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Volatility Survival Guide

Fixed index annuities were made for times like these

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Create your own history … don't repeat it

Although past performance is no guarantee of future results, looking at the history of the market's performance cycles may provide a fresh perspective on the benefits of diversification.

With a bear market occurring approximately every five years, with an average decline of 39%[1], retirement assets could lag during these downturns – meaning it could take a significant market upswing to recoup losses and come out ahead in the long term.

1. Source: MONEYTALKS

Included:

- S&P 500® Last 20 years in review (32156Z)
- Bear market historical chart (32157Z)
- Return to "break even" calculator (32158Z)
- Impact of a sequence of returns (32159Z)

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S&P 500®
Last 20 years in review

Are your retirement assets prepared for the next market downturn?

Contact your financial professional to see how a fixed index annuity can offer upside potential with downside protection from market losses.

S&P 500® - **Last 20 years in review**

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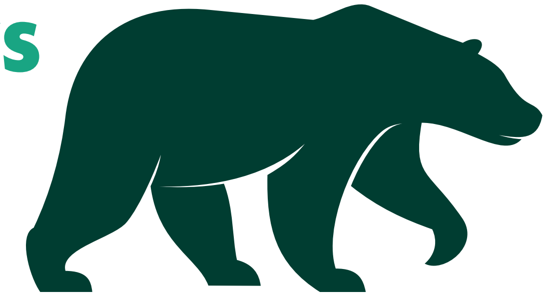
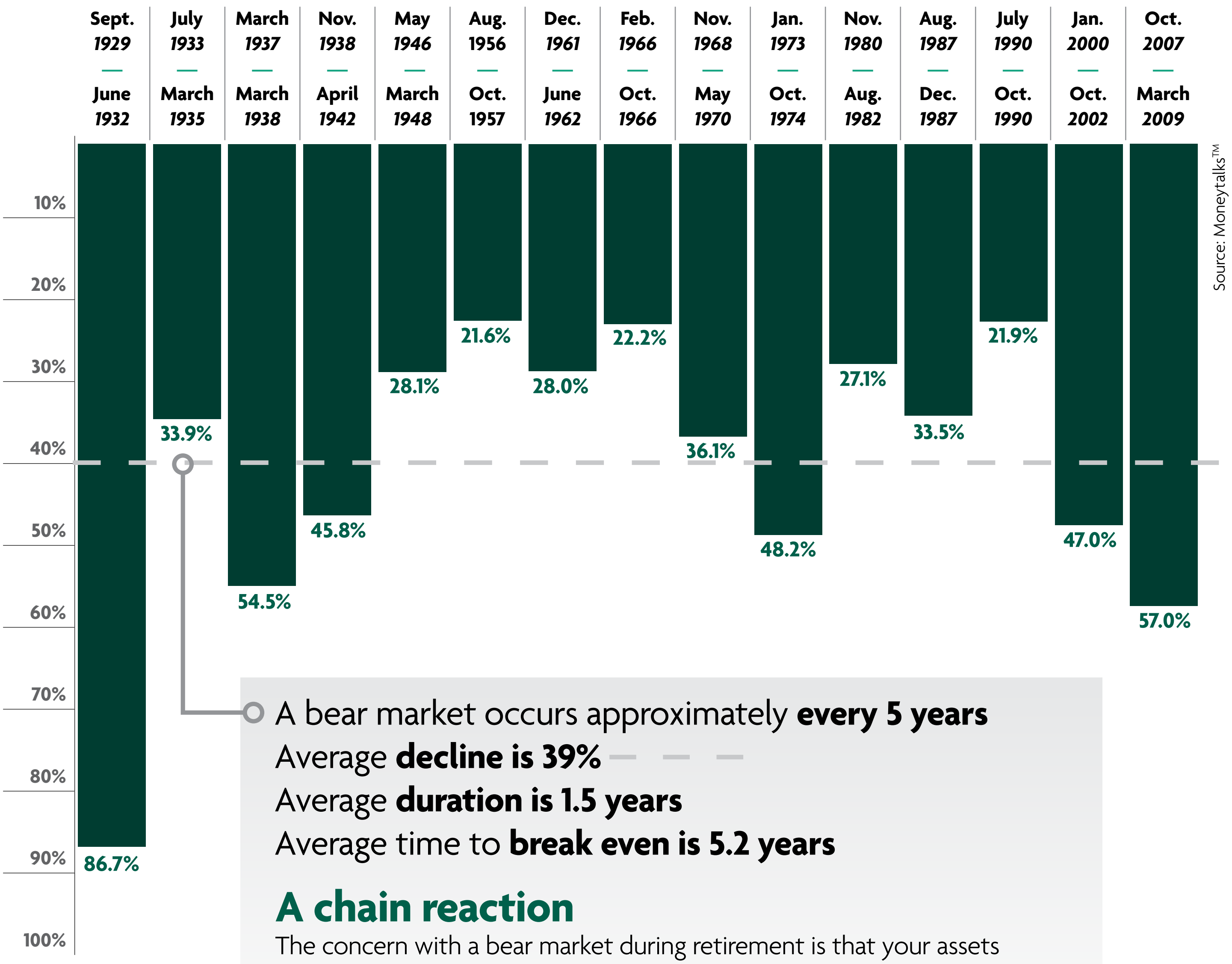
Bear markets

