participant-initiated transactions are generally covered at book value, but plan sponsor-initiated events may settle at market value or be subject to an extended lockup (typically one year).
- › Stable value is best suited to investors with large bond allocations and short horizons. Its benefits are far less relevant to institutional investors who can ride out fixed income volatility, and whose portfolios may benefit from that volatility's diversifying effect.

Overview

Stable value is the term used for a class of investment options that seek to provide both principal preservation and investment grade bond-like income. Specifically, stable value funds attempt to ensure return of principal (i.e., never decline in value) and, in the interim, pay a periodic rate of interest, known as the crediting rate.² Stable value funds typically seek to offer yields on par with or above those available from money market funds. They do this by investing in a portfolio of bonds that offer a yield advantage over traditional money market funds. Doing so generally entails taking on greater duration (i.e., interest rate) or credit risk. The stable value fund then uses book value accounting via a “wrapper” to shield the investor from the volatility of the underlying investment portfolio.³ That is, the stable value fund accepts the mark-to-market risk inherent in publicly traded securities on behalf of the investor. As a result, the investor experiences a stable, consistently positive return stream that typically changes only by a small amount when the crediting rate resets.

Stable value funds are typically based on one or more of three types of insurance: traditional guaranteed investment contracts (GICs), separate account GICs, and wrap contracts, which are also known as synthetic GICs (see Figure 1). The difference between the first two and the third is subtle: whereas traditional and separate account GICs involve the investor surrendering the principal amount

in exchange for interest payments and, it is hoped, the contractually promised return of principal, a wrap (or set of wraps) is used to insure the underlying portfolio of fixed income assets. In most circumstances, the difference can be ignored by the investor: all GICs offer guaranteed interest rates and principal value, as well as book value transactions.

Stable value funds have been used in public and private employer-sponsored retirement plans since the 1970s as a higher yielding alternative to money market funds. In 2004, the Financial Accounting Standards Board (FASB) ruled that defined benefit plans could no longer invest in stable value funds and receive book value accounting in the program, though all existing stable value investments by these plans were grandfathered. Currently, stable value funds are only allowed in tax-qualified individual account plans, including defined contribution plans.

Details of Guaranteed Investment Contracts

A guaranteed investment contract is an agreement with an insurance company or other financial institution under which the issuer credits a stated rate of interest on the amount invested for a specified period, guarantees the return of principal, and permits the investor to transact at book value. Stable value funds are composed of one or more GICs (or GIC types), and they are typically issued by large financial institutions.

Figure 1
Comparison of Traditional, Separate Account, and Synthetic GICs

Feature	Traditional GIC	Separate Account GIC	Synthetic GIC (Wrap)
Who Owns the Underlying Assets	Issuer (general account)	Issuer, but segregated from general account	Plan/trust owns the bonds directly
Investor’s Claim in Default	General claim on issuer’s general account, behind policyholders	Claim on segregated separate account assets	Direct ownership of bonds + wrap guarantee
Book Value Protection Source	Issuer balance sheet	Issuer balance sheet (segregated)	One or more wrap contracts over owned bonds
Portfolio Flexibility	Lowest (constrained by general account rules)	Moderate	Highest, subject to wrap guidelines
Layers of Protection	One (issuer)	One (issuer, insulated)	Two (wrap provider(s) + underlying issuers) ⁴
Relative Complexity	Simplest	Moderate	Most complex
Usage/Availability	Least/declining use	Some usage	Highest usage
Vehicle	Insurance contract	Insurance contract	Collective Investment Trust (CIT)

Source: Meketa Investment Group. Comparison of general characteristics of traditional GICs, separate account GICs, and synthetic (wrapped) contracts; individual contract terms vary by issuer.

