



Prudential Annuities Service Center  
P.O. Box 7960  
Philadelphia, PA 19176  
Tel 800-513-0805 Fax 800-207-7806  
[www.prudential.com](http://www.prudential.com)

## **New Jersey Prudential FlexGuard® Income 2.0 Registered Index-Linked Annuity Disclosure**

Prudential FlexGuard® Income 2.0 is issued by Pruco Life Insurance Company on Forms FGI (11/25) and RID-VIB(11/25).

This disclosure provides an explanation of key product terms and a chart example of how Prudential FlexGuard® Income 2.0 annuity performs in different hypothetical market scenarios.

### **Things to know before you begin**

Please note that the Index Strategies, which provide benefits under the Prudential FlexGuard® Income 2.0 are linked to external indices and do not directly invest in any index. FlexGuard Income 2.0 includes an Index-Linked Variable Income Benefit (described below). The charge for this benefit is based on Account Value and is assessed on the Index Anniversary Date after any applicable Index Credit and fixed interest, but before any withdrawals. This charge is not reflected in the examples below.

## **Section 1: Definitions**

**Annual Income Amount** – The amount that can be withdrawn from your Annuity under the Index Linked Variable Income Benefit during an Annuity Year without decreasing future amounts by other than Index Credits.

**Buffer** – The amount of protected negative Index Return applied to the Account Value allocated to an Index Strategy at the end of an Index Strategy Term. Any negative Index Return in excess of the Buffer reduces the Account Value.

**Cap Rate** –The Cap Rate limits the amount of Index Credit that may be credited to the Index Strategy Base on any Index Strategy End Date when the Index Return is positive. A different Cap Rate may be declared for different Indices, Buffers and different Index Strategy Terms.

**Fixed Account** – An interest-bearing account that credits a fixed rate compounded and credited daily at an annual effective interest rate declared by us. We will declare an interest rate at least annually for the Fixed Account that will not be less than the Guaranteed Minimum Interest Rate for any amounts in or transferred to the Fixed Account.

**Flexible Allocation** – The Flexible Allocation feature allows a contract Owner to transfer the Index Strategy Interim Value or Fixed Account Value to a new Index Strategy more than 15 days prior to any Index Anniversary Date. Flexible Allocation is only available in the Savings Stage.

**Index (Indices)** – The underlying Index or exchange traded fund (ETF) associated with an Index Strategy and used to determine the Index Return in determining the Index Credit.

**Index Anniversary Date** – The same day, each calendar year, as the Index Effective Date of the Annuity.

**Index Credit** – the percent of Index Return used to calculate the amount the Owner receives on an Index Strategy End Date. For purposes of this Disclosure, the Index Credit may also be referenced as a rate.

**Index Linked Variable Income Benefit** - Following the Income Stage Waiting Period, while there is Account Value, the Owner may take an Annual Income Amount as one or multiple Income Withdrawals for each Annuity Year for a single Protected Life or Joint Protected Lives as chosen by the Owner. All benefits provided are based on the Index

Credits applied to the Index Strategies and, therefore, not guaranteed as to a fixed dollar amount. Once Income Withdrawals have started, the allocation options are limited to 1-year Term Index Strategies and the Fixed Account. If the Account Value is reduced to zero and the Annuity meets certain requirements, we continue to provide benefit payments until the death of the Protected Life or both Joint Protected Lives.

**Index Return** – The percentage change in the Index Value from the Index Strategy Start Date to the Index Strategy End Date, which is used to determine the Index Credit for an Index Strategy. An Index Return is calculated by taking the Index Value on the Index Strategy End Date, minus the Index Value on the Index Strategy Start Date, and then dividing by the Index Value on the Index Strategy Start Date.

**Index Strategy Base** – The amount of Account Value allocated to an Index Strategy on an Index Strategy Start Date. The Index Strategy Base is used in the calculation of any Index Credit and in the calculation of the Interim Value. The Index Strategy Base is reduced for any reallocations, benefit charges or withdrawals that occur between and Index Strategy Start Date and Index Strategy End Date in the same proportion that the total withdrawal, benefit charge or reallocation amount reduces the Interim Value.

**Index Strategy End Date** – The last day of an Index Strategy Term. This is the day any applicable Index Credit would be credited to the Index Strategy.

**Index Strategy Start Date** – The first day of an Index Strategy Term.

**Index Strategy Term** – The time period allocated to each Index Strategy. The term begins on the Index Strategy Start Date and ends on the Index Strategy End Date.

**Index Value** – The value of the Index that is published by the Index provider at the close of each day that the Index is calculated.

**Interim Value** – The value of an Index Strategy on any Valuation Day during an Index Strategy Term other than the Index Strategy Start Date and Index Strategy End Date. It is a calculated value (as described in the Interim Value section) and is used when a withdrawal, death benefit payment, reallocation, Performance Lock, benefit charge, annuitization, or surrender occurs between an Index Strategy Start Date and Index Strategy End Date. During an Index Strategy Term, the Interim Value is included in the Account Value and Surrender Value. Interim Value does not apply to the Fixed Account.

**Market Value Adjustment (MVA)** – An adjustment (positive or negative) that applies to any withdrawal(s) taken from the Index Strategies and/or Fixed Account that exceeds the Free Withdrawal amount or upon a Surrender during a MVA Period.

**MVA Period** – A [6] year period beginning on the Index Effective Date that renews every [6] years in which a MVA will apply to Partial Withdrawal amounts above the maximum Free Withdrawal amount and Surrenders. For a period of [30] days prior to and including the MVA Period end date, the MVA will be waived for any Withdrawal or Surrender. For an additional period of [60] days following the end of each MVA Period, the MVA will be waived for any Withdrawal or Surrender taken from the Fixed Account.

**Participation Rate** – The percentage of any Index increase that will be used in calculating the Index Credit at the end of an Index Strategy Term for the Tiered Participation Rate Index Strategy, Participation Rate with Cap Index Strategy or the Step Rate Plus Index Strategy. A different Participation Rate may be declared for different Index Strategies, Indices, and Buffers.

**Performance Lock** – A feature under this Contract that allows you to capture the current Interim Value. A Performance Lock Request may be submitted on any Valuation Day prior to or on the Index Strategy End Date. Only one Performance Lock may be active for any given Index Strategy during a respective Index Strategy Term. Performance Locks may not be applied retroactively and must be for the full amount of the Index Strategy Interim Value. Partial locking of an Index Strategy is not permitted. Once locked, Index Credits will not apply on the Index Strategy End Date. Performance Lock is not available for the Fixed Account.

**Performance Lock Date** – The Valuation Date on which we process the Performance Lock transaction.

**Performance Lock Request** – You may request a Performance Lock by contacting us and providing in Good Order instructions. Instructions received after the close of any Valuation Day will be applied on the next Valuation Day.

