

Maximize growth potential using alternative indexes in fixed-indexed annuities

With increased market and interest rate volatility, you may be seeking solutions that provide growth opportunities while managing risk. Fixed-indexed annuities (FIAs) offer a balance between growth potential and downside protection and can help offload some of the investment risk in your portfolio.

A key feature of some FIAs is the ability to link returns to alternative indexes, beyond the conventional S&P 500®. These strategies present an opportunity for you to diversify growth potential and maximize returns.

Examples of alternative indexes

Alternative indexes are indexes other than the traditional benchmarks like the S&P 500, offering exposure to a different set of assets or market dynamics. These alternative indexes can include:

- **Volatility-controlled indexes:** These indexes balance between high- and low-volatility assets, adjusting exposure based on market conditions to reduce risk. They aim to provide more stable returns during periods of market turbulence.
- **Global indexes:** These indexes track the performance of international markets, which may offer different performance dynamics compared to U.S.-based indexes like the S&P 500.
- **Sector-specific indexes:** These indexes focus on industries or themes, such as real estate, technology, or healthcare. These indexes capitalize on specific economic trends and offer the potential for outsized gains when those sectors perform well.

Why consider alternative indexes in FIAs?

Exploring alternative indexes—whether they track global markets, diverse asset classes, or employ volatility-control mechanisms—can open up new avenues for growth while managing risk more effectively. And it makes sense to not put all your eggs in one basket — properly diversifying your premium allocation across alternative indexed strategies can help you limit your exposure to any one index, increase the chance of earning positive interest credits and seek more consistent returns in volatile markets.

It's important to note that it's impossible to know which index will perform best at any given time, and not all FIAs offer the same alternative indexes. Work with your financial professional to explore the full range of index options available within different annuity products.

Case Study: Maximizing Returns with an Alternative Index

Joe is a 65-year-old investor who has \$100,000 to invest for five years. He's interested in safe, predictable income with moderate growth potential. But he's concerned about protecting his principal from market volatility and the impact that lower interest rates will have on his investment returns.

He's considering a fixed-indexed annuity from MassMutual Ascend and is weighing his premium allocation options. Joe is familiar with the S&P 500, which is generally thought of as a top performer, but he is curious about how alternative indexes and different indexed strategies may affect his investment returns.

Joe's financial professional helps him look at his options. He shows Joe an annuity that offers indexed strategies tied to the S&P 500® Risk Control 10% index – an alternative, volatility-controlled index that provides access to the S&P 500 while limiting its risk exposure.

The S&P 500 Risk Control index limits volatility to a target level of 10% to help reduce dramatic fluctuations in the index that can occur during unstable market conditions.

A look back at historical returns

Together, they look at a comparison of crediting strategies between the S&P 500 and the S&P 500 Risk Control indexes. The tables below show how Joe's \$100,000 purchase payment would have grown based on annual returns over the ten-year period from September 1, 2013 through September 1, 2023 in a hypothetical fixed-indexed annuity that uses an S&P 500 Index 7% Cap strategy compared against an S&P 500 Risk Control 10% Index 65% Participation Rate strategy.

Year	S&P 500 1-Year Point-to-Point Strategy with 7% Cap			S&P 500 Risk Control 1-Year Point-to-Point Strategy with 65% Participation Rate		
	S&P 500 Index Return	Strategy Return	Account Value	S&P 500 Risk Control Index Return	Strategy Return	Account Value
2014	22.68%	7.00%	107,000	17.57%	11.42%	111,420
2015	-4.46%	0.00%	107,000	-7.52%	0.00%	111,420
2016	13.42%	7.00%	114,490	4.75%	3.08%	114,851
2017	14.08%	7.00%	122,504	14.04%	9.12%	125,325
2018	17.15%	7.00%	131,079	16.17%	10.51%	138,496
2019	0.85%	0.85%	132,193	-2.62%	0.00%	138,496
2020	20.50%	7.00%	141,446	11.26%	7.31%	148,620
2021	28.28%	7.00%	151,347	15.21%	9.95%	163,407
2022	-12.31%	0.00%	151,347	-7.67%	0.00%	163,407
2023	13.83%	7.00%	161,941	11.24%	7.30%	175,335
Avg. Return	11.40%	4.98%		7.25%	5.86%	

When 7.25% is more than 11.40%

In this specific scenario, although the S&P 500® index had a higher average overall return of either index, the indexed strategy's 7% cap limited Joe's ability to capture the gains. On the other hand, the S&P 500 Risk Control index had a lower average overall return of either index, but Joe was able to maximize growth with the indexed strategy's 65% participation rate, resulting in a higher average annual strategy return for the period. This could have resulted in \$13,394 more in account value at the end of the ten-year period.

Returns in real time

After considering the options, Joe decides to purchase a fixed-indexed annuity from MassMutual Ascend and allocate his \$100,000 purchase payment to the S&P 500 Risk Control 1-Year Point-to-Point with Participation Rate strategy.

Take a look at Joe's most recent annuity statement to see how this strategy performed for him in real time over a one-year period.

MassMutual Ascend

Your Annuity Statement

Statement Period: 09/20/2023 - 09/20/2024

Product issued by:
MassMutual Ascend Life Insurance Company
800-854-3649
MassMutualAscend.com

Joe Smith
123 Main Street
Cincinnati, OH 45202

Contract Number: 123456789
Owner(s): Joe Smith
Annuitant(s): Joe Smith
Effective Date: 09/20/2023
Tax Qualification: Non Qualified
Annuity Product: Fixed-indexed annuity

Financial Professional:
Karen Williams
800-000-000
kwilliams@domain.com

Performance Summary for Statement Period

Strategy	Participation Rate	Index Change	Your Credited Interest Rate*
SP500 Risk Ctrl 1YR Point-to-Point Par Rate	85%	21.27%	18.08%

*Your Credited Interest Rate is for amounts held for the entire statement period and does not take withdrawals into account.

Statement reflects an actual MassMutual Ascend customer's one-year return on a fixed-indexed annuity using the S&P 500 Risk Control 1-Year Point-to-Point with Participation Rate strategy.

Maximizing returns with alternative indexes can help you navigate the complexities of today's financial landscape with greater confidence. Talk to your financial professional today to see if a fixed-indexed annuity from MassMutual Ascend is right for you.

For advice tailored to your specific circumstances, contact your financial professional.

The S&P 500 Risk Control 10% Index refers to the S&P 500 Average Daily Risk Control 10% USD Price Return Index. The launch date of this index was April 4, 2013.

The information presented reflects a hypothetical cap and hypothetical participation rate. The actual cap and participation rate that we might have applied during this period would have been different and might have been significantly lower or higher. Different assumptions would lead to different results.

Past performance does not guarantee future results. Performance can vary significantly over time. Early withdrawal charges and market value adjustments may apply. In addition, the one-year terms for our fixed-indexed annuities are not based on rolling periods or calendar years but start on the 6th and 20th of each month. Numbers reflect rounding.

These tables are not intended to show past or future performance of any indexed strategy. There is not one particular crediting method or indexed strategy that performs better than others in all market environments.

A withdrawal before the end of a term may impact the strategy value at the end of the term. When you buy a fixed-indexed annuity, you own an insurance contract. You are not buying shares of any stock or index. You cannot invest directly in an index.

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