



The Truth about Annuities



THE SOCIETY FOR FINANCIAL AWARENESS

DC Metropolitan Chapter www.dcsdfa.org

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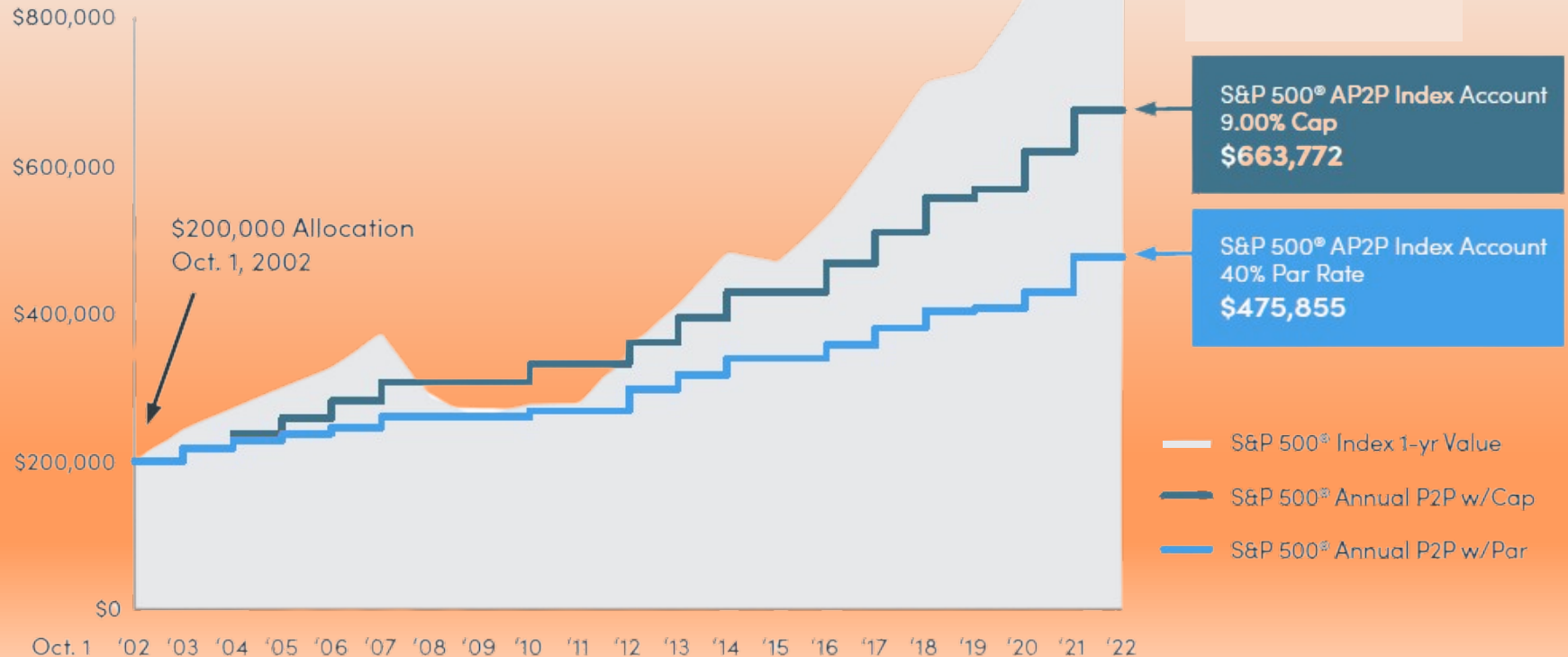
What do Annuities Offer?

		Tax Deferral	Market participation	Guaranteed rate of return	Principal protection	Access to assets	Guaranteed income
Save more for retirement tax-deferred	Investment-only variable annuity	√	√			√	
	Tax-deferred variable annuity with guaranteed minimum accumulation benefit	√	√		√*	√	
Protect assets, provide growth potential	Deferred fixed annuity	√		√	√*		
	Tax-deferred variable annuity with guaranteed lifetime withdrawal benefit	√	√			√	√
Secure guaranteed income for life in retirement	Deferred fixed annuity with guaranteed lifetime withdrawal benefit	√		√		√	√
	Deferred income annuity						√
	Immediate fixed income annuity						√

Cap and Par Rates

		Cap	Participation Rate (Par Rate)
		A Cap is the maximum interest percentage you may receive based on the positive percent change in an index.	A Par Rate is a set percentage amount multiplied by the positive percent change in an index to calculate the interest credit you may receive. A Par Rate may exceed 100% but will never be negative.
Return Year	S&P 500® Index Return	Cap: 9.50%	Par Rate: 50% Return x Par Rate = Credit
		Credit to Account	Credit to Account
2001	-13.04%	0.00%	0.00%
2002	-23.37%	0.00%	0.00%
2003	26.38%	9.50%	13.19%
2004	8.99%	8.99%	4.50%
2005	3.00%	3.00%	1.50%
2006	13.62%	9.50%	6.81%
2007	3.53%	3.53%	1.76%
2008	-38.49%	0.00%	0.00%
2009	23.45%	9.50%	11.72%
2010	12.78%	9.50%	6.39%
2011	0.00%	0.00%	0.00%
2012	13.40%	9.50%	6.70%
2013	29.60%	9.50%	14.80%
2014	11.39%	9.50%	5.70%
2015	-0.73%	0.00%	0.00%
2016	9.54%	9.50%	4.77%
2017	19.42%	9.50%	9.71%
2018	-6.24%	0.00%	0.00%
2019	28.88%	9.50%	14.44%
2020	16.26%	9.50%	8.13%
2021	26.89%	9.50%	13.45%
2022	16.00%	9.50%	8.00%
2023	-18.11%	0.00%	0.00%
2024	24.23%	9.50%	12.12%

20 Year Growth



Guaranteed Lifetime Withdrawal

Benefits Summary

Premium

\$250,000

Coverage Type

Single Life

Income Start Year

11

Covered Age

70

Year	Covered Age	Withdrawal Benefit Base	Lifetime Withdrawal Percentage	Annual Withdrawal Amount (AWA)	AWA if Chronic Illness Income Multiplier is activated *Must meet eligibility requirements
At Issue	60	250,000			
1	61	274,375	5.81%	15,941	0
2	62	301,127	5.94%	17,887	35,774
3	63	330,486	6.06%	20,027	40,055
4	64	362,709	6.18%	22,415	44,831
5	65	398,073	6.27%	24,959	49,918
6	66	436,885	6.36%	27,786	55,572
7	67	479,481	6.44%	30,879	61,757
8	68	526,231	6.52%	34,310	68,620
9	69	577,538	6.60%	38,118	76,235
10	70	633,848	6.69%	42,404	84,809
11	71	633,848	6.69%	42,404	84,809
12	72	633,848	6.69%	42,404	84,809
13	73	633,848	6.69%	42,404	84,809
14	74	633,848	6.69%	42,404	84,809
15	75	633,848	6.69%	42,404	84,809
16	76	633,848	6.69%	42,404	84,809
17	77	633,848	6.69%	42,404	84,809
18	78	633,848	6.69%	42,404	84,809
19	79	633,848	6.69%	42,404	84,809
20	80	633,848	6.69%	42,404	84,809
21	81	633,848	6.69%	42,404	84,809
22	82	633,848	6.69%	42,404	84,809
23	83	633,848	6.69%	42,404	84,809
24	84	633,848	6.69%	42,404	84,809
25	85	633,848	6.69%	42,404	84,809
26	86	633,848	6.69%	42,404	84,809
27	87	633,848	6.69%	42,404	84,809
28	88	633,848	6.69%	42,404	84,809
29	89	633,848	6.69%	42,404	84,809
30	90	633,848	6.69%	42,404	84,809
40	100	633,848	6.69%	42,404	84,809
				\$1,272,134	
				Total	

Summary of Elections and Benefits

Crediting Strategy	Allocation	Current Rate	Guaranteed Rate
S&P 500 Index 1 Year Point-To-Point With Cap Rate	100%	6.00%	1.00%

Rates are established when you purchase your contract and are applicable for the initial Term. On each subsequent Contract Anniversary, following the end of a Term, we can change these rates. Subsequent rates will never be less than the Guaranteed Rates shown above. Illustrated rates are assigned based on initial premium only and will remain constant for illustration purposes.