**Spread** - The Spread reduces the value of positive Index Returns used in the calculation of Index Credits that may be applied to the Index Strategy Base on any Index Strategy End Date. The Spread percentage may vary by Index, Index Strategy Term, Cap Rate and Buffer. Multiple Spread options with different Cap Rates may be offered with the same level of Buffer.

**Step Rate** – The Step Rate is the declared rate that may be credited to amounts allocated to the Step Rate Plus Index Strategy for any given Index Strategy Term if the Index Return is zero or positive and less than the declared Step Rate. A different Step Rate may be declared for different Indices.

**Surrender Charge:** This is a sales charge that may be deducted when you make a surrender or take a partial withdrawal from your Annuity. We refer to this as a surrender charge because it is imposed only if you surrender or take a withdrawal from your Annuity. The charge is a percentage of the Account Value that is being withdrawn more than the remaining free Withdrawal Amount in a Contract Year or upon surrender.

**Tier Level** – The declared Index Return that is used to determine which Participation Rate tier applies in the calculation of Index Credit in the Tiered Participation Rate Index Strategy.

## Section 2: How the Index Strategies Work

**Cap Rate** - If the Index Return is positive and equal to or greater than the Cap Rate, then the Index Credit is equal to the Cap Rate. If the Index Return is positive, but less than the Cap Rate, the Index Credit is equal to the Index Return.

If the Index Return is negative and less than or equal to the Buffer, the Index Credit is zero. Otherwise, the Index Credit is equal to the Index Return in excess of the Buffer.

**Dual Directional** - If the Index Return is positive and greater than or equal to the Cap Rate, then the Index Credit is equal to the Cap Rate. If the Index Return is zero or positive, but less than the Cap Rate, then the Index Credit is equal to the Index Return. The Cap Rate for Dual Directional will always be less than or equal to the Cap Rate for the Cap Rate Index Strategy.

If the Index Return is negative and is within or equal to the Buffer, then the Index Credit will be the absolute value (without regard to the mathematical sign (positive or negative)) of the Index Return, not limited by the Cap Rate. Otherwise, if the Index Return is negative and exceeds the Buffer, then the Index Credit is equal to the Index Return in excess of the Buffer.

**Enhanced Cap Rate** - If the index return is positive and greater than or equal to the Cap Rate plus the Spread, the Index Credit is equal to the Cap Rate. If the Index Return is positive and greater than the Spread but less than the Cap Rate plus the Spread, the Index Credit is equal to the Index Return minus the Spread. If the Index Return is greater or equal to zero and less than or equal to the Spread, the Index Credit is zero.

Negative Index Returns are not impacted by the Spread. If the Index Return is negative and within the Buffer, the Spread is not applicable, and the Index Credit is zero. If the Index Return is negative and exceeds the Buffer, the Spread is not applicable, and the Index Credit is equal to the Index Return in excess of the Buffer.

**Participation Rate with Cap** – If the Index Return is positive, the Index Credit is equal to the Index Return multiplied by the Participation Rate up to the Cap Rate. If the Index Return is zero or negative, but less than or equal to the Buffer, the Index Credit is zero. If the Index Return is negative, and is greater than the Buffer, the Index Credit is equal to the Index Return in excess of the Buffer.

**Step Rate Plus** - If the Index Return is zero or positive and less than or equal to the declared Step Rate, then the Index Credit is equal to the Step Rate. If the Index Return is greater than the declared Step Rate, the Index Credit is equal to greater of the Index Return multiplied by the Participation Rate or the Step Rate.

If the Index Return is negative and less than or equal to the Buffer, the Index Credit is zero. Otherwise, the Index Credit is equal to the negative Index Return in excess of the Buffer.

**Tiered Participation Rate** - If the Index Return is between zero and the declared Tier Level, then the Index Credit is equal to the Index Return multiplied by the 1st tier Participation Rate. If the Index Return is greater than the declared Tier Level, the Index Credit is the sum of the Index Return, up to the Tier Level, multiplied by the Participation Rate for the 1st tier and the remaining Index Return multiplied by the Participation Rate for the 2nd tier.

If the Index Return is negative and less than or equal to the Buffer, the Index Credit is zero. Otherwise, the Index Credit is equal to the negative Index Return in excess of the Buffer.

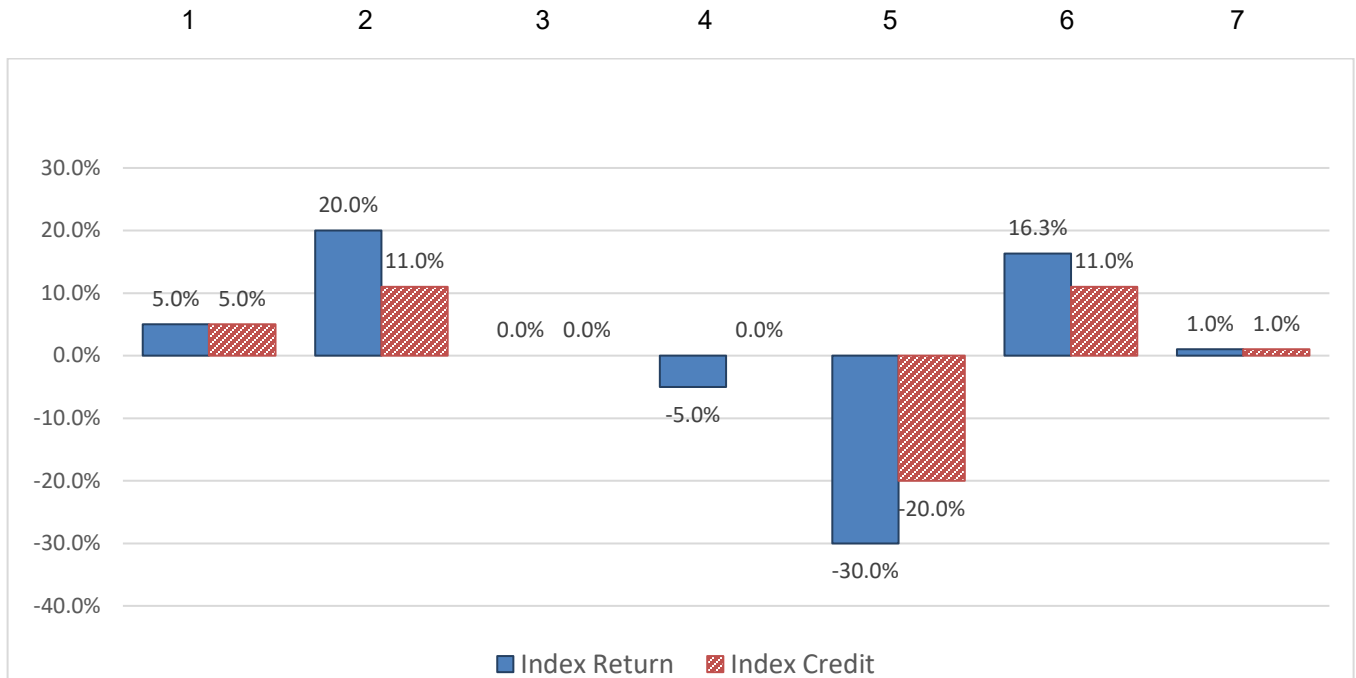
### Section 3: Examples (all examples use rounding)

