

# MassMutual Capital Preservation Account

Asset Category: Stable Value  
Total Portfolio Assets: \$577 million

Inception: April 2007  
As of June 30, 2020



## Objective

To provide a stated rate of return, generated from performance of a short-term bond portfolio, that insulates the account from daily fluctuations in the bond market

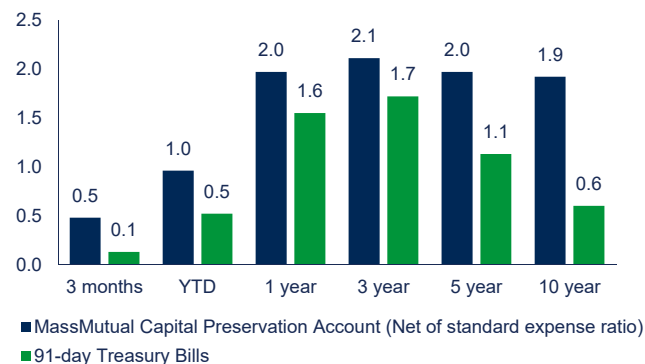
## Product Structure Benefits

- Stable value guarantees with participation in performance of short-term underlying bond portfolio
- Added security with separate account assets segregated from general obligations of MassMutual<sup>1</sup>
- Guarantees provided by financial strength of MassMutual, which is among highest rated insurance companies<sup>2</sup>
- Transparent underlying structure; MassMutual record keeping revenue of 0.25%<sup>3</sup>

## Expected Benefits of Stable Value Product

- Principal Preservation
- Seeks steady, positive returns in excess of money market rates
- Insulation of participant account values from market fluctuation
- Book value liquidity for bona-fide benefit payments and participant-directed transfers to non-competing investments<sup>4</sup>
- Fixed crediting rate with investment experience realized through quarterly rate reset

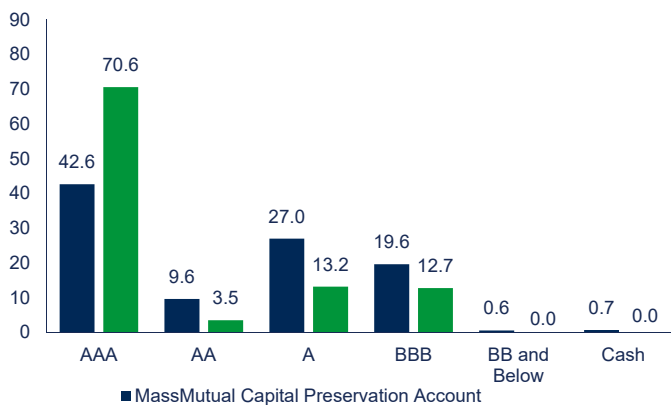
## BOOK VALUE PERFORMANCE (%)<sup>5</sup>



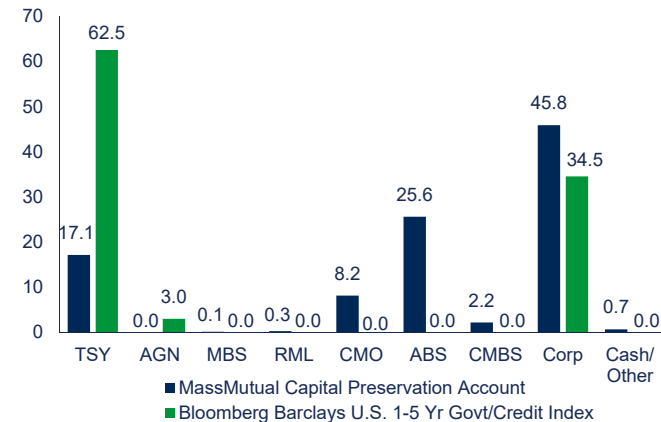
## CHARACTERISTICS OF THE SEPARATE ACCOUNT

	MassMutual Capital Preservation Account	Bloomberg Barclays U.S. 1-5 Yr. Govt/Credit Index
No. of Holdings	458	3015
Average Quality	Aa3 / AA-	Aa2 / AA
Average Coupon	2.65	2.30
Duration (Years)	2.57	2.78
Weighted Yield to Maturity (%)	2.01	0.51
Weighted Current Yield (%)	2.52	2.17
Weighted Average Life (Years)	5.03	2.86
Market-to-book ratio (%) <sup>6</sup>	101.6	

## CREDIT QUALITY DIVERSIFICATION OF THE SEPARATE ACCOUNT % of Market Value



## SECTOR DIVERSIFICATION OF THE SEPARATE ACCOUNT\* % of Market Value



Please see page 2 for important disclosures.

