






Combat Falling Bond Values with a Risk Control Index

The inverse relationship between interest rates and bond values is well-known – when interest rates rise, bond values generally decrease. As we navigate the current rising interest rate environment, your clients may consider investments outside the bond category. With a fixed-indexed annuity (FIA) from Great American Life®, your clients may have the opportunity to allocate money to an indexed strategy linked to the S&P 500 Risk Control 10% Index, which has a history of outperforming bond values.*

Comparing Bond Values to the S&P 500 Risk Control 10% Index

In the example below, you can see that a point-to-point S&P 500 Risk Control 10% Index strategy with a 65% participation rate outperformed the Morningstar US Core Bond Index five out of the last 10 years, providing a greater average return than the bond index.

	Morningstar US Core Bond Index	S&P 500 Risk Control 10% Index	
		Index Return	Pt-to-Pt with 65% Participation Rate
2010	6.57%	8.61%	5.59%
2011	7.44%	-3.49%	0.00%
2012	4.24%	6.54%	4.25% 
2013	-1.95%	21.91%	14.24% 
2014	5.67%	4.51%	2.93%
2015	0.61%	-4.82%	0.00%
2016	2.54%	5.46%	3.54% 
2017	3.40%	19.40%	12.61% 
2018	0.12%	-2.04%	0.00%
2019	8.64%	16.20%	10.53% 
Avg.	3.72%	7.22%	5.36%



The Risk Control strategy outperformed the bond index five out of the last 10 years and provided a greater average return!

Talk to your clients about how an FIA with an S&P 500 Risk Control 10% Index strategy could fit into their overall financial portfolio.

*The term "bond values" refers to investment-grade U.S. bond indexes, specifically the Morningstar US Core Bond Index, representative of overall bond values. The Morningstar US Core Bond Index is a broad investment-grade index that includes the largest, most important sectors of the investment-grade U.S. bond market. The index is comprised of the Morningstar U.S. Government Bond, U.S. Corporate Bond and U.S. Mortgage Bond indexes.

Returns shown are from 1/1/2010 - 12/31/2019.

The S&P 500 Risk Control 10% Index refers to the S&P 500 Average Daily Risk Control 10% USD Price Return Index. For more information, visit US.SPIndices.com and search keyword SPXAV10P. Past performance does not guarantee future results. You cannot invest directly in an index.

The launch date of this index was April 4, 2013. Performance prior to the index launch date is back-tested. Back-tested performance is not actual performance, but is hypothetical. Back-tested performance is subject to inherent limitations because it reflects application of an index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index.

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