

FORETHOUGHT®
Allegiance Rewards™

Annuities issued by Forethought Life Insurance Company

Bonus Advantage™ | Client Guide



THINKING AHEAD™ **FORETHOUGHT**®



We Get Where You're Going

Protect your retirement savings and provide a guaranteed lifetime income if you need it.

You've planned and saved for your retirement, and your investments are working for you. Now you may be looking for a way to **guarantee that those investments will provide income throughout your retirement years.**

Some things you won't be able to control:

Longevity. Outliving your retirement savings can be a real concern. Many retirees can expect to live 20, 30 or more years in retirement.

Market downturns. If you're nearing retirement or living in it, a market downturn can have a serious impact on your financial security.

Taxes. Taxes on interest earnings can decrease the real return on your retirement assets.

You have choices. You *can* control:

Where you'll save for retirement. There are financial vehicles that can help you balance your need to save money *and* protect your retirement assets from challenges such as longevity, market downturns and taxes.

When and how you'll take your retirement income. You can decide how and when you'll access your retirement dollars during retirement—through lump sum withdrawals, payments for a certain amount of time, or income payments for life.

You Have Choices with Bonus AdvantageSM

Bonus AdvantageSM is a fixed indexed annuity that can help you take control of your retirement because it provides you with benefits that many other retirement vehicles cannot.

Whether it's used to create long-term retirement savings or a guaranteed income stream for as long as you live (or as long as you and your spouse live), Bonus Advantage can be an important part of your overall retirement plan, providing you with:

- ▶ Tax-deferred growth tied to positive changes in the S&P 500[®] Index
- ▶ Guarantees that protect your principal from downside stock market risks
- ▶ Flexible income options to meet your personal needs
- ▶ Death benefit options for beneficiaries¹

What is a fixed indexed annuity?

A fixed indexed annuity is a Contract between you (the annuity owner) and a life insurance company (Forethought). When you purchase an annuity, you agree to keep your money in the Contract for a certain amount of time in exchange for the benefits it provides. Fixed indexed annuities offer tax-deferred interest earnings, upside growth potential with protection against downside market experience, and income options to meet your specific needs.

¹ Death benefit options can only be exercised prior to annuitization.

Make the most of your retirement

You can make the most of your retirement savings with the purchase of a Bonus AdvantageSM fixed indexed annuity. You're buying a **future guaranteed income stream**, meaning you determine how much income you'll need in the future based on your purchase and how long you wait to start income payments.

If you purchase the Bonus Advantage with the optional Guaranteed Lifetime Income Benefit rider² ("**Optional Income Benefit**"), and wait to take income, you will receive higher income payments for life.

Guaranteed Lifetime Income³

Your guaranteed lifetime income payment amount is based on a single or joint payout percentage called an "Income Benefit Factor." As you can see by the representative chart below, **the longer you wait to begin income, the higher the payout percentage and payment amount will be.**

Income Benefit Factor Percentages

Attained Age on Income Start Date	Level Single Life Income Option	Level Joint Life Income Option*
60	3.5%	3.0%
70	4.5%	4.0%
80	5.5%	5.0%
90+	7.0%	6.5%

Income Benefit Factors increase by up to 0.1% for attained ages between 55 and 85, and by 0.2% for attained ages between 85 and 90 (e.g., Single Life age 66 = 4.1%, Single Life age 86 = 6.2%)

* Joint Life rates based on youngest age at income start date.

Let's look at how the Bonus Advantage, together with the Optional Income Benefit, provides both growth and guarantees. The first thing that happens at purchase is that two different values—the Contract Value and the Income Base—are established and it's important to know these two values **are not** the same.

Contract Value

The Contract Value is the "account value" of your Bonus Advantage annuity. You can take withdrawals from this account, subject to Collective Withdrawal Charges, which include: Withdrawal Charges, Premium Bonus Recapture Charges, and Market Value Adjustments (state variations apply). Withdrawals prior to activating income as well as withdrawals in excess of certain limits after activating income will reduce the Income Benefit payouts. All withdrawals from your Contract Value reduce the amount available in the Enhanced Death Benefit.