#### Cap Rate

The following example illustrates how a hypothetical initial \$100,000 Purchase Payment would perform over a 7-year period given fluctuating Index Value. The example assumes \$100,000 is allocated into a 1-year Cap Rate Index Strategy with a 10% Buffer and renews into the same strategy each year for 7 years.

End of Contract Year	1	2	3	4	5	6	7
A. Index Strategy Base on Index Strategy Start Date	\$100,000	\$105,000	\$116,550	\$116,550	\$116,550	\$93,240	\$103,496
(a) Index Value on Index Strategy Start Date	1,000	1,050	1,260	1,260	1,197	838	975
(b) Index Value on Index Strategy End Date	1,050	1,260	1,260	1,197	838	975	985
(c) Index Return= $((b)-(a))/(a)$	5.0%	20.0%	0.0%	-5.0%	-30.0%	16.3%	1.0%
(d) Cap Rate	11%	11%	11%	11%	11%	11%	11%
(e) Buffer	10%	10%	10%	10%	10%	10%	10%
(f) Index Credit: If (c) ≥ 0, min[(c),(d)] If (c) < 0, min[(c)+(e),0]	5.0%	11.0%	0.0%	0.0%	-20.0%	11.0%	1.0%
(g) Index Credit Adjustment=A x (f)	\$5,000	\$11,550	\$0	\$0	<b>(\$23,310)</b>	\$10,256	\$1,034
<b>B. Index Strategy Base on Index Strategy End Date=A+(g)</b>	<b>\$105,000</b>	<b>\$116,550</b>	<b>\$116,550</b>	<b>\$116,550</b>	<b>\$93,240</b>	<b>\$103,496</b>	<b>\$104,530</b>

### End of Contract Year

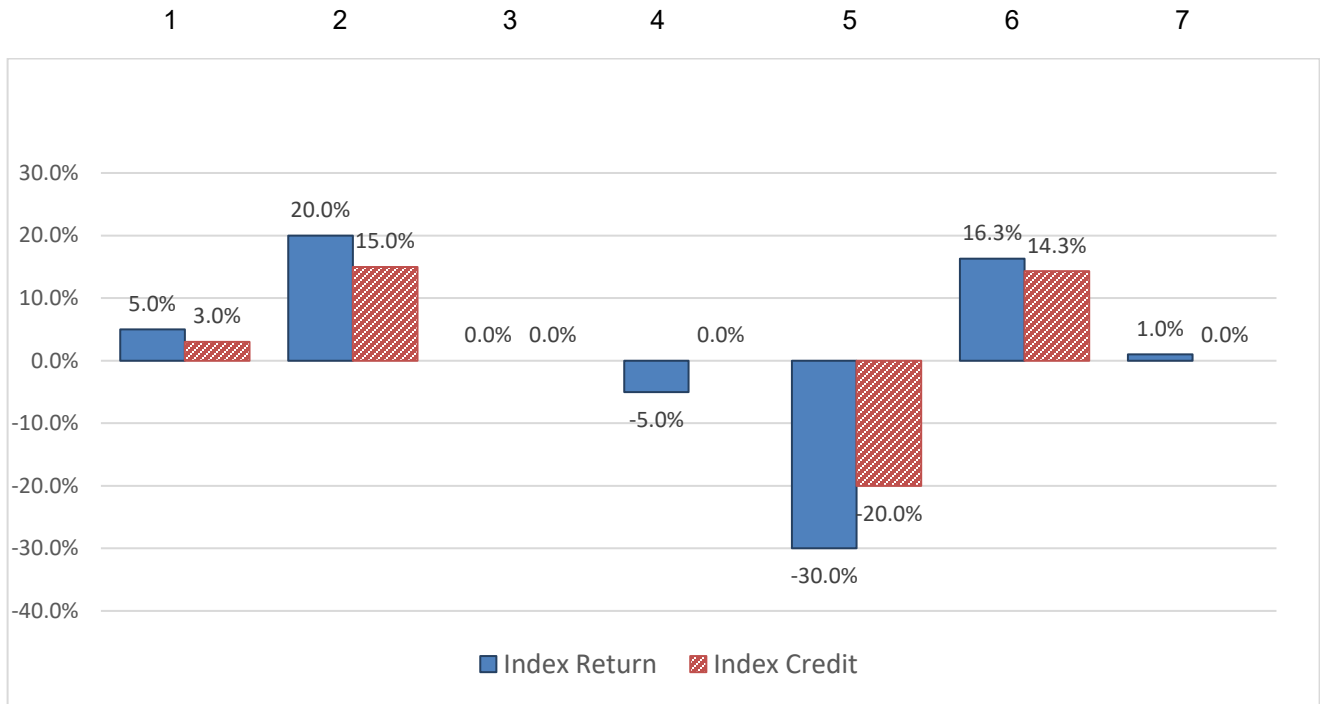


### Enhanced Cap Rate

The following example illustrates how a hypothetical initial \$100,000 Purchase Payment would perform over a 7-year period given fluctuating Index Value. The example assumes \$100,000 is allocated into a 1-year Enhanced Cap Rate Index Strategy with a 10% Buffer and 2% Spread, which renews into the same strategy each year for 7 years.

