


# Fixed indexed annuities – a powerful combination of protection and potential



We have a natural tendency to become more risk averse as we get older. But when it comes to growing your retirement nest egg, shifting from saving to safety may not be so easy. This is especially true if your plans for retirement depend on the balance in your 401(k).

Including a fixed indexed annuity in your portfolio may help ease the transition. These insurance products help you manage market risk by offering guaranteed protection from loss due to market downturns. At the same time, a fixed indexed annuity also gives you the opportunity to earn interest based in part on the upward movement of a market index – without directly investing in the markets.

## Growth Potential

What makes these products different is that they allow you to choose between fixed and index interest crediting. A fixed crediting strategy provides a guaranteed rate of interest while an index strategy gives you the potential to earn interest credits based in part on the upward movement of a market index like the S&P 500®.

Moving money from a tax-qualified retirement plan like a 401(k) into a fixed indexed annuity may be an attractive solution if you want to continue accumulating retirement assets on a tax-deferred basis but desire a more conservative retirement savings vehicle. A fixed indexed annuity may also be a solution for those who have reached contribution limits on a qualified retirement savings plan (401k, IRA, etc.) and are looking for additional tax-deferred ways to save for retirement.<sup>1</sup>

This material is provided by Athene Annuity and Life Company (61689) headquartered in West Des Moines, Iowa, which issues annuities in 49 states (excluding NY) and D.C., and Athene Annuity & Life Assurance Company of New York (68039) headquartered in Pearl River, New York, which issues annuities in New York.



## No direct downside market risk

Money allocated to an indexed interest crediting strategy is not directly exposed to the risks of the stock market or individual stocks. While you may earn zero percent interest in a given interest crediting period, you will never earn less than zero. And, any interest credits you receive are locked in when earned and cannot be lost to any future market downturn.

In exchange for this protection, index crediting strategies include a mechanism like a Cap Rate, Spread, and/or Participation Rate that limits the amount of interest you can earn.

The hypothetical example on page 3 will show you how interest is credited and how you can “lock in” any gains using one of the most common strategies: a 1-year point-to-point index crediting strategy with a Cap Rate.

There are many conservative savings vehicles that may make sense for those nearing retirement with a low to moderate risk tolerance, but few that allow the possibility for significant accumulation – particularly in a low interest rate environment. Because fixed indexed annuities follow an external market index without actually being invested in the market, a more conservative person can benefit from market gains while taking advantage of the annuity's guarantees – it's a win-win!

With all the different features that may be available, it's important to choose an annuity that meets your individual retirement needs. One thing that all fixed indexed annuities have in common, however, is the ability to accumulate assets without direct downside market risk.

Contact your financial professional today to learn more about fixed indexed annuities and the powerful combination of growth plus protection they can provide.

# How interest is calculated with a 1-year point-to-point index strategy

(Hypothetical Example)

The interest credit will be equal to any positive percentage change in the index, up to the annual Cap Rate. While the interest crediting rate will not exceed the Cap Rate, it will never be less than 0%.