Income Base

The Income Base is a value used to determine the amount of money that's available for guaranteed lifetime income. This is not an account that you can cash out. At issue, the Income Base equals your premium paid plus the premium bonus.

² The Guaranteed Lifetime Income Benefit rider is available only at the time of the annuity purchase and has an annual fee of .95% of the Income Base deducted from the Contract Value at issue and at the beginning of each Contract Year.

³ Assuming no excess withdrawals.

Control When and How You Receive Income

How does the Optional Income Benefit work?

If you elect to include the Optional Income Benefit with your Bonus AdvantageSM, you can:

- ▶ **Receive a 5% bonus** on the initial premium received, which is applied to both the Contract Value and Income Base.⁴
- ▶ **Receive 5% annual growth** in the Income Base at each Contract Anniversary until the earliest of the tenth Contract Anniversary, you turn age 85, or you start income payments. If, at the end of the tenth Contract Year, the oldest owner is not yet 80, you can elect to have the Income Base continue to grow at 5% compounded annually until the earliest of end of Contract Year 20, you turn 85, or you start income payments. This annual growth does not apply to the Contract Value or death benefit.⁵
- ▶ **Choose to have your money allocated in up to four crediting strategies:** one fixed and three based on the S&P 500[®] Index. For money linked to an Indexed Strategy, Bonus Advantage ties your potential earnings to the overall movement of the S&P 500[®] Index, while protecting your principal. Your money is not invested in the stock market; rather, for Indexed Strategies, a formula defined for each “strategy” measures the performance of the Index and converts it into a percentage of growth that is applied to your annuity.
- ▶ **Start and maintain a stream of predictable, guaranteed lifetime income payments** even if your annuity Contract Value falls to zero.⁶
- ▶ **Boost your income payout percentage temporarily to 8%** when you wait a full 10 years or more to start income payments. This will last until your annual income exceeds the remaining annuity Contract Value, at which time you will continue to receive your guaranteed lifetime income.
- ▶ **Pass on the Enhanced Death Benefit** to your designated beneficiaries in equal monthly payments over five years.⁷

The Bonus Advantage is available without the Optional Income Benefit

The Bonus Advantage may be purchased without the Optional Income Benefit. If you choose to purchase it without the rider, please note that your annuity will receive the following benefits:

- ▶ 5% Premium Bonus⁴
- ▶ Potential growth determined by the fixed and/or Indexed Strategies you select
- ▶ Death benefit equal to the Contract Value at death

⁴ The Premium Bonus vests over 10 years and is not immediately available for withdrawals or on cash surrender.

⁵ If you extend the Income Base growth, the annual charge for this feature may increase up to a maximum of 1.95% of the Income Base.

⁶ Assuming withdrawals do not exceed your guaranteed lifetime income. Any withdrawals from the annuity's Contract Value prior to the income start date or withdrawals in excess of the annual income after the income start date, will reduce the Income Base, annual Income Benefit and Enhanced Death Benefit on a pro-rata basis.

⁷ Death benefit options can only be exercised prior to annuitization. The Enhanced Death Benefit is an alternative to the Bonus Advantage base annuity death benefit option. The Enhanced Death Benefit does not accrue interest after death of the Owner nor during distribution.

Guaranteed Lifetime Annual Income

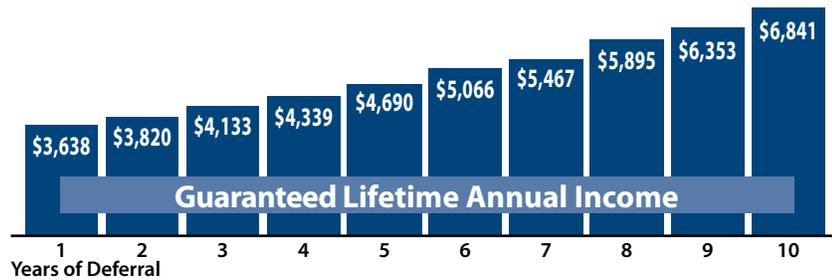
Growth and Guarantees

The longer you wait to begin income, the higher the payout percentage and payment amount will be.

