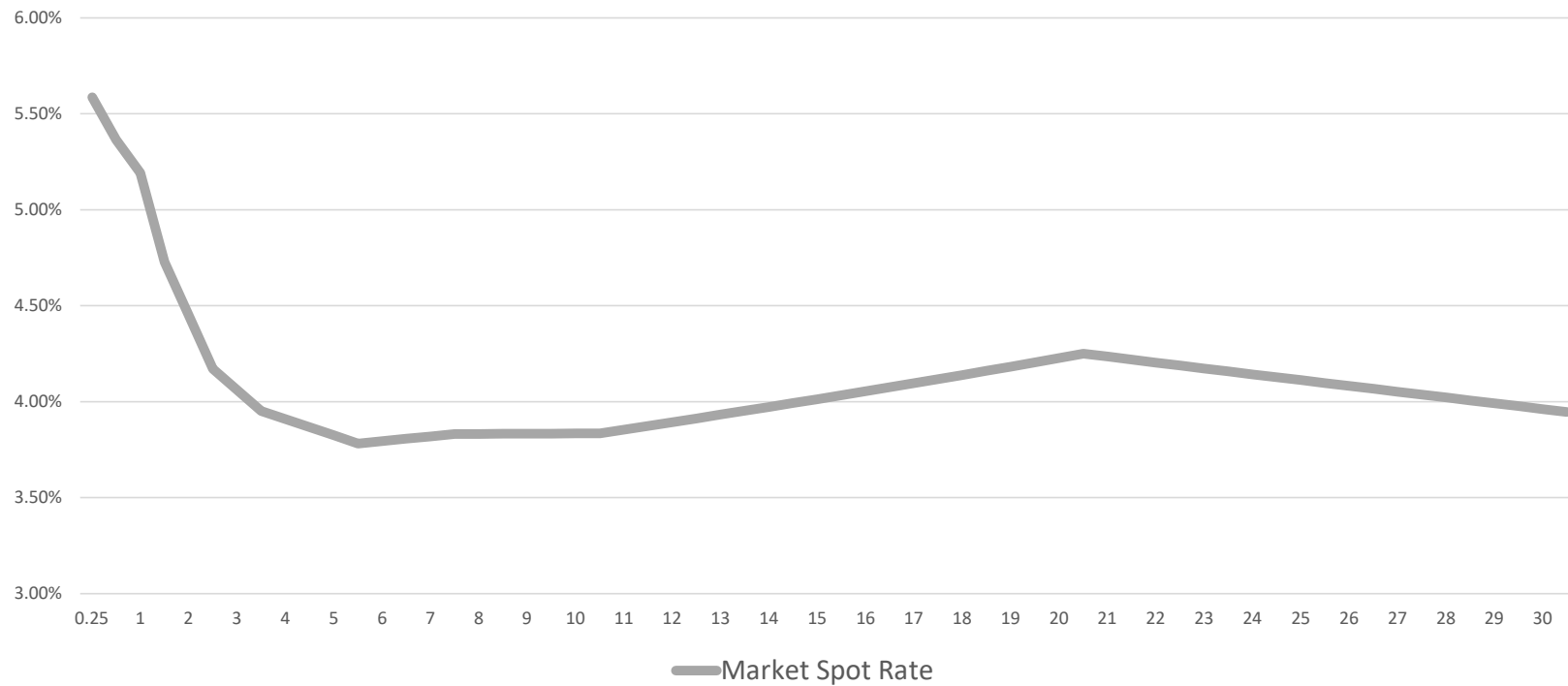


ACLI Initial Yield Curve Proposal

October 9, 2024

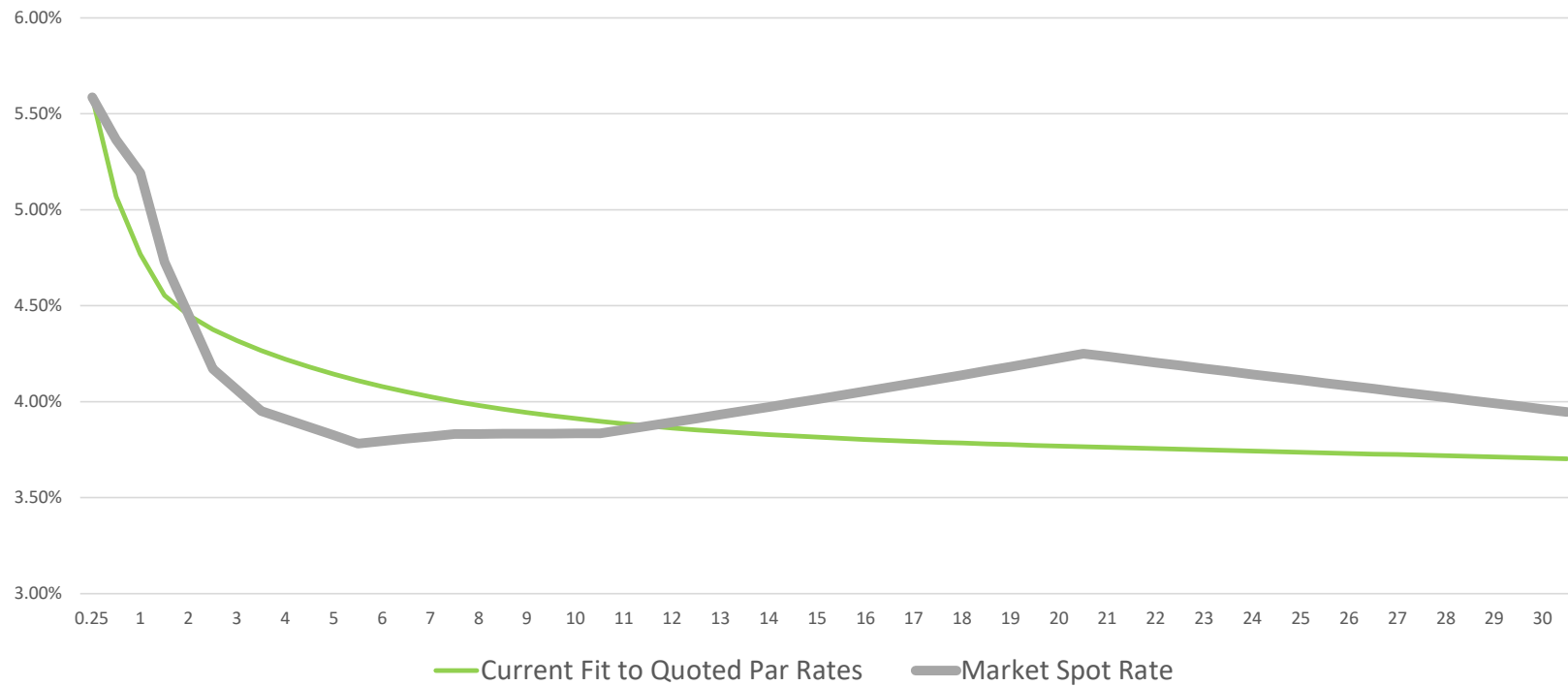
12/31/2023 Curve Fit to Spot Curve