Based on 1929-2009 S&P 500® performance





A bear market occurs approximately **every 5 years**

Average **decline is 39%**

Average **duration is 1.5 years**

Average time to **break even is 5.2 years**

A chain reaction

The concern with a bear market during retirement is that your assets could lose value. If that causes you to tap into your portfolio for income to cover living expenses, you may risk taking valuable cards off the table when the market steadies.

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Bear markets - Based on 1929-2009 S&P 500 performance

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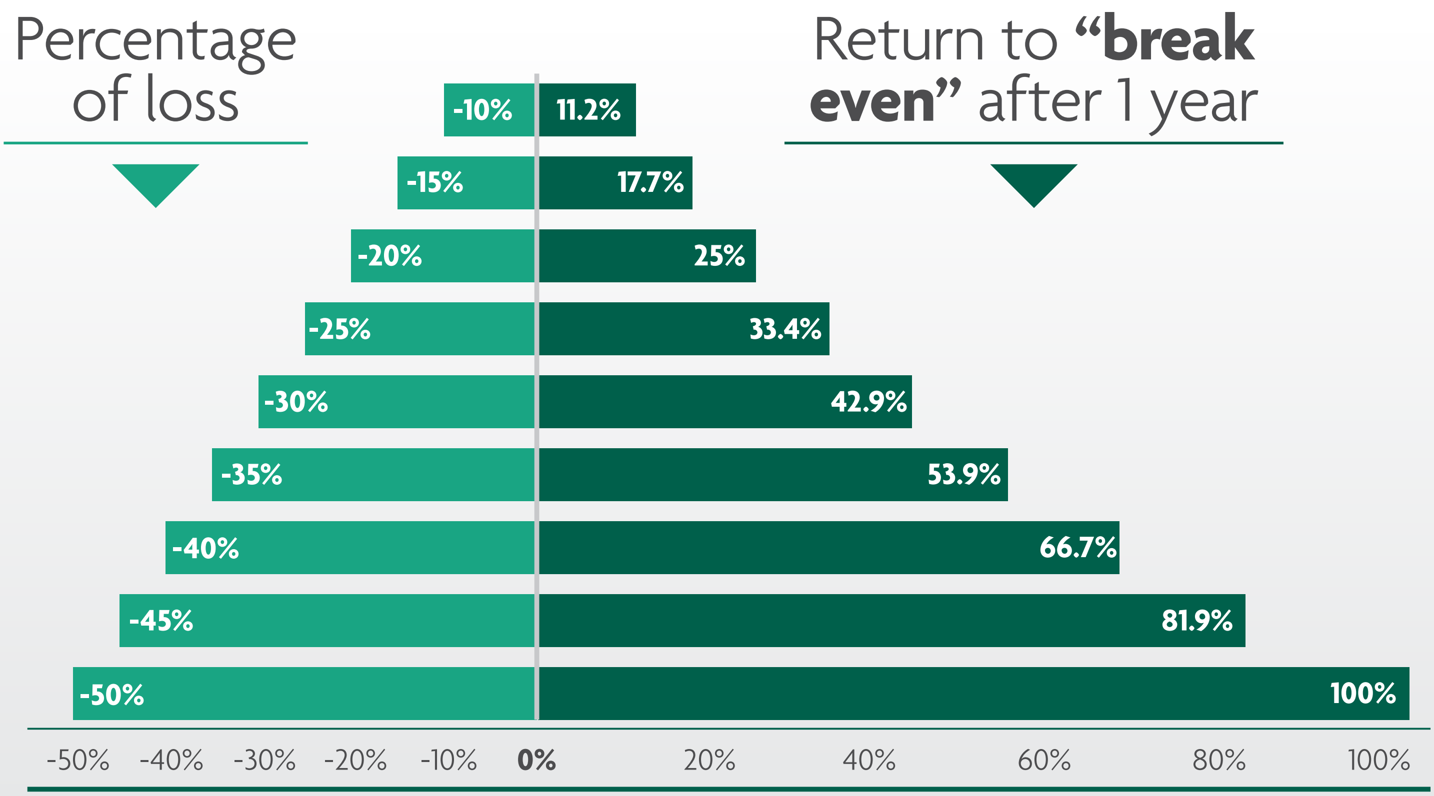
The **break-even** burden

