

# Growth Opportunity With A Level Of Protection

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When you purchase an Index Frontier® 7 annuity, you have the opportunity to allocate your money to crediting strategies that can help your savings grow. There are two types of crediting strategies: a declared rate strategy and indexed strategies.

## **Declared rate strategy**

With a declared rate strategy, your money grows at a fixed interest rate that is set at the beginning of each one-year term.

## **Indexed strategies**

With an indexed strategy, your money earns a return based on the performance of an external index, providing a unique opportunity for market-linked growth without investing directly in the market.

Indexed strategies allow you to take advantage of positive market performance, while providing a level of protection from market losses. You can choose between two types of protection: a **buffer** and a **floor**.

On the following pages, we'll take a closer look at how these types of protection work.

With an Index Frontier annuity, you have the flexibility to choose the strategies that are right for you. We know your needs may change over time, so you can revisit your strategy selections at the end of each one-year term.

# How The Buffer Strategy Works

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The Index Frontier® 7 offers a **10% buffer indexed strategy**, which provides earning potential up to a cap and protects against the first 10% of index losses each term. This strategy offers protection against small market fluctuations, so it may be a good fit if you're seeking protection against minor downturns. In exchange for taking on greater risk, this strategy typically offers the highest earning potential of the available strategies.

Here's how it works:

- If the index change is **positive** at the end of a term, the strategy value grows, up to a cap
- If the index change is **negative** at the end of a term, the strategy value is protected against the first 10% of the index loss
  - If the negative index change is between 0 and -10%, the strategy value will not decrease
  - If the negative index change is greater than -10%, the strategy value will decrease by the remaining loss in excess of -10%

