SOUND STRATEGIES

The Zero Perspective

Perspective. It's an interesting concept unique to each individual. If you are used to warm temperatures and you visit Minnesota in November, you might think 20 degrees feels really cold. The locals, however, will tell you it's not really cold until it's minus 20 degrees. Once you experience those well-below zero temps, all of a sudden even 0 degrees feels manageable!

Think of this in terms of investing. Rising stocks are great, but down times in the market can wreak havoc on your account value and can be difficult to overcome. Some investors are okay with this if they have a long-time horizon and can stomach the volatility. Others might willingly sacrifice some potential growth in hopes of preventing market loss. Gains and losses are not equal in the stock market. If your account value loses 10%, you need an 11% gain to get back to even. A 25% loss requires a 33% gain to fully recover. Zero return may not seem great, but controlling loss in a down market has a beneficial impact on account value.

Could be better. Could be worse.

Scenario A shows the impact of a 20% loss in year 2. There are ways to protect your account value from a market downturn like this, but it involves a trade-off. One type of trade-off for this protection is that you may have less potential for gain. **Scenario B** shows an example of how this trade-off can, under certain market conditions, have a beneficial impact to the account value.

This is what fixed indexed annuities offer — protection and growth potential. While you may not experience all of the growth a rising stock market has to offer (could be better), you will protect your retirement savings from market loss (could be worse). As they say in the Minnesota winter — "sometimes zero isn't all that bad."

How gains/losses can impact account value

Scenario A: Initial amount: $100,000	Scenario B: Initial amount: $100,000
Year 1 – 10% gain = account value of $110,000	Year 1 – 4% gain = $104,000
Year 2 – 20% loss = account value of $88,000	Year 2 – 0% gain = $104,000
Year 3 – 10% gain = account value of **$96,800** (still less than the initial amount)	Year 3 – 4% gain = **$108,160** (not the highest gains, but still more than the initial amount)

All examples are hypothetical and for illustrative purposes only. They are not indicative of any particular investment or guarantee of future performance. They do not account for product fees, expenses or cost of optional benefits.

Insurance products issued by:
Minnesota Life Insurance Company

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How do fixed indexed annuities work?

Fixed indexed annuities offer the opportunity to earn interest that is linked to the changes in performance of an index. Crediting interest in this way puts you in a position to potentially earn higher interest than you would with many fixed-interest products. You are not actually investing in the stock market if you purchase a fixed indexed annuity.

Your purchase payments can be placed in multiple account options with different crediting methods.

At the end of the designated crediting period, your account may receive positive interest, based on how well that index performed. Each period's earnings, if any, are locked in — no matter how each index performs in the future.

Protection when it matters

If the indices experience negative performance, you're protected. That's because the interest you're credited will never be less than zero. Any interest earnings applied to your fixed indexed annuity are locked in — no matter what changes you make in the years to follow. And those earnings have the potential for continued future growth.

Fixed indexed annuities

Your link to a more secure future

Combine protection and growth for your future retirement goals. Work with your financial professional to determine if a fixed indexed annuity is right for you.

An annuity is intended to be a long-term, tax-deferred retirement vehicle. Earnings are taxable as ordinary income when distributed, and if withdrawn before age 59½, may be subject to a 10% federal tax penalty. If the annuity will fund an IRA or other tax qualified plan, the tax deferral feature offers no additional value. Qualified distributions from a Roth IRA are generally excluded from gross income, but taxes and penalties may apply to non-qualified distributions. Please consult a tax advisor for specific information. There are charges and expenses associated with annuities, such as deferred sales charges (surrender charges) for early withdrawals.

Some products and optional features may not be available in all states and features may vary by state.

Guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company. Complete information and details on specific fixed indexed annuity products can be obtained through your financial professional.

Although interest credited to the annuity contract may be affected by an index, fixed indexed annuities are not securities and do not participate directly in the stock market or any equity investment. The rates for the initial crediting period, as well as the minimum rates that may apply thereafter, are shown in the contract at issue.

This is a general communication for informational and educational purposes. The information is not designed, or intended, to be applicable to any person's individual circumstances. It should not be considered investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action. If you are seeking investment advice or recommendations, please contact your financial professional.

A purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance agent or agency. Insurance products are issued by Minnesota Life Insurance Company in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

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