What is the **“break-even”** point after a market loss?



North American’s fixed index annuities offer index-linked accumulation potential without the risk of loss of premium due to market downturns.

- **Accumulation potential:** Both index-linked interest (subject to cap, participation rate or index margin) and fixed rate options.
- **Interest credits floored at 0%:** No risk of loss of premium due to market downturns.

Talk to your financial professional for details.

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Going against the GRAIN

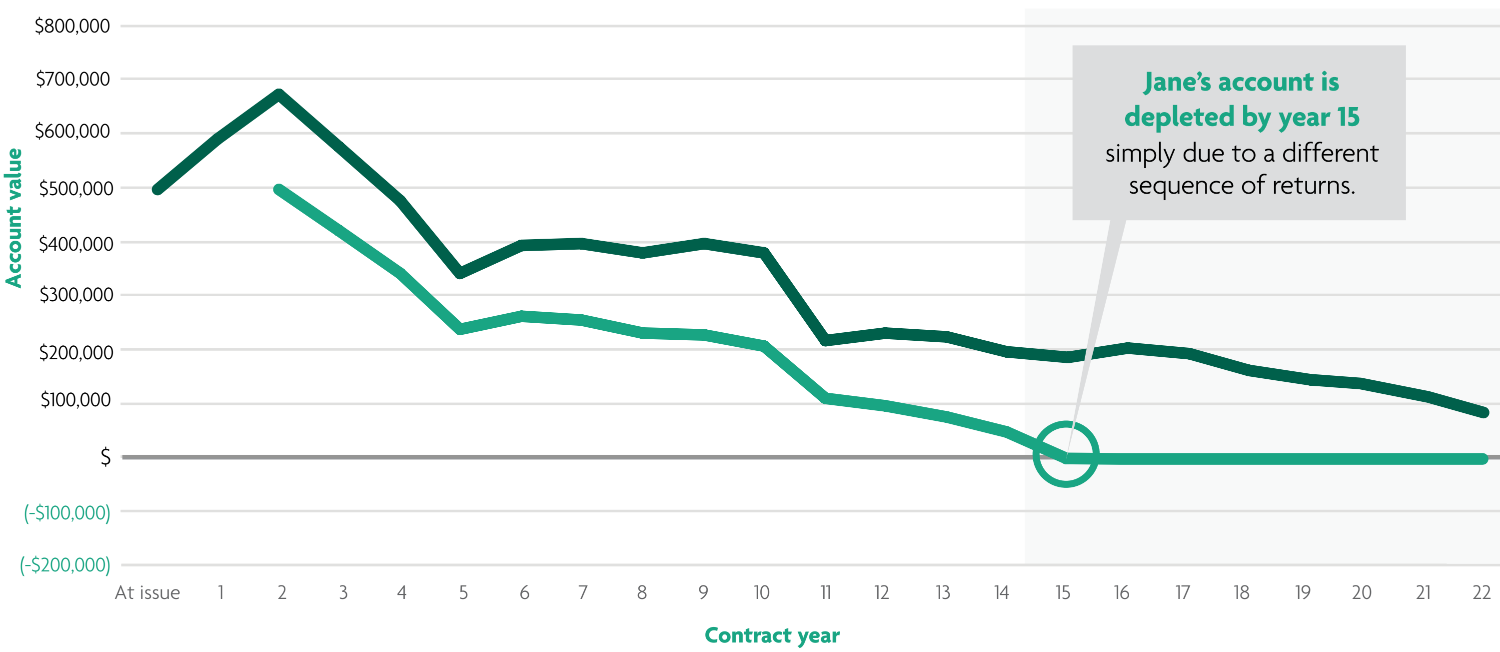
Drawdown drawbacks

Could a sequence of returns deplete your savings?

When it comes to generating sustainable retirement income, many people only think of an average rate of return needed on their assets. However, what might be more important is not the "average" return but the order of the returns. In the two hypothetical examples provided, George retires and begins taking withdrawals in 1998 and Jane begins taking withdrawals just two years later in 2000. Both have $500,000 at the time they begin withdrawals. 21 years later, with just a difference of two years from when withdrawals started, George still has over $100,000 while Jane's account is depleted by year 15.

