
The Bucket

By Editorial Staff *Thu, Oct 2, 2014*

Brief or late-breaking items from Integrity Life, Guggenheim Partners, TIAA-CREF, and Wells Fargo Advisors.

New FIA from Integrity Life

Integrity Life Insurance has introduced a new single-premium fixed indexed annuity (FIA) called Indextra, according to W&S Financial Group Distributors, Inc., wholesale distributor of products from Western & Southern Financial Group companies.

Indextra has four interest crediting options:

Three-year point-to-point based in part on the change in value of the Goldman Sachs Momentum Builder Multi-Asset Class Index. The index has a volatility control feature. A participation rate applies to the credited rate.

One-year point-to-point based in part on the change in value of the S&P 500 Index from the beginning to the end of a one-year period. A participation rate and an interest rate cap apply to the credited rate.

One-year monthly average based in part on the average value of the S&P 500 Index measured monthly over a one-year period. A participation rate and an interest rate cap apply to the credited rate.

Fixed interest option credits daily interest at a fixed rate declared in advance and guaranteed for an index year. The fixed option always credits at least 1%.

Guggenheim announces emerging markets real estate ETF

Guggenheim Investments, the wealth management unit of Guggenheim Partners LLC, has launched what it calls the first ETF “to focus exclusively on emerging markets real estate,” according to a release. The biggest investor in Guggenheim Partners is Sammons Enterprises[?].

The fund, Guggenheim Emerging Markets Real Estate ETF (EMRE) will invest mainly in publicly traded real estate securities in the countries of the S&P BMI Emerging Markets

Index, benchmarking its results before fees and expenses to the AlphaShares Emerging Markets Real Estate Index.

At its launch, EMRE will invest in Brazil, Chile, China, Egypt, Hong Kong, India, Indonesia, Malaysia, Mexico, Morocco, Philippines, Poland, Russia, South Africa, Singapore, Taiwan, Thailand, and Turkey.

EMRE is the fifth ETF in Guggenheim's product line affiliated with index provider AlphaShares, a firm led by chief investment officer Dr. Burton G. Malkiel, author of the widely read investment book, *A Random Walk Down Wall Street*.

AlphaShares also is the index provider for Guggenheim China Technology ETF (CQQQ), Guggenheim China Small Cap ETF (HAO), Guggenheim China Real Estate ETF (TAO), and Guggenheim China All-Cap ETF (YAO).

In the release, Malkiel said the fund would benefit from emerging markets' "favorable geopolitical and demographic megatrends," "low correlation to U.S. equities" and "potential protection from inflation in a rising interest rate environment."

EMRE augments lineup of BulletShares defined-maturity corporate bond and high yield corporate bond ETFs, and strategic beta options such as Equal Weight and Pure Style ETFs.

Emerging markets real estate has expanded from just 2% to 11% of listed global real estate securities in the last 14 years. It is driven by urbanization, increasing consumerism of a growing middle class, rising foreign direct investment, and the creation of "investment-friendly vehicles that provide access to the local real estate industry."

One billion people are expected to enter the global consuming class by 2025, boosting annual consumption in emerging markets to \$30 trillion, up from \$12 trillion in 2010.

TIAA-CREF acquires Nuveen Investments

TIAA-CREF announced that it has completed its acquisition of Nuveen Investments, a diversified investment management company.

The closing creates a diversified financial services organizations that manages about \$844 billion in client assets, including approximately \$111 billion in alternative investments, serves more than five million individuals and 16,000 institutions and includes retail mutual funds, closed-end funds and commodity exchange traded funds totaling \$194 billion of

assets.

Nuveen Investments will operate as a separate subsidiary within TIAA-CREF, retaining its brand and multi-boutique operating model. Nuveen Investments' leadership and investment teams will remain intact, with John Amboian maintaining his role as chief executive officer. Carol Deckbar will continue to lead TIAA-CREF's core asset management business as chief executive officer. Amboian and Deckbar will report to Rob Leary.

As of June 30, 2014, Nuveen Investments' assets under management rose to \$231 billion, an all-time high for the company. In the June quarter, Nuveen Investments' mutual funds garnered \$1.7 billion of net new inflows, driven by flows into a broad range of municipal and taxable fixed income strategies, representing a mutual fund organic growth rate of 12.3 percent from the prior quarter.

TIAA-CREF acquired Nuveen Investments from an investor group led by Madison Dearborn Partners for an enterprise value of \$6.25 billion, inclusive of Nuveen Investments' outstanding debt. In connection with the transaction, Nuveen Investments' outstanding term loans, totaling approximately \$3.1 billion, were repaid in full. The transaction was financed using a combination of debt and equity. On September 18, 2014, TIAA issued an aggregate of \$2 billion in surplus notes, the proceeds of which were used to fund a portion of the acquisition price and for general corporate purposes.

The completion of the Nuveen Investments acquisition follows the successful close of the TIAA Henderson Real Estate joint venture in April 2014, as well as several other TIAA-CREF acquisitions in recent years including Westchester Group Investment Management (2010) and Greenwood Resources (2012).

Wells Fargo launches retirement income tools

Wells Fargo Advisors, the brokerage unit of Wells Fargo & Company, has launched the Income Center, a suite of applications that "provides clients nearing or in retirement, a detailed view of their retirement income and offers them the ability to explore various The new features, which are intended for clients who have an *Envision* plan and are nearing retirement age, include:

- Income Dashboard - Displays current retirement income situation
- Income Strategies - Offers scenarios to add more income to the portfolio
- Portfolio Withdrawal - Shows where additional income will come from in the current portfolio if there is a shortfall

Wells Fargo Advisors also launched 'Income Generation' - a program of tools and training materials - for advisors to work with clients on building a retirement income plan.

With \$1.4 trillion in client assets as of June 30, 2014, Wells Fargo Advisors provides investment advice and guidance to clients through 15,189 full-service financial advisors and 3,472 licensed bankers.

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