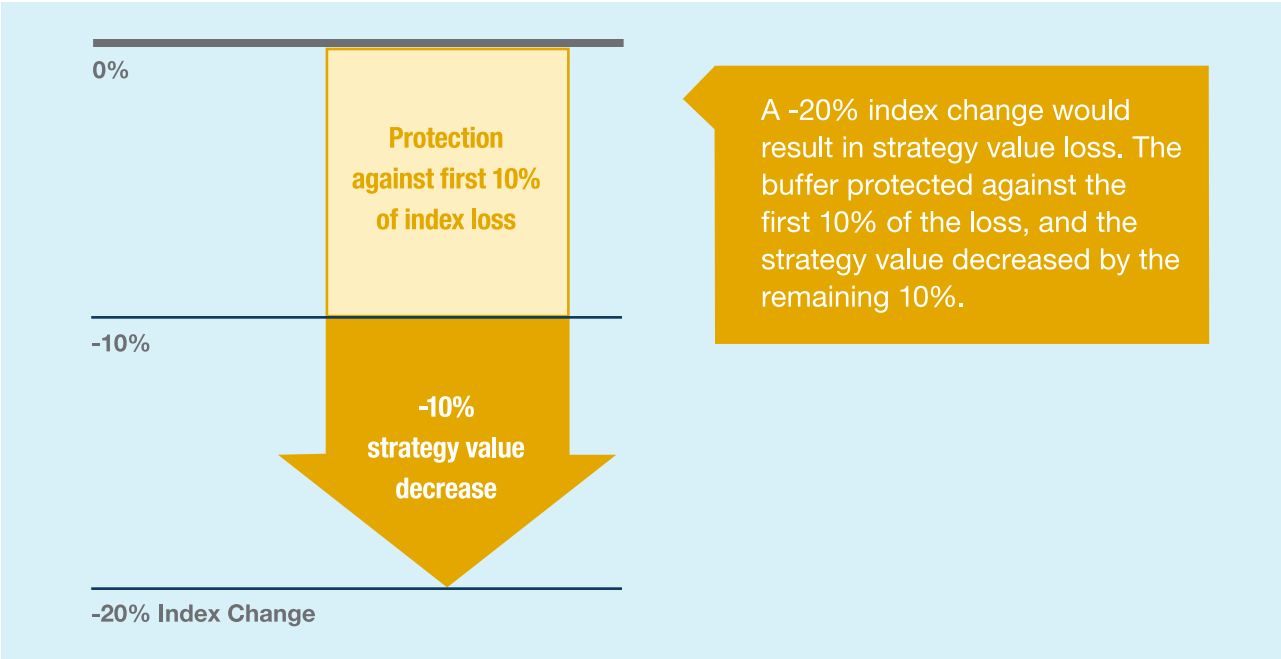
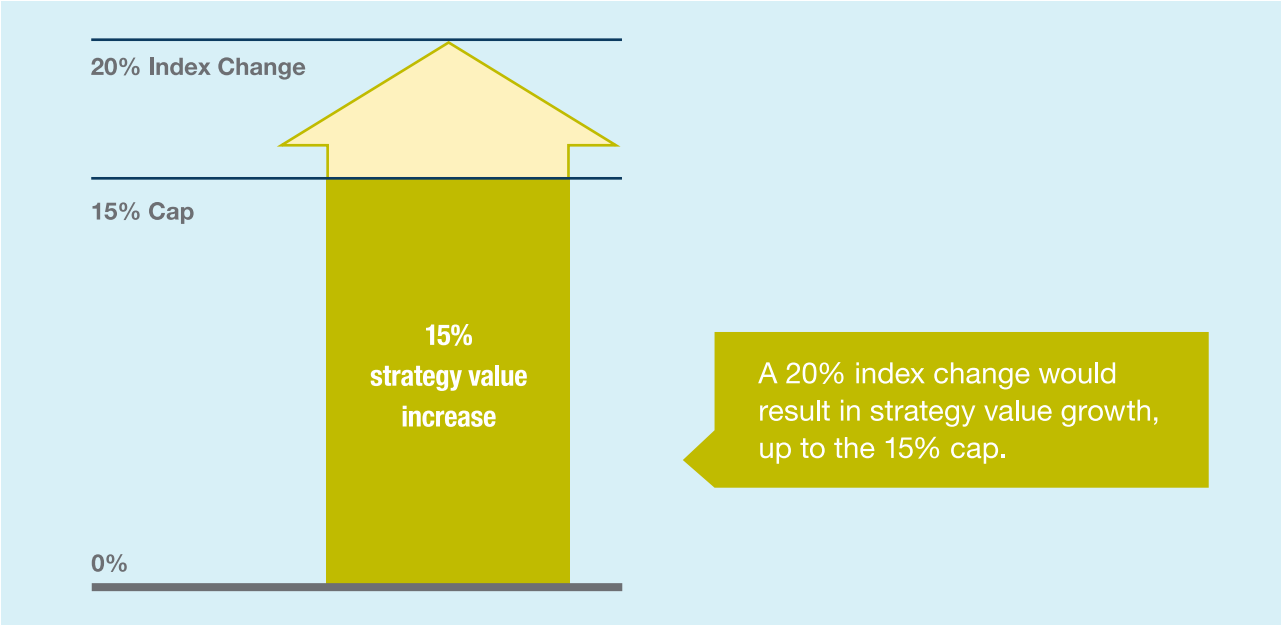
Let's take a look at how the 10% buffer strategy value would have changed in the event of positive and negative index performance.



The following example illustrates hypothetical 10% buffer strategy returns in two different scenarios:

- > **A 20% index change**
- > **A -20% index change**

The example assumes the 10% buffer strategy offered a 15% cap.



# How The Floor Strategies Work

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The Index Frontier® 7 also offers floor indexed strategies, which provide a set level of protection against market downturns. You have the choice between **-10% floor strategies** and **0% floor strategies**.

A **-10% floor indexed strategy** provides earning potential up to a cap and protects against index losses in excess of -10%. These strategies offer a set level of protection each term, so they may be a good fit if you want to limit your downside risk in the event of significant market downturns. In exchange for a set level of protection, a -10% floor strategy offers moderate earning potential.