	George		Jane	
Year	**Gain/Loss**	**Account value**	**Gain/Loss**	**Account value**
At issue	-	$500,000.00	-	-
1998	26.67%	$595,342.37	-	-
1999	19.53%	$675,731.38	-	$500,000.00
2000	-10.14%	$580,259.47	-10.14%	$422,345.82
2001	-13.04%	$478,490.84	-13.04%	$341,173.38
2002	-23.37%	$343,696.62	-23.37%	$238,464.71
2003	26.38%	$396,451.03	26.38%	$263,458.53
2004	8.99%	$399,407.63	8.99%	$254,454.51
2005	3.00%	$380,493.64	3.00%	$231,190.44
2006	13.62%	$398,228.88	13.62%	$228,591.43
2007	3.53%	$381,225.80	3.53%	$205,600.87
2008	-38.49%	$216,053.76	-38.49%	$108,019.48
2009	23.45%	$229,691.17	23.45%	$96,318.32
2010	12.78%	$225,217.12	12.78%	$74,795.60
2011	0.00%	$195,210.91	0.00%	$44,794.18
2012	13.41%	$187,358.58	13.41%	$16,777.44
2013	29.60%	$203,938.68	29.60%	**$0**
2014	11.39%	$193,751.40	11.39%	**$0**
2015	-0.73%	$162,561.58	-0.73%	**$0**
2016	9.54%	$145,201.35	9.54%	**$0**
2017	19.42%	$137,573.41	19.42%	**$0**
2018	-6.24%	$100,863.78	-6.24%	**$0**
2019	28.88%	**$91,327.87**	28.88%	**$0**

Assumptions: Initial premium $500,000, annual withdrawal $30,000, S&P 500® index



The **sequence** of **returns**

Talk to your financial professional for details.