GIC Structures

When a plan sponsor enters into a traditional GIC, the issuing company typically invests the principal in its general account, subject to applicable insurance regulations and the issuer's own investment guidelines. These assets are commonly invested in high-quality fixed income instruments, such as Treasuries, agency securities, mortgage-backed securities, corporate bonds, and other investment grade debt, with the issuer bearing the investment risk. Companies that issue traditional GICs assume all the investment risk pertaining to the principal that the investor surrenders. As such, the traditional GIC becomes a liability of the issuer, and the investor has a claim on an issuer's general account assets. In this sense, a traditional GIC functions similarly to a savings account, in that an investor (depositor) gives the issuer (the bank) principal to invest profitably, provided that the investor is able to receive a reasonable return and withdraw money at any time. Traditional GICs are not insured by the Federal Deposit Insurance Corporation (FDIC) like most bank deposits are. Some insurance-company GIC obligations may be eligible for limited protection through state life and health insurance guaranty associations, depending on state law, contract type, and coverage limits.

Separate account GICs are similar to traditional GICs except that the underlying assets are held separately from the insurer's general account assets. There are three advantages to this structure. First, investors in separate account GICs have greater visibility into the underlying assets held on their behalf. Second, separate account GICs can invest in a wider variety of instruments than a traditional GIC, due to the stringent requirements on the general account assets of most traditional GIC providers. Third, in the event of default, the assets of many (but not all) separate account GICs are insulated from general account liabilities.

Synthetic GICs are composed of a portfolio of typically high-quality fixed income securities and one or more wrap contracts that guarantee the book value of the fixed income portfolio and allow book value transactions. Unlike the cases of the traditional and separate account GICs in which the investor has varying claims on the provider's assets, the synthetic GIC investor essentially has many claims on the liabilities of many different entities (through the direct ownership of many different high-quality fixed income securities). In addition, synthetic GICs permit the greatest flexibility in underlying fixed income portfolio design and strategy, subject to wrap provider guidelines. It is important to understand, however, that most wrap providers will only "write a check" in the unlikely event that total withdrawals exceed the market value of the underlying portfolio. While the wrap contracts allow for book value transactions, losses in the fixed income portfolio due to rising rates or fixed income

spreads will ultimately be amortized among remaining participants in the form of a reduced crediting rate.

The subtle distinction between the liability structure of traditional GICs and separate account or synthetic GICs is important in the event that the guarantee, or "wrap" provider, is unable to maintain the book value of the fund. In such an event, the traditional GIC investor will most likely need to file a general claim on the insolvent issuer's general account assets, whose primary claimants are often policyholders. Even if guaranty associations eventually make the traditional GIC investor whole, the process may take years. The situation for separate account GIC investors is better, but still involves filing a claim on the "separate account" assets, which are ultimately owned by the guarantee provider. On the other hand, the synthetic GIC investor still has ownership of the underlying portfolio and may trade in and out of these securities freely (albeit with a potential loss of principal value). Hence, synthetic GICs offer two layers of protection, as they are backed by both the financial institution(s) providing the wrap and the issuers of the underlying fixed income assets.

Book Value versus Market Value

To understand the mechanics of stable value first requires an understanding of the difference between market value and book value accounting. Market value is the price an investment could be sold for today, so it rises and falls as interest rates and market conditions change. Book value, by contrast, records the investment at its original principal plus interest earned (via the crediting rate), less withdrawals, which produces a smoother value over time.

Book value accounting is critical because it enables participants to transact at a stable principal value even when the market value of the underlying bonds fluctuates. By spreading market value gains and losses over time through the crediting rate, rather than recognizing them immediately, the structure delivers the principal stability and low reported volatility that distinguishes stable value from a conventional bond fund.

Crediting Rate

A stable value fund's crediting rate is reset periodically (e.g., quarterly) and is typically subject to a minimum crediting-rate floor, commonly 0%.⁵ The crediting rate is based primarily on the returns of the assets underlying the fund and applies to a forward period (see Figure 2). Hence, changes in interest rates, credit events, how the asset manager constructs the portfolio, and even investment flows can affect the market value of the underlying assets, which then flows through to the crediting rate.