\* Sector diversification is broken out among common fixed income sectors including U.S. Government Agency (Agn), U.S. Treasury (TSY) and TSY futures, and corporate bonds (Corp), which includes structured securities such as collateralized loan obligations, mortgage-backed (MBS), collateralized mortgage obligation (CMO), commercial mortgage-backed (CMBS), residential mortgage loan (RML), and asset-backed securities (ABS).

Please note unless otherwise indicated, all data is based on Barings' internal values and calculations.

# MassMutual Capital Preservation Account

Asset Category: Stable Value  
Total Portfolio Assets: \$577 million

Inception: April 2007  
As of June 30, 2020

MassMutual

BARINGS

## PORTFOLIO MANAGER

- Barings is an investment management firm with over \$327.1 billion<sup>7</sup> in assets under management focusing on fixed income securities
- Involved with stable value portfolios since 1999 and currently managing \$19.8 billion in Stable Value assets
- Team Approach to Portfolio Management

## PORTFOLIO MANAGEMENT STRATEGY

- Emphasis on maximizing total return potential
- Relative value oriented approach
- Intensive fundamental credit research and valuation
- Focus on spread product, such as corporates and mortgages
- Duration neutral

## INVESTMENT SUMMARY

### Insight

Seasoned Core Fixed Income team with more than 110 years aggregate experience

### Opportunity

Ability to look across market sectors and up and down capital structure

### Access

Deep and tenured sector specialist teams to generate value added investment ideas

### Execution

Disciplined fundamental research driven process

## Deep Investment Resources

### Investment Grade Fixed Income Team

Charles Sanford (26)  
Stephen Ehrenberg, CFA (18)  
Credit – Investment Grade/Crossovers

Dave Nagle, CFA (34)  
Multi-Strategy Portfolios

Douglas Trevallion, CFA (33)  
Yulia Alekseeva (15)  
Securitized / Government

(xx) = years of investment experience

Investors should consider an investment's objectives, risks, charges and expenses carefully before investing. Stable value investment risks include interest rate risk, credit/default risk, liquidity risk, termination risk, event risk, market risk, manager risk, principal risk, regulatory risk and cash flow risk. For more information on stable value investment risks, visit [www.massmutual.com/FF/svrisks.pdf](http://www.massmutual.com/FF/svrisks.pdf).

1. Assets allocated to the Capital Preservation Account Separate Account under MassMutual Group Annuity Contracts (the "Contract") issued in Minnesota are not segregated from the general obligations of MassMutual in the event of insolvency.
2. For more information on MassMutual's financial strength ratings, visit <https://www.massmutual.com/about-us/corporate-governance>.
3. In addition to the estimated annual record keeping revenue, a 0.55% charge is assessed for the risk of the product's guarantee and for investment management. Some client contracts may have additional fees above the standard expense ratio.
4. Full or partial plan sponsor withdrawals subject to 12-month notice, participant withdrawals may be deferred during notice period. **Competing investments (which include certain fixed-income investments and self-directed brokerage accounts) are subject to asset transfer restrictions with regard to the Capital Preservation Account.**
5. Periods greater than a year are annualized. This investment is only available through a MassMutual group annuity contract (the "Contract"). Performance shown was calculated as set forth here and actual historical crediting rates under the Contracts varies from that shown due to cash flow and other fees and expenses associated with the Contracts. These rates are based on an initial lump-sum deposit made at the beginning of the indicated periods (for quarter, year-to-date, and 1-year returns) with quarterly book value account interest rate resets. Past performance does not guarantee future results. Performance is based on the book value account.
6. All client contracts are influenced to the same degree by the market to book ratio.
7. Assets include Barings LLC and are referenced for the prior calendar quarter to the date of this fact sheet.

Massachusetts Mutual Life Insurance Company (MassMutual) and its affiliated companies and representatives.