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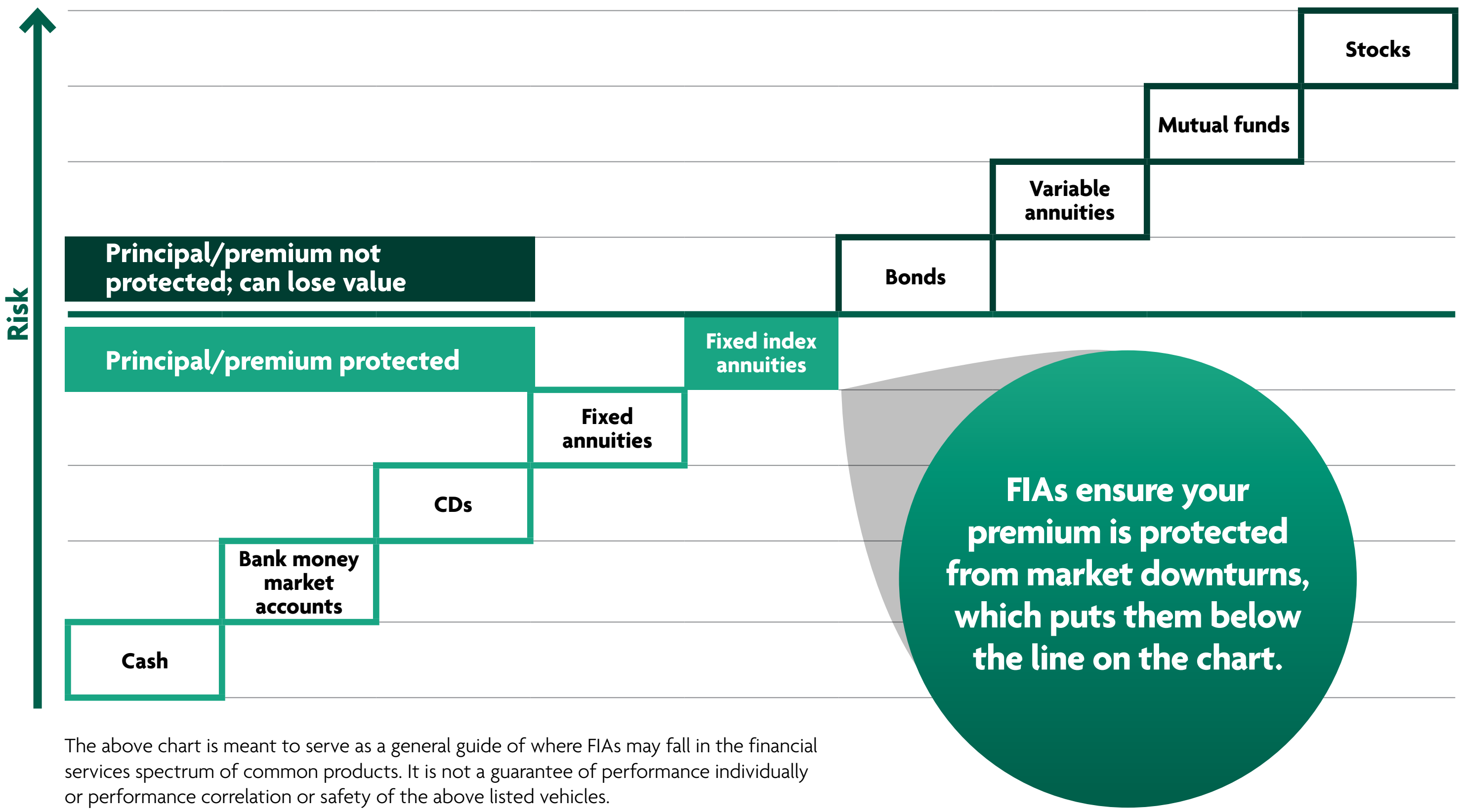
Financial risk spectrum

When you're creating a financial plan, there is no one "best" product. But there are products that can be a better fit in order to help meet your goals for retirement, whether you're experienced or just getting started.