Guaranteed Lifetime Withdrawal Benefit (GLWB)

Annual Rider Fee: 1.20%

Coverage Type: Single Lifetime Income

Covered Person's age on Income Start Date: 70

Growth Strategy: Build (9.75% Roll-Up Bonus Rate)

Income Strategy: Level

Guaranteed Annual Withdrawal Amount: \$42,404.45

Non-Guaranteed Annual Withdrawal Amount: \$42,404.45

Surrender charge schedule

Contract Year	1	2	3	4	5	6	7	8	9	10
Charge	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%

Premium

\$250,000

Owner

Male – Age 60

Hypothetical Illustration

Year	Covered Age	Aggregate Credited Rate ¹	Interest Credited	Account Value	Withdrawal Benefit Base	Lifetime Withdrawal Percentage	Beginning of Year Withdrawals	Surrender Value ²	Death Benefit ³
At Issue	60			250,000	250,000				
1	61	6.00%	15,000	261,708	274,375	5.81%	0	238,037	261,708
2	62	0.00%	0	258,094	301,127	5.94%	0	237,221	258,094
3	63	6.00%	15,486	269,614	330,486	6.06%	0	250,109	269,614
4	64	6.00%	16,177	281,438	362,709	6.18%	0	263,625	281,438
5	65	6.00%	16,886	293,548	398,073	6.27%	0	277,623	293,548
6	66	0.00%	0	288,305	436,885	6.36%	0	275,357	288,305
7	67	6.00%	17,298	299,849	479,481	6.44%	0	289,009	299,849
8	68	6.00%	17,991	311,526	526,231	6.52%	0	303,079	311,526
9	69	0.00%	0	304,595	577,538	6.60%	0	299,126	304,595
10	70	6.00%	18,276	315,265	633,848	6.69%	0	312,417	315,265
11	71	6.00%	16,372	281,626	633,848	6.69%	42,404	281,626	281,626
12	72	6.00%	14,353	245,968	633,848	6.69%	42,404	245,968	245,968
13	73	0.00%	0	195,958	633,848	6.69%	42,404	195,958	195,958
14	74	6.00%	9,213	155,160	633,848	6.69%	42,404	155,160	155,160
15	75	6.00%	6,765	111,915	633,848	6.69%	42,404	111,915	111,915
16	76	6.00%	4,171	66,075	633,848	6.69%	42,404	66,075	66,075
17	77	0.00%	0	16,064	633,848	6.69%	42,404	16,064	16,064
18	78	0.00%	0	0	633,848	6.69%	42,404	0	0
19	79	0.00%	0	0	633,848	6.69%	42,404	0	0
20	80	0.00%	0	0	633,848	6.69%	42,404	0	0
21	81	0.00%	0	0	633,848	6.69%	42,404	0	0
22	82	0.00%	0	0	633,848	6.69%	42,404	0	0
23	83	0.00%	0	0	633,848	6.69%	42,404	0	0
24	84	0.00%	0	0	633,848	6.69%	42,404	0	0
25	85	0.00%	0	0	633,848	6.69%	42,404	0	0
26	86	0.00%	0	0	633,848	6.69%	42,404	0	0
27	87	0.00%	0	0	633,848	6.69%	42,404	0	0
28	88	0.00%	0	0	633,848	6.69%	42,404	0	0
29	89	0.00%	0	0	633,848	6.69%	42,404	0	0
30	90	0.00%	0	0	633,848	6.69%	42,404	0	0
40	100	0.00%	0	0	633,848	6.69%	42,404	0	0
		4.24% Average	\$167,988 Total Interest					\$1,272,134 Total Withdrawals	

Guaranteed Lifetime Withdrawal Benefits Summary

Premium

\$250,000

Coverage
Type

Joint

Income
Start Year

11

Covered
Age

70

Year	Covered Age	Withdrawal Benefit Base	Lifetime Withdrawal Percentage	Annual Withdrawal Amount (AWA)	AWA if Chronic Illness Income Multiplier is activated *Must meet eligibility requirements
At Issue	60	250,000			
1	61	274,375	5.31%	14,569	0
2	62	301,127	5.44%	16,381	32,763
3	63	330,486	5.56%	18,375	36,750
4	64	362,709	5.68%	20,602	41,204
5	65	398,073	5.77%	22,969	45,938
6	66	436,885	5.86%	25,601	51,203
7	67	479,481	5.94%	28,481	56,962
8	68	526,231	6.02%	31,679	63,358
9	69	577,538	6.10%	35,230	70,460
10	70	633,848	6.19%	39,235	78,470
11	71	633,848	6.19%	39,235	78,470
12	72	633,848	6.19%	39,235	78,470
13	73	633,848	6.19%	39,235	78,470
14	74	633,848	6.19%	39,235	78,470
15	75	633,848	6.19%	39,235	78,470
16	76	633,848	6.19%	39,235	78,470
17	77	633,848	6.19%	39,235	78,470
18	78	633,848	6.19%	39,235	78,470
19	79	633,848	6.19%	39,235	78,470
20	80	633,848	6.19%	39,235	78,470
21	81	633,848	6.19%	39,235	78,470
22	82	633,848	6.19%	39,235	78,470
23	83	633,848	6.19%	39,235	78,470
24	84	633,848	6.19%	39,235	78,470
25	85	633,848	6.19%	39,235	78,470
26	86	633,848	6.19%	39,235	78,470
27	87	633,848	6.19%	39,235	78,470
28	88	633,848	6.19%	39,235	78,470
29	89	633,848	6.19%	39,235	78,470
30	90	633,848	6.19%	39,235	78,470
40	100	633,848	6.19%	39,235	78,470
				\$1,177,056	
				Total	

Summary of Elections and Benefits

Crediting Strategy	Allocation	Current Rate	Guaranteed Rate
S&P 500 Index 1 Year Point-To-Point With Cap Rate	100%	6.00%	1.00%

Rates are established when you purchase your contract and are applicable for the initial Term. On each subsequent Contract Anniversary, following the end of a Term, we can change these rates. Subsequent rates will never be less than the Guaranteed Rates shown above. Illustrated rates are assigned based on initial premium only and will remain constant for illustration purposes.

Guaranteed Lifetime Withdrawal Benefit (GLWB)

Annual Rider Fee: 1.20%

Coverage Type: Joint Lifetime Income

Covered Person's age on Income Start Date: 70

Growth Strategy: Build (9.75% Roll-Up Bonus Rate)

Income Strategy: Level

Guaranteed Annual Withdrawal Amount: \$39,235.21

Non-Guaranteed Annual Withdrawal Amount: \$39,235.21

Surrender charge schedule

Contract Year	1	2	3	4	5	6	7	8	9	10
Charge	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%