Figure 2**Amortization Example: Market Value Gain vs. Loss Scenarios**

Scenario 1: Market Value Gain			Scenario 2: Market Value Loss		
Rates have fallen - market value 103 vs. book value 100			Rates have risen - market value 97 vs. book value 100		
Market value ÷ book value	103 ÷ 100	1.0300	Market value ÷ book value	97 ÷ 100	0.9700
Raise to the power 1 ÷ 5	1.0300 ^ 0.20	1.00593	Raise to the power 1 ÷ 5	0.9700 ^ 0.20	0.99393
Multiply by (1 + yield)	x 1.0450	1.05120	Multiply by (1 + yield)	x 1.0450	1.03865
Subtract 1 = gross rate		5.12%	Subtract 1 = gross rate		3.87%
Less fees retained by provider		-0.45%	Less fees retained by provider		-0.45%
Net crediting rate paid to participants		4.67%	Net crediting rate paid to participants		3.42%
<i>Amortization effect: +0.62% a year for five years, the 3% gap spread over the five-year duration.</i>			<i>Amortization effect: -0.63% a year for five years, the 3% gap spread over the five-year duration.</i>		

Source: Meketa Investment Group. Illustrative example is based on hypothetical assumptions and not actual stable value fund data. Assumes an initial book value and market value of 100, a gain of 3% in scenario 1 and a loss of 3% in scenario 2, a 5-year duration, and a 4.5% yield to maturity. Crediting rates are calculated using the formula: Crediting Rate = (Market Value / Book Value) ^ (1/Portfolio Duration) × (1 + Yield to Maturity) - 1. Results are shown for illustrative purposes only.

The setting of the crediting rate allows the issuer to amortize⁶ market value gains or losses over the duration of the underlying investments. Over the long term, the crediting rate should be equal to the performance of the underlying assets minus the cost of insurance and active management fees.

Because the crediting rate resets with a lag, its behavior differs across rate environments. When market rates rise, reinvestment occurs at higher yields and the crediting rate increases only gradually (because the difference between the market value and book value is being amortized over a period of years), so stable value tends to lag money market funds in rising rate environments. When rates fall, the crediting rate declines slowly, allowing stable value to sustain a yield advantage over money market funds for a period after short-term rates have dropped.

Historical Performance

Given the typical nature of their underlying short- and intermediate-term high-grade bond investments, and considering the cost of insurance, stable value funds should, over the long term, produce returns above short-term bonds but below investment grade bonds. At the same time, the volatility of their returns should be similar to cash. This has indeed been the case historically (see Figure 3). Stable value

funds have returned 4.0% annualized since inception, slightly less than the 4.7% of investment grade bonds and above the 3.6% of short-term bonds. At the same time, stable value returns have experienced an annualized standard deviation of 0.5%, comparable to the 0.6% volatility of cash. In addition, stable value has been most correlated with cash returns (0.72). This is unsurprising, given that stable value funds are often considered an alternative to cash or money market funds.

Primary Risks

Interest Rate Risk

Interest rate risk is relative, rather than absolute, for stable value funds, except in scenarios where the use of market value accounting would be compelled (e.g., a plan redemption from the stable value provider). If rates are rising gradually, money market funds will average into these higher rates more quickly than will stable value funds, potentially leading to stable value underperformance. In stable interest rate scenarios (particularly those with a positively sloped yield curve), stable value investments should outperform money market funds. However, a negatively sloped (i.e., inverted) yield curve would most likely lead to stable value underperformance, as the short-term yields of money market funds would exceed the intermediate-term yields of the stable value funds.⁷

Figure 3**Historical Performance of Stable Value Funds, 1990 through 2026**

	Cash	Short-Term Bonds	Stable Value	Investment Grade Bonds	Domestic Equities
3-Year	4.7%	4.6%	3.1%	4.2%	20.4%
5-Year	3.6%	2.1%	2.7%	0.1%	12.3%
10-Year	2.4%	2.0%	2.4%	1.5%	15.1%
20-Year	1.7%	2.4%	2.7%	3.3%	11.2%
Since Inception Return	2.6%	3.6%	4.0%	4.7%	11.2%
Ann. Std. Deviation	0.6%	1.6%	0.5%	4.1%	15.1%
Corr. w/ Stable Value	0.72	0.39	1.00	0.17	-0.02

