

# Comparing Triggers and Caps

An indexed strategy with a performance trigger credits a fixed rate of interest when there is a flat or positive index return. An indexed strategy with a cap credits interest, up to the cap, when there is a positive index return.

## Rolling returns

Using one-year rolling returns for the S&P 500® Index from January 2003 through December 2022, you can see how both a 5-year cap lock strategy and a 1-year point-to-point with cap strategy would outperform a trigger strategy 60% of the time. The analysis includes more than 4,700 observations.

	Strategy with 8% Trigger Rate	Strategy with 10.50% Cap	Strategy with 5-Year Cap Lock with 9% Cap
Maximum Return	8.00%	10.50%	9.00%
Average Return	6.50%	7.18%	6.35%
Outperformer	21% of the time	60% of the time	60% of the time

During this time period, the trigger and cap strategies would have performed equally 19% of the time.

## Returns over last 10 years

The tables below show how a \$100,000 purchase payment would have grown over the last 10 years using the S&P 500® trigger strategy compared to the point-to-point (PTP) cap strategy.

Year	S&P 500 Index Return	Strategy with 8% Trigger Rate		1-Year Point-to-Point Strategy with 10.50% Cap		5-Year Cap Lock Annual PTP Strategy with 9% Cap	
		Strategy Return	Account Value	Strategy Return	Account Value	Strategy Return	Account Value
2013	29.60%	8.00%	\$108,000	10.50%	\$110,500	9.00%	\$109,000
2014	11.39%	8.00%	\$116,640	10.50%	\$122,103	9.00%	\$118,810
2015	-0.73%	0.00%	\$116,640	0.00%	\$122,103	0.00%	\$118,810
2016	9.54%	8.00%	\$125,971	9.54%	\$133,745	9.00%	\$129,503
2017	19.42%	8.00%	\$136,049	10.50%	\$147,788	9.00%	\$141,158
2018	-6.24%	0.00%	\$136,049	0.00%	\$147,788	0.00%	\$141,158
2019	28.88%	8.00%	\$146,933	10.50%	\$163,306	9.00%	\$153,862
2020	16.26%	8.00%	\$158,687	10.50%	\$180,453	9.00%	\$167,710
2021	26.89%	8.00%	\$171,382	10.50%	\$199,401	9.00%	\$182,804
2022	-19.44%	0.00%	\$171,382	0.00%	\$199,401	0.00%	\$182,804
Avg. Return	11.56%	5.60%		7.25%		6.30%	

If a positive index return is below the trigger, the trigger rate is credited. If a positive index return is below the cap, the index return is credited. The caps and triggers used in the tables are hypothetical. During the periods shown, the actual caps that we applied to our fixed-indexed annuities varied by product and from term to term. Similarly, the trigger rates available during the time periods shown in the tables may have been significantly higher. If we used lower caps and higher trigger rates in the tables, the results would be very different and may have shown that indexed strategies with a trigger outperformed index strategies with a cap. The caps that we might have applied during those periods would have been different and might have been significantly lower. We do not offer triggers with our fixed-indexed annuities. 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.

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