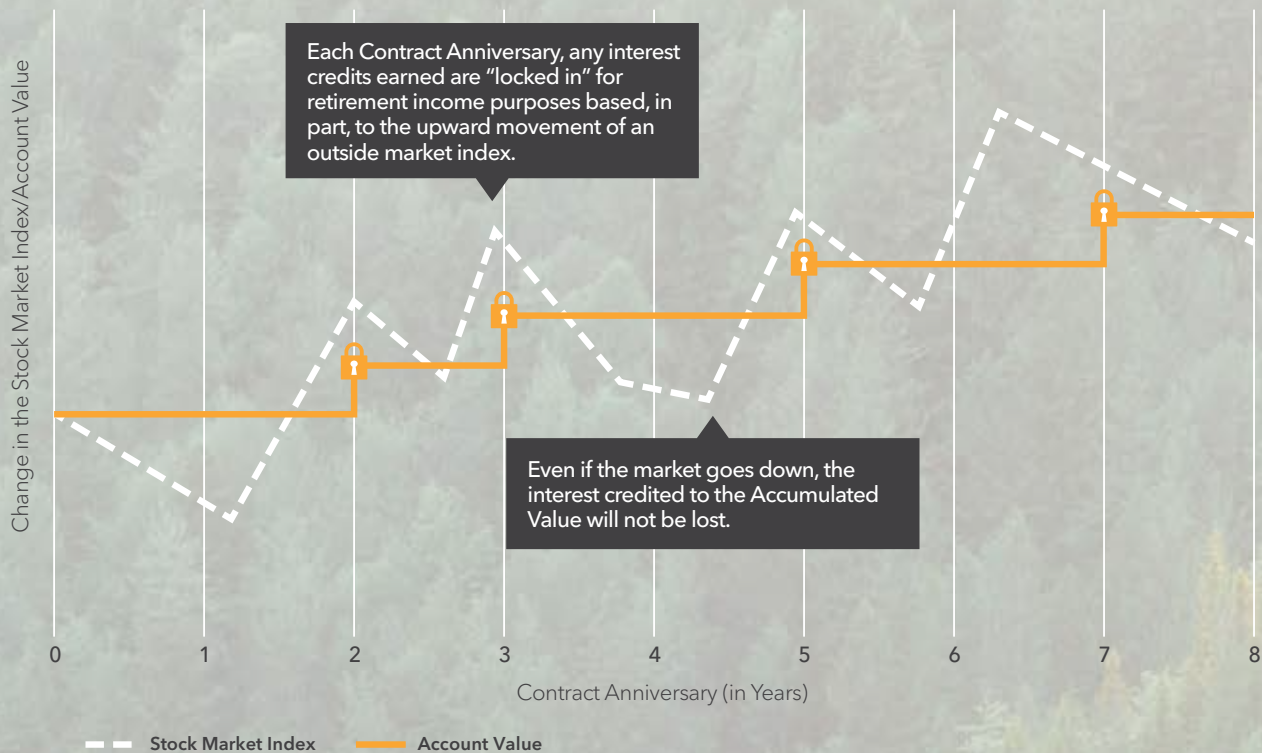
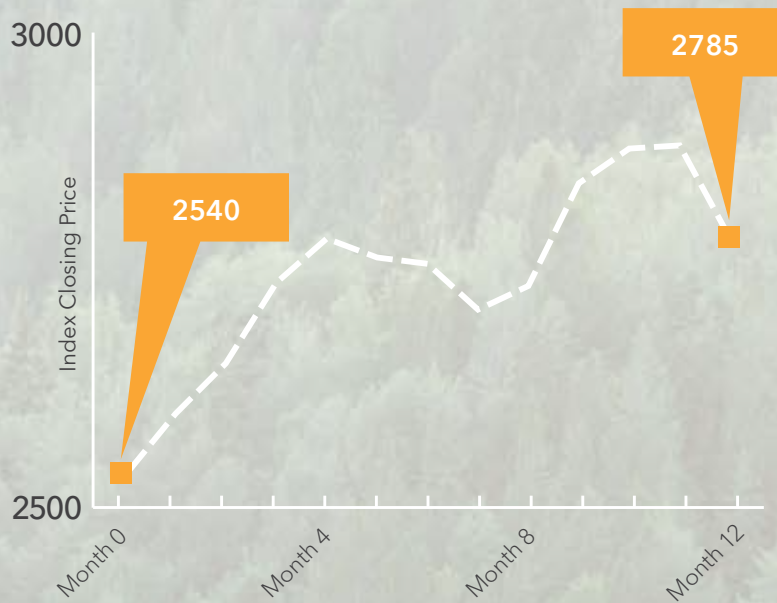
Beginning S&P 500® Index Value: **2540**

Ending S&P 500® Index Value: **2785**

Annual Cap Rate: **4.00%**

Percentage change in the index =  
 $(2785 - 2540) \div 2540 = 9.65\%$

In this example, the Cap Rate is less than the index change of 9.65%. **Therefore, the interest credit at the end of the one-year term is 4.00%.**



Assuming annual Point to Point Index Strategy. This hypothetical example is for informational purposes only and is not indicative of past, nor intended to predict future performance of any specific product including an annuity; nor is it intended to represent any particular product or interest crediting method.

<sup>1</sup>Under current tax law, the Internal Revenue Code already provides tax deferral to qualified money, so there is no additional tax benefit obtained by funding a qualified contract, such as an IRA, with an annuity; consider the other benefits provided by an annuity, such as lifetime income and a Death Benefit.

Annuities contain features, exclusions and limitations that vary by state. For a full explanation of an annuity, please refer to the Certificate of Disclosure and contact your Financial Professional or the company for costs and complete details.

Guarantees provided by annuities are subject to the financial strength of the issuing insurance company. Guaranteed lifetime income is available through annuitization or the purchase of an optional income rider for a charge.

Fixed index annuities are not stock market investments and do not directly participate in any stock or equity investments. Market Indices may not include dividends paid on the underlying stocks, and therefore may not reflect the total return of the underlying stocks; neither an Index nor any market-indexed annuity is comparable to a direct investment in the equity markets. Clients who purchase indexed annuities are not directly investing in a stock market index.

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