Here's how it works:

- If the index change is **positive** at the end of a term, the strategy value grows, up to a cap
- If the index change is **negative** at the end of a term, the strategy value is protected against index losses in excess of -10%
  - If the negative index change is between 0 and -10%, the strategy value will decrease by the negative index change
  - If the negative index change is greater than -10%, the strategy value decrease is limited to -10%

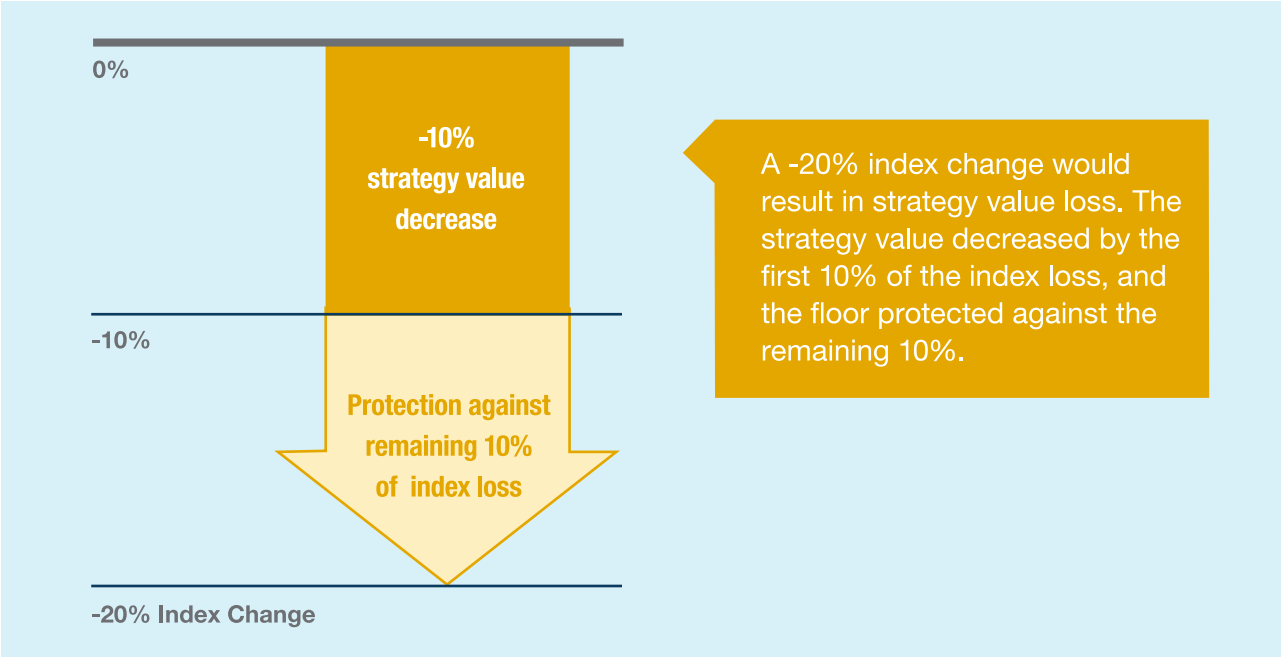
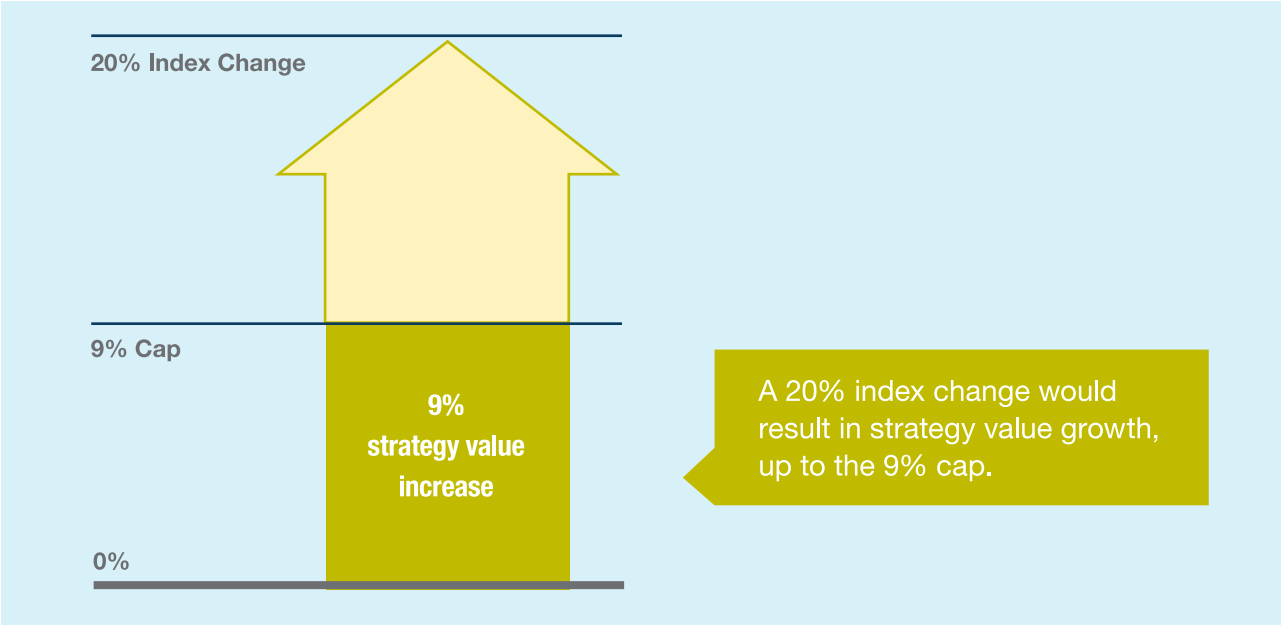
Let's take a look at how a -10% floor strategy value would have changed in the event of positive and negative index performance.