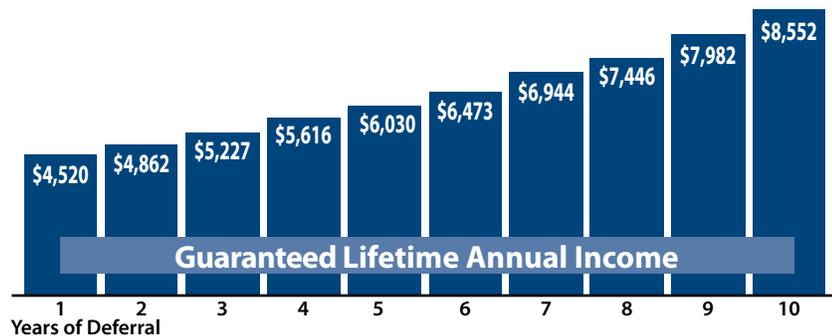
- \$100,000 Premium
- Single Life Income
- No Withdrawals prior to starting income and no excess withdrawals



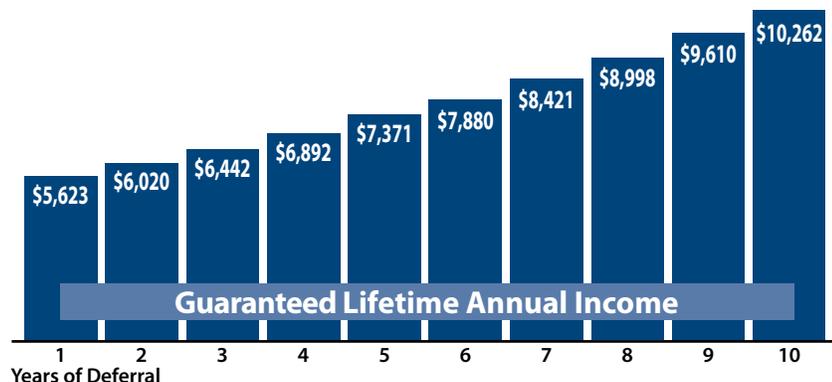
Issue age 55



Issue age 65



Issue age 75



Boost Your Income

With Bonus AdvantageSM, you decide when to begin your lifetime income payments. The longer you wait to take income, the higher your income payments will be.

8% Temporary Income Booster

If you select to have the Optional Income Benefit added to your Bonus Advantage, you get another benefit that can jump start your retirement income. If you wait 10 full years or more to start income, your annual income will be boosted temporarily to 8% of the Income Base. This increased annual amount is payable until it exceeds the remaining Contract Value, at which time your payment will adjust to the amount of your guaranteed lifetime income, as described on pages 3 and 5.⁸

Meet Ben

Ben, age 58, is looking forward to retirement in about 12 years when he plans to work part-time at a local motorcycle repair shop. He's looking forward to turning his lifelong hobby into a new career but knows his part-time paychecks won't be enough to cover all of his monthly living expenses.

Looking for ways to supplement his income, Ben meets with his financial professional who suggests the Forethought[®] Bonus Advantage fixed indexed annuity with the Optional Income Benefit.

Ben is excited about this option because it gives him the flexibility to begin taking guaranteed lifetime income payments through the Optional Income Benefit as early as the year he purchases the annuity. If Ben waits as planned for a full 12 years before beginning income payments, he will temporarily receive an income boost to 8% of the Income Base, resulting in at least four years of income at \$15,085, before adjusting to \$8,485 for the rest of his life.

⁸ The number of years the boosted income will be payable may vary based upon income start date.



This hypothetical example is used for illustrative purposes only and assumes:

- Issue Age 58
- Single Owner, Single Income
- \$100,000 Premium + 5% Premium Bonus = \$105,000 initial Income Base
- No withdrawals from annuity Contract prior to Optional Income Benefit income start date
- Income start date is at attained age 70 (Contract Year 13)