Sources: InvMetrics and Morningstar. Index proxies: Cash proxied by Bloomberg US Treasury Bills: 1-3 Months Index; Short-Term Bonds proxied by Bloomberg US Government/Credit 1-3 Year Index; Investment Grade Bonds proxied by Bloomberg US Aggregate Index; Domestic Equities proxied by Russell 3000 Index; Stable Value proxied by Hueler Analytics Stable Value Pooled Fund Universe through December 2020 and Morningstar US CIT Stable Value Index thereafter (Morningstar acquired Hueler Analytics' stable value index business in 2021). Analysis is from January 1990 through June 2026.

Guarantee Provider Default Risk

Stable value funds are “guaranteed” to the extent that the guarantee provider(s) remains solvent. Guarantee providers have folded in the past.⁸ Without these book value guarantees, stable value investors would be exposed to the volatility that results from normal fluctuations in market value. This risk is compounded in the case of traditional GIC issuers because the general account assets are more likely to be impaired if the guarantee provider defaults (i.e., if the default is triggered in part by an event that causes a broad widening in credit spreads). To mitigate this relative risk, many traditional and separate account GIC issuers (e.g., insurance companies) belong to state guaranty associations, which are industry-wide organizations that insure the claims on general account assets of their members. These industry-wide organizations have made the claimants whole in the past; however, the delay in reimbursements can take years.

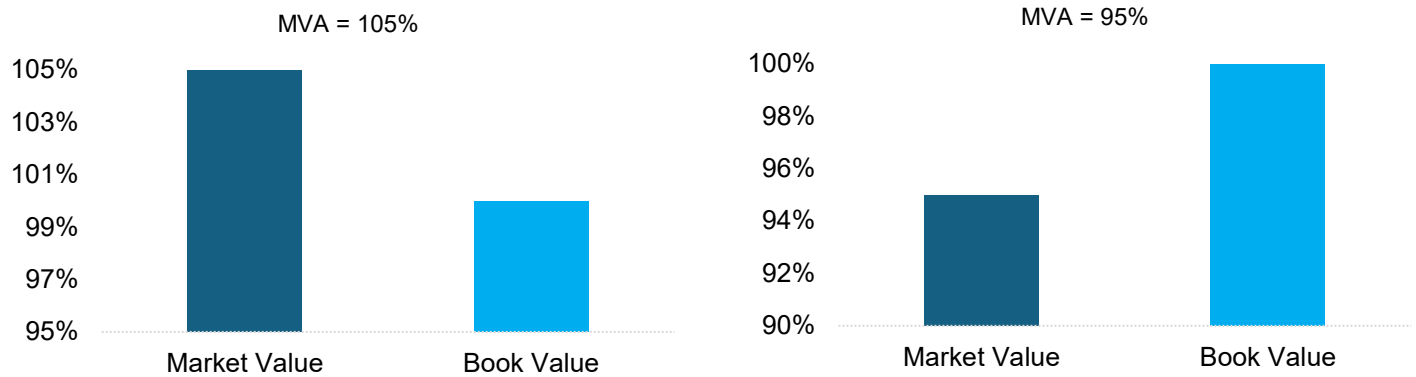
Liquidity Risk

Stable value funds generally distinguish between participant-initiated and plan sponsor-initiated transactions. Hence, they typically allow for daily withdrawals at the individual investor level in participant-directed plans, provided they are not transferring assets to a “competing” option such as a money market fund or bond fund. Stable value funds are considered “benefit-responsive,” meaning participant-initiated events (such as retirement, death, disability, termination, in-service withdrawals, loans, and required minimum distributions) are typically covered at book value (i.e., the value the participant sees on their account statements).

However, at the plan sponsor level, many issuers reserve the right to restrict withdrawals even under relatively benign conditions, not just economic crises. A 12-month delay (which can be shorter at the issuer’s discretion), referred to as a “put,” is common for plan-level terminations of a stable value fund to be paid out at book value. More broadly, changing or terminating a stable value fund investment may take considerable time based on the terms of the GIC, and the transition from one stable value fund to another adds complexity that often requires additional oversight of the crediting rate and book value stability through the transition period.

