

## The RAF FIA/Fixed Income Relative Value Index<sup>SM</sup>

The RAF FIA/Fixed Income Relative Value Index<sup>SM</sup> was developed to provide an at-a-glance comparative value of the annual interest credited to a fixed indexed annuity as compared to the total return over that same period in the iShares Core U.S. Aggregate Bond ETF (ticker symbol: AGG).

The Fixed Indexed Annuity averages the S&P 500 cap rates available one year ago, where data could be found, from three manufacturers today offering among the highest S&P 500 cap rates, in products with:

- a five-year surrender charge
- A.M. Best rating of A or better
- an MVA
- heaped commissions
- no bonus
- point to point annual interest crediting and 100% participation up to a cap;
- availability in at least one of three channels: bank, national broker/dealer, independent broker/dealer
- A \$100,000 purchase payment is assumed for both the FIA and the bond ETF.

### Q1 2021: +7.0%/\$7,000

(For the 12 months ended 02/04/22)

The index has two numbers.

The first number is the difference in absolute percentage return, +/-, over the last 12 months between the annuity as compared to AGG, rounded to the nearest whole percent.

- Example: For the twelve months ended 02/04/22, the annuity average is 3.4%, and the AGG is -3.6%.
- **Difference: +7.0%**
- The second number represents the dollar value *difference* (+/-) in accumulated value at the end of one year with an assumed \$100,000 purchase. Example:
  - Total value of \$100,000 @1 year ended 02/04/22 at above rates: Annuity \$103,400; AGG: \$96,400,000
  - **Difference: +\$7000**

*IMPORTANT: Please note that the RAF FIA/Fixed Income Relative Value Index<sup>SM</sup> is not a complete and balanced comparison between a fixed indexed annuity and a bond fund. Before recommending either product for a client, there are many other characteristics of each product to compare and evaluate, such as growth potential, market risk, tax related matters, surrender charges, market-value adjustments, and early withdrawal penalties, among others. The RAF FIA/Fixed Income Relative Value Index<sup>SM</sup> is specifically limited only to comparing growth rates and accumulated values over a one-year period. iShares are distributed by BlackRock Investments, LLC. Annuity source information: Wink Intel, Inc. Annuity Specs Tool.*