The following example illustrates hypothetical -10% floor strategy returns in two different scenarios:

- > **A 20% index change**
- > **A -20% index change**

The example assumes the -10% floor strategy offered a 9% cap.



# How The Floor Strategies Work

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A **0% floor indexed strategy** provides earning potential up to a cap and complete protection against index losses. In exchange for complete protection, a 0% floor strategy offers more modest earning potential than other available strategies.

Here's how it works:

- If the index change is **positive** at the end of a term, the strategy value grows, up to a cap
- If the index change is **negative** at the end of a term, the strategy value will not decrease

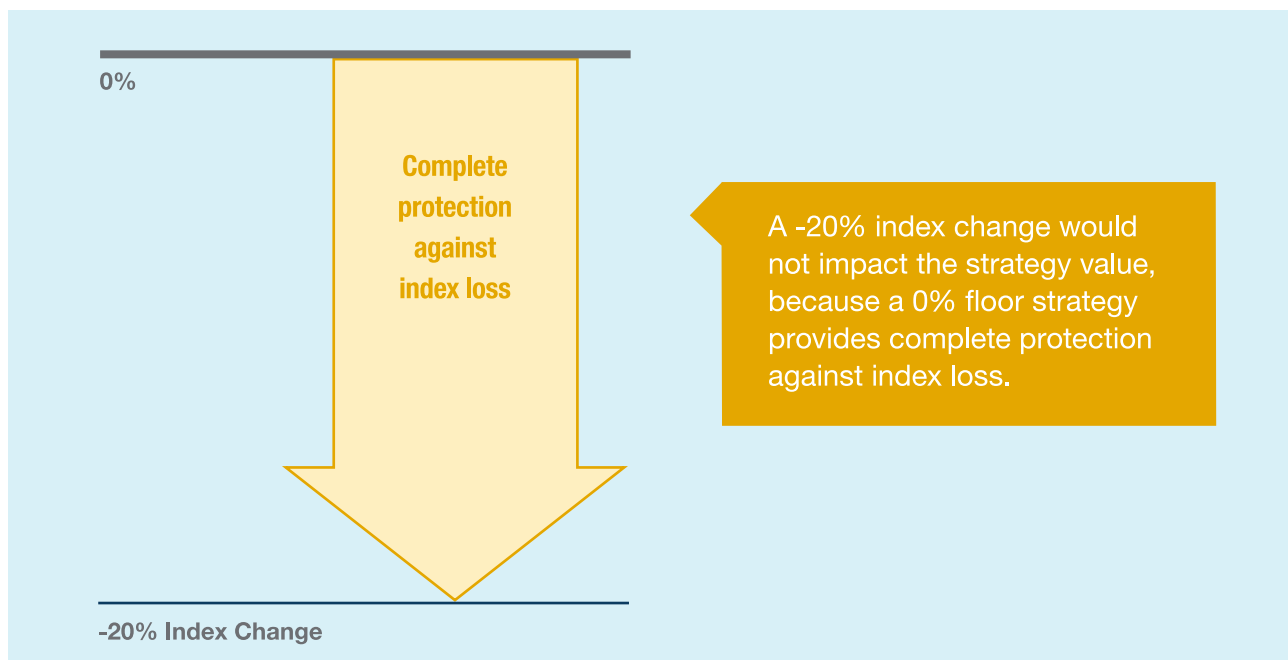
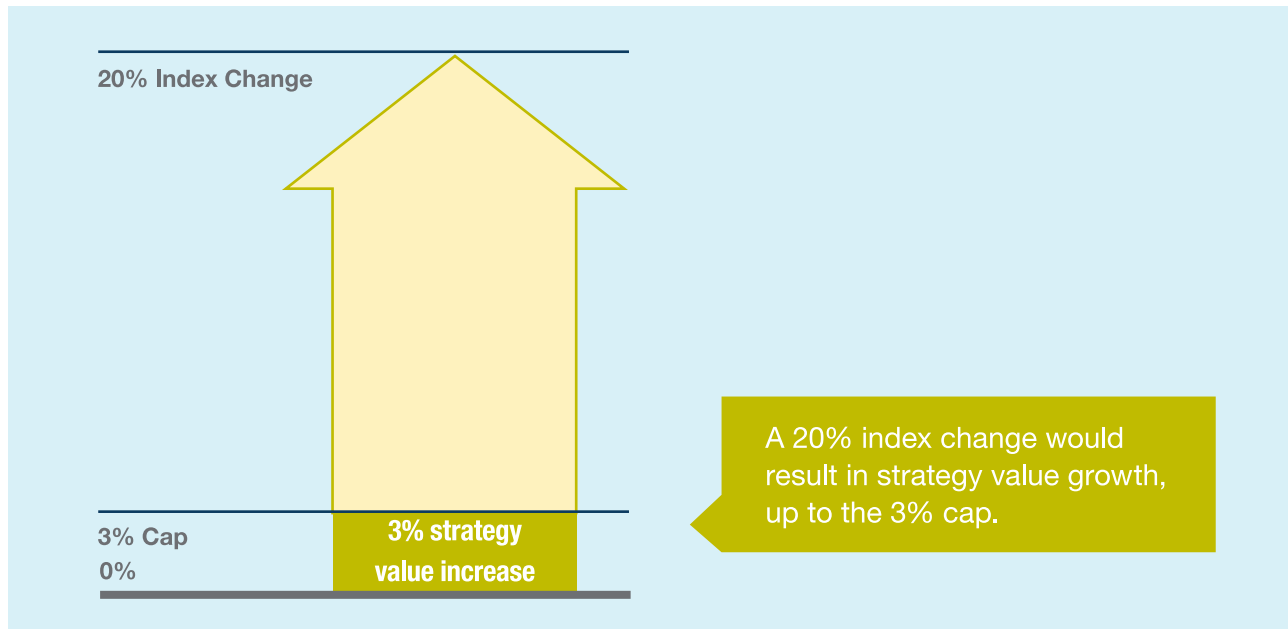
Let's take a look at how a 0% floor strategy value would have changed in the event of positive and negative index performance.



The following example illustrates hypothetical 0% floor strategy returns in two different scenarios:

