

Interest Rate Risk

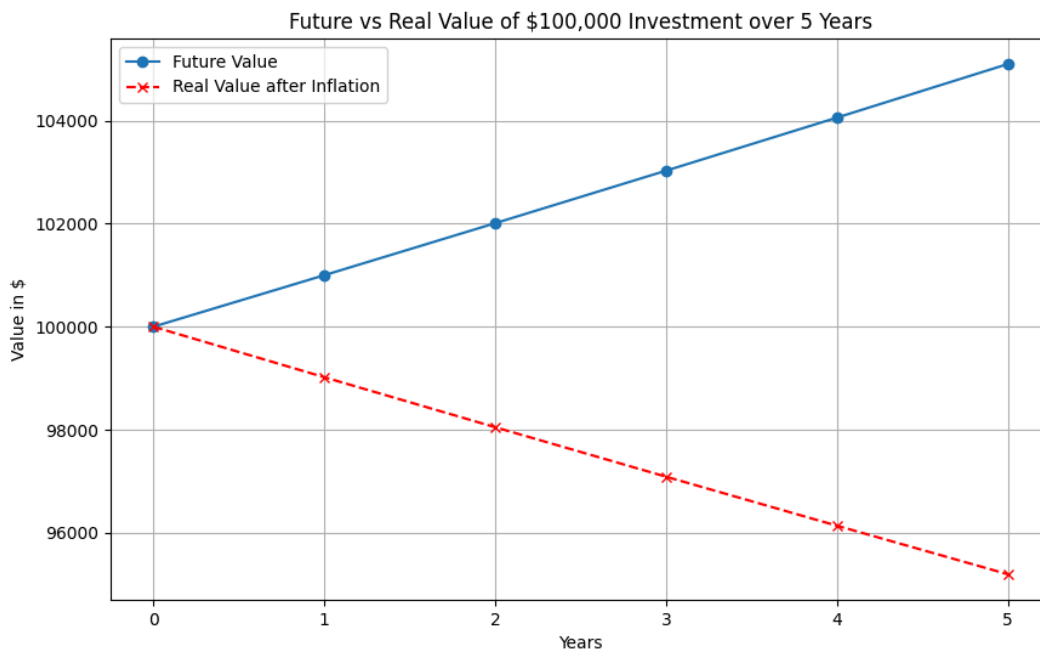
Understanding Interest Rate Risk and the Role of Fixed Indexed Annuities in Mitigating This Risk

Interest rate risk is the potential for changes in interest rates to impact the value of investments or the income generated from those investments. In a low interest rate environment, retirement savings may grow more slowly, making it challenging to accumulate sufficient funds for a comfortable retirement.

The Impact of Low Interest Rates on Retirement Savings

When interest rates are low, traditional savings vehicles like bank certificates of deposit (CDs) and bonds may not provide enough growth to keep pace with inflation. This can make it difficult for retirees to maintain their purchasing power over time.

For example, consider a \$100,000 investment in a 5-year CD with a 1% annual interest rate. After 5 years, the CD would be worth \$105,101. However, if the annual inflation rate during this period is 2%, the real value of the investment would have decreased to \$95,193.22, as shown in the visual below:



In this scenario, the low interest rate environment has led to a loss of purchasing power over time, undermining the investor's retirement savings goals.

Fixed Indexed Annuities (FIAs) as a Solution

FIAs offer a compelling alternative to traditional savings vehicles in a low interest rate environment. By providing the potential for growth based on the performance of selected indices, FIAs can help retirement savings keep pace with inflation. At the same time, FIAs protect the principal investment against market losses, making them a safer option than direct investment in equities.

Key features of FIAs that can help mitigate interest rate risk include:

- 1. Growth Potential:** FIAs offer the opportunity for growth based on the performance of one or more indices, such as the S&P 500 or Nasdaq-100. This growth potential can help retirement savings outpace inflation over time.
- 2. Principal Protection:** FIAs safeguard the initial investment against market downturns, ensuring that the contract value does not decrease due to negative index performance. This protection is crucial for preserving retirement savings in a low interest rate environment.
- 3. Guaranteed Income:** Many FIAs offer the option to convert the contract value into a guaranteed lifetime income stream. By providing a reliable source of income that is not directly tied to interest rates, FIAs can help retirees maintain their desired lifestyle even when interest rates are low.
- 4. Tax-Deferred Growth:** Earnings within an FIA grow tax-deferred until withdrawals begin, allowing for potentially greater accumulation over time compared to taxable savings vehicles.

Oceanview's Harbourview Fixed Indexed Annuity

The Harbourview FIA, offered by Oceanview Life and Annuity Company, provides several features that can help address inflation risk:

- **Potential for Growth Linked to Market Indices:** The Harbourview FIA offers multiple index crediting strategies tied to well-known market indices like the S&P 500, Nasdaq-100, and Russell 2000. If these indices perform well, your annuity value can grow, potentially outpacing inflation.
- **Protection from Market Downturns:** While the Harbourview FIA allows you to participate in potential market gains, your principal is protected from market losses. This means even if the market experiences a downturn, your annuity value won't decrease, safeguarding your retirement savings from the negative effects of inflation during those periods.

Conclusion

As life expectancy continues to rise, longevity risk poses an increasingly significant challenge to retirement planning. Fixed Indexed Annuities, such as Oceanview's Harbourview FIA, offer a powerful solution by combining growth potential, principal protection, and lifetime income options. By incorporating FIAs into their clients' retirement strategies, financial professionals can help enhance financial security and peace of mind in the face of longevity risk.

Why Choose Oceanview?

- **Strength:** Oceanview has an "A" Excellent rating from A.M. Best, reflecting our stability and reliability.
- **Transparency:** We believe in clear, straightforward communication. Our products are easy to understand, helping you make informed decisions about your financial future.
- **Competitive Rates:** Our special introductory rates on select crediting strategies provide an added incentive to start your retirement journey with us.
- **Supportive:** Our dedicated team is committed to providing exceptional customer service and support throughout your retirement journey.

Take the Next Step Toward a Secure Retirement

Don't let retirement risks jeopardize your financial future. Schedule a consultation with your financial professional today to learn how Oceanview's Fixed Indexed Annuities can help you build a retirement plan that weathers any storm. **With competitive rates, excellent financial strength, and a commitment to your success, Oceanview is your partner in retirement security.**

To learn more or to schedule a meeting with an Oceanview Life representative, please contact:
Oceanview Life and Annuity Company
(833) 656-7455
www.oceanviewlife.com

Disclosures:

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