The Bucket

By Editorial Staff *Mon, Apr 11, 2011*

Brief or late-breaking items from Prudential Investments, Putnam Investments, New York Life, and PulteGroup, the homebuilder.

Three new fixed income funds from Prudential Investments

Prudential Investments, the mutual fund family of Prudential Financial, has launched three new fixed income funds: the Prudential Floating Rate Income Fund, the Prudential Absolute Return Bond Fund, and the Prudential Emerging Markets Debt Local Currency Fund.

"Today's historically low interest rates have many investors concerned that if rates start rising, it could have a negative impact on their bond investments," said Judy Rice, president of Prudential Investments. "Two of our new funds help protect against changing market conditions and may reduce interest rate risk, while the third fund focuses on helping investors take advantage of growing opportunities in developing markets."

- **The Prudential Absolute Return Bond Fund** seeks to generate positive returns over time regardless of market conditions by investing across a broad range of sectors and securities. Its flexible strategy uses a variety of investment techniques, which may include managing duration and credit quality, yield curve positioning, and currency exposure.
- **The Prudential Floating Rate Income Fund** invests primarily in floating rate loans and other floating rate debt securities. Floating rates loans have historically offered attractive yield and stability in times of rising interest rates.
- **The Prudential Emerging Markets Debt Local Currency Fund** invests primarily in currencies and fixed income securities denominated in the local currencies of emerging market countries. Many of these countries are growing faster, have less debt, and maintain lower national budget deficits than their counterparts in developed countries.

The portfolio managers for all three funds are part of Prudential Fixed Income, which has about $270 billion in assets under management as of December 31, 2010.

Putnam Investments named year's 'Retirement Leader'

Putnam Investments was named the inaugural recipient of the "Retirement Leader of the Year" award at recent the 18th annual Mutual Fund Industry Awards in New York.

The Annual Mutual Fund Industry Awards, presented by *Fund Directions* and *Fund Action* recognize the funds, fund leaders, marketers, trustees and independent counsel who stood out for their successes, achievements and contributions in 2010.

"Putnam was recognized for its leadership initiatives and innovative solutions in the workplace savings arena, including its efforts to sharpen the focus on retirement income and encourage the industry and policy makers to further strengthen the workplace savings system," the company said in a release.

"We are honored to be the first-ever recipient of this award," said Robert L. Reynolds, president and chief executive officer of Putnam Investments. "There is an increasing need across the retirement savings industry – for plan sponsors, 401(k) participants, advisors and consultants, as well as policy makers, and importantly, plan providers – to define ways to help working Americans prepare financially for a dignified and sustainable high-quality retirement."

Since Reynolds joined Putnam from Fidelity in July 2008, Putnam has announced a series of actions designed to have positive, long-term impact on the retirement market. Most recently, Putnam shared plans to offer a unique suite of income-oriented mutual funds that shift the focus from asset accumulation to asset distribution, to address changing financial needs throughout an individual's retirement.

The funds, working in tandem with a retirement income planning tool, will aim to help advisors guide their clients, who are in or near retirement, in developing strategies for monthly income flows, based on varying levels of risk tolerance.

Putnam's RetirementReady Funds, a suite of 10 target-date/lifecycle retirement funds, which were the industry's first lifecycle funds to integrate absolute return strategies. Putnam's Absolute Return Funds seek positive returns of 1%, 3%, 5%, or 7% above inflation over a period of three years with less volatility than has been associated with traditional asset classes that have earned similar rates of return.

New York Life announces record earnings, surplus for 2010

New York Life Insurance Company, the nation's largest mutual insurance company, announced record 2010 operating earnings and added $1.8 billion to surplus for the year, increasing the company's reserves to $16.8 billion, an all time high. The company also set records in sales of insurance and investment products, operating revenue and assets under management.

The company reported the following performance highlights:

- Surplus and Asset Valuation Reserve increased by $1.8 billion, or 12%, to a record high of $16.8 billion.
- Operating earnings of $1.4 billion increased 21% from 2009, exceeding the record result set in 2008.
- Operating revenue grew by $1.1 billion, or 7.7% over 2009, to a record high $15.5 billion.
- Total insurance sales surpassed $3 billion, an increase of 15% over 2009, setting a new record, with U.S. Life Insurance leading the way with a 26% increase.
- Total investment sales exceeded $35 billion, a rise of 6.7% over 2009 and a new record.
- Assets under management reached a record of $316 billion, a 10.2% increase from 2009.

Retirement Income Security (RIS), New York Life's retirement division, manufacturers and markets income annuities, investment annuities, MainStay mutual funds, and long-term care insurance.

In 2010, RIS achieved new sales records in income annuities and new sales records for MainStay mutual funds. The long-term care operation generated a double digit increase in sales.

Ted Mathas, chairman and CEO, said, “The company’s operations continued to generate strong growth in 2010. Our U.S. Life Insurance operations, the core of the New York Life franchise for 166 years, produced life sales growth of 26% at a time when the industry struggled for a modest single-digit increase.

“In fact, over the past four years our insurance sales have grown at a compound annual rate of 13%. Contributing to this strong sales growth has been outstanding growth in our career agency system. Since 2005 the ranks of New York Life active agents have grown 32%, while the number of agents industry wide is declining.”

PulteGroup unit targets Boomers who are relocating, downsizing their homes

The nation’s leading 55+ community builder has launched a comprehensive set of online tools to help people make better informed decisions about their retirement or their next stage in life, which increasingly includes home downsizing, a geographic move and some level of work activity.

“A pre-retiree can compare the tax laws of where they are currently living with laws in states where they are considering moving to. This definitely helps ease the unknown, which is so important in facilitating a move.”

The resource at DelWebb.com/value includes a cost of living calculator and information on home appreciation, taxes by state and even job opportunities for Boomers. It also includes an updated news stream of articles relevant to optimizing an active adult lifestyle. Key components of the data are provided through partnerships with Bestplaces.net and the Retirement Living Information Center, Inc.

Among its retirement planning tools, DelWebb.com/value uses Sperling’s cost of living calculator—a top Google destination providing information on property taxes, income tax, utilities, etc.

Del Webb’s most recent Baby Boomer Survey revealed optimism in the 55+ market with 33% of the respondents saying they are likely to buy a home within the next four years. The likelihood of buying skyrockets to nearly 66% of Baby Boomers purchasing a home in the next two years if economic and financial barriers were removed, said Deborah Meyer, Chief Marketing Officer for Del Webb parent company, PulteGroup.

“The Boomer survey told us that people want more comprehensive information to make smart retirement decisions,” Meyer said. “We created this one-stop shop web tool to help people who want to take that next step in making a life change. Understanding that information seems to be the key to removing what often are only perceived barriers.”

The percentage of Baby Boomers planning to use equity from their current home to help finance retirement has not changed in the past 15 years, according Del Webb Baby Boomer Surveys polled in 1996 and 2010. In both surveys 23% said they plan to use their home equity for retirement.

“With more than 78 million people aged 55 or older by 2014, their interest level and likelihood to purchase a home in the next several years may be a key component in leading the housing industry toward recovery. Many economists and new builders expect people 55+ to capture at least 25% of the total housing market,” Meyer said.

Del Webb consumer research also found that people thinking about a move wanted to hear from “real people” about their experiences, Meyer said. The DelWebb.com/value resource includes testimonials from active adults talking about the home they sold, why they moved and describing the emotional side of a move, she said.