Securian Financial®

DOWNSIDE PROTECTION PLUS GROWTH

Term Guarantee Cap can increase returns

Clients want their money to grow. Nobody wants to experience loss. A Fixed Indexed Annuity (FIA) can be the best of both worlds. They offer downside protection, but also significant upside potential linked to index performance. Even better, clients can now guarantee the cap rate for the duration of the surrender charge period on their contract. No more worrying about the cap going down after the first year!

The following example shows rolling 5-year periods and compares returns using an S&P 500® annual point-to-point cap that is locked for 5 years to actual historical performance of the S&P 500® index and the Bloomberg US Aggregate Bond index, with no fees applied.

Period starting	Period ending	7% Cap	10% Cap	S&P 500® actual returns[1]	Bond Index actual returns[1]
2000	2004	2.80%	3.80%	-1.02%	7.60%
2001	2005	3.40%	4.40%	2.64%	5.69%
2002	2006	4.80%	6.40%	7.16%	4.83%
2003	2007	5.50%	7.10%	11.98%	4.18%
2004	2008	4.10%	5.10%	0.33%	4.50%
2005	2009	4.10%	5.30%	3.18%	4.86%
2006	2010	4.90%	6.70%	4.34%	5.76%
2007	2011	3.52%	4.72%	1.99%	6.50%
2008	2012	4.22%	6.02%	4.37%	5.95%
2009	2013	5.62%	8.02%	17.63%	4.50%
2010	2014	5.62%	8.02%	15.53%	4.51%
2011	2015	4.22%	6.02%	13.05%	3.43%
2012	2016	5.60%	8.00%	15.22%	2.51%
2013	2017	5.60%	8.00%	16.34%	2.38%
2014	2018	4.20%	6.00%	8.72%	2.78%
2015	2019	4.20%	6.00%	12.64%	3.33%
2016	2020	5.60%	8.00%	16.08%	3.86%
2017	2021	5.60%	8.00%	19.25%	2.91%
2018	2022	4.20%	6.00%	11.33%	-0.40%
2019	2023	5.60%	8.00%	17.54%	0.70%
Average		**4.67%**	**6.48%**	**9.91%**	**4.02%**

What is a cap?

It's the maximum earning potential each year. If the cap is 7% and the index earns 5%, your clients get 5%. If the index earns 9%, they get capped at 7%. If the index is negative, they avoid any loss but get 0% growth.

1. Actual returns are calculated based on monthly index values for the S&P500® and Bloomberg US Aggregate Bond index. Cap returns are based off monthly S&P 500® values assuming a 5-year annuity contract life. Cap rates listed are hypothetical and actual caps are subject to market conditions at the time of contract issue.

Key takeaways

- FIAs are great for clients who don't want to lose money, but still earn something when the market is up.
- FIAs do not have fees. Look at the average over time. The average returns of of the S&P and bond index would be reduced by fees. Returns within a FIA still look great with much lower volatility along the way.
- Look at 2000–2008; when the market is down or flat, FIAs protect against market loss.
- Look at 2009-2023; when the market is more favorable, the earning potential on a FIA can be greater than other fixed investment options.
- FIAs may be more or less favorable to the equity or bond market depending on market conditions. But FIAs will never have a negative return and overall provide decent returns with less risk.

For more information

Contact the Annuity Sales Desk to see how fixed indexed annuities with term guarantee cap can fit into your clients' portfolio today: **1-866-335-7355**

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