Further, plan sponsor-initiated events (such as a plan merger, spin off, layoff or early retirement program, plan amendment, or full or partial plan termination) may fall outside book value coverage and may be settled at market value. This is important because, if book value is greater than market value, this loss would have to be immediately spread across the whole investor base if the plan switches stable value providers. This is often referred to as a Market Value Adjustment (MVA) factor of less than 100% (see Figure 4). This situation can often be avoided if there is no permanent impairment of the underlying assets and the plan sponsor is willing to maintain the existing stable value arrangement. However, the time required for market value to recover to book value may extend for several years, particularly following periods of rapidly rising interest rates.

Figure 4
Illustration of Market Value Adjustment



Limited Transparency

Stable value funds typically provide less transparency than money market funds. They also do not have as stringent reporting rules as mutual funds and other publicly available retirement products. This is particularly true for traditional GIC structures, where the insurance companies have to report their fees, but not the profit earned (i.e., the difference between the income generated from reinvesting the assets and the crediting rate paid to investors).

Fiduciary Risk

As with any plan investment, plan sponsors have a fiduciary duty to monitor the plan's stable value fund. Stable value funds, however, can raise some unique fiduciary issues. It is common for the stable value fund to be affiliated with the plan's recordkeeper, particularly among small- and medium-sized plans. A recordkeeper will often promote the firm's proprietary stable value fund and offer reduced plan administrative costs as an incentive to use its fund. If the stable value fund is a traditional GIC structure, the profits from the plan's stable value assets will be undisclosed. In this situation, the administrative costs of the plan become less transparent, and participants invested in stable value are indirectly paying a disproportionate amount of the plan's administrative fees. An inherent conflict also exists because the recordkeeper has an incentive to increase or maintain assets in the stable value fund. Plan sponsors should be acutely aware of these potential issues and have a well-documented process to address them.

Fiduciary risk also includes litigation risk. Lawsuits related to the Employee Retirement Income Security Act (ERISA) involving stable value options have tested how plan fiduciaries select and monitor these options, with particular focus on the appropriateness of comparator fund benchmarking.⁹ Plan sponsors should maintain a well-documented process for evaluating stable value against relevant, like for like alternatives.

Implementation

There are significant differences in the various investment strategies that stable value funds pursue. Some emphasize yield, while others emphasize security and low risk. Some stable value funds are actively managed, while others mimic a passive fixed income index. Lastly, some stable value managers have established minimum rating requirements, diversification limits, and other restrictions. The bottom line is that all stable value funds are not the same, and plan sponsors should ensure they are comfortable with the underlying asset management strategy.

Stable value is often evaluated alongside other asset classes that are designed to preserve capital, such as money market funds, short-term TIPS, and short-duration fixed income.¹⁰ Each offers principal stability with different trade-offs: money market funds provide daily liquidity but typically lower long-run yield; TIPS offer inflation protection but with price volatility; and short duration bond funds typically provide higher yields than money market funds but without book value protection. Notably, the comparison is not always a free choice: stable value contracts commonly impose "equity wash" provisions that restrict which competing options (typically money market funds, short-duration bond funds, and other capital preservation vehicles) a plan may offer alongside stable value or require that transfers out be directed to a non-competing option for a stated period first. Because Qualified Default Investment Alternative (QDIA) design has more commonly centered on target date, balanced, or managed account options aligned with participants' long-term retirement horizons, stable value is generally offered as part of a plan's capital preservation or conservative investment lineup rather than serving as the plan's default investment option.