Premium

\$250,000

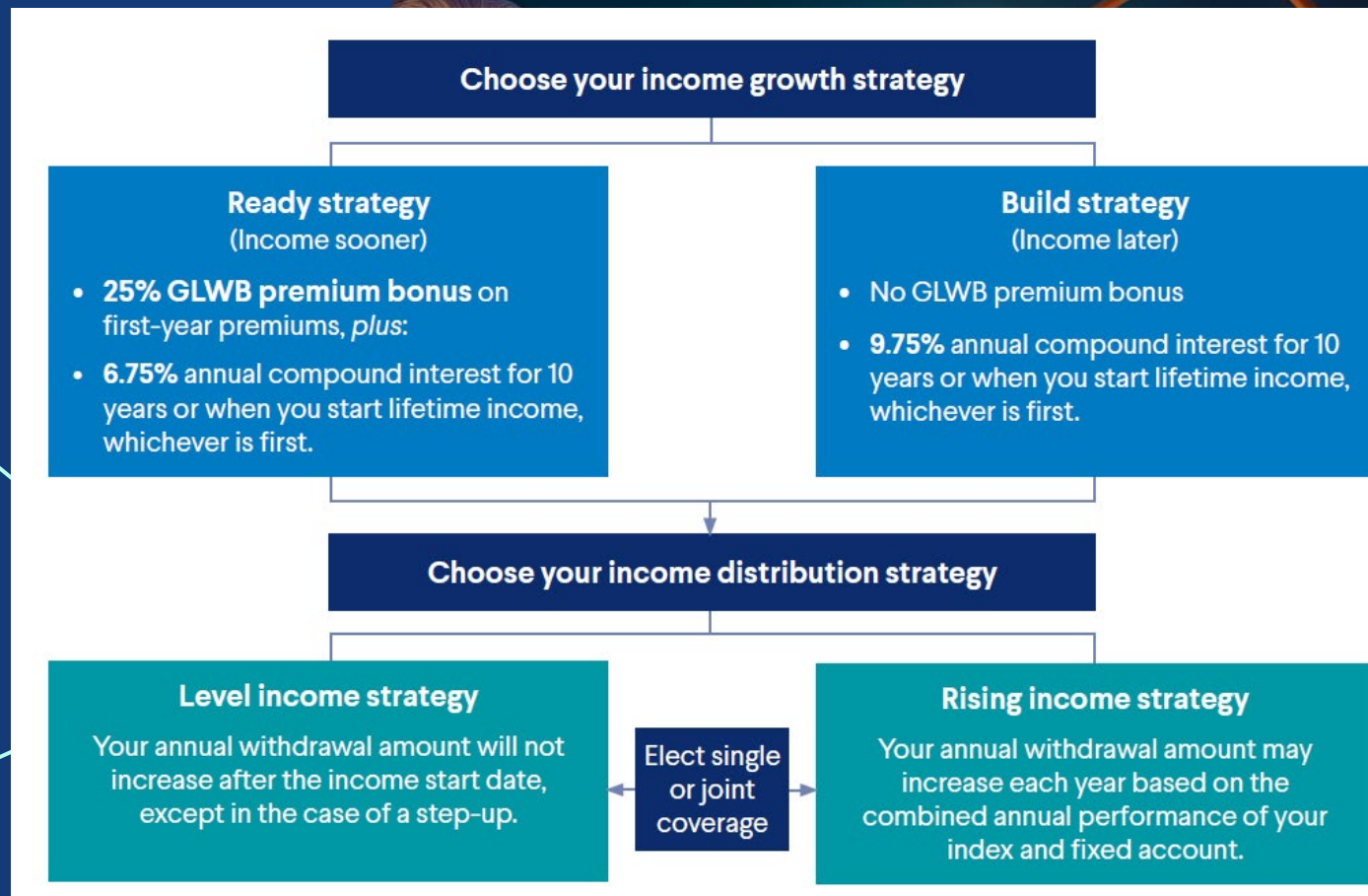
Owner

Male – Age 60

Hypothetical Illustration

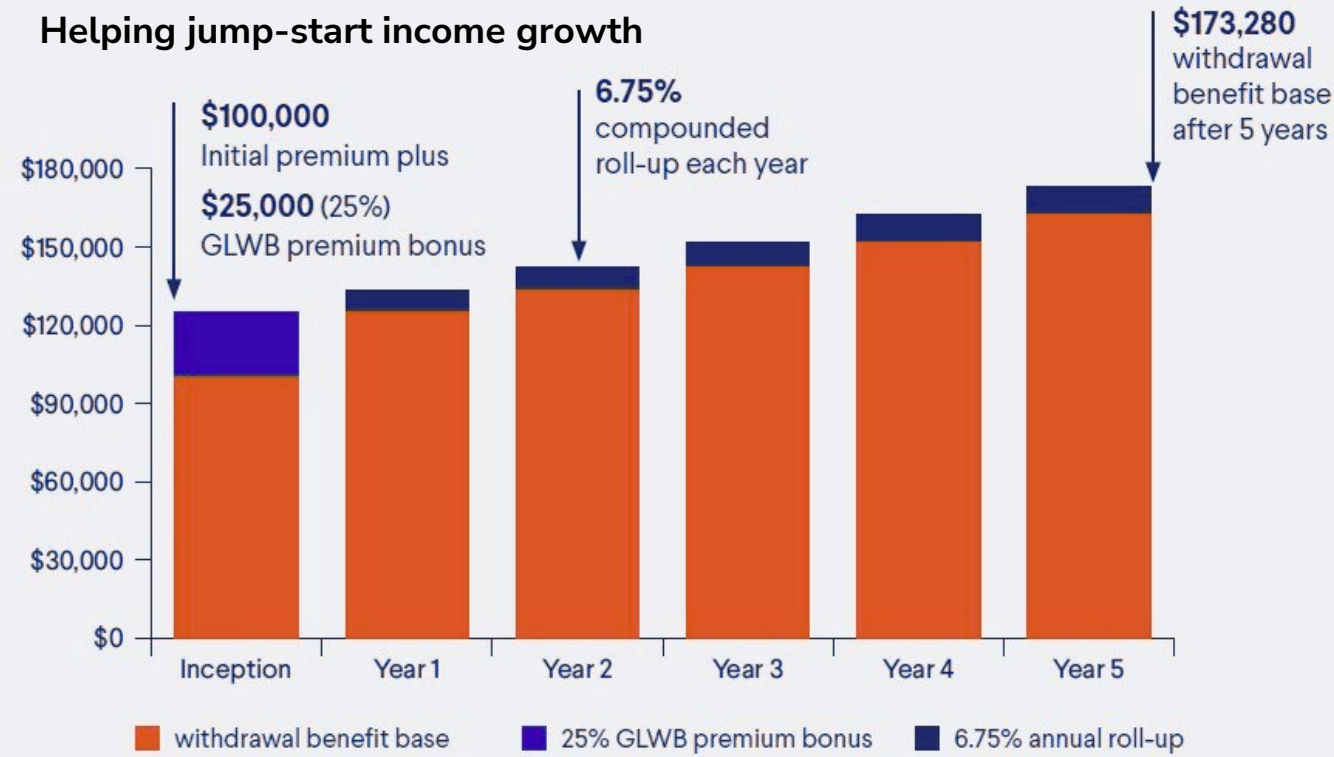
Year	Covered Age	Aggregate Credited Rate ¹	Interest Credited	Account Value	Withdrawal Benefit Base	Lifetime Withdrawal Percentage	Beginning of Year Withdrawals	Surrender Value ²	Death Benefit ³
At Issue	60			250,000	250,000				
1	61	6.00%	15,000	261,708	274,375	5.31%	0	238,037	261,708
2	62	0.00%	0	258,094	301,127	5.44%	0	237,221	258,094
3	63	6.00%	15,486	269,614	330,486	5.56%	0	250,109	269,614
4	64	6.00%	16,177	281,438	362,709	5.68%	0	263,625	281,438
5	65	6.00%	16,886	293,548	398,073	5.77%	0	277,623	293,548
6	66	0.00%	0	288,305	436,885	5.86%	0	275,357	288,305
7	67	6.00%	17,298	299,849	479,481	5.94%	0	289,009	299,849
8	68	6.00%	17,991	311,526	526,231	6.02%	0	303,079	311,526
9	69	0.00%	0	304,595	577,538	6.10%	0	299,126	304,595
10	70	6.00%	18,276	315,265	633,848	6.19%	0	312,417	315,265
11	71	6.00%	16,562	284,985	633,848	6.19%	39,235	284,985	284,985
12	72	6.00%	14,745	252,889	633,848	6.19%	39,235	252,889	252,889
13	73	0.00%	0	206,047	633,848	6.19%	39,235	206,047	206,047
14	74	6.00%	10,009	169,215	633,848	6.19%	39,235	169,215	169,215
15	75	6.00%	7,799	130,172	633,848	6.19%	39,235	130,172	130,172
16	76	6.00%	5,456	88,787	633,848	6.19%	39,235	88,787	88,787
17	77	0.00%	0	41,945	633,848	6.19%	39,235	41,945	41,945
18	78	6.00%	163	0	633,848	6.19%	39,235	0	0
19	79	0.00%	0	0	633,848	6.19%	39,235	0	0
20	80	0.00%	0	0	633,848	6.19%	39,235	0	0
21	81	0.00%	0	0	633,848	6.19%	39,235	0	0
22	82	0.00%	0	0	633,848	6.19%	39,235	0	0
23	83	0.00%	0	0	633,848	6.19%	39,235	0	0
24	84	0.00%	0	0	633,848	6.19%	39,235	0	0
25	85	0.00%	0	0	633,848	6.19%	39,235	0	0
26	86	0.00%	0	0	633,848	6.19%	39,235	0	0
27	87	0.00%	0	0	633,848	6.19%	39,235	0	0
28	88	0.00%	0	0	633,848	6.19%	39,235	0	0
29	89	0.00%	0	0	633,848	6.19%	39,235	0	0
30	90	0.00%	0	0	633,848	6.19%	39,235	0	0
40	100	0.00%	0	0	633,848	6.19%	39,235	0	0
		4.24% Average	\$171,847 Total Interest						
							\$1,177,056 Total Withdrawals		

