# FLOOR ETF w/Cap
# Balancing Protection And Growth

If you are approaching or in retirement, Sequence-Of-Returns Risk and bear markets can devastate your investment and retirement income portfolio. Consider adding a level of downside protection to your portfolio plus opportunities to grow your investments via a Floor ETF (Exchange Traded Fund) with an upside Cap.

## Comparing Index Performance To Floor ETF With 1-Year Cap

| | IRA Account Invested In<br>S&P 500 Index | | Floor ETF<br>Upside: +75% target upside participation<br>Downside Floor: -10% target annual max loss | 1-Year Term<br>75% S&P500 Upside<br>-10.00% |
|---|---|---|---|---|
| **Year** | **Return** | **Value** | **Return** | **Value** |
| | | $100,000 | | $100,000 |
| 2008 | -38.49% | $61,510 | -10.00% | $90,000 |
| 2009 | 23.45% | $75,934 | 17.59% | $105,829 |
| 2010 | 12.78% | $85,638 | 9.58% | $115,972 |
| 2011 | 0.00% | $85,636 | 0.00% | $115,970 |
| 2012 | 13.41% | $97,120 | 10.06% | $127,633 |
| 2013 | 29.60% | $125,868 | 22.20% | $155,968 |
| 2014 | 11.39% | $140,204 | 8.54% | $169,292 |
| 2015 | -0.73% | $139,181 | -0.73% | $168,056 |
| 2016 | 9.54% | $152,459 | 7.16% | $180,080 |
| 2017 | 19.42% | $182,066 | 14.57% | $206,309 |
| 2018 | -6.24% | $170,705 | -6.24% | $193,435 |
| 2019 | 28.88% | $220,005 | 21.66% | $235,333 |
| 2020 | 16.26% | $255,778 | 12.20% | $264,032 |
| 2021 | 26.88% | $324,531 | 20.16% | $317,261 |
| 2022 | -19.44% | $261,442 | -10.00% | $285,535 |
| 2023 | 24.23% | $324,789 | 18.17% | $337,424 |
| 2024 | 23.31% | $400,498 | 17.48% | $396,414 |
| Avg Annual Return | 8.51% | | 8.44% | |

The Average Annual Return is the rate of return that would have to be earned each year in order to achieve the results shown. This hypothetical floor ETF example assumes a 75% target upside participation and a downside floor of 10%.

## Built For Market Ups And Downs - Stay Invested With Reduced Downside Risk*

Building a portfolio that gives you opportunities to grow your investments and have a level of protection during market downturns can be challenging. It's important to have a plan in place for both bull and bear markets - one that offers the potential for growth - while also adding protection from some of the downside. By providing upside potential with less exposure to market fluctuations, floor ETFs may help you stay confidendently invested to weather market ups and downs so your investment plan stays on track.

**Prepare For Bear Markets**

**Bear market performances from 1961 - 2021 based on S&P 500 Index *:**

**(1) A bear market occured approximately every 5.5 years,**
**(2) the average market decline during a bear market was (34.5%), and**
**(3) the average return required to break even from a bear market decline was 52.6%.**
*** Source: Bloomberg 1/3/2022**

Consider a $100,000 IRA invested in the S&P 500 Index, and in the example above, a $100,000 IRA invested in a floor ETF allocated to an indexed strategy with **a 75% target upside participation and a downside floor of 10%**. Going back to 2008, the floor ETF participated in Up Markets and Flat Markets, and significantly reduced losses during Bear Markets.

## How It Works*

**Upside Potential: Cap**
In exchange for downside protection, floor ETFs can provide growth potential by capturing market gains up to a target participation rate. In this example, a 75% target upside participation rate is used.

**Downside Protection: Floor**
In this example, a downside floor of 10% is used.

**Flexibility**
You have the flexibility to reinvest, combine with, or reallocate to other strategies.

## Investment Scenarios*

**Scenario 1 - S&P 500 Index increases**
The floor ETF earns a 75% target upside participation for the 1-year term. For example, if the S&P 500 Index gains 25.00%, then you will earn a 75% target upside participation of 18.75%.**

**Scenario 2 - S&P 500 Index decreases between 0.00% and the Floor**
You will incur the loss for the 1-year term. For example, if the S&P 500 Index loses 8.00%, then you will lose 8.00%.**

**Scenario 3 - S&P 500 Index decreases more than the Floor**
You will incur a loss up to the floor and the insurance company will absorb all losses above the floor. For example, if the S&P 500 Index loses 30.00%, then you will lose the first 10.00% of the loss, and the insurance company will absorb all losses in excess of the floor, in this case 20.00%.**

*Notes:*
*1. Term: Assumes a new 1-year term begins each calendar year.*
*2. Target Upside Participation and Floor: Based on the performance of the S&P 500 Index.*
*** Figures exclude the deduction of applicable charges, expenses, and a 1/2 percent (0.50%) advisory fee.*