



A Financial Services Ministry™

December 2022

Dear Friend,

On an annual basis, we share with you how we calculate the annuity payout for the coming year. The 2023 annuity payout value will be \$74.63. To help explain how this payout amount was derived, let's start with the economic and geopolitical environments in 2022. Many challenges have weighed heavily on the financial markets over the past 12 months. Both U.S. and international equity markets were negatively affected, which in turn impacted the annuity payout. As we examine the markets in greater detail:

- Inflationary pressures that started with COVID-related supply-chain disruptions last year have become much more broad-based this year.
- Russia's invasion of Ukraine has heightened geopolitical tensions around the globe and increased downside economic risks.
- The Federal Reserve has shifted its policy and become more aggressive in raising interest rates to combat inflation, increasing the risk of a recession.

This difficult economic and geopolitical backdrop caused a broad spectrum of financial assets to suffer losses for the year ending September 30, 2022:

- Global public equity markets lost almost 20 percent over the previous 12 months.
- U.S. public equity markets declined 17.6 percent, international markets were down 25.1 percent and emerging markets lost 28.1 percent.
- The U.S. fixed income markets were down 14.6 percent for this one-year period.

From September 30, 2021, through September 30, 2022, the Annuity Fund experienced an investment loss of 11.5 percent. Several elements in addition to investment performance are accounted for to promote *lifetime* annuities for current and prospective annuitants: the 4 percent advanced earnings assumption on your investment in the Annuity Fund, adjustments for the mortality experience of annuitants and any prior year shortfalls when the payout amount exceeds the investment returns.

Every year, the September 30 annuity payout value is determined using the highest of:

- The actual value of a unit of the annuity fund as of September 30, 2022 -- \$66.70
- The six-month average value of a unit of the annuity fund as of September 30, 2022 -- \$70.82

- The downside guarantee of 95 percent of the 2022 payout value -- \$74.63

The 2023 payout value of \$74.63 is 5 percent less than the 2022 payout because of the fund's guarantee feature, which shielded annuitants from a larger decrease in the unique value during this volatile market.

### **Emergency Assistance**

MMBB understands that the current economic climate and the decrease in the value of the annuity payout this year may place stress on your finances. We are here to help.

First, MMBB has emergency funds available to assist you if you find yourself making choices about purchasing food, prescription drugs, medical services or necessary home repairs.

Second, we invite you to contact our financial planning specialists. They will work with you to manage your financial resources, so you can work towards meeting your goals in retirement.

Whether for emergency assistance or financial planning, or to speak with someone to understand the annuity payout even further, I urge you to get in touch with one of MMBB's Senior Benefits Specialists at 800.986.6222 or [service@mmbb.org](mailto:service@mmbb.org). We are here to assist you with just about any element of your financial well-being.

Sincerely,



Louis P. Barbarin, CPA  
Chief Executive Officer

Enclosures