Your Retirement Income Journey



Growing Your Income - Ready

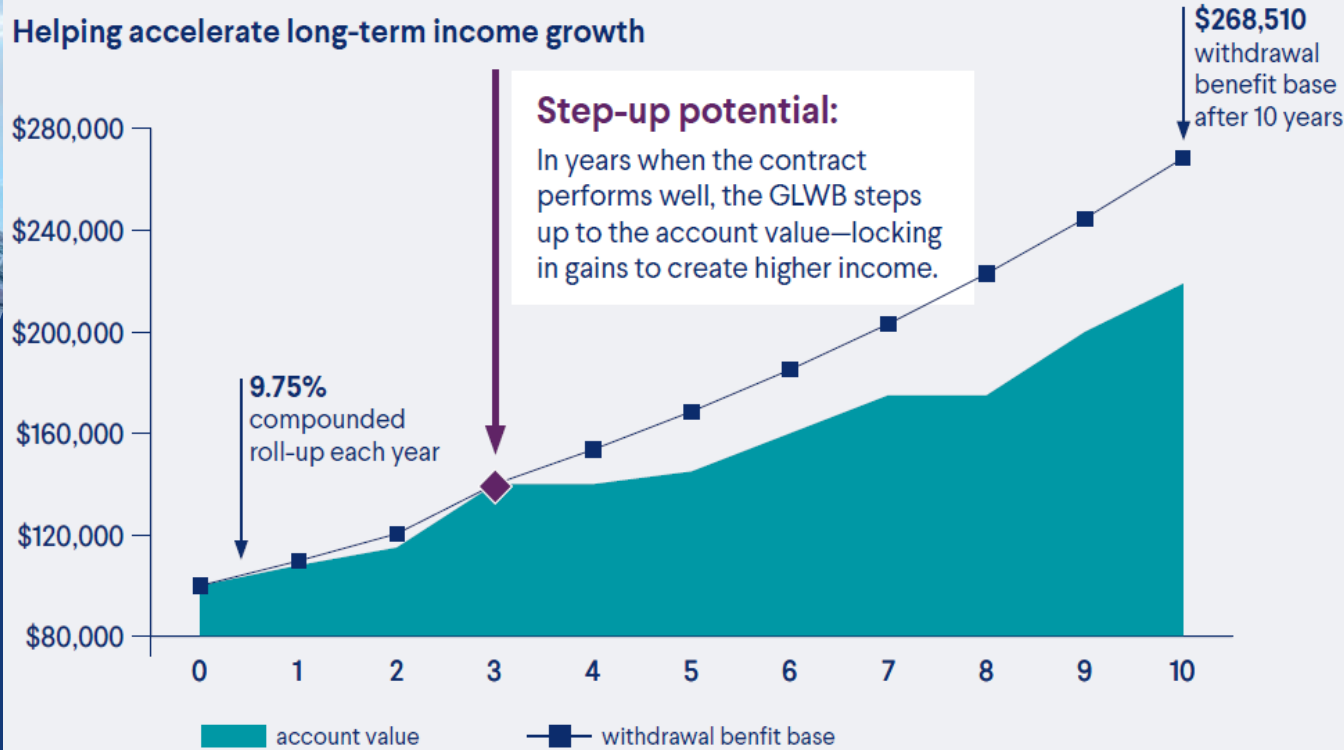
Helping jump-start income growth



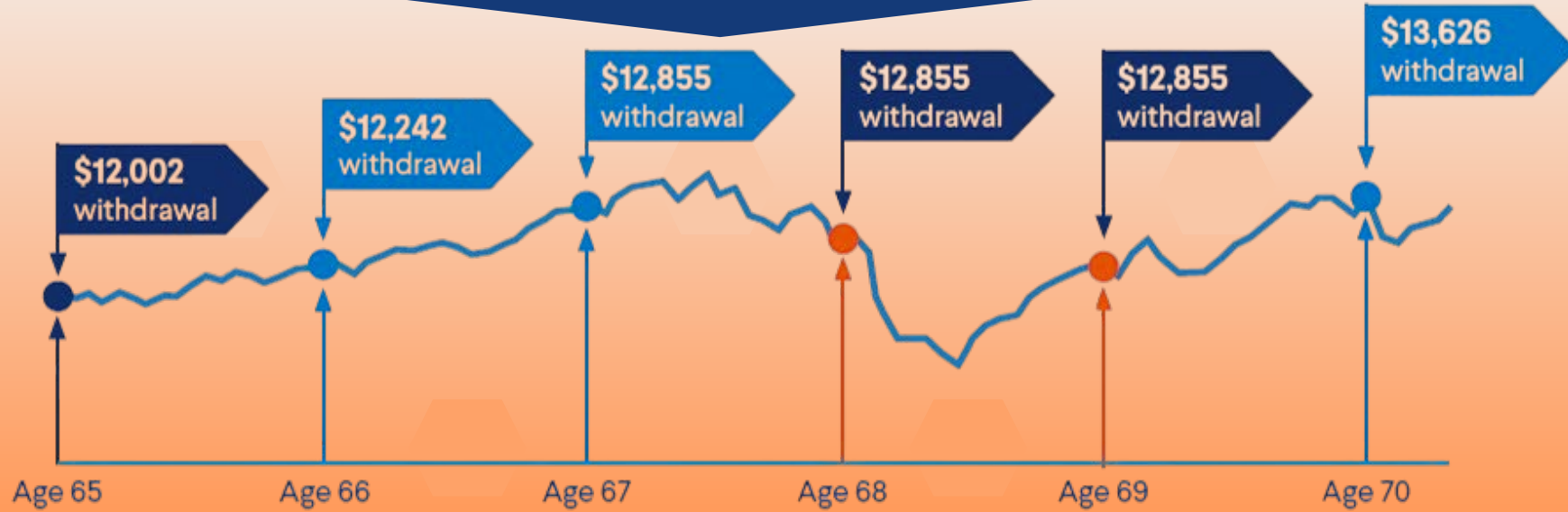
Growing Your Income - Build



Helping accelerate long-term income growth



How it Works



index return	+2%	+5%	-2%	-3%	+6%
income change	+2%	+5%	No change	No change	+6%
withdrawal benefit base	\$273,880	\$287,574	\$287,574	\$287,574	\$304,829

2 Main Purposes of Annuities



Principal

Protection/Accumulation

Deferred income annuities allow you to prepare for your retirement, helping you to create a future stream of income, while helping protect savings from loss.

Guaranteed Income

Immediate income annuities can offer peace of mind knowing that you have a source of guaranteed income that will last as long as you want, or as long as you live.

Three Types of Annuities

Fixed

The insurance company promises you a minimum rate of interest and a fixed amount of periodic payments.

Indexed



This annuity combines features of securities and insurance products. The insurance company credits you with a return that is based on a stock market index, such as the S&P's 500 Index.

Variable

The insurance company allows you to direct your annuity payments to different investment options, usually mutual funds. Your payout will vary depending on how much you put in, the rate of return on your investments, and expenses.

Variable Annuities

CASH ACCOUNT

Initial Premium → \$100,000

Annual Fees 3.5%
(M&E 1%, Rider Charge 1.5%, Mgmt. 1%) = -\$3500

Average RoR = 5%

Annuity Period 7 years

Total Growth: \$110,984

GUARANTEED ACCOUNT

Initial Premium → \$100,000

Bonus 8% +\$8000

Guaranteed RoR (simple interest) 6.5% = \$6500

Annuity Period 7 years

Total Growth: \$157,140

Variable Annuity Withdrawals

CASH ACCOUNT

\$110,984

- \$3500 -> fees
- \$7857 -> G W/D
- - \$11,357

- 15 years

GUARANTEED ACCOUNT

\$157,140

x 5% (withdrawal rate)
\$7857

Single?
Or
Joint?

Lifetime



Indexed Annuity

Guaranteed
Principal

Deferral

Growth

(linked to an Index,
i.e., S&P500)

No Fees

Legacy

Cap Rate

Cap Rate: 9.50%

Return Year	S&P 500® Index Return	% Credited to Contract	Contract Value
2001	-13.04%	0.00%	\$200,000.00
2002	-23.37%	0.00%	\$200,000.00
2003	26.38%	9.50%	\$219,000.00
2004	8.99%	8.99%	\$238,688.10
2005	3.00%	3.00%	\$245,848.74
2006	13.62%	9.50%	\$269,204.37
2007	3.53%	3.53%	\$278,707.29
2008	-38.49%	0.00%	\$278,707.29
2009	23.45%	9.50%	\$305,184.48
2010	12.78%	9.50%	\$334,177.01
2011	0.00%	0.00%	\$334,177.01
2012	13.40%	9.50%	\$365,923.82
2013	29.60%	9.50%	\$400,686.58
2014	11.39%	9.50%	\$438,751.81
2015	-0.73%	0.00%	\$438,751.81
2016	9.54%	9.50%	\$480,433.23
2017	19.42%	9.50%	\$526,074.39
2018	-6.24%	0.00%	\$526,074.39
2019	28.88%	9.50%	\$576,051.46
2020	16.26%	9.50%	\$630,776.34
2021	26.89%	9.50%	\$690,700.10
2022	16.00%	9.50%	\$756,316.61
2023	-18.11%	0.00%	\$756,316.61
2024	24.23%	9.50%	\$828,166.68

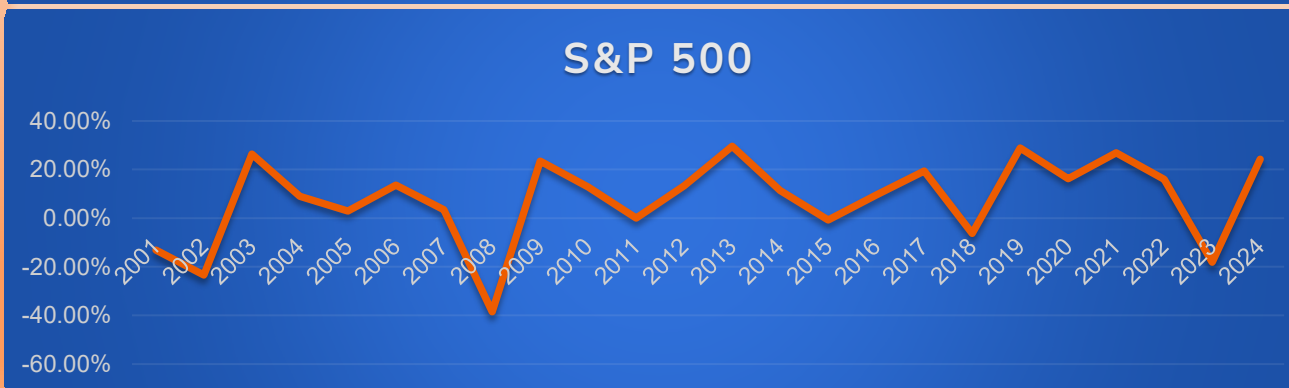


Illustration Notes: This hypothetical illustration uses annual S&P 500® price returns from 2001 through 2024 to demonstrate how a fixed indexed annuity might credit interest using a **9.5% cap rate** and a **0% floor** (no negative interest). All returns reflect **price-only index movement**, excluding dividends, consistent with how most insurance carriers calculate interest credits in indexed annuity products. **Credited interest** is calculated as: The lesser value of either the S&P 500 annual return or 9.5% (if positive; otherwise 0%). **Contract value** assumes a starting investment of \$200,000 with annual compounding of credited interest. Values are for illustrative purposes only and do not reflect any specific product or guarantee. Data sources include publicly available index return history and carrier illustrations. Crediting methods and index definitions vary by product.

Point to Point Participation Rate

Participation Rate: 50%

Return Year	S&P 500® Index Return	% Credited to Contract	Contract Value
2001	-13.04%	0.00%	\$200,000.00
2002	-23.37%	0.00%	\$200,000.00
2003	26.38%	13.19%	\$226,380.00
2004	8.99%	4.50%	\$236,555.78
2005	3.00%	1.50%	\$240,104.12
2006	13.62%	6.81%	\$256,455.21
2007	3.53%	1.76%	\$260,981.64
2008	-38.49%	0.00%	\$260,981.64
2009	23.45%	11.72%	\$291,581.74
2010	12.78%	6.39%	\$310,213.81
2011	0.00%	0.00%	\$310,213.81
2012	13.40%	6.70%	\$330,998.14
2013	29.60%	14.80%	\$379,985.86
2014	11.39%	5.70%	\$401,626.06
2015	-0.73%	0.00%	\$401,626.06
2016	9.54%	4.77%	\$420,783.62
2017	19.42%	9.71%	\$461,641.71
2018	-6.24%	0.00%	\$461,641.71
2019	28.88%	14.44%	\$528,302.77
2020	16.26%	8.13%	\$571,253.79
2021	26.89%	13.45%	\$648,058.86
2022	16.00%	8.00%	\$699,903.57
2023	-18.11%	0.00%	\$699,903.57
2024	24.23%	12.12%	\$784,696.89