End of Contract Year	1	2	3	4	5	6	7
A. Index Strategy Base on Index Strategy Start Date	\$100,000	\$103,000	\$118,450	\$118,450	\$118,450	\$94,760	\$108,310
(a) Index Value on Index Strategy Start Date	1,000	1,050	1,260	1,260	1,197	838	975
(b) Index Value on Index Strategy End Date	1,050	1,260	1,260	1,197	838	975	985
(c) Index Return=((b)-(a))/(a)	5.0%	20.0%	0.0%	-5.0%	-30.0%	16.3%	1.0%
(d) Cap Rate	15%	15%	15%	15%	15%	15%	15%
(e) Spread	2%	2%	2%	2%	2%	2%	2%
(f) Buffer	10%	10%	10%	10%	10%	10%	10%
(g) Index Credit:							
If and [(c) > 0, (c) >=(d) + (e)], (d)							
If and [(c) > (e), (c) <(d)+(e)], (c)-							
(e)	3.0%	15.0%	0.0%	0.0%	-20.0%	14.3%	0.0%
If and [(c) >=0, (c) <= (e)],0							
If (c)<0, min[(c)+(f),0]							
(h) Index Credit Adjustment=A*(f)	\$3,000	\$15,450	\$0	\$0	<b>\$(23,690)</b>	\$13,550	\$0
B. Index Strategy Base on Index Strategy End Date=A+(g)	\$103,000	\$118,450	\$118,450	\$118,450	\$94,760	\$108,310	\$108,310

### End of Contract Year

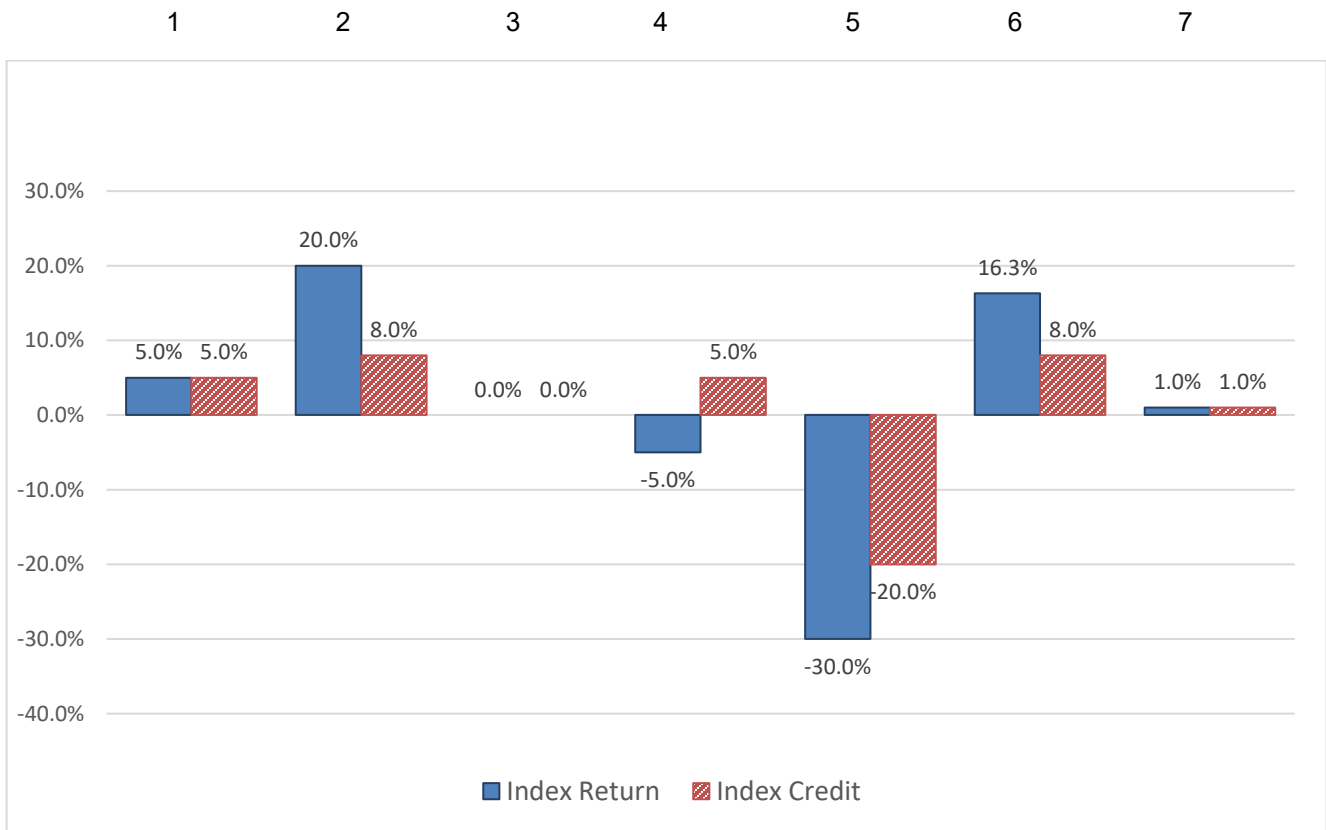


### Dual Directional

The following example illustrates how a hypothetical initial \$100,000 Purchase Payment would perform over a 7-year period given fluctuating Index Value. The example assumes \$100,000 is allocated into a 1-year Dual Directional Index Strategy with a 10% Buffer and renews into the same strategy each year for 7 years.

End of Contract Year	1	2	3	4	5	6	7
<b>A. Index Strategy Base on Index Strategy Start Date</b>	\$100,000	\$105,000	\$113,400	\$113,400	\$119,070	\$95,256	\$102,876
(a) Index Value on Index Strategy Start Date	1,000	1,050	1,260	1,260	1,197	838	975
(b) Index Value on Index Strategy End Date	1,050	1,260	1,260	1,197	838	975	985
(c) Index Return= $((b)-(a))/(a)$	5.0%	20.0%	0.0%	-5.0%	-30.0%	16.3%	1.0%
(d) Cap Rate	8%	8%	8%	8%	8%	8%	8%
(e) Buffer	10%	10%	10%	10%	10%	10%	10%
(f) Index Credit: If (c) $\geq 0$ min [(c), (d)] If (c) $< 0$ and $(-1) * (c) \leq (e)$ , $(-1) * (c)$ If (c) $< 0$ , min[(c)+(e),0]	5.0%	8.0%	0.0%	5.0%	-20.0%	8.0%	1.0%
(g) Index Credit Adjustment= $A*(f)$	\$5,000	\$8,400	\$0	\$5,670	<b>\$(23,814)</b>	\$7,620	\$1,028
<b>B. Index Strategy Base on Index Strategy End Date=<math>A+(g)</math></b>	<b>\$105,000</b>	<b>\$113,400</b>	<b>\$113,400</b>	<b>\$119,070</b>	<b>\$95,256</b>	<b>\$102,876</b>	<b>\$103,904</b>

