

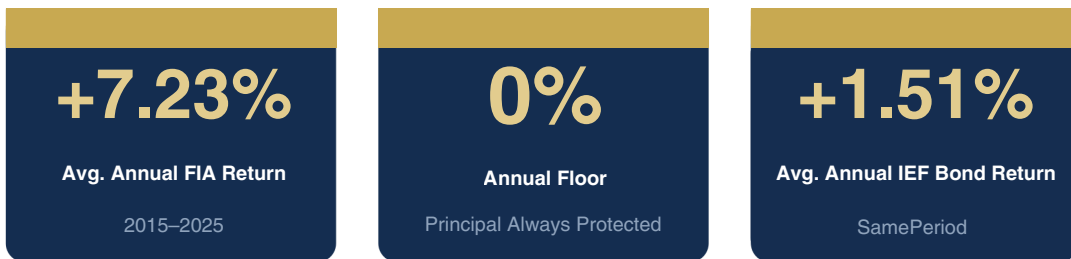


GUARDIAN
FINANCIAL GROUP

RETIREMENT PLANNING | SAFE-MONEY STRATEGY

Your Safe Money Deserves More.

Why Fixed Index Annuities Outperform Bond Funds
as Your Retirement's Safe-Money Allocation



Based on 11 years of actual market data | S&P 500 0% floor / 10% cap strategy vs. iShares IEF ETF



Contact us today for a complimentary, no-obligation safe-money review.

This material is for educational purposes only and does not constitute investment, tax, or legal advice. Fixed Index Annuities are insurance products. Surrender charges may apply. Past performance does not guarantee future results.

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THE PROBLEM WITH BOND FUNDS IN RETIREMENT

For decades, the conventional wisdom has been simple: as you approach retirement, shift your portfolio to 60% bonds and 40% stocks. The bonds are supposed to be your 'safe money' — stable, predictable, and protected. But the reality of bond **funds** is far more complex — and far more dangerous for retirees than most people realize.

What Your Adviser May Not Be Telling You

When a financial adviser places your retirement savings into a '60/40 portfolio,' that 60% almost certainly goes into **bond ETFs or mutual funds** — not individual bonds. This distinction is critical:

	Individual Bond	Bond Fund / ETF
Principal at maturity	✓ Full return guaranteed	✗ No maturity date to return principal
2022 interest rate shock	✓ Continued paying fixed coupon	✗ Lost -13% to -18% of value
Price risk when rates rise	✓ None (hold to maturity)	✗ Direct, real, daily losses
Sequence of returns risk	✓ Not applicable	✗ Severe — locks in losses if you must withdraw during downturns
Minimum portfolio size needed	\$500K+ for true diversification	Any amount

The 2022 Wake-Up Call

In 2022, the Federal Reserve raised interest rates at the fastest pace in 40 years. The result was catastrophic for bond funds — and devastating for retirees who believed their 'safe money' was protected:

Bond Category	2022 Return	Loss on \$250,000
iShares 7-10 Yr Treasury (IEF)	-15.16%	-\$37,900
iShares Aggregate Bond (AGG)	-13.02%	-\$32,550
iShares Corp. Bond (LQD)	-17.93%	-\$44,825
Fixed Index Annuity	0.00% (floor protection)	\$0 lost

While every bond fund category suffered double-digit losses, clients holding Fixed Index Annuities saw zero reduction in their account value — because FIAs contractually guarantee your principal against market losses.

WHAT IS A FIXED INDEX ANNUITY?

A Fixed Index Annuity (FIA) is an insurance contract that offers a powerful combination unavailable in any bond fund: **100% downside protection** paired with **market-linked upside participation**. Your interest credits are tied to the performance of a market index (such as the S&P 500), but you are completely shielded from negative index returns.

How the 0% Floor / 10% Cap Works

The data table below mirrors exactly how a typical FIA crediting strategy works — using the S&P 500 price return with a 0% annual floor and a 10% annual cap. In years when the S&P 500 falls, you earn 0% — your principal is protected. In positive years, you earn up to the cap and your principal along with the annual interest becomes your new floor each year.

IEF Bond Fund vs. S&P 500 vs. Fixed Index Annuity | 2015-2025

S&P 500 price return capped at +10% in any year | Negative S&P 500 years floored at 0% | FIA column = illustrative Fixed Index Annuity annual crediting strategy

Year	iShares IEF Bond Fund Return	S&P 500 Price Return (Actual)	FIA Equivalent (0% Floor / 10% Cap)
2015	+1.51%	-0.73%	0.00%
2016	+1.01%	+9.54%	+9.54%
2017	+2.55%	+19.42%	+10.00%
2018	+0.99%	-6.24%	0.00%
2019	+8.03%	+28.88%	+10.00%
2020	+10.01%	+16.26%	+10.00%
2021	-3.33%	+26.89%	+10.00%
2022	-15.16%	-19.44%	0.00%
2023	+3.64%	+24.23%	+10.00%
2024	-0.64%	+23.31%	+10.00%
2025	+8.11%	+16.39%	+10.00%
2015-2025 Avg	+1.51%	12.59%	+7.23%
2000-2025 Avg	+4.56%	5.73%	+6.78%

Sources: IEF annual total returns — iShares / Yahoo Finance. S&P 500 price returns (excluding dividends) — Slickcharts.com. FIA column is illustrative, based on a 0% floor / 10% annual point-to-point cap applied to S&P 500 price returns. Past performance does not guarantee future results. The IEF ETF didn't launch until July 2002. There is no IEF fund return data for 2000–2002. However, filling those years using the underlying index that IEF tracks — the ICE U.S. Treasury 7-10 Year Bond Index — which has historical data before the ETF existed, allows us to create a hypothetical average return from 2000-2025.