Fixed index annuities (FIAs) are insurance products that are quickly becoming a household term as a new generation of savers are drawn to growth potential and protection from market downturns. Take a look at where FIAs fit with other products in light of risk.

Financial risk spectrum



The above chart is meant to serve as a general guide of where FIAs may fall in the financial services spectrum of common products. It is not a guarantee of performance individually or performance correlation or safety of the above listed vehicles.

Ask your financial professional how adding a fixed index annuity to your financial plan can help create stability in your portfolio.

LEGACY WEALTH STRATEGIES

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Volatility control + Annual reset

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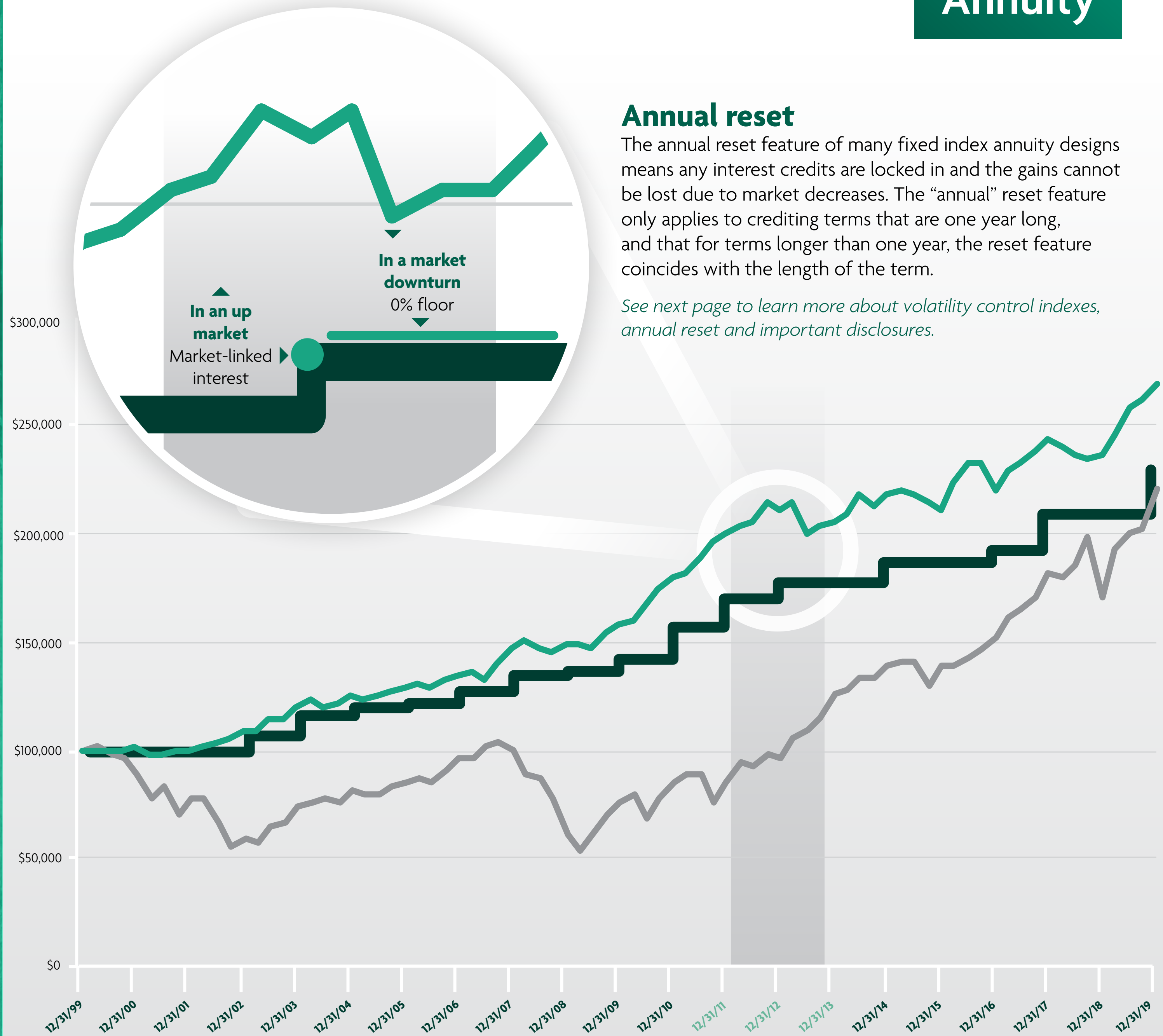
Volatility control + Annual reset