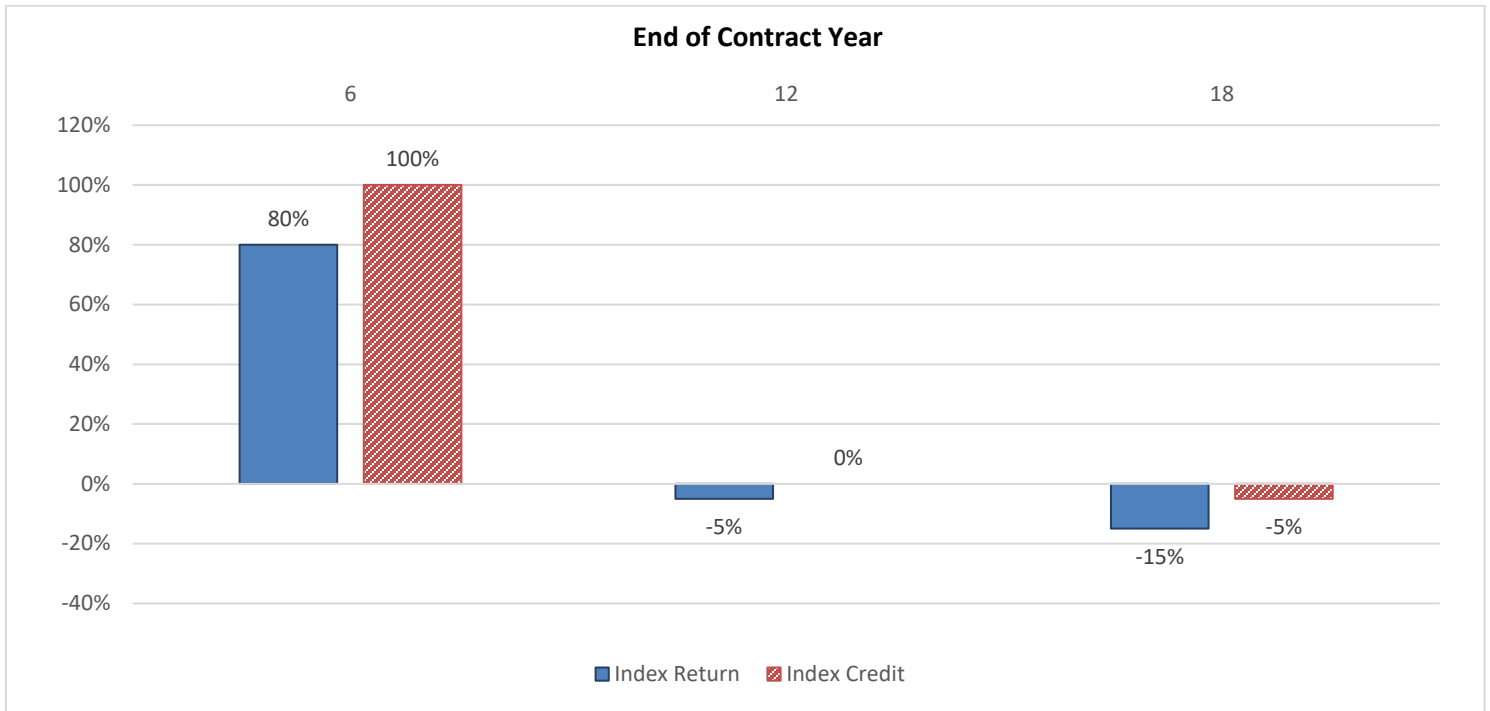
### End of Contract Year



### Participation Rate with Cap

The following example illustrates how a hypothetical initial \$100,000 Purchase Payment would perform over an 18-year period given fluctuating Index Value. The example assumes \$100,000 is allocated into a 6-year Participation Rate with Cap Index Strategy with a 100% Cap Rate and 130% Participation Rate and 10% Buffer and renews into the same 6-year strategy for 18 years.

End of Contract Year	6	12	18
<b>A. Index Strategy Base on Index Strategy Start Date</b>	100,000	200,000	200,000
(a) Index Value on Index Strategy Start Date	1,000	1,800	1,710
(b) Index Value on Index Strategy End Date	1,800	1,710	1,453.5
(c) Index Return= $((b)-(a))/(a)$	80.0%	-5.0%	-15.0%
(d) Par Rate	130%	130%	130%
(e) Cap Rate	100%	100%	100%
(f) Buffer	10%	10%	10%
(g) Index Credit:	100.0%	0.0%	-5.0%
If (c) $\geq 0$ , $\min[(c) * (d), (e)]$			
If (c) $< 0$ , $\min[(c)+(f), 0]$			
(h) Index Credit Adjustment= $A*(g)$	<b>100,000</b>	<b>0</b>	<b>(10,000)</b>
<b>B. Index Strategy Base on Index Strategy End Date=A+(h)</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$190,000</b>

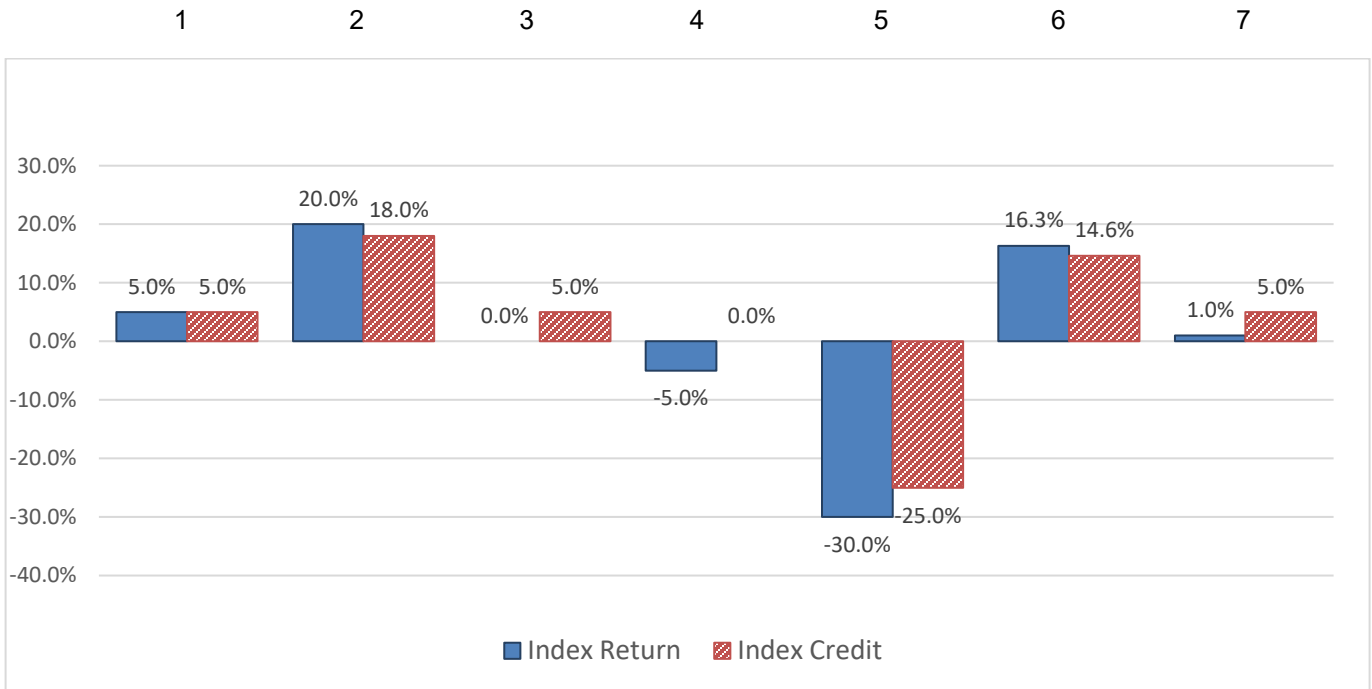


### Step Rate Plus

The following example illustrates how a hypothetical initial \$100,000 Purchase Payment would perform over a 7-year period given fluctuating Index Value. The example assumes \$100,000 is allocated into a 1-year Step Rate Plus Index Strategy with a 5% Step Rate and 90% Participation Rate with a 5% Buffer and renews into the same strategy each year for 7 years.

