Honorable Mention

By Editorial Staff *Thu, Mar 8, 2018*

Marlene Debel to lead MetLife's institutional retirement business; Funded status of S&P 1500 pension plans rose 1% in January; TrimTabs reports that global equities outdrew U.S. equities after the recent price dip.

Debel to lead MetLife's institutional retirement business

MetLife, Inc., has named Executive Vice President Marlene Debel as head of its Retirement & Income Solutions (RIS) business, effective immediately. She is responsible for MetLife's structured risk and funding solutions for institutional retirement plans, including pension risk transfer, institutional income annuities and stable value funds.

Debel will remain U.S. CFO for MetLife until a successor is named. Previously she spent five years as MetLife's treasurer, where she was responsible for capital management, liquidity risk, cash management and MetLife's relationships with banks and ratings agencies.

Debel joined MetLife from Bank of America where she was head of Global Liquidity Risk Management. Prior to that, Debel was Assistant Treasurer of Merrill Lynch and Co.

Debel joined MetLife in 2011. She received an MBA in finance from Fordham University and a BS in finance from the State University of New York at Albany.

Funded status of S&P 1500 pensions rose 1% in February

The estimated aggregate funding status of pension plans sponsored by S&P 1500 companies rose one percent in February 2018 to 88% at the end of the month, according to a release from Mercer, the human resource consulting of Marsh & McLennan Companies.

The improvement resulted from "a significant increase in discount rates, which more than offset losses in the equity markets," a Mercer release said. As of February 28, 2018, the pension fund's estimated aggregate deficit of $262 billion had decreased by $29 billion, from $291 billion at the end of January.

The S&P 500 index fell 3.9% and the MSCI EAFE index fell 4.7% in February, the release said. Typical discount rates for pension plans as measured by the Mercer Yield Curve rose by 23 basis points to 3.97%.

"Volatility continued in February, and equities ended down by around 4% for the month, marking the first significant month-over-month decrease in over a year," said Scott Jarboe, a partner in Mercer's Wealth business.

“Aggregate funded status still saw some improvement due to an increase in discount rates by over 20 basis points. Clients are beginning to look carefully at plans in 2018, and we expect to see some evolution in the context of tax reform and market volatility.”

The estimated aggregate value of pension plan assets of the S&P 1500 companies as of January 31, 2018 was $1.99 trillion, compared with liabilities of $2.28 trillion. At the end of February, assets were $1.97 trillion USD, compared with liabilities of $2.23 trillion USD.

Each month, Mercer estimates the aggregate funded status position of plans sponsored by S&P 1500 companies. The estimates are based on each company’s latest available year-end statement and by projections to February 28, 2018 in line with financial indices. The estimates include US domestic qualified and non-qualified plans, along with all non-domestic plans.

After dip, global equities outdraw U.S. equities: TrimTabs

U.S. equity funds and global equity funds both suffered price declines in February, but with very different responses from investors. While U.S. funds endured their third-largest monthly outflow on record, global equity funds continued to attract cash.

U.S. equity mutual funds (MFs) lost an estimated $21.5 billion, in line with outflows in recent months. U.S. equity ETF owners sold $19.6 billion, the most in three years and the third-most in TrimTabs’ records.

For global equity MFs and ETFs, the story was very different. They received a combined $17.9 billion last month, even though they fell 4.9% (versus a 4.3% drop for U.S. equity funds). Global equity ETFs added $7.8 billion, their fifteenth consecutive monthly inflow. Global equity MFs received an estimated $10.1 billion, their eleventh consecutive monthly inflow and second-biggest inflow in the past six months.

Demand for bonds finally dried up as Treasury yields hit four-year highs. Bond MFs and ETFs shed $4.4 billion in February after drawing a record $53.3 billion in January. The outflow last month was the first since December 2016, and it came after inflows averaged $33.4 billion in the previous 12 months.