Fitting to Full Spot Curve



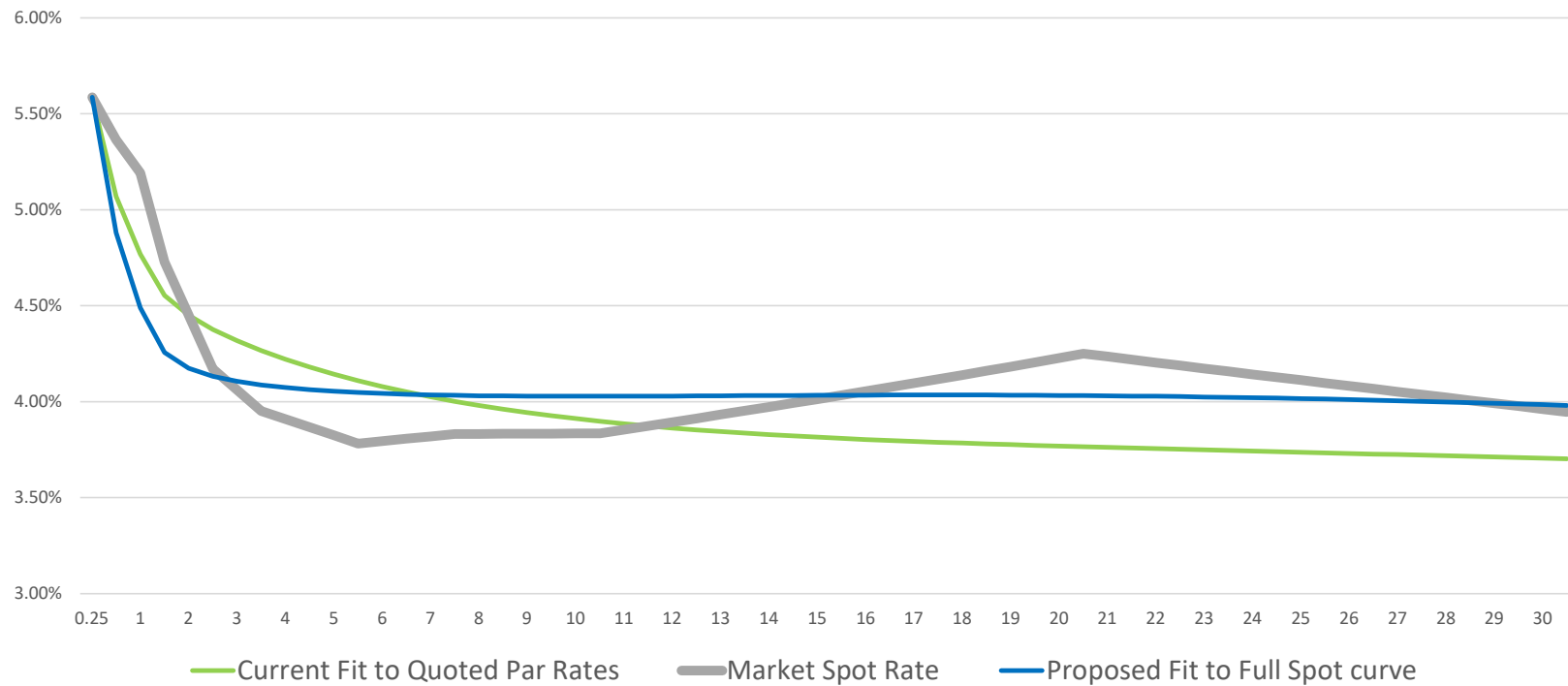
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Fitting to Full Spot Curve