End of Contract Year	1	2	3	4	5	6	7
A. Index Strategy Base on Index Strategy Start Date	\$100,000	\$105,000	\$123,900	\$130,095	\$130,095	\$97,571	\$111,816
(a) Index Value on Index Strategy Start Date	1,000	1,050	1,260	1,260	1,197	838	975
(b) Index Value on Index Strategy End Date	1,050	1,260	1,260	1,197	838	975	985
(c) Index Return=((b)-(a))/(a)	5.0%	20.0%	0.0%	-5.0%	-30.0%	16.3%	1.0%
(d) Step Rate	5%	5%	5%	5%	5%	5%	5%
(e) Participation Rate	90%	90%	90%	90%	90%	90%	90%
(f) Buffer	5%	5%	5%	5%	5%	5%	5%
(g) Index Credit: If (c) ≥ 0, max[(d), ((c) x (e))] If (c) < 0, min[(c)+(f),0]	5.0%	18.0%	5.0%	0.0%	-25.0%	14.6%	5.0%
(h) Index Credit Adjustment=A x (g)	\$5,000	\$18,900	\$6,195	\$0	<b>(\$32,524)</b>	\$14,245	\$5,590
<b>B. Index Strategy Base on Index Strategy End Date=A+(h)</b>	<b>\$105,000</b>	<b>\$123,900</b>	<b>\$130,095</b>	<b>\$130,095</b>	<b>\$97,571</b>	<b>\$111,816</b>	<b>\$117,406</b>

### End of Contract Year

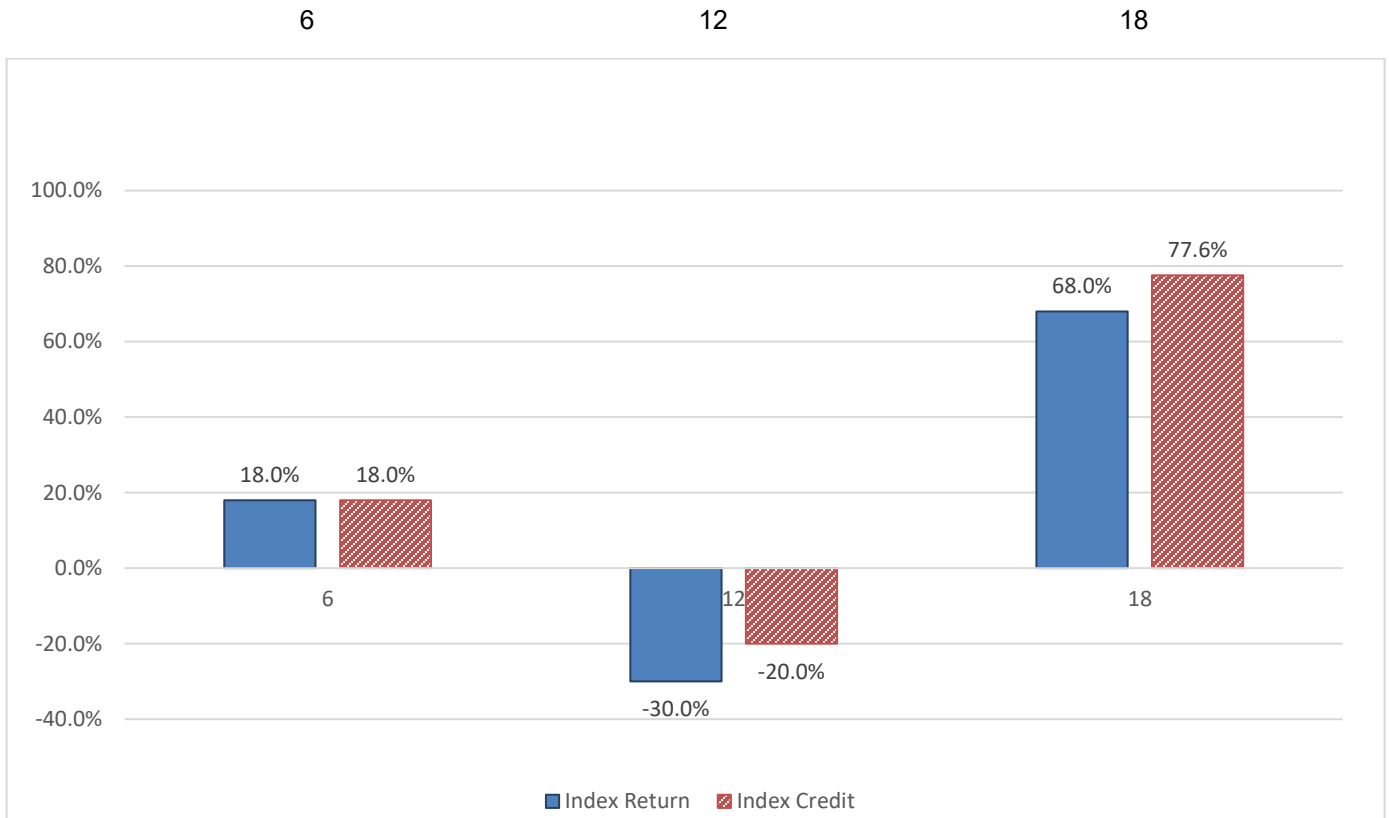


### Tiered Participation Rate

The following example illustrates how a hypothetical initial \$100,000 Purchase Payment would perform over an 18-year period given fluctuating Index Value. The example assumes \$100,000 is allocated into a 6-year Tiered Participation Rate Index Strategy with a 10% Buffer and renews into the same 6-year strategy for 18 years.