Contract Year	Minimum Contract Value	Minimum Contract Withdrawal Value	Income Base	Annual Income Available in the Year	Total Income
13	\$81,939	\$81,939	\$188,565	\$15,085	\$ 15,085
14	\$63,177	\$63,177	\$188,565	\$15,085	\$ 30,170
15	\$44,415	\$44,415	\$188,565	\$15,085	\$ 45,256
16	\$25,653	\$25,653	\$188,565	\$15,085	\$ 60,341
17	\$ 6,891	\$ 6,891	\$188,565	\$ 8,485	\$ 68,826
18	\$ 0	\$ 0	\$188,565	\$ 8,485	\$ 77,312
19	\$ 0	\$ 0	\$188,565	\$ 8,485	\$ 85,797
20	\$ 0	\$ 0	\$188,565	\$ 8,485	\$ 94,282
21	\$ 0	\$ 0	\$188,565	\$ 8,485	\$102,767
22	\$ 0	\$ 0	\$188,565	\$ 8,485	\$111,252

As you see in year 17, the remaining Contract Value is \$6,891. Because the Contract Value is less than the boosted income, Ben will receive the greater of the Contract Value or the guaranteed lifetime income in that year.

Flexibility in Accessing Your Funds

You can access your money by making a withdrawal at any time during the Contract term.

Some withdrawals may be made without incurring Withdrawal Charges. The Free Withdrawal is the greater of:

- ▶ 10% of the beginning-of-year Contract Value after the first Contract Year, except in year of full surrender.⁹
- ▶ Any Required Minimum Distribution imposed by the IRS on this Contract.

If you elect the Optional Income Benefit, any withdrawals prior to the income start date, or withdrawals in excess of the annual income benefit after the income start date, will reduce the future guaranteed lifetime income payments and the Enhanced Death Benefit.

When considering a withdrawal from your annuity, carefully review your Contract. After 10 years, you can take the full value of your Contract without Collective Withdrawal Charges.

Guaranteed Lifetime Income

With the Optional Income Benefit, you can elect to begin Guaranteed Lifetime Income payments at any time after purchase. These payments are guaranteed even if your Contract Value falls to zero.¹⁰

Collective Withdrawal Charges

Should you need to withdraw more money than your annuity Contract allows during the 10-year Withdrawal Charge period, you will have to pay Collective Withdrawal Charges which include: **Withdrawal Charges and Premium Bonus Recapture Charges, and you may be subject to a Market Value Adjustment.** (State variations may apply.)

⁹ If you withdraw an amount in excess of this Free Withdrawal amount, you may be subject to Collective Withdrawal Charges (state variations apply). Withdrawals of taxable amounts are subject to ordinary income tax and may be subject to a 10% federal tax penalty if taken before age 59 ½. Some states may allow free withdrawals in the first Contract Year and in Contract Year where full surrender occurs. Read the Contract for complete details.

¹⁰ Assuming withdrawals do not exceed your guaranteed lifetime income. Any withdrawals from the annuity's Contract Value prior to the income start date or withdrawals in excess of the annual income after the income start date, will reduce the Income Base, annual Income Benefit and Enhanced Death Benefit on a pro-rata basis.

Death Benefit Options

Death Benefit Options

Upon your death, your beneficiaries can choose between *two* death benefit options available to them if you elect the Optional Income Benefit at the time of annuity purchase.¹¹

Annuity Contract Death Benefit

A death benefit is included with the Bonus AdvantageSM at no additional cost. This option allows your beneficiaries to receive the full annuity Contract Value. Collective Withdrawal Charges do not apply.

Enhanced Death Benefit

The Enhanced Death Benefit is part of the Optional Income Benefit. This option gives your beneficiaries the choice to receive the Enhanced Death Benefit, which must be received in equal monthly payments over five years. The Enhanced Death Benefit is equal to the Income Base prior to the income start date and subject to a cap of 250% of the premium less an adjustment for withdrawals (will be less than 250% for ages 70 and older). After the income start date, the Enhanced Death Benefit will be reduced for any lifetime income withdrawals on a dollar for dollar basis. Any withdrawals in excess of the guaranteed lifetime income payments will reduce the Enhanced Death Benefit on a pro-rata basis.