- **A 20% index change**
- **A -20% index change**

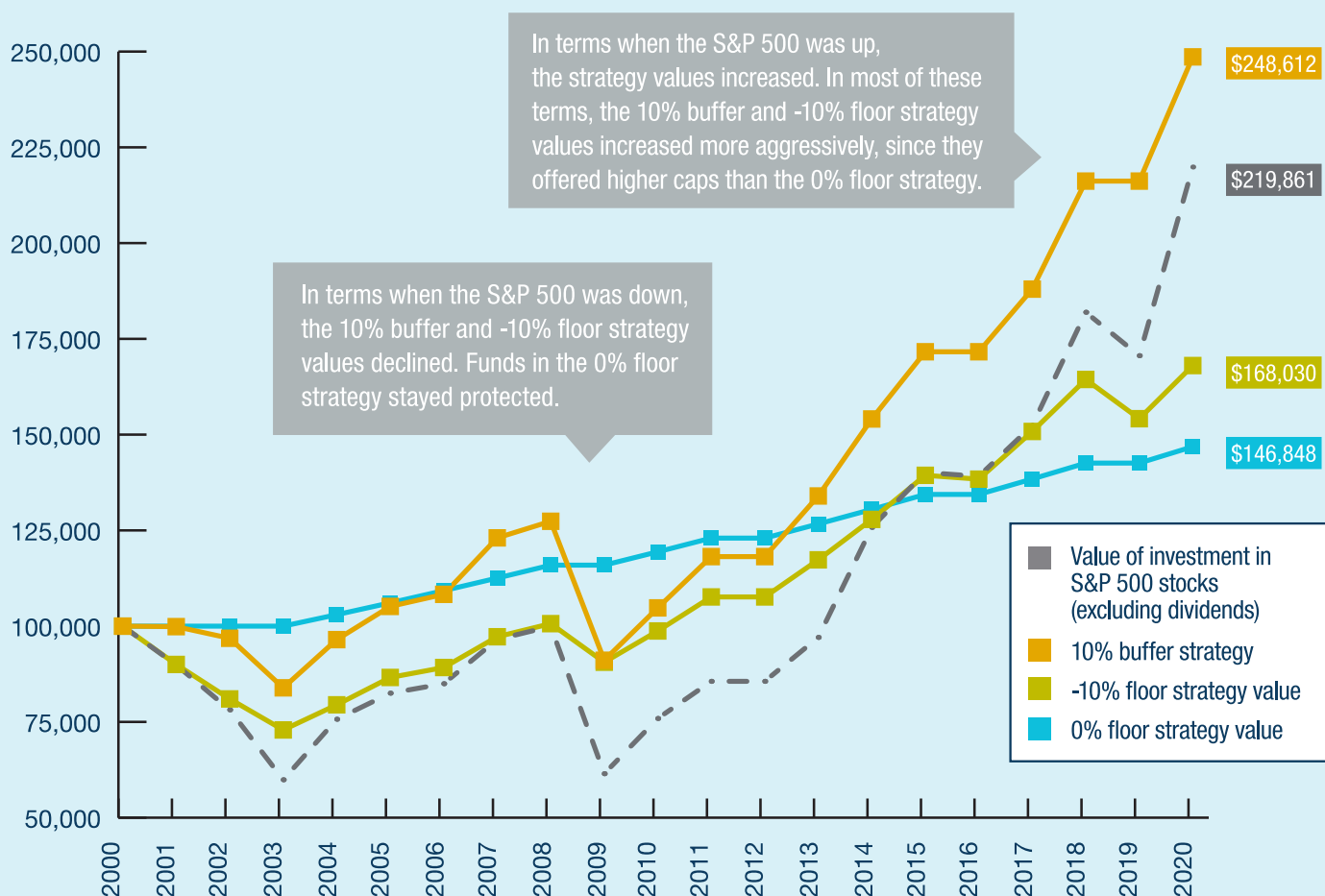
The example assumes the 0% floor strategy offered a 3% cap.



# Indexed Strategies In Action

Let's say you purchased an Index Frontier® 7 with \$100,000. The example uses historical returns to show how your annuity account value would have grown if you allocated your entire purchase payment to an S&P 500® 10% buffer strategy, -10% floor strategy or 0% floor strategy. It compares your annuity account value to a \$100,000 investment in stocks that make up the S&P 500® Index and assumes:

- The 10% buffer strategy offered a 15% cap
- The -10% floor strategy offered a 9% cap
- The 0% floor strategy offered a 3% cap
- The caps applied during the entire period and you did not change your strategy allocation during that time
- No withdrawals were taken



Please see the notes on the next page regarding important information related to this chart.