

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

Year	IRA Account Invested In S&P 500 Index		Floor ETF		1-Year Term
			Upside: +75% target upside participation	Downside Floor: -10% target annual max loss	75% S&P500 Upside -10.00%
	Return	Value	Return	Value	
2008	-38.49%	\$250,000	-10.00%	\$250,000	
2009	23.45%	\$153,775	17.39%	\$225,000	
2010	12.78%	\$189,835	9.50%	\$264,572	
2011	0.00%	\$214,096	0.00%	\$289,931	
2012	13.41%	\$214,091	10.06%	\$289,924	
2013	29.60%	\$242,801	22.20%	\$319,083	
2014	11.30%	\$314,670	8.54%	\$389,920	
2015	-0.73%	\$350,511	-0.73%	\$423,229	
2016	9.54%	\$347,952	7.16%	\$420,139	
2017	10.42%	\$381,147	14.57%	\$450,200	
2018	-6.24%	\$455,165	-6.24%	\$515,772	
2019	28.88%	\$426,763	21.06%	\$483,588	
2020	16.26%	\$550,012	12.20%	\$588,333	
2021	26.88%	\$639,444	20.16%	\$660,080	
2022	-19.44%	\$811,327	-10.00%	\$793,152	
2023	24.23%	\$653,605	18.17%	\$713,837	
2024	23.31%	\$811,973	17.48%	\$843,559	
Avg Annual Return	8.51%	\$1,001,244	8.44%	\$991,034	

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 confidently 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 occurred 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 \$250,000 IRA invested in the S&P 500 Index, and in the example above, a \$250,000 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.