Implementation for Investors

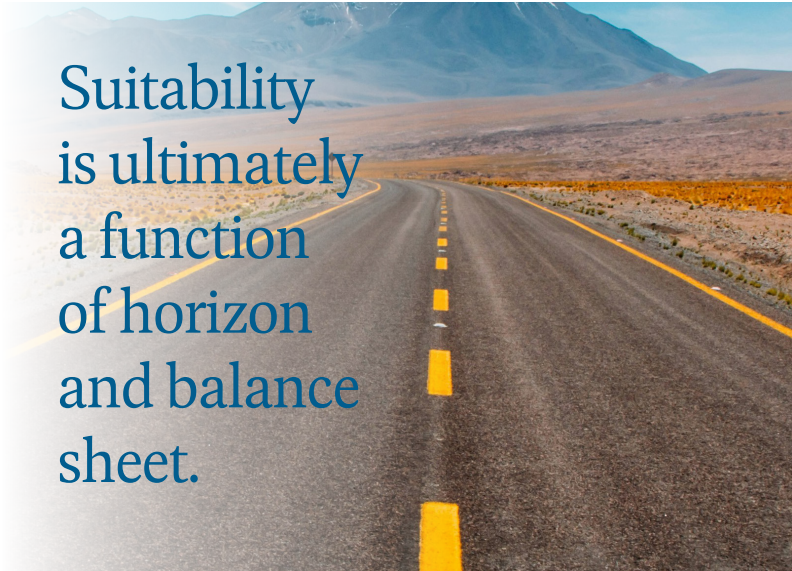
Because a product that offers bond-like returns with money market-like volatility and liquidity is popular with individual investors, stable value funds are used primarily by participant-directed defined contribution plans.¹¹ Historically, stable value assets have been concentrated among participants at or nearing retirement, consistent with the asset class's appeal to conservative, shorter-horizon investors.¹²

The universe of eligible stable value providers is relatively limited compared with equity or bond managers, with roughly 12 to 17 active wrap issuers currently serving the market.¹³ Fees for stable value portfolios are generally in line with investment grade bond portfolios, as they can usually be obtained for no more than 50 basis points.¹⁴ Large plan sponsors have the ability to pay considerably less through a synthetic GIC structure. The wrap itself is typically priced at approximately 20 basis points.¹⁵ When evaluating stable value providers, plan sponsors should consider the soundness of the underlying portfolio, the financial strength of the insurer or guarantee provider, and the experience and skill of the underlying asset manager. For DC plan sponsors that include stable value as a plan option, considerations include provider quality, crediting-rate competitiveness, fee levels, the potential use of a synthetic GIC structure to reduce counterparty risk and increase flexibility, and, where plan size permits, the use of a separate account structure for the underlying asset management.

Conclusion

Stable value funds seek investment grade bond-like returns with money market-like volatility, and for the most part they have delivered. The mechanism is book value accounting, enabled by a traditional GIC, a separate account GIC, or one or more wrap contracts over a directly owned portfolio of high-quality fixed income securities. Market value gains and losses are amortized through the crediting rate over the duration of the underlying assets rather than recognized immediately, which is what allows participants to transact at book value and produces a stable, consistently positive return stream. The historical record is consistent with the design, having produced a 4.0% annualized return since inception, between the 3.6% return of short-term bonds and the 4.7% return of investment grade bonds, with a 0.5% annualized standard deviation.

The yield advantage over money market funds is cyclical rather than structural: because the crediting rate resets with a lag, stable value tends to trail money market funds while short-term rates are rising and to hold an advantage for a period after they fall. The guarantee is only as good as



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the provider standing behind it, and the recovery process following a provider failure has historically taken years. Liquidity is asymmetric, with participant-initiated events generally covered at book value, while plan sponsor-initiated events may settle at market value or be subject to a put of up to a year. Transparency is more limited than for money market or mutual funds, particularly under traditional GIC structures where issuer profitability goes undisclosed, and that opacity compounds the conflict that arises when the fund is affiliated with the plan's recordkeeper.

For plan sponsors, diligence should center on four things: the financial strength of the guarantee provider or providers, the quality and construction of the underlying fixed income portfolio, the competitiveness of the crediting rate, and total cost inclusive of the wrap. A synthetic GIC spreads counterparty exposure across multiple wrap providers and the issuers of the directly owned bonds while permitting the widest latitude in portfolio design, and where plan size permits, a separate account structure for the underlying asset management adds visibility and insulation that a general account contract cannot. Because the eligible provider universe is narrow relative to conventional bond mandates, sponsors should also expect fewer alternatives at renewal than they would in other asset classes.