This hypothetical example is used for illustrative purposes only and assumes:

- \$100,000 Premium + 5% Premium Bonus = \$105,000 Contract Value
- No withdrawals from the Contract Value
- Issue Age 76 or younger

Enhanced Death Benefit (Offered only with the Optional Income Benefit)

Contract Year	Equal Monthly Payments Over 5 Years	Total Paid Over 5 Years
1	\$1,750	\$105,000
2	\$1,838	\$110,250
3	\$1,929	\$115,763
4	\$2,026	\$121,551
5	\$2,127	\$127,628
6	\$2,233	\$134,010
7	\$2,345	\$140,710
8	\$2,462	\$147,746
9	\$2,586	\$155,133
10	\$2,715	\$162,889

Properly documented beneficiary designations can help ensure that your annuity Death Benefit is distributed outside of probate.

¹¹ Death benefit options can only be exercised prior to annuitization. The Enhanced Death Benefit, only available with the Optional Income Benefit, is an alternative to the Bonus Advantage base annuity death benefit option. The Enhanced Death Benefit does not accrue interest.

Choose Your Crediting Strategy

Choose to have your money allocated in up to four crediting strategies: one fixed and three based on the S&P 500® Index.

How is interest credited to the Contract Value?

Bonus AdvantageSM gives you the ability to earn a fixed interest rate or interest that's linked to the S&P 500® Index. For money linked to an Indexed Strategy, Bonus Advantage ties your potential earnings to the overall movement of the S&P 500® Index, while protecting your principal. Your money is not invested in the stock market; rather, for Indexed Strategies, a formula defined for each "strategy" measures the performance of the Index and converts it into a percentage of growth that is applied to your annuity.

You have four account strategy choices

You can choose one strategy or a combination of strategies when your Contract is established and at the beginning of each Contract Year.

The following strategies are available

How Does it Work?¹²

One-Year Fixed Rate

Interest is credited daily based on a specified interest rate which is declared annually.

One-Year Point-to-Point

The calculation takes the value of the S&P 500® Index at the beginning and end of the Contract Year and compares the values to determine a percentage change for the period. The interest credited to your annuity at each Contract Anniversary is equal to the percentage change in the Index, subject to an Annual Index Cap.

One-Year Monthly Point-to-Point with Cap

The calculation is based on the sum of the month-to-month changes in the S&P 500® Index over a Contract Year, where positive percentage changes in each month are limited to a Monthly Index Cap. The interest is credited to your annuity at each Contract Anniversary.

One-Year Monthly Average with Cap

The calculation takes the average of the end-of-month S&P 500® Index values, divided by the beginning of year S&P 500® Index value. The interest is credited to your annuity at each Contract Anniversary, subject to an Annual Index Cap.

¹²The rate and Index Caps are declared in advance and guaranteed for the entire Contract Year. They will never be less than the Minimum Guaranteed Interest Rate or Index Cap described in the Contract.

Additional Withdrawal Options

Rely on additional Withdrawal options—for added security

With the following special withdrawal provisions, you can access up to 100% of your Contract Value without Collective Withdrawal Charges, after the first Contract Year. Forethought® must receive proof that you qualify for withdrawals under these provisions, as specified in your annuity Contract. If you elect the Optional Income Benefit and exercise these additional withdrawal options, you will reduce future guaranteed lifetime income payments and the Enhanced Death Benefit.

Terminal Illness Waiver¹³

Any time after the first Contract Year, if you are diagnosed with a terminal illness with a life expectancy of less than 12 months, Collective Withdrawal Charges will be waived on any portion of your Contract Value.

Nursing Home Waiver¹³

Any time after the first Contract Anniversary, should you require nursing home care for at least 60 consecutive days in an approved nursing care facility, Collective Withdrawal Charges will be waived on any portion of your Contract Value.

Withdrawal Charge Percentages

The following table summarizes Withdrawal Charges as a percent of the premium and accumulated interest on the premium.

Contract Year	1	2	3	4	5	6	7	8	9	10	11+
Withdrawal Charge %	10%	10%	9%	9%	8%	7%	6%	5%	4%	2%	0%

A Free Withdrawal followed by a complete surrender in the same Contract Year will result in the above charge being applied to both the amount previously taken as “free” and the remaining Contract Value withdrawn. State variations may apply.

Premium Bonus Recapture Charges

If you “cash out” your annuity Contract prior to the end of year 10, you will have to pay back all or a portion of the Premium Bonus and accumulated interest on the Premium Bonus as shown in the table below.