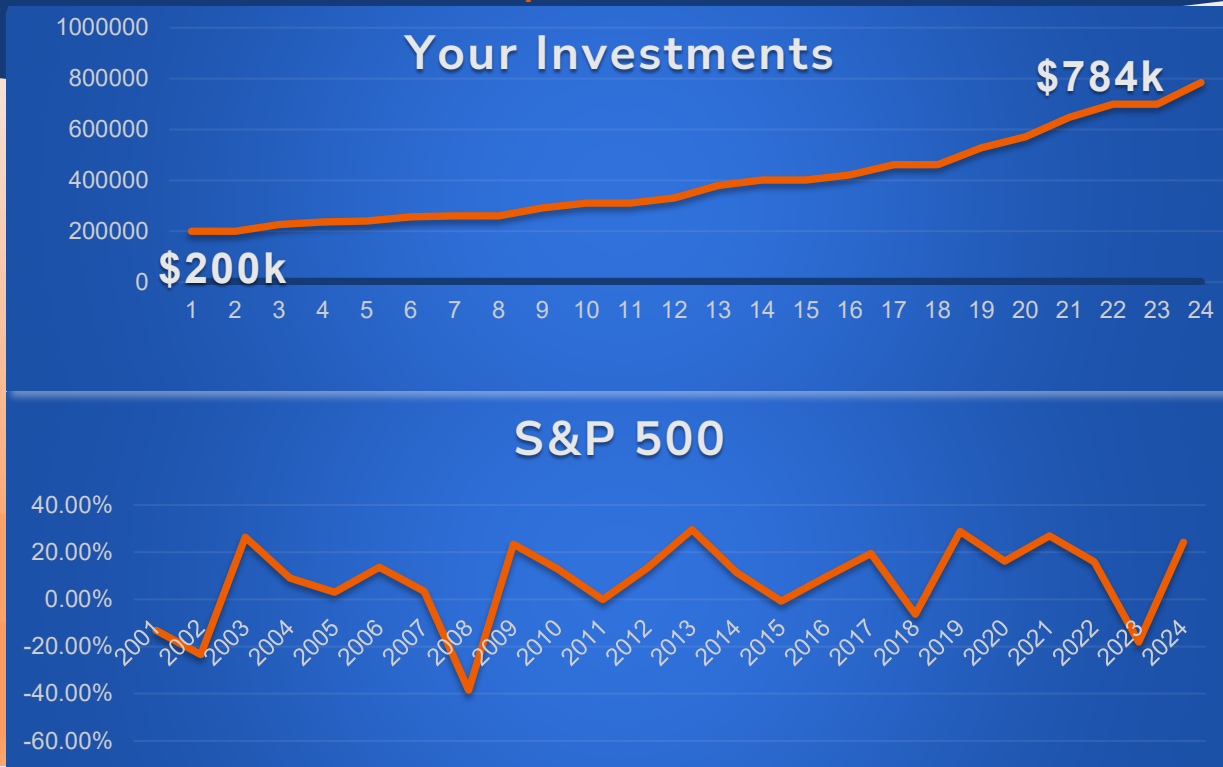


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Principal Protection

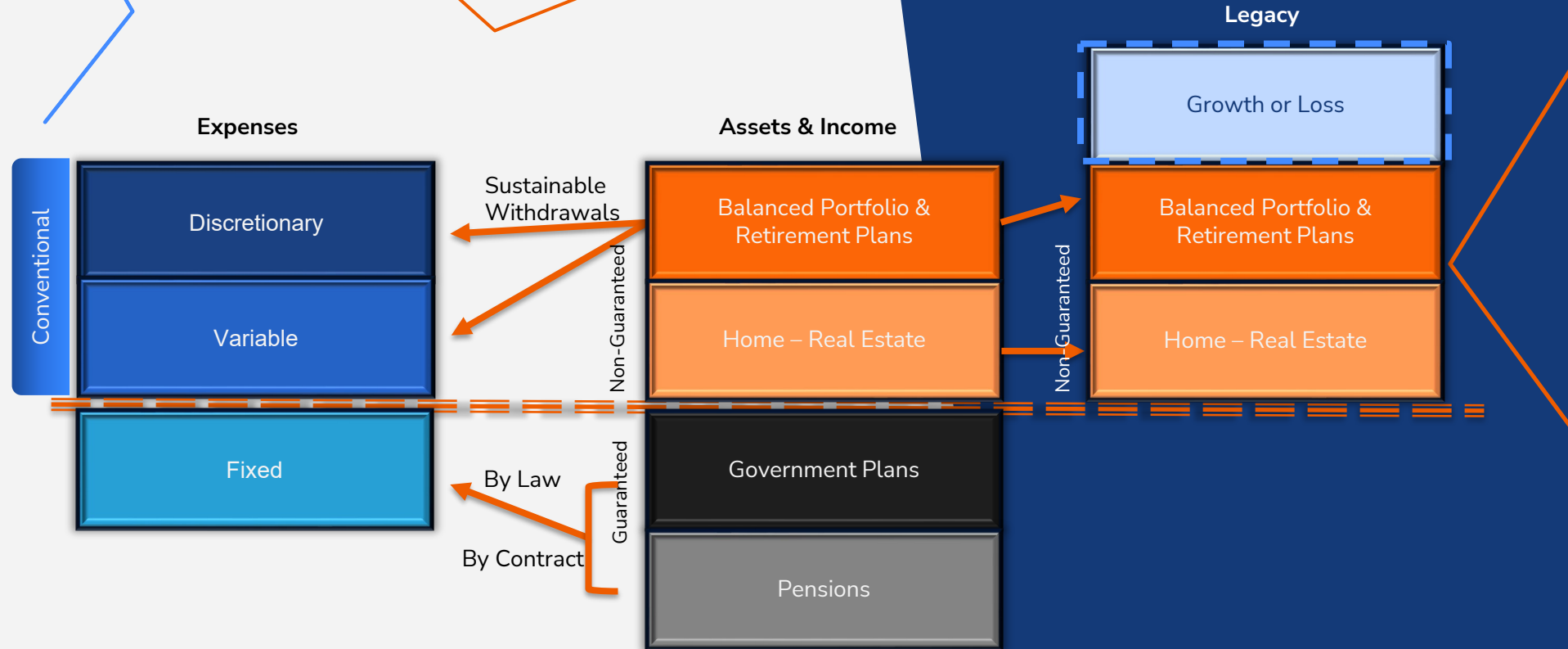
```
graph TD; A[Principal Protection] --> B[Never Sell Low]; A --> C[RMDs<br/>TSP U/D Issues]; A --> D[IRA<br/>RMD -> Distribution Strategies];
```

Never
Sell
Low

RMDs
TSP U/D Issues

IRA
RMD → Distribution
Strategies

Conventional Retirement Approach



Example:

What if You Had to Take Distributions in 2022 ?

G Fund	F Fund	C Fund	S Fund	I Fund
2.98%	-12.83%	-18.13%	-26.26%	-13.94%

Portfolio					
<u>\$500,000</u>					
20%	20%	10%	25%	25%	0%
C	S	I	F	G	
\$100,000	\$100,000	\$50,000	\$125,000	\$125,000	\$0
4%	4%	4%	4%	4%	0%
\$4,000	\$4,000	\$2,000	\$5,000	\$5,000	\$0

Cap Rate

Cap Rate: 9.50%

Return Year	S&P 500® Index Return	% Credited to Contract	Contract Value
2001	-13.04%	0.00%	\$200,000.00
2002	-23.37%	0.00%	\$200,000.00
2003	26.38%	9.50%	\$219,000.00
2004	8.99%	8.99%	\$238,688.10
2005	3.00%	3.00%	\$245,848.74
2006	13.62%	9.50%	\$269,204.37
2007	3.53%	3.53%	\$278,707.29
2008	-38.49%	0.00%	\$278,707.29
2009	23.45%	9.50%	\$305,184.48
2010	12.78%	9.50%	\$334,177.01
2011	0.00%	0.00%	\$334,177.01
2012	13.40%	9.50%	\$365,923.82
2013	29.60%	9.50%	\$400,686.58
2014	11.39%	9.50%	\$438,751.81
2015	-0.73%	0.00%	\$438,751.81
2016	9.54%	9.50%	\$480,433.23
2017	19.42%	9.50%	\$526,074.39
2018	-6.24%	0.00%	\$526,074.39
2019	28.88%	9.50%	\$576,051.46
2020	16.26%	9.50%	\$630,776.34
2021	26.89%	9.50%	\$690,700.10
2022	16.00%	9.50%	\$756,316.61
2023	-18.11%	0.00%	\$756,316.61
2024	24.23%	9.50%	\$828,166.68

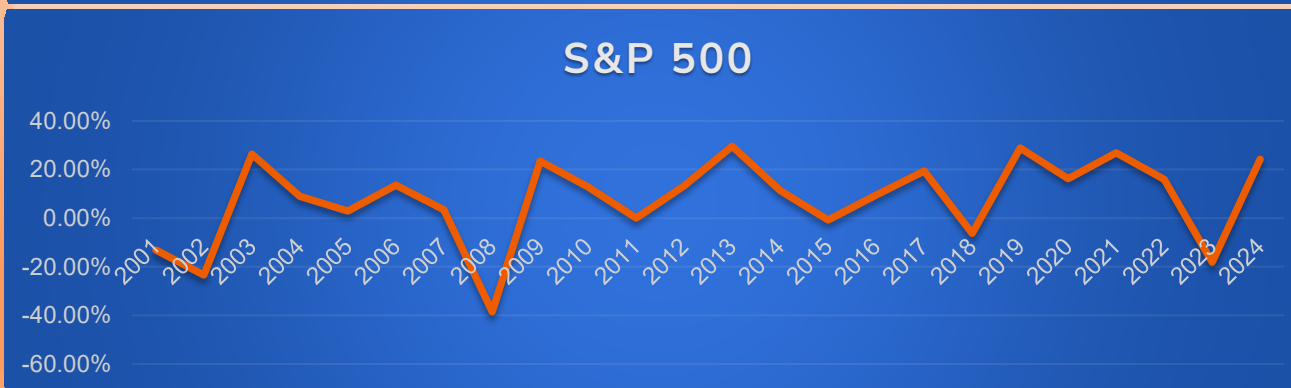


Illustration Notes: This hypothetical illustration uses annual S&P 500® price returns from 2001 through 2024 to demonstrate how a fixed indexed annuity might credit interest using a **9.5% cap rate** and a **0% floor** (no negative interest). All returns reflect **price-only index movement**, excluding dividends, consistent with how most insurance carriers calculate interest credits in indexed annuity products. **Credited interest** is calculated as: The lesser value of either the S&P 500 annual return or 9.5% (if positive; otherwise 0%). **Contract value** assumes a starting investment of \$200,000 with annual compounding of credited interest. Values are for illustrative purposes only and do not reflect any specific product or guarantee. Data sources include publicly available index return history and carrier illustrations. Crediting methods and index definitions vary by product.

