Protect Your Retirement from Market Fluctuations

Discover how Fixed Indexed Annuities (FIAs) can offer growth potential while safeguarding savings from market losses.

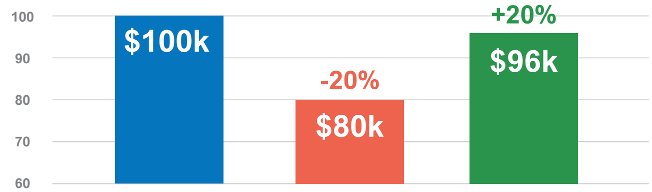
The long-term growth appeal of the stock market is undeniable, and for many, it is an important part of their retirement planning. However, is is important to anticipate market cycles and safeguard a portion of assets needed for income during retirement.

When the market declines, recovering lost value isn't as simple as gaining the same percentage back. For instance, if your investment drops 20%, a 20% rebound won't restore your original $100,000—it would only bring you to $96,000. To fully recover, you'd actually need a gain of over 25%.

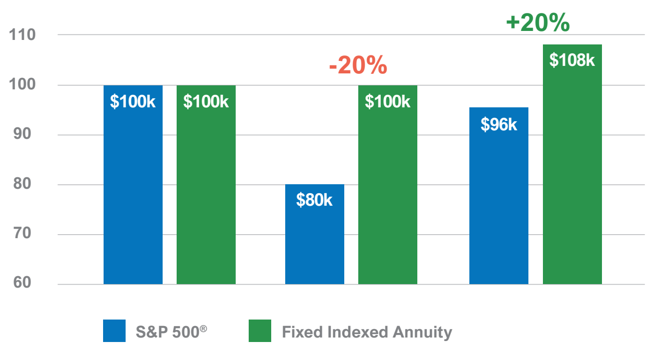
But what if you could limit or remove the impact of market drops while still enjoying most of the market's upside?

That's the advantage of a FIA. With downside protection, your balance doesn't decrease during a market downturn. So, even if you earn a more modest return—say 8% instead of 20%—you may still come out ahead because you avoided the initial loss. This highlights the real power of protection in volatile markets.

What Happens When Markets Decline and Rebound



Performance of S&P 500® vs. Fixed Indexed Annuities



For illustrative purposes only.

Introducing the Fixed Indexed Annuity

- An FIA is a type of contract that links its growth to the performance of a market index, like the S&P 500®
- There is typically a cap or participation rate, that limits how much of the index's gain you receive
- If the index goes down, your account doesn't lose value due to the market decline—you earn 0%, and do not suffer a loss

Speak to your financial advisor today to learn how to incorporate an annuity into your retirement strategy.

SIMPLICITY GROUP

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 Earnings are taxable as ordinary income when distributed, and if withdrawn before age 59½, may be subject to a 10% federal tax penalty.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. Consult a tax advisor for specific information.

The source(s) used to prepare this material is/are believed to be true, accurate and reliable, but is/are not guaranteed. This information is provided as general information and is not intended to be specific financial guidance. Before you make any decisions regarding your personal financial situation, you should consult a financial or tax professional to discuss your individual circumstances and objectives.

How Does an FIA Protect Against Volatility?

Protecting Against Market Drops with the "Floor"

First, the annuity limits your downside with a "floor" – a lowest-possible interest rate, regardless of the size of the market drop. A typical floor might be 0%, meaning that, instead of experiencing a 10% drop, your annuity sees no drop at all.

Upside Potential with the "Cap"

Insurance carriers provide this protection by taking some of the growth in the "up" years. The most common method is called a "cap" – an upper limit on the growth. In our example, let's assume there's an 8% cap. When the index goes up 10%, you get 8%. It also means that, if the index goes up 6%, you get all of it.

Who Should Consider an FIA?

- Individuals seeking a balance between growth potential and principal protection
- Conservative investors wanting to participate in market growth without risking their initial investment
- Pre-retirees who are maxing out traditional retirement vehicles and want to shelter additional funds from annual taxation

With FIAs, get Upside Potential and Downside Protection

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