

Franklin US Index Two-Year Point-to-Point Interest Crediting Strategy

For fixed index annuities

A fixed index annuity (FIA) may be part of an appropriate strategy to help you retire on your own terms. FIAs provide the ability to receive interest credit based, in part, on the performance of an index and provide protection against market-based losses. When considering a fixed index annuity, it is important to evaluate the product's available interest crediting strategies, such as the Franklin US Index, and to determine which strategy – or combination of strategies – works best for your specific retirement goals.

Who is Franklin Templeton?

Franklin Templeton Investments (“Franklin Templeton”) is widely known as a leading global investment management organization with particular expertise in stock selection, providing investment management and related services to retail, institutional and high-net-worth clients worldwide.

Franklin US Index Goals

The Franklin US Index provides equity exposure to large-cap US companies (generally those with a market cap of more than \$10 billion) for portfolio diversification. The index has a target risk of 7% and is comprised of a US Large Cap Equity Index, S&P 10YR Treasury Futures Index, S&P 5YR Treasury Futures Index and cash.

The Franklin US Index is focused on maximizing equity exposure, using stocks whenever possible. It is comprised of four approaches to maximize growth potential and manage risk:

- 1. An equity component designed to outpace traditional market-cap weighted index strategies**
- 2. Duration risk is managed with a fixed income component that dynamically responds to 10-year Treasury note interest rate movements**
- 3. Management of equity risk by including more equity exposure when volatility is low and less equity exposure when volatility is high**
- 4. Management of volatility risk through use of cash when combined volatility of markets exceeds the 7% target risk**

Additional considerations when purchasing an FIA:

- Fixed index annuities are typically meant for long-term savings purposes.
- They are insurance contracts, not registered securities or stock market investments. You are never invested in the index itself.
- Interest is credited based on the performance of the index and the criteria outlined in the index crediting strategy.



FRANKLIN TEMPLETON INVESTMENTS

The Franklin US Index two-year point-to-point with spread credits interest to a fixed index annuity contract value at the end of each strategy term. You do not invest directly in the index.

What is a spread?

A spread is the percentage by which an interest amount will be reduced before being credited to a fixed index annuity for the strategy term.

Spreads are declared in advance and are guaranteed for the entire two-year strategy term, but may change for future strategy terms. They will never be more than the Maximum Guaranteed Index Spread described in the contract.

Equity component

Stocks have historically shown the strongest growth potential over time. Designed with this in mind, the Franklin US Index seeks to maximize equity exposure whenever possible. The Index starts with a “smart screen” approach to stock selection, based upon more than 70 years of active management experience.

A list of 1,000 well-known U.S. stocks is narrowed down to 250 of the top stocks based on scores for each, which are determined using four fundamental and technical factors to drive growth:

- | | | | |
|-------------------|-----------------|--------------------|--------------------------|
| 1. Quality
50% | 2. Value
30% | 3. Momentum
10% | 4. Low volatility
10% |
|-------------------|-----------------|--------------------|--------------------------|

There's an emphasis on the quality factor that helps drive performance over time. The base index is rebalanced semi-annually in June and December.

Fixed income component

The Franklin US Index has been designed to take into account concerns about rising interest rates and their impact on the value of retirement products. With this objective in mind, the index includes a fixed income component dynamically selected based on 10-year rate movements.

- The fixed income component is chosen daily.
- If the 10-year Treasury note's interest rates are rising, then the S&P 5-year U.S. Treasury Note Futures Index would be selected.
- Conversely, if the 10-year Treasury note's interest rates are falling, then the S&P 10-year U.S. Treasury Note Futures Index would be selected.

Calibrated asset allocation and volatility control

The equity-to-fixed income blend is calibrated daily using a target risk of 7%. This means:

- During periods of calm markets (low-volatility below 7% target) the index adds equity exposure to increase long-term growth potential.
- The volatility estimate of the blended allocation is then calculated again to account for the correlation between the equity and fixed income components, referred to above.
- Cash is used as a “safe harbor” in rougher markets; when volatility is high (above 7% target), cash is used to bring it back to target.
- The final allocation is made by balancing the blended equity and fixed income allocation with cash (in the form of leverage if risk is being dialed up).

Hypothetical historical performance

The chart shows how the Franklin US Index and FIA interest crediting strategy would have functioned if they had been available for the time period indicated.

Franklin U.S. Index		
Years	Two-Year Index Return	Two-Year Point-to-Point with Spread at 1%
2007-2008	6.77%	5.77%
2008-2009	5.87%	4.87%
2009-2010	21.17%	20.17%
2010-2011	26.36%	25.36%
2011-2012	18.56%	17.56%
2012-2013	26.42%	25.42%
2013-2014	28.22%	27.22%
2014-2015	5.66%	4.66%
2015-2016	3.40%	2.40%
2016-2017	27.94%	26.94%

HYPOTHETICAL HISTORICAL DATA IS NO GUARANTEE OF FUTURE RESULTS. ACTUAL RESULTS WILL VARY BASED ON THE PERCENTAGE OF CHANGE IN THE INDEX, INDEX ALLOCATIONS, AND INTEREST SPREADS.

When Index performance is negative for any two-year period, Forethought fixed index annuity interest credit will be 0.00%. In addition, no interest would be credited if the Index returns fail to exceed the spread.