Point to Point Participation Rate

Participation Rate: 50%

Return Year	S&P 500® Index Return	% Credited to Contract	Contract Value
2001	-13.04%	0.00%	\$200,000.00
2002	-23.37%	0.00%	\$200,000.00
2003	26.38%	13.19%	\$226,380.00
2004	8.99%	4.50%	\$236,555.78
2005	3.00%	1.50%	\$240,104.12
2006	13.62%	6.81%	\$256,455.21
2007	3.53%	1.76%	\$260,981.64
2008	-38.49%	0.00%	\$260,981.64
2009	23.45%	11.72%	\$291,581.74
2010	12.78%	6.39%	\$310,213.81
2011	0.00%	0.00%	\$310,213.81
2012	13.40%	6.70%	\$330,998.14
2013	29.60%	14.80%	\$379,985.86
2014	11.39%	5.70%	\$401,626.06
2015	-0.73%	0.00%	\$401,626.06
2016	9.54%	4.77%	\$420,783.62
2017	19.42%	9.71%	\$461,641.71
2018	-6.24%	0.00%	\$461,641.71
2019	28.88%	14.44%	\$528,302.77
2020	16.26%	8.13%	\$571,253.79
2021	26.89%	13.45%	\$648,058.86
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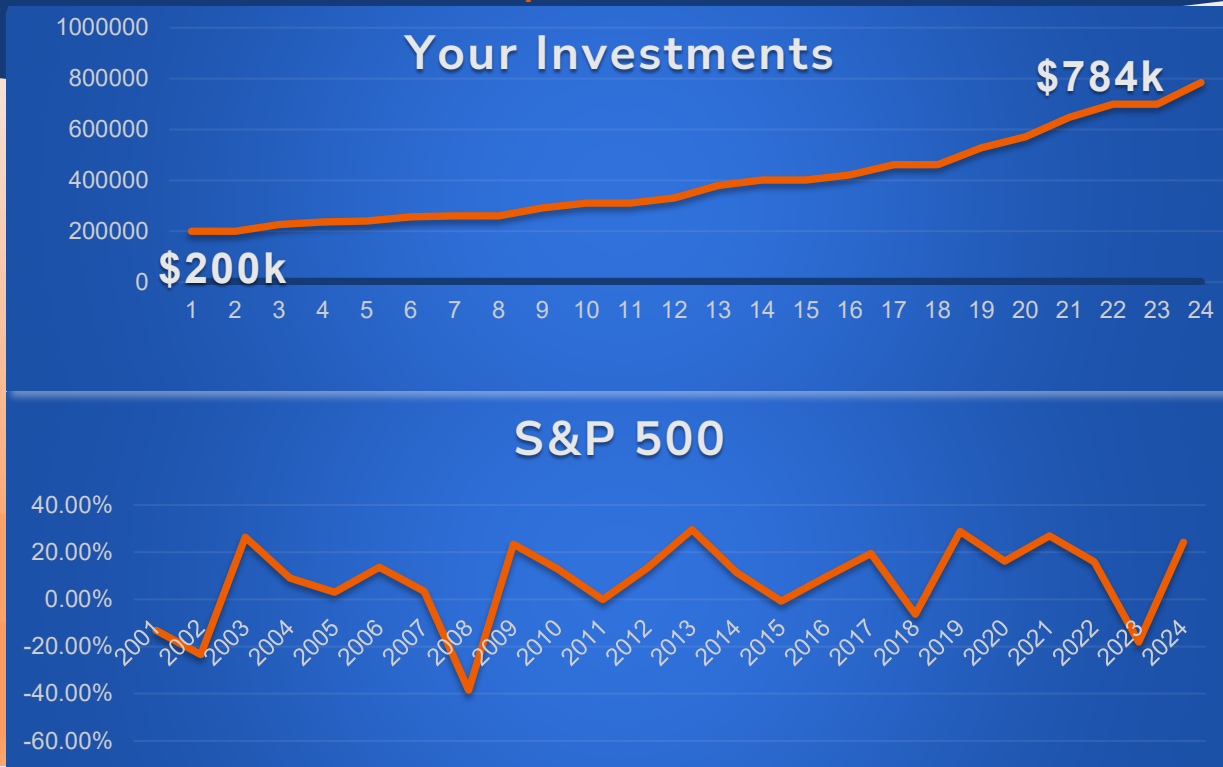


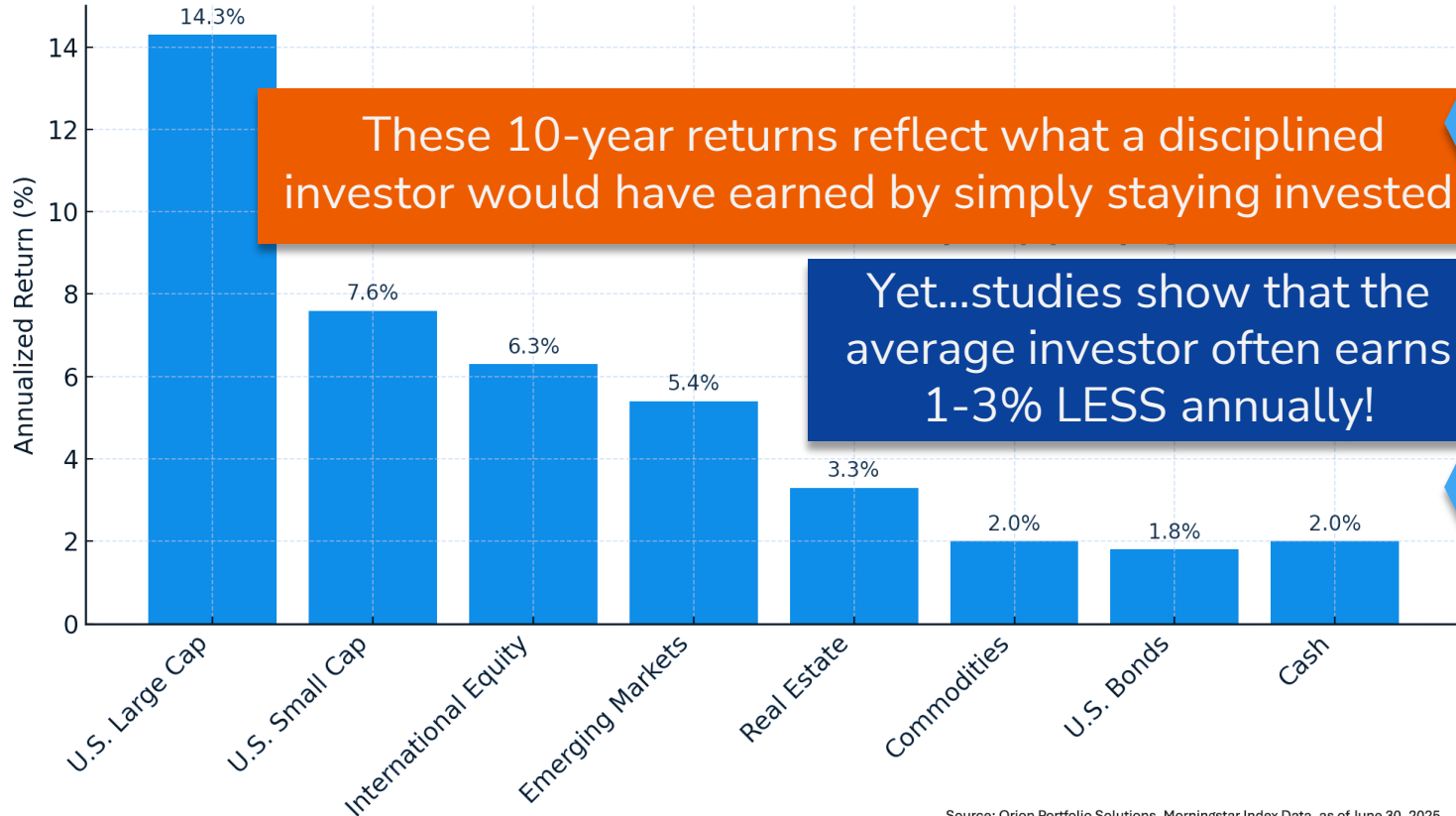
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Median Bond Return Environments (1927-2016)

	Below Median Bond Return Environments Average Return	Above Median Bond Return Environments Average Return	Overall Period Average Return
Long Term Gov't Bonds	1.87%	9.00%	5.43%
Large Cap Stocks	11.43%	9.84%	10.63%
FIA	4.42%	7.55%	5.98%
60/40 (Stocks and Bonds)	7.60%	9.50%	8.55%
60/20/20 (Stocks, Bonds, FIA)	8.12%	9.21%	8.66%
60/40 (Stocks and FIA)	8.63%	8.92%	8.77%

Behavior Drives Results

10-Year Annualized Returns by Asset Class (as of 6/30/2025)



Not because
of poor
investments

...

