

## The RAF MYGA/CD Relative Value Index<sup>SM</sup>

The **RAF MYGA/CD Relative Value Index<sup>SM</sup>** was developed to provide an at-a-glance comparative value of a five-year MYGA as compared to a traditional alternative, the five-year certificate of deposit, limited to the difference in interest rates and accumulated interest over the period.

It compares the average of the top three highest annual interest rates available in the category of five-year multi-year guaranteed fixed annuities compared to the average of the top three highest rates among five-year certificates of deposit as of a given date. The fixed annuities include:

- a five-year surrender charge
- no bonus
- an MVA
- annual interest crediting
- 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 annuity and certificate of deposit.

## Q3 2021: +128%/\$7690

The Index has two numbers:

- The first number is the relative percentage increase/decrease in the rate offered by the annuity as compared to the CD, rounded to the nearest whole percent.
  - Example: For Q3 2021, (as of 8/9), the annuity average is 2.55%, and CD is 1.12%.
  - **Difference: +128%**
- The second number represents the dollar value *difference* (+/-) in accumulated interest at the end of five years on an assumed \$100,000 purchase. Example:
  - Total interest on \$100,000 @5 years at above rates: Annuity \$13,417, CD \$5,727
  - **Difference: \$7,690**

*IMPORTANT: Please note that the RAF MYGA/CD Relative Value Index<sup>SM</sup> is not a complete and balanced comparison between a multi-year guaranteed annuity and a certificate of deposit. Before recommending either product for a client, there are many other characteristics of each product to compare and evaluate, such as the FDIC insurance applicable to CDs, tax related matters, surrender charges and early withdrawal penalties, among others. The RAF MYGA/CD Relative Value Index<sup>SM</sup> is specifically limited only to comparing interest rates and subsequent accumulated interest amounts. Annuity source information: Wink Intel, Inc. Annuity Specs Tool. CD source information: Bankrate.com*