Source: Franklin Templeton, BNP Paribas; data from January 4, 2007 to May 31, 2017

Interest Crediting Rates - Forethought 12/31/2017

The chart shows the pre-inception performance data of the Index based on hypothetical back-tested closing levels from 12/31/2006 through 11/12/2017 as well as post-inception, actual live index historical performance data of the Franklin U.S. Index based on closing levels from 11/13/2017 through 12/31/2017. Different purchase dates will result in different index returns. The Franklin U.S. Index inception date is 11/13/2017. The hypothetical back-tested Franklin U.S. Index results reflect the interest that Forethought would have credited for a hypothetical Forethought fixed index annuity product after deducting a 1% spread for the time period indicated. Spread is not guaranteed and is subject to a 15% maximum for the Franklin U.S. Two-Year Point-to-Point with Spread Indexed Strategy.

Important Information Regarding Hypothetical Historical (Back-Tested) Performance

Hypothetical historical performance of the Franklin U.S. Index is not an indication of future results. Back-tested performance is not actual historical performance, but is hypothetical. The back-tested calculations are based on the Index methodology in effect on 11/13/2017. Actual live index historical performance for 11/13/2017 - 12/31/2017 reflects the Index methodology in place during that time period. Prospective application of the methodology used to construct the Franklin U.S. Index may not result in performance commensurate with the back-test returns shown. The back-tested period does not necessarily correspond to the entire available history of the Index.

Another limitation of back-tested hypothetical information is that generally the back-tested calculation is prepared with the benefit of hindsight. Back-tested data reflects the application of the Index methodology and selection of Index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities, fixed income/and/or commodities markets in general which cannot be, and have not been, accounted for in the preparation of the index information set forth, all of which can affect actual performance.

It is not possible to invest directly in a Franklin U.S. Index. The hypothetical historical performance data, however does not reflect any additional costs or fees that may be paid in connection with any security linked to the Index. In addition, the performance data does not reflect any additional fees that may be paid by counterparty to a transaction referencing the Franklin U.S. Index, and which may be agreed between Franklin and the counterparty.

Global Atlantic Financial Group

Global Atlantic Financial Group, through its subsidiaries, offers a broad range of retirement, life and reinsurance products designed to help our customers address financial challenges with confidence. A variety of options help Americans customize a strategy to fulfill their protection, accumulation, income, wealth transfer and end-of-life needs.

Global Atlantic was founded at Goldman Sachs in 2004 and separated as an independent company in 2013. Its success is driven by a unique heritage that combines deep product and distribution knowledge with leading investment and risk management, alongside a strong financial foundation.

globalatlantic.com

This material is intended to provide educational information regarding the features and mechanics of the product and is intended for use with the general public. It should not be considered, and does not constitute, personalized investment advice. The issuing insurance company is not an investment adviser nor registered as such with the SEC or any state securities regulatory authority. It's not acting in any fiduciary capacity with respect to any contract and/or investment.

This brochure must be preceded or accompanied by the applicable fixed index annuity product brochure and interest crediting strategy flyer.

Guarantees are based on the claims-paying ability of Forethought Life Insurance Company and assume compliance with the product's benefit rules, as applicable.

Strategy availability may vary by state and firm.

A fixed index annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses. A fixed index annuity is not a registered security or stock market investment and does not directly participate in any stock or equity investments or index.

This information is written in connection with the promotion or marketing of the matter(s) addressed in this material. The information cannot be used or relied upon for the purpose of avoiding IRS penalties. These materials are not intended to provide tax, accounting or legal advice. As with all matters of a tax or legal nature, you should consult a tax or legal counsel for advice.

Taxable distributions (including certain deemed distributions) are subject to ordinary income taxes, and if made prior to age 59½, may also be subject to a 10% federal income tax penalty. Payments from IRAs are taxable in accordance with the normal rules surrounding taxation of payments from an IRA. Early surrender charges may also apply. Withdrawals may reduce the death benefit and any optional guaranteed amounts in an amount more than the actual withdrawal. If you are investing in a fixed index annuity through a tax-advantaged retirement plan such as an IRA, you will receive no additional tax advantage from a fixed index annuity. Under these circumstances, you should only consider buying a fixed index annuity if it makes sense because of the annuity's other features, such as lifetime income payments and death benefit protection.

The Franklin US Index (the "Index") is owned by Franklin Templeton Investments ("Franklin"), is calculated and maintained by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices, LLC) and is licensed for use by Forethought Life Insurance Company ("Forethought"). The Index is not sponsored by S&P Dow Jones Indices, their affiliates or their third party licensors (collectively, "S&P Dow Jones Indices"). Franklin and S&P Dow Jones Indices (collectively, "Index Parties") will not be liable for any errors, omissions or interruptions in calculating the Index. The Index Parties make no representations or warranties, express or implied and shall have no liability with respect to the adequacy, accuracy, timeliness and/or completeness of the Index. Forethought's products based on the Index are not sponsored, endorsed, sold or promoted by the Index Parties and the Index Parties have no responsibilities, obligations or duties to purchasers of such products. Franklin Templeton®, Franklin®, Franklin US Index, and the corresponding logos are trademarks of Franklin. S&P® is a registered trademark of Standard & Poor's Financial Services LLC, and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC.

Indices not available for direct investment.

Rider form FA4109-01 and ICC17-FA4109-01.

Fixed index annuities are issued by Forethought Life Insurance Company, 10 West Market Street, Suite 2300, Indianapolis, Indiana.

Global Atlantic Financial Group (Global Atlantic) is the marketing name for Global Atlantic Financial Group Limited and its subsidiaries, including Forethought Life Insurance Company and Accordia Life and Annuity Company. Each subsidiary is responsible for its own financial and contractual obligations.

Not a bank deposit	Not FDIC/NCUA Insured	Not insured by any federal government agency	No bank guarantee	May lose value	Not a condition of any banking activity
--------------------	-----------------------	--	-------------------	----------------	---