But because
of poor
timing!

Cap Rate

Cap Rate: 9.50%

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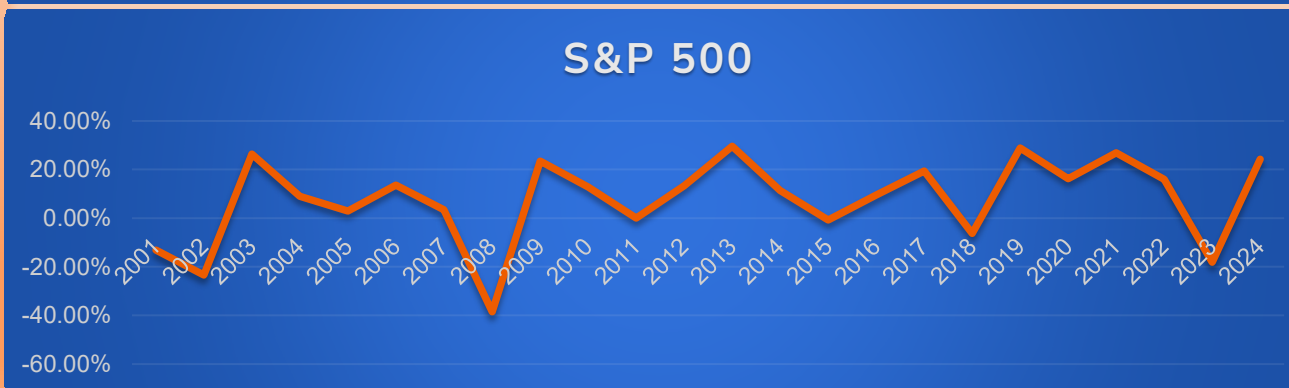


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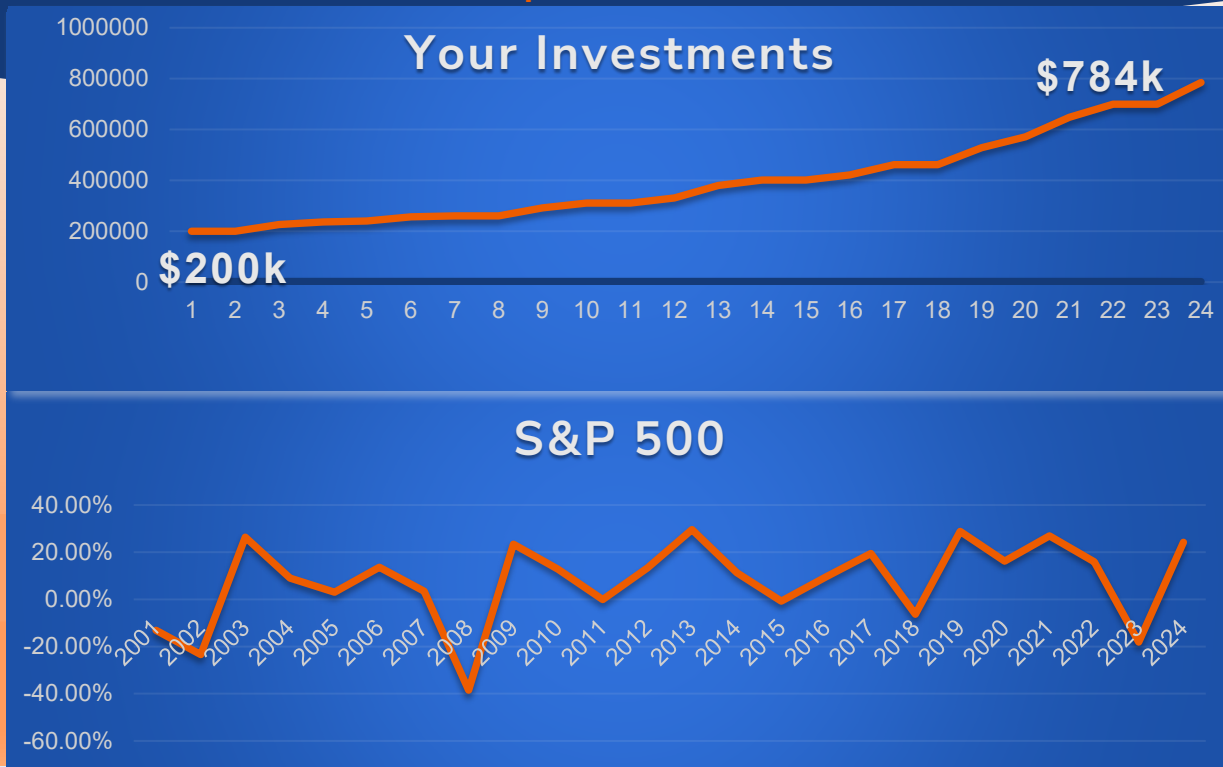


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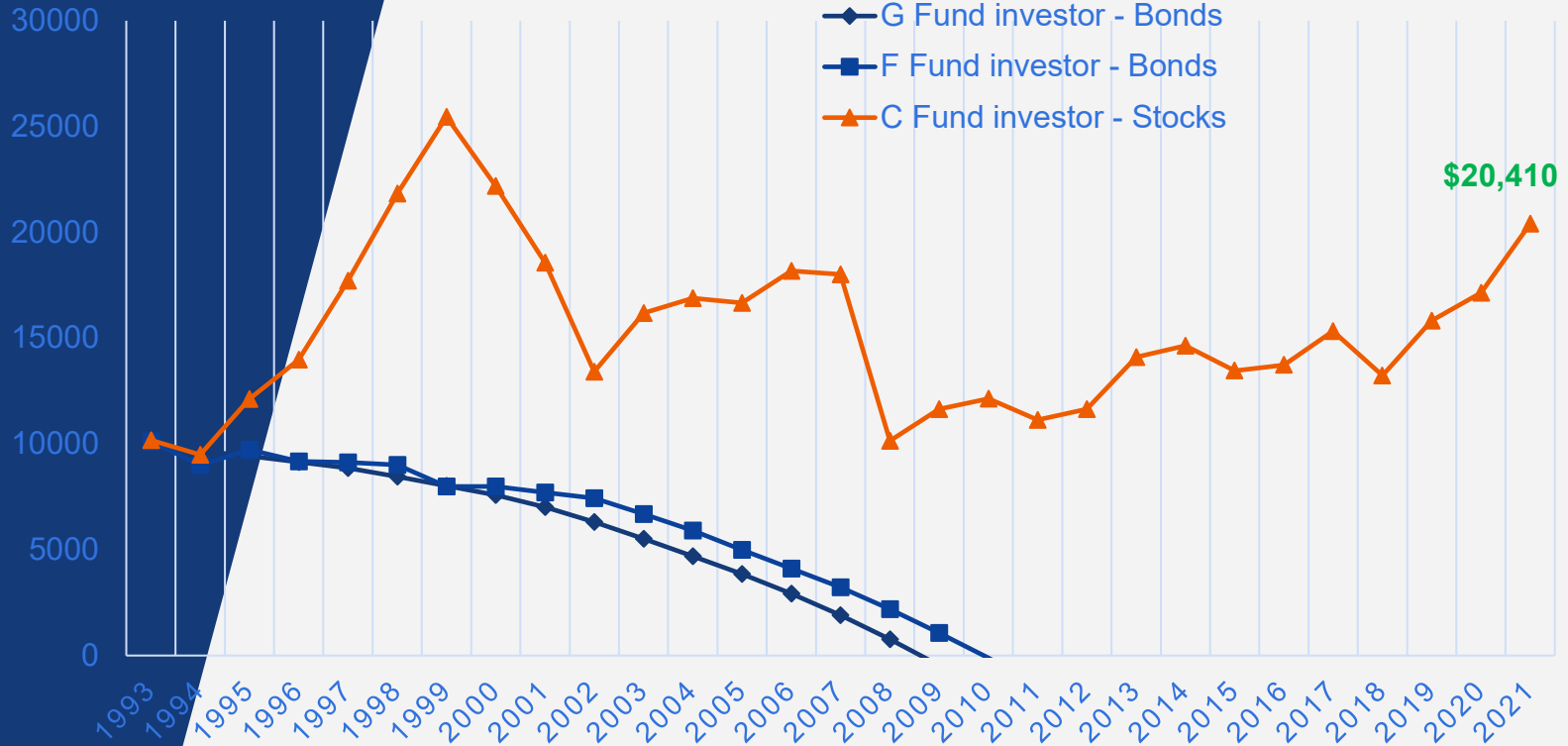
Portfolio
\$500,000

20% 20% 10% 25% 25% 0%

C	S	I	F	G	
\$100,000	\$100,000	\$50,000	\$125,000	\$125,000	\$0
4%	4%	4%	4%	4%	0%
\$4,000	\$4,000	\$2,000	\$5,000	\$5,000	\$0

When You Start Spending...

Example: At the beginning of 1993, retirees Bill, Jack and Mary each have \$10,000 in the TSP. They each invest in one fund: Bill in G, Jack in F and Mary in C. They annually withdraw enough to buy 2000 first class stamps (after paying taxes of 30%).