5 REASONS FIAs OUTPERFORM BOND FUNDS FOR “SAFE MONEY”

1 PRINCIPAL PROTECTION — GUARANTEED

Your account value can NEVER go below what you put in due to market losses. The 0% floor is a contractual guarantee backed by the insurance carrier's reserves — not a market promise. In 2008 and 2022, FIA holders lost nothing while bond fund investors lost tens of thousands.

2 MARKET-LINKED UPSIDE WITHOUT MARKET RISK

Unlike bond funds that earn a fixed (and often low) yield, FIAs credit interest based on index performance. When the S&P 500 rises, you participate up to your cap. Over 23 years (2003–2025), a 0%/10% FIA strategy averaged +7.23% annually — versus just +2.58% for IEF bond funds.

3 TAX-DEFERRED GROWTH

All growth inside an FIA accumulates on a tax-deferred basis — meaning you pay no taxes on credited interest until you withdraw. Bond fund investors pay ordinary income tax on interest each year, creating a significant drag on compounding. Over 20+ years, tax deferral can add tens of thousands of dollars to your net balance.

4 GUARANTEED LIFETIME INCOME OPTIONS

Most FIAs offer an optional income rider that provides a guaranteed income stream you cannot outlive — regardless of market performance. This solves the single greatest financial risk in retirement: longevity risk. Bond funds offer no such guarantee and can be depleted entirely.

5 NO SEQUENCE OF RETURNS RISK

The greatest threat to a retiree's portfolio is suffering losses in the early years of retirement while making withdrawals. With bond funds, a bad year like 2022 forces you to sell depreciated assets to fund living expenses — permanently reducing your recovery potential. An FIA's 0% floor eliminates

The Compounding Advantage: \$100,000 invested from 2003 to 2025

Strategy	Starting Value (2003)	Ending Value (2025)	Avg Annual Return
IEF Bond Fund	\$100,000	~\$210,392	+3.54%
Fixed Index Annuity (0% / 10% cap)	\$100,000	~\$483,459	+7.18%

Hypothetical illustration based on historical index returns. Past performance does not guarantee future results. FIA ending value reflects compounded 0%/10% cap strategy applied to annual S&P; 500 price returns, 2003–2025. Actual FIA values will vary based on carrier, product, and crediting method.

WHO SHOULD CONSIDER A FIXED INDEX ANNUITY?

Fixed Index Annuities are ideally suited for retirement savers who:

- Are within **5–15 years of retirement** or already retired
- Want to protect their 'safe money' from bond market volatility without accepting near-zero yields
- Are concerned about **outliving their retirement savings** (longevity risk)
- Want **tax-deferred growth** without the complexity and contribution limits of an IRA or 401(k)
- Experienced the 2022 bond crash and want to ensure it never happens again to their safe-money allocation
- Are looking for a **guaranteed income stream** in retirement that cannot be outlived
- Have a time horizon of **5 years or more** (FIAs typically have a surrender period)

Common Questions

Q: Are my funds safe if the insurance company fails?

A: FIAs are backed by the insurance carrier's general account and are protected by your state's insurance guaranty association (typically up to \$250,000 per carrier). Additionally, insurance carriers are required to maintain strict reserve requirements that far exceed those of banks or brokerage firms.

Q: Can I access my money if I need it?

A: Most FIAs allow penalty-free withdrawals of 10% of the account value per year. Additionally, many carriers waive surrender charges for qualifying events such as nursing home confinement, terminal illness, or death.

Q: How is the cap rate determined?

A: Cap rates are set by the insurance carrier and can change at renewal (typically annually). The carrier uses the cost of options on the underlying index to fund the crediting strategy. Your principal is always protected regardless of any cap rate changes.

Q: Is this the same as a variable annuity?

A: No. Variable annuities invest directly in sub-accounts and carry full market risk — in a variable annuity, your account CAN lose value. Fixed Index Annuities do NOT invest in the market. Your interest credits are calculated based on index performance, but your principal is protected by contract.

Ready to Learn More?

A Fixed Index Annuity may be the most powerful tool available to protect your retirement savings from bond market volatility while still giving you the opportunity to grow your money.

Contact us today for a complimentary, no-obligation review of your current safe-money allocation and how an FIA strategy compares to your existing bond funds.

IMPORTANT DISCLOSURES: Fixed Index Annuities are insurance products, not securities, and are not FDIC insured. They are not suitable for all investors. Surrender charges may apply during the surrender period. Cap rates, participation rates, and spreads are subject to change. The illustrations in this brochure are hypothetical and based on historical S&P 500 price returns (excluding dividends) from 2003–2025. Actual annuity performance will vary based on the carrier, product design, and crediting methodology. This material is for educational and marketing purposes only and does not constitute investment, tax, or legal advice. Please consult with one of our licensed advisors before making any financial decisions.



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