

Initial Treasury Fit Discussion

Academy Economic Scenarios Work Group
Weekly Meeting

May 10, 2024

Initial Treasury Fit Approach

Impact on December 2023 Fitting

Unusual initial curve

Impact on December 2023 Fitting

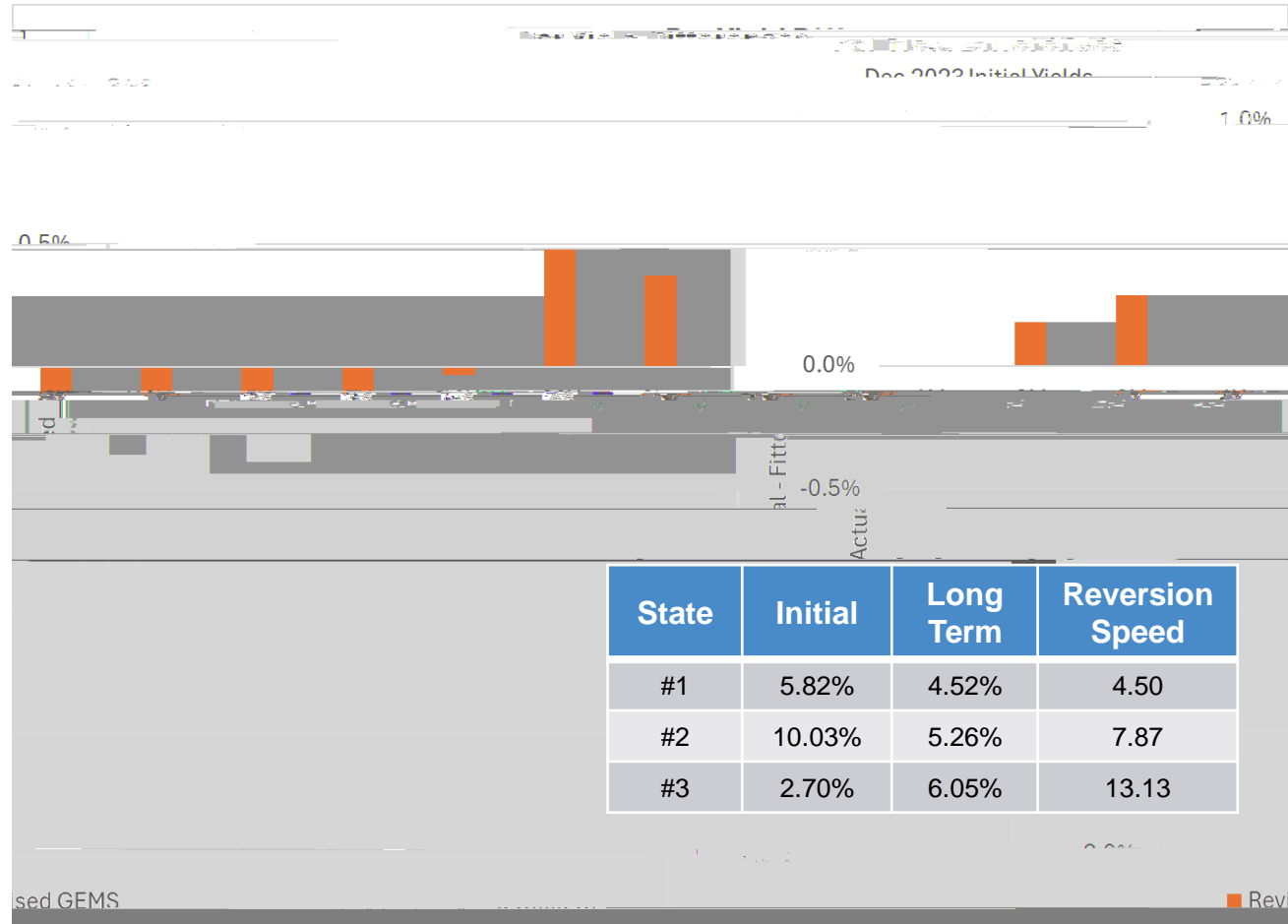
Impact on December 2023 Fitting State Variables

Unusual initial curve

Leads to unusual initial values

Mix of above and below target values

Relatively large mismatch between Fitted and Actual



Prepared by Conning, Inc. Source: GEMS® Economic Scenario Generator scenarios.

Impact on December 2023 Fitting State Variables

Unusual initial curve

Leads to unusual initial values

Mix of above and below target values

Relatively large mismatch between Fitted and Actual

Creates potential for non-linear movements in averages



Prepared by Conning, Inc. Source: GEMS® Economic Scenario Generator scenarios.

Impact on December 2023 Fitting Average Yields

Different fits create different behaviors

initial fit on 20-Year reduced swings in averages

Impact on December 2023 Fitting Average Yields

Different fits create different behaviors