Alternative Retirement Approach

Expenses

Assets & Income

Legacy

Conventional

Discretionary

Variable

Income and
Principal
Withdrawn

Non-Guaranteed

Balanced Portfolio &
Retirement Plans

Home – Real Estate

Non-Guaranteed

Growth or Loss

Balanced Portfolio &
Retirement Plans

Home – Real Estate

Enhanced

Fixed

By Law

Government Plans

By Contract

Pensions

Withdrawals
and Loans

Life Insurance

Income

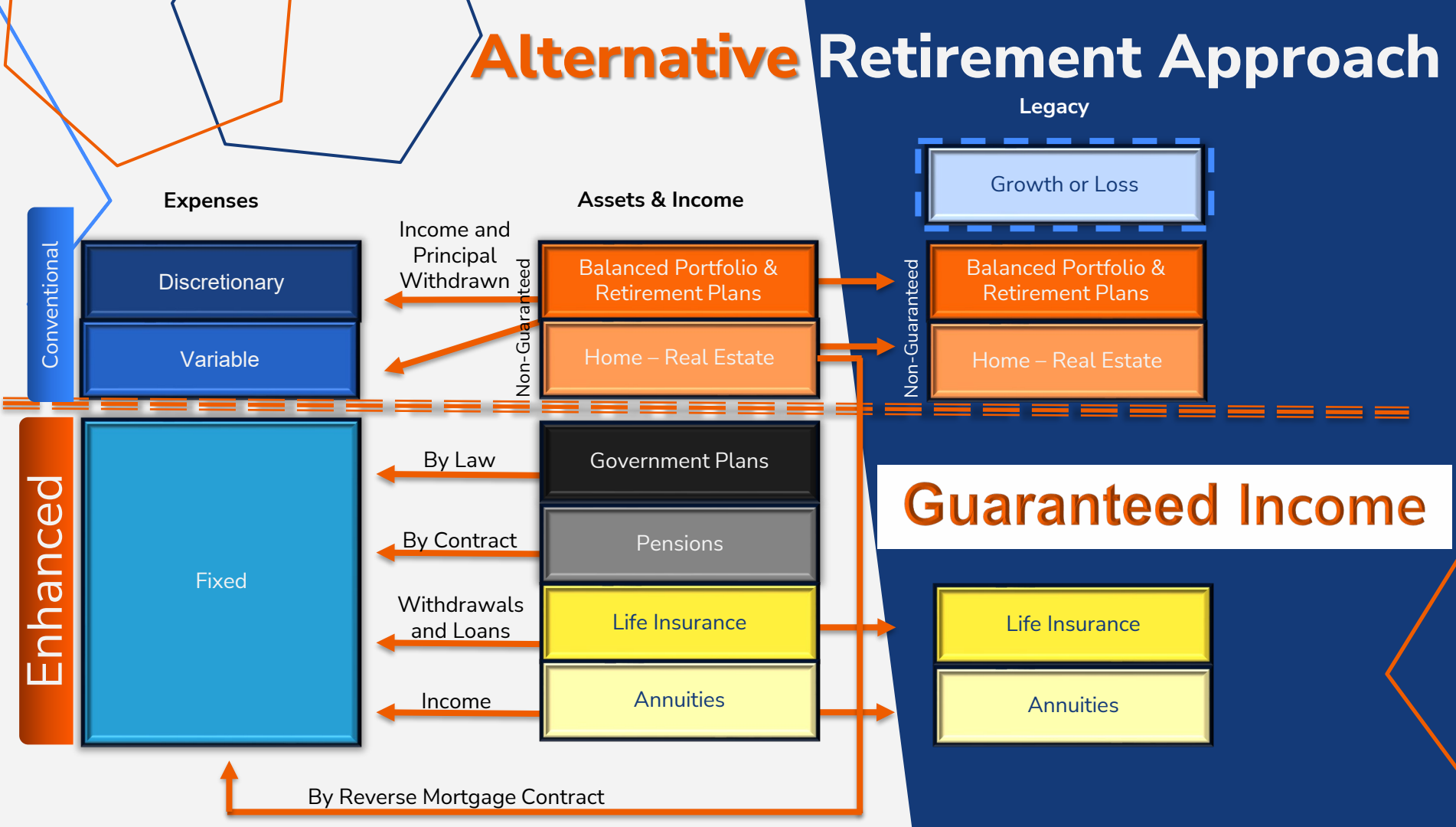
Annuities

By Reverse Mortgage Contract

Guaranteed Income

Life Insurance

Annuities



Annuities – Guaranteed Income

A	B
Traditional -> \$500,000	\$500,000
<u>x 4%</u>	Annuity \$300,000 \$200,000
\$20,000	\$20,000 Your Choice Inflation * Growth * Long Term Care

Annuities – Maximum Income

A	B
Traditional -> \$500,000	\$500,000 ↓
<u>x 4%</u>	\$500,000 Annuity <u>x 8%</u>
\$20,000	\$40,000 -> Lifetime

The Purpose of Money



The Story of Jim



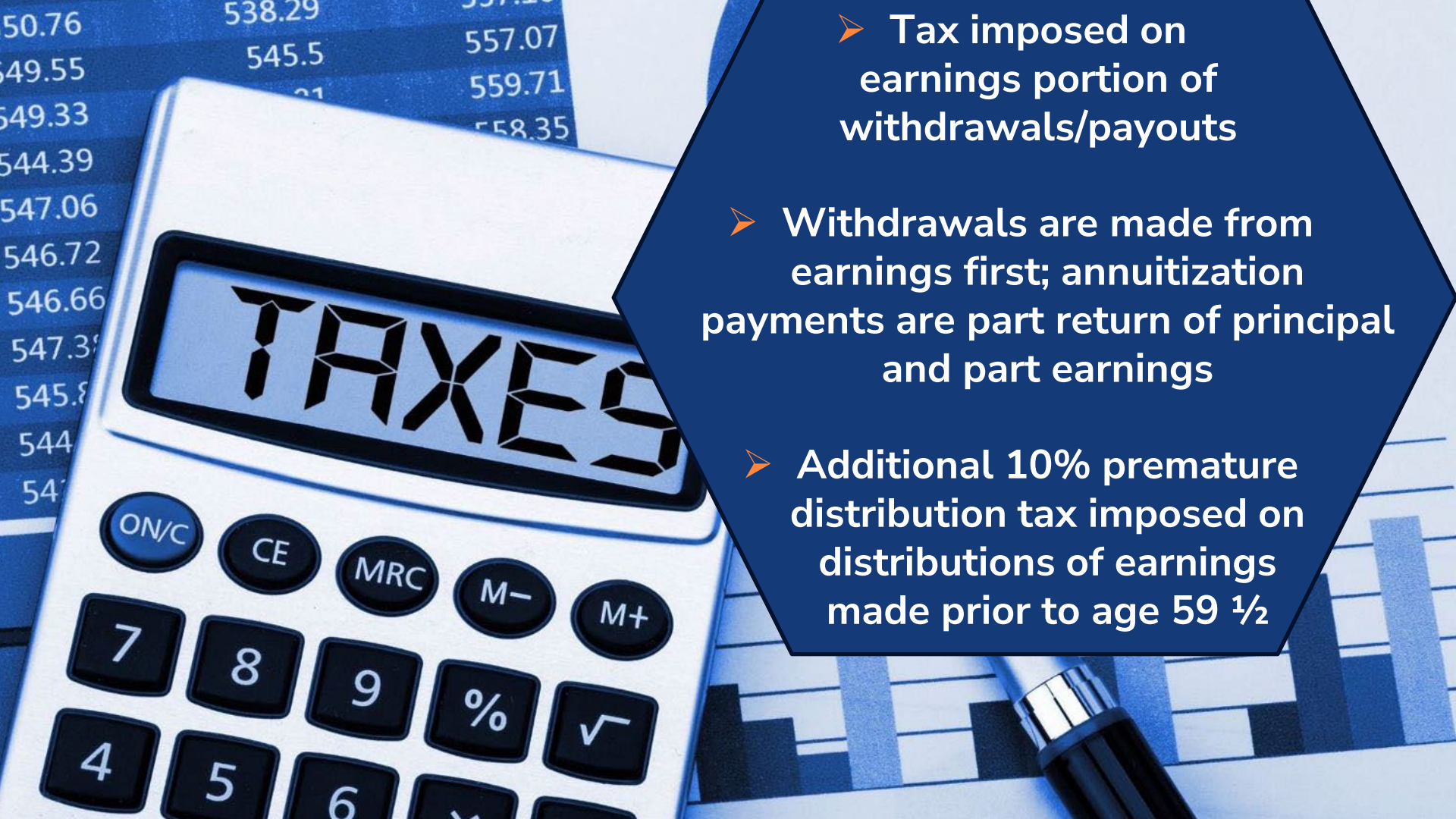
**But
Theresa...**



50.76
49.55
49.33
44.39
47.06
46.72
46.66
47.38
45.8
44
4

538.29
545.5
21

557.07
559.71
558.35



- Tax imposed on earnings portion of withdrawals/payouts
- Withdrawals are made from earnings first; annuitization payments are part return of principal and part earnings
- Additional 10% premature distribution tax imposed on distributions of earnings made prior to age 59 ½

Long Term Care Insurance

Up front or monthly premiums

No growth component

If not needed, premiums may be lost

Deferred annuity w/
LTC Rider

Growth component

If not needed, still receive
annuitized payments

Long-Term Care Annuity



Thank you for your time today. Kindly fill out our feedback survey:

<https://www.surveymonkey.com/r/DCSOFASURVEY>



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