Suitability is ultimately a function of horizon and balance sheet. Stable value earns its cost for investors with meaningful fixed income allocations, low tolerance for interim price movement, and shorter horizons; this is why assets have historically concentrated among participants at or nearing retirement. For institutional investors who can ride out fixed income volatility, and whose broader portfolios benefit from the diversification that volatility may provide, the guarantee is a cost without a corresponding benefit.

End Notes

¹ Stable Value Investment Association, “Stable Value at a Glance,” as of December 31, 2025, citing Alight Solutions, Trends and Experience in Defined Contribution Plans.

² The standard crediting rate formula amortizes market losses and/or gains over time.

³ Stable value funds in defined contribution plans are generally able to report participant balances at contract value where the investment contract meets the criteria for a “fully benefit-responsive investment contract” under FASB guidance. Under this treatment, participant transactions occur at contract value, while gains and losses in the underlying fixed income portfolio are reflected over time through the crediting rate rather than immediately through market value changes.

⁴ Synthetic GICs can have multiple wrap providers and multiple underlying managers.

⁵ Historically, some stable value contracts included crediting-rate floors above 0%. Today, stable value contracts commonly include a minimum crediting-rate floor at or near 0%, while floors meaningfully above 0% are generally less common in newly issued contracts.

⁶ Amortization refers to the gradual recognition of market value gains or losses in the crediting rate over the duration of the underlying investments. Rather than passing through market value changes immediately, this approach smooths returns over time and helps maintain a stable participant experience.

⁷ During the most recent inversion episode, which lasted from November 2022 through September 2025, the yield curve remained inverted for nearly three years, substantially longer than the historical average inversion period of approximately seven months. As a result, money market funds benefited from persistently elevated short-term interest rates, while stable value crediting rates adjusted more gradually, causing stable value returns to trail money market funds for an extended period.

⁸ Examples of guarantee provider failures include Executive Life Insurance Company (1991) and Mutual Benefit Life Insurance Company (1991). In these cases, state insurance guaranty associations ultimately provided protection to many policyholders.

⁹ See: *Carter v. Sentara Healthcare Fiduciary Committee*, No. 3:24-cv-00079 (E.D. Va.); *Grink v. Virtua Health, Inc.*, No. 1:23-cv-01657 (D.N.J.).

¹⁰ The definition of “capital preservation” in DC menu design has evolved over time, expanding from a narrow focus on money market options toward a broader set of options, including stable value and, more recently, inflation-aware choices, reflecting changing views on what preservation means across rate and inflation regimes.

¹¹ The use of stable value funds is rare outside of participant-directed DC plans. In part, this is because the features that make stable value funds attractive to individual investors are not particularly relevant to most institutional investors, whose long-term horizons allow them to “ride out” the volatility of their fixed income assets. Further, in 2004, FASB ruled that defined benefit plans could no longer invest in stable value funds and receive book value accounting in the program, though all existing stable value investments by these plans were grandfathered.

¹² Source: Public Retirement Research Lab (EBRI and NAGDCA), *The Utilization of Stable-Value Funds Among Public-Sector Employees*, January 2025. Accessed August 2026.

¹³ As of 2025, only about 12 to 17 insurance companies and banks actively issued stable value wrap contracts industry-wide, a small universe relative to the number of managers available in equity or bond markets. Source: T. Rowe Price, *How to Evaluate Stable Value Wrap Providers* (2020, updated 2021). Accessed August 2026.

¹⁴ Source: Putnam Investments, *Stable Value Fund factsheet* (Q1 2024), which reports a 50 basis point management fee structure consistent with typical stable value pricing.

¹⁵ Source: Stable Value Investment Association, *Stable Value: Issuers’ Perspectives, Stable Times* (updated July 2021), noting that wrap fees, which had fallen to roughly seven basis points after the 2008 financial crisis, have since risen to approximately 20 basis points. Accessed August 2026.

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