12/31/2023 Curve Fit to Spot Curve

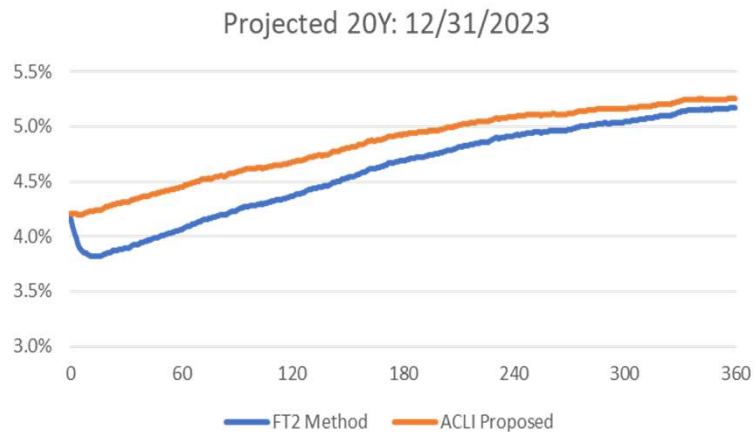
Fitting to Full Spot Curve



Improved Fitting to US Treasury Curve

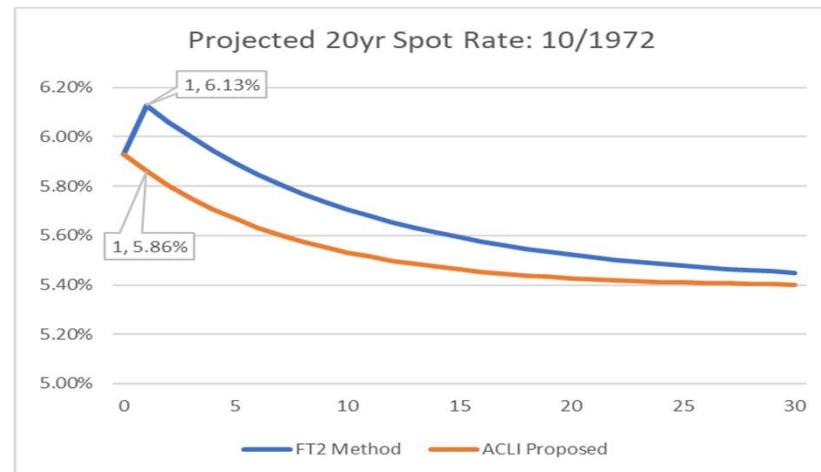
12/2023 FT2 Scenarios

- 12/2023 yield curve understated the projected rates on the long end of the curve due to yield curve using quoted points inverted out to the 10-year tenor and sharply increasing to 20-year tenor.
- Fitted model curve understates long rates by 30-40bps, which slowly grades down over time.



10/1972 yield curve

- 10/1972 yield curve would have overstated projected rates on the long end of the curve from the default Conning approach due to this yield curve sharply decreasing from 10-year to 20-year tenors
- Projected 20yr rate is overstated by about 30bps relative to the initial UST curve.



Appendix

Proposed Initial Fitting to US Treasury Curve