End of Contract Year	6	12	18
<b>A. Index Strategy Base on Index Strategy Start Date</b>	\$100,000	\$118,000	\$94,400
(a) Index Value on Index Strategy Start Date	1,000	1,180	826
(b) Index Value on Index Strategy End Date	1,180	826	1,388
(c) Index Return=((b)-(a))/(a)	18.0%	-30.0%	68.0%
(d) Tier 1 Participation Rate	100%	100%	100%
(e) Tier 2 Participation Rate	120%	120%	120%
(f) Tier Level	20%	20%	20%
(g) Buffer	10%	10%	10%
(h) Index Credit: If (c) ≥ 0 but ≤ (f), (c) x (d) If (c) > (f), (d) x (f) + [(c) - (f)] x (e) If (c) < 0, min[(c)+(g),0]	18.0%	-20.0%	77.6%
(i) Index Credit Adjustment=A x (h)	\$18,000	<b>(\$23,600)</b>	\$73,254
<b>B. Index Strategy Base on Index Strategy End Date=A+(i)</b>	<b>\$118,000</b>	<b>\$94,400</b>	<b>\$167,654</b>

### Contract Years



### Section 4: Interim Value Calculation Examples

On each Valuation Day during the year, other than the Index Strategy Start Date and Index Strategy End Date, each Index Strategy is valued using an Interim Value. The Interim Value is used to calculate amounts available for withdrawal (including systematic withdrawals), surrender, reallocation, Performance Lock, benefit charge, annuitization or payment of a death claim. The Interim Value also is used to determine how much the Index Strategy Base will be reduced after a reallocation or withdrawal.

The Interim Value is an amount calculated daily to provide the value of the fixed income assets allocated to the Index Strategy (Fixed Income Asset Proxy plus the current value of the portfolio of options utilized to replicate the performance of these Index Strategies at the end of the Index Strategy Term (Derivative Asset Proxy).

The value of the assets tracks the book value of the initial allocation to the Index Strategy, less the initial cost of the options. This value needs to return to the initial allocation by the end of the Index Strategy Term. The current value of the options tracks the value of the bucket of options that were purchased to replicate the performance of the index subject to the parameters of the Index Strategy at the end of the Index Strategy Term. The values of the options reflect the current assumptions that use an option market valuation formula (Black Scholes) with inputs for the volatility surface of the index, earned rates and dividend yields. Based upon this bucket of options, you will not receive the full index performance, the entire cap or be covered by the entire buffer unless you stay in the Index Strategy until the end of the Index Strategy Term. This is due to the fact that the options mature at the end of the Index Strategy Term and their values can still fluctuate until they mature.

If you plan on taking all or a portion of your value out of the Contract before the end of the Index Strategy Term, you can call the company to receive your current interim value as well as what the total account value at the end of the Index Strategy Term if there were no further changes in index returns.

The examples below outline the impact on your values within the Annuity if you have remained in the Index Strategy for only 3 months as well as if you remained in the Index Strategy with only 3 months left in the Index Strategy Term as compared to staying in the Index Strategy until the end of the Index Strategy Term. The examples look at levels of positive and negative index performance.

**Example 1: One Year Index Strategy Term Lengths**

Index Effective Date: 12/1/2022

Purchase Payment: \$400,000

Allocated to:

- 25% 1-Year Cap Rate; S&P 500; Cap Rate 10%; Buffer 10%
- 25% 1-Year Step Rate Plus; S&P 500; Step Rate 5%; Participation Rate 90%; Buffer 5%
- 25% 1-Year Dual Directional; S&P 500; Cap Rate 12%; Buffer 10%
- 25% 1-Year Enhanced Cap Rate; S&P 500; Cap Rate 15%; Buffer 10%; Spread 2%

**On the Index Effective**

	Cap Rate	Step Rate Plus	Dual Directional	Enhanced Cap Rate
Index Strategy Term (in days)	365	365	365	365
Index Strategy Base	\$100,000	\$100,000	\$100,000	\$100,000
Starting Index Value	1,000			
Total Account Value	\$400,000.00			

**Index Return is Negative**

Days elapsed since Index Strategy Start Date	89	89	89	89
Index Value on Calculation Date	700			
Index Return on Calculation Date	-30%			
1. Fixed Income Asset Proxy	\$99,271	\$96,833	\$98,193	\$98,279
2. Derivative Asset Proxy	\$(17,306)	\$(22,008)	\$(17,134)	\$(17,308)
Interim Value for each Strategy	\$81,965	\$74,825	\$81,059	\$80,971

**Total Account Value** \$318,820

Days elapsed since Index Strategy Start Date	273	273	273	273
Index Value on Calculation Date	700			
Index Return on Calculation Date	-30%			
1. Fixed Income Asset Proxy	\$99,756	\$98,933	\$99,394	\$99,423
2. Derivative Asset Proxy	\$(18,976)	\$(23,899)	\$(18,977)	\$(18,973)
Interim Value for each Strategy	\$80,780	\$75,034	\$80,417	\$80,450

**Total Account Value** \$316,681

### Index Maturity

Days elapsed since Index Strategy Start Date	365	365	365	365
Index Value on Calculation Date	700			
Index Return on Calculation Date	-30%			
Index Credit Rate	-20%	-25%	-20%	-20%
Index Credit Amount	\$(20,000.00)	\$(25,000)	\$(20,000)	\$(20,000)
Index Base + Index Credit	\$80,000.00	\$75,000	\$80,000	\$80,000

**Total Account Value** \$315,000.00

### Index Return is Positive

Days elapsed since Index Strategy Start Date	89	89	89	89
Index Value on Calculation Date	1,300			
Index Return on Calculation Date	30%			
1. Fixed Income Asset Proxy	\$99,271	\$96,833	\$98,193	\$98,279
2. Derivative Asset Proxy	\$7,539	\$29,525	\$9,367	\$11,357
Interim Value for each Strategy	\$106,810	\$126,358	\$107,560	\$109,636

**Total Account Value** \$450,364

Days elapsed since Index Strategy Start Date	273	273	273	273
Index Value on	1,300			
Index Return on	30%			
1. Fixed Income Asset Proxy	\$99,756	\$98,933	\$99,394	\$99,423
2. Derivative Asset Proxy	\$9,535	\$27,907	\$11,439	\$14,188
Interim Value for each Strategy	\$109,291	\$126,840	\$110,833	\$113,611
<b>Total Account Value</b>	<b>\$460,575</b>			

### Index Maturity

Days elapsed since Index Strategy Start Date	365	365	365	365
Index Value on Calculation Date	1,300			
Index Return on Calculation Date	30%			
Index Credit Rate	10%	27%	12%	15%
Index Credit Amount	\$10,000	\$27,000	\$12,000	\$15,000
Index Base + Index Credit	\$110,000	\$127,000	\$112,000	\$115,000
<b>Total Account Value</b>	<b>\$464,000.00</b>			

