

# Case for A Fixed Income Alternative

A FIXED INDEX ANNUITY STRATEGY IN TODAY'S BOND YIELD ENVIRONMENT

## Are you getting the yield you need from your fixed income portfolio?

Given today's fixed income performance, chances are you haven't seen the typical 3% to 4% returns you may have come to expect from the "safe" portion of your retirement portfolio. Considering that the 2022 Bloomberg US Aggregate Index (a widely used US Bond benchmark index) return was -13.01%, you may be seeking an alternative. In today's market environment, consider Foundations Annuity, a fixed index annuity which offers both risk protection and interest potential based on part of the performance of financial indices. In this piece, we look at the hypothetical performance of the S&P Multi-Asset Risk Control (MARC) 5% Annual Point to Point and the Morningstar Wide Moat Focus Barclays VC 7% Annual Point to Point crediting strategies within Foundations Annuity.

### The Bottom Line

Assuming a Foundations contract purchase on December 31, 2007, we looked at the past 15 years of the interest credits within the Foundations Annuity (with equal allocations into the two Index Accounts) and compared them to the Bloomberg US Aggregate Bond Index (Bond Index) returns over the same time period. The following shows the hypothetical growth of \$100,000 in each over the 15 years. Keep in mind that Foundations offers a 1% bonus on first year purchase payments — in this example, the Foundations contract would begin with \$101,000.

#### 15-year Annualized Average: 2008-2022\*

Foundations Contract **7.49%**

Bond Index **2.66%**

#### 15-yr Growth Comparison



\* The Foundations Annuity was not available until December 2012. Performance of the S&P Multi-Asset Risk Control (MARC) 5% Index prior to 2017 is simulated (example assumes a participation rate of 150%). Performance of the Morningstar Wide Moat Focus Barclays VC 7% Index prior to 2019 is simulated (example assumes a participation rate of 100%). Simulated index performance utilizes backward looking projections and should not be relied on as a predictor of future index performance, which may differ substantially from the simulated performance reflected in this example.

The actual participation rates may be different than what is assumed for this example, which is provided for demonstration purposes only. Caps, spreads, and participation rates are set at our discretion at the beginning of each Index Term based upon factors we consider relevant, including market conditions. It was not possible for a consumer to have received the interest credits shown in this retrospective example. Actual interest credits for a purchased annuity contract will be based on the allocations selected by the owner, the performance of the underlying indices for any index accounts to which contract value is allocated, and the respective caps, spreads, and participation rates applicable to those index accounts. The hypothetical values assume no additional Purchase Payments. All returns shown are cumulative and not on an annualized basis. Withdrawals are subject to ordinary income tax and if made before age 59½, may incur a 10% IRS penalty tax and may be subject to product-specific charges.

If you're interested in using the Foundations Annuity as a strategy to help offset risks to your fixed income portfolio, talk to your financial professional to learn more.



To view current rates for Foundations Annuity, go to [SecurityBenefit.com/FoundationsRates](https://SecurityBenefit.com/FoundationsRates) or scan the QR code.

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