Contract Year	1	2	3	4	5	6	7	8	9	10	11+
Issue Ages 55-75	100%	100%	100%	100%	100%	100%	80%	60%	40%	20%	0%
Issue Ages 76-80	90%	80%	80%	70%	70%	70%	70%	60%	40%	20%	0%

A Free Withdrawal followed by a complete surrender in the same Contract Year will result in the above Premium Bonus Recapture being applied to both the amount previously taken as “free,” and the remaining Contract Value withdrawn. State variations may apply.

Market Value Adjustment

Market Value Adjustments are assessed only when Withdrawal Charges are assessed (state variations may apply). They can increase or decrease the Withdrawal Charges depending on whether interest rates have fallen or risen since the Contract issue date. Market Value Adjustments will not be applied to any death benefit proceeds paid.

¹³ Subject to state availability. Nursing Home Waiver rider referred to as the Confinement Waiver Rider in CT.



Glossary of Terms

Collective Withdrawal Charges

Collective Withdrawal Charges include Withdrawal Charges, Premium Bonus Recapture Charges and Market Value Adjustments (state variations apply), and may be assessed on withdrawals made during the first ten Contract Years.

Contract Value

The “account value” of your Bonus Advantage annuity. You can take withdrawals from this account, subject to Collective Withdrawal Charges. Withdrawals prior to activating income as well as withdrawals in excess of certain limits after activating income will reduce the Income Benefit payouts. All withdrawals from your Contract Value reduce the amount available in the Enhanced Death Benefit.

Enhanced Death Benefit

Included as part of the Optional Income Benefit, this is the amount payable to beneficiaries in equal monthly payments over five years. It provides your beneficiaries an alternative to the typically smaller lump-sum death benefit available with the base annuity.

Excess Withdrawals

Any withdrawals made on or after the income start date that exceed the lifetime income, or when applicable, the boosted 8% temporary income determined by the Optional Income Benefit, are considered Excess Withdrawals. These may be subject to Collective Withdrawal Charges and will reduce your Income Base, annual Income Benefit and Enhanced Death Benefit on a pro-rata basis.

Guaranteed Lifetime Income

The amount of annual income guaranteed to be payable for life, assuming no Excess Withdrawals.

Income Base

Your Income Base is used to determine income and is not available for cash withdrawal. At issue, it equals your premium paid plus the premium bonus and grows at a compounded annual rate of 5% until the earliest of the tenth Contract Anniversary, age 85, or until you begin taking income payments.

Income Benefit Factor

This is a percentage based on your attained age(s) on the income start date which is used to determine the amount of your guaranteed lifetime income.

Temporary Income Booster

Contractually known as *Increased Temporary Annual Income*

If you wait 10 full years or more to start income, your annual income will be boosted temporarily to 8% of the Income Base. This increased annual amount is payable until it exceeds the remaining Contract Value, at which time your payment will adjust to the amount of your guaranteed lifetime income.

Optional Income Benefit

Contractually known as *Guaranteed Lifetime Income Benefit*

The Optional Income Benefit provides an income stream for life (assuming no excess withdrawals) and includes the Enhanced Death Benefit option for your beneficiaries. It can be added for a charge to your base annuity Contract, and must be elected at the time of annuity purchase.

Optional Income Benefit Charge

The Optional Income Benefit annual charge is 0.95% of the Income Base and is deducted from the Contract Value at the beginning of each Contract Year. After the tenth Contract Year, if you choose to extend the Income Base growth, the annual charge may increase up to a maximum of 1.95%.

Trust Forethought® when it matters most

With Forethought Life Insurance Company you can be confident your security comes first. We are proud to have served millions of consumers who have placed their trust in Forethought to help them protect their families' financial futures. Forethought has built its reputation through more than 25 years of quality, service and reliability.

For more information, please visit
www.forethought.com.



Bonus AdvantageSM, issued by Forethought Life Insurance Company is available in most states with Contract FA1201SPDAX-02, FA1201SPDAX-01, ICC11-FA1201SPDAX-01 and FA1201SPDAXL-02 (certificate series GA1201SPDAX-02, as applicable). Read the Contract for complete details. Products and features are subject to state availability. Guarantees are backed by the financial strength and claims-paying ability of Forethought Life Insurance Company.

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