

# Understanding the impact of withdrawals

## with an Index Summit 6 registered index-linked annuity

When your clients purchase an Index Summit 6 registered index-linked annuity, they will have access to a portion of their money each year without charges. However, withdrawals taken prior to the end of a term will affect their investment base. The following examples show what happens if your clients decide to take a withdrawal in the middle of a term.

### Hypothetical examples

What happens if my client takes a withdrawal when the index is rising?

The following example assumes:

- \$100,000 is allocated to a 1-year term with participation rate indexed strategy that offers a 75% upside participation rate and a 50% downside participation rate
- The client takes a penalty-free \$10,000 withdrawal in month four
- At the time of the withdrawal, the daily value percentage\* is 2.33%
- At the end of the term, the index increase is 15%

Step 1: Determine the strategy value

$$\begin{array}{ccccc}
 \text{\$100,000} & & & & \text{\$2,330 gain} \\
 \text{investment base} & + & (\text{\$100k purchase payment} \times 2.33\% \text{ daily value percentage}) & = & \text{\$102,330} \\
 & & & & \text{strategy value}
 \end{array}$$

Step 2: Determine the strategy value reduction

$$\begin{array}{ccccc}
 \text{\$10,000} & & & & \text{\$102,330} \\
 \text{withdrawal} & \div & \text{strategy value} & = & \text{9.77\%} \\
 & & & & \text{reduction}
 \end{array}$$

Step 3: Determine the investment base proportional reduction

$$\begin{array}{ccccc}
 \text{\$100,000} & & & & \text{9.77\%} \\
 \text{starting investment} & \times & \text{reduction} & = & \text{\$9,770} \\
 \text{base} & & & & \text{investment base} \\
 & & & & \text{reduction}
 \end{array}$$

Step 4: Determine the strategy value at the end of the term

$$\begin{array}{ccccc}
 \text{\$90,230} & & & & \text{+11.25\% increase} \\
 \text{investment base} & - & (\text{15\% index change} \times 75\% \text{ upside participation rate}) & = & \text{\$100,380} \\
 \text{after withdrawal} & & & & \text{ending strategy value}
 \end{array}$$

## What happens if my client takes a withdrawal when the index is falling?

### The following example assumes:

- \$100,000 is allocated to a 1-year term with participation rate indexed strategy that offers a 75% upside participation rate and 50% downside participation rate
- The client takes a penalty-free \$10,000 withdrawal in month four
- At the time of the withdrawal, the daily value percentage\* is -2.10%
- At the end of the term, the index decrease is -15%

#### Step 1: Determine the strategy value

$$\begin{array}{ccccc} \$100,000 & + & \$2,100 \text{ loss} & = & \$97,900 \\ \text{investment base} & & (\$100\text{k purchase payment} \times 2.10\% \text{ daily value percentage}) & & \text{strategy value} \end{array}$$

#### Step 2: Determine the strategy value reduction

$$\begin{array}{ccccc} \$10,000 & \div & \$97,900 & = & 10.21\% \\ \text{withdrawal} & & \text{strategy value} & & \text{reduction} \end{array}$$

#### Step 3: Determine the investment base proportional reduction

$$\begin{array}{ccccc} \$100,000 & \times & 10.21\% & = & \$10,210 \\ \text{starting investment base} & & \text{reduction} & & \text{investment base reduction} \end{array}$$

#### Step 4: Determine the strategy value at the end of the term

$$\begin{array}{ccccc} \$89,790 & - & -7.5\% \text{ decrease} & = & \$83,056 \\ \text{investment base after withdrawal} & & (-15\% \text{ index change} \times 75\% \text{ upside participation rate}) & & \text{ending strategy value} \end{array}$$

\*The Daily Value Percentage is a complex calculation involving multiple factors. Please see the Special Terms Related To Daily Value Percentage section of the prospectus for more information. To obtain a copy of the prospectus, please visit [MassMutualAscend.com/RILArates](https://MassMutualAscend.com/RILArates).

Annuities are intended to be long-term products and may not be suitable for all investors. Withdrawals from an annuity contract may have tax consequences. MassMutual Ascend's registered index-linked annuities can only be sold through a Broker/Dealer that is contracted with MassMutual Ascend Life Insurance Company. Any sales solicitation must be accompanied or preceded by a prospectus. To obtain a copy of the prospectus, please visit [MassMutualAscend.com/RILArates](https://MassMutualAscend.com/RILArates).

Principal Underwriter/Distributor: MM Ascend Life Investor Services, LLC, member FINRA and an affiliate of MassMutual Ascend.

Products issued by MassMutual Ascend Life Insurance Company (Cincinnati, Ohio), a wholly owned subsidiary of Massachusetts Mutual Life Insurance Company (MassMutual), under contract form number P1825218NW. Form numbers, product features and availability may vary by state.

For producer use only. Not for use in sales solicitation.

NOT A BANK OR CREDIT UNION DEPOSIT OR OBLIGATION • NOT FDIC OR NCUA-INSURED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • NOT GUARANTEED BY ANY BANK OR CREDIT UNION

∴ **MassMutual Ascend**