Annual reset

The annual reset feature of many fixed index annuity designs means any interest credits are locked in and the gains cannot be lost due to market decreases. The "annual" reset feature only applies to crediting terms that are one year long, and that for terms longer than one year, the reset feature coincides with the length of the term.

See next page to learn more about volatility control indexes, annual reset and important disclosures.



- Fixed index annuity (100% allocation to annual point to point with participation rate crediting method based on the S&P MARC 5% ER index) Accumulation value of a hypothetical fixed index annuity. Assumes no withdrawals. Interest credits to the accumulation value are subject to a hypothetical 75% participation rate. Does not reflect actual historical performance and is not a guarantee of future results.
- S&P Multi-Asset Risk Control 5% Excess Return index (S&P MARC 5% ER) Based on a quarterly review of $100,000 directly invested in the S&P MARC 5% ER without dividends taken into account. Index has been in existence since 3/27/2017. Ending values in years prior to inception are determined by S&P Dow Jones Indices LLC or its affiliates ("SPDJI") using the same methodology as used currently.
- S&P 500® Based on a quarterly review of $100,000 directly invested in the S&P 500® without dividends taken into account.

Contact your financial professional to see how a fixed index annuity can offer upside potential with downside protection from market losses.

Fixed index annuity feature comparison

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Fixed index annuity feature comparison

When you're creating a financial plan, there is no one "best" product. But there are products that can be a better fit in order to help meet your retirement goals.

Fixed index annuities (FIAs) are an insurance product that can help create a foundation of conservative growth, and are a valuable piece of a financial strategy. Take a look at how FIA features compare with other products.

	Safety of principal/premium	Tax deferral	Guaranteed lifetime income	Growth potential
Savings account	✓			
Certificate of deposit	✓			
Money market	✓			
Multi-year fixed annuity	✓	✓	✓	
Variable annuity		✓	✓	✓
Stock mutual fund				✓
Fixed index annuity	✓	✓	✓	✓

FIAs help protect principal/premium from market downturns and offer growth potential, and are one of the few products that can guarantee a stream of income payments for as long as you live.

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We've debunked 4 common myths we hear about fixed index annuities (FIAs).

Myths	FIA benefits
1. Your premium is "locked up" and not accessible	**Flexibility helps protect against the unexpected** Fixed index annuities generally come equipped with liquidity features that give you access to some of your retirement savings. If you have concerns about the expenses of nursing home care should your path change later in life, you may be able to adapt your FIA to changing life situations.
2. FIAs are only for risk-averse or conservative savers	**Downside protection from market downturns** During a time of economic volatility, fixed index annuities appeal to many savers because you can't lose your premium or interest credited due to a market downturn. Adding a FIA to your financial plan can help complement a portfolio that includes riskier products.
3. FIAs have little or no growth	**Potential for growth** With multiple interest crediting strategies to choose from, you can allocate your premium to fit your needs. Through the benefit of annual or term reset, any annually credited interest is "locked in" and cannot be lost due to market downturns. It's important to know fixed index annuities are not a direct investment in the stock market.
4. I already have a financial strategy in place	**Balance to your existing financial plan** FIAs can help create a foundation of conservative growth, and are a valuable piece of a financial strategy. With both downside protection and growth potential, they can be a natural fit alongside your existing financial strategy.

Ask your financial professional how adding a fixed index annuity to your financial plan can help create stability in your portfolio.

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