### Example 2: Six Year Index Strategy Term Lengths

Index Effective Date: 12/1/2022

Purchase Payment: \$3400,000

Allocated evenly (1/4) to:

- 6-Year Cap Rate; S&P 500; Cap Rate 75%; Buffer 10%
- 6-Year Tiered Participation Rate; S&P 500; Tier 1 100%; Tier 2 140%; Tier Level 30%; Buffer 10%
- 6-Year Dual Directional; S&P 500; Cap Rate 125%; Buffer 10%
- 6-Year Participation Rate with Cap; S&P 500; Participation Rate 120%; Cap Rate 60%; Buffer 10%

**On the Index Effective Date**

	Cap Rate	Tiered Participation Rate	Dual Directional	Participation Rate with Cap
Index Strategy Term (in days)	2,192	2,192	2,192	2,192
Index Strategy Base	\$100,000	\$100,000	\$100,000	\$100,000
Starting Index Value	1,000			
Total Account Value	\$400,000			

**Index Return is Negative**

Days elapsed since Index Strategy Start Date	89	89	89	89
Index Value on	700			
Index Return on	-30%			
1. Fixed Income Asset Proxy	\$88,739	\$78,798	\$84,966	\$89,028
2. Derivative Asset Proxy	\$(9,310)	\$(8,214)	\$(9,152)	\$(8,430)
Interim Value for each Strategy	\$79,429	\$70,584	\$75,814	\$80,598
<b>Total Account Value</b>	<b>\$306,425</b>			

Days elapsed since Index Strategy Start Date	2129	2129	2129	2129
Index Value on	700			
Index Return on	-30%			
1. Fair Value of Index Strategy Base	\$99,643	\$99,289	\$99,513	\$99,652
2. Options value	\$(19,277)	\$(19,277)	\$(19,281)	\$(19,277)
Interim Value for each Strategy	\$80,366	\$80,012	\$80,232	\$80,375
<b>Total Account Value</b>	<b>\$320,985</b>			

**Index Maturity**

Days elapsed since Index Strategy Start Date	2192	2192	2192	2192
Index Value on	700			
Index Return on	-30%			
Index Credit Rate	-20%	-20%	-20%	-20%
Index Credit Amount	\$(20,000)	\$(20,000)	\$(20,000)	\$(20,000)
Index Base + Index Credit	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000
<b>Total Account Value</b>	<b>\$320,000</b>			

**Index Return is Positive**

Days elapsed since Index Strategy Start Date	89	89	89	89
Index Value on	1,300			
Index Return on	30%			
1. Fixed Income Asset Proxy	\$88,739	\$78,798	\$84,966	\$89,028
2. Derivative Asset Proxy	\$28,393	\$57,140	\$38,068	\$28,022
Interim Value for each Strategy	\$117,132	\$135,938	\$123,034	\$117,050
<b>Total Account Value</b>	<b>\$493,154</b>			

Days elapsed since Index Strategy Start Date	2129	2129	2129	2129
Index Value on	1,300			
Index Return on	30%			
1. Fixed Income Asset Proxy	\$99,643	\$99,289	\$99,513	\$99,652
2. Derivative Asset Proxy	\$30,744	\$32,258	\$30,725	\$36,928
Interim Value for each Strategy	\$130,387	\$131,547	\$130,238	\$136,580
<b>Total Account Value</b>	<b>\$528,752</b>			

**Index Maturity**

Days elapsed since Index Strategy Start Date	2192	2192	2192	2192
Index Value on	1,300			
Index Return on	30%			
Index Credit Rate	30%	30%	30%	36%
Index Credit Amount	\$30,000.00	\$30,000.00	\$30,000.00	\$36,000
Index Base + Index	\$130,000.00	\$130,000.00	\$130,000.00	\$136,000
<b>Total Account Value</b>	<b>\$526,000.00</b>			

## Section 5: Performance Lock and Performance Lock Example

Performance Lock is a feature that allows you to capture the current Interim Value of any Index Strategy where this feature is available. Partial locking of an Index Strategy is not permitted. Once locked, Index Credits will not apply on the Index Strategy End Date. However, once locked the value will increase by a fixed interest rate until the earlier of a reallocation or the next Index Anniversary Date .

Once a Performance Lock is executed, the locked Interim Value will immediately begin earning fixed interest daily until a reallocation occurs. You may reallocate the Interim Value plus any fixed interest minus any withdrawals on the next Index Anniversary Date, or sooner via a Flexible Allocation request. At the next Index Anniversary Date immediately following Performance Lock, in the absence of reallocation instructions, or if partial Interim Value remains locked, the value will automatically be reallocated to the same Index Strategy for a new term subject to then current renewal rates.

This example utilizes the values from the earlier one-year example:

Examples:

Exercise of a Performance Lock:

Index Effective Date: 12/1/2022

Purchase Payment: \$400,000

Allocated to:

- 25% 1-Year Point-to-Point Cap Rate; S&P 500; Cap Rate 10%; Buffer 10%
- 25% 1-Year Step Rate Plus; S&P 500; Step Rate 5%; Participation Rate 90%; Buffer 5%
- 25% 1-Year Dual Directional; S&P 500; Cap Rate 12%; Buffer 10%
- 25% 1-Year Enhanced Cap Rate; S&P 500; Cap Rate 15%; Buffer 10%; Spread 2%

### On the Index Effective Date

	Point-to-Point Cap Rate	Step Rate Plus	Dual Directional	Enhanced Cap Rate
Index Strategy Term (in days)	365	365	365	365
Index Strategy Base	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000
Starting Index Value	1,000			
Total Account Value	\$400,000.00			

## Index Return is Positive

Days elapsed since Index Strategy Start Date	89	89	89	89
Index Value on Calculation Date	1,300			
Index Return on Calculation Date	30%			
1. Fixed Income Asset Proxy	\$99,271	\$96,833	\$98,193	\$98,279
2. Derivative Asset Proxy	\$7,539	\$29,525	\$9,367	\$11,357
Interim Value for each Strategy	\$106,810	\$126,358	\$107,560	\$109,636
<b>Total</b>	<b>\$450,364</b>			

30 days after Performance Lock Date and assuming the Fixed Account Interest Credited Rate is 3.00%, each of the locked strategies will be crediting annual effective interest rate of 3.00% and compounding daily for 30 days to get to the value \$451,459.49 as follows:

$$\$106,810 \times 1.03^{(30/365)} = \$107,069.81$$

$$\$126,358 \times 1.03^{(30/365)} = \$126,665.36$$

$$\$107,560 \times 1.03^{(30/365)} = \$107,821.63$$

$$\$109,636 \times 1.03^{(30/365)} = \$109,902.68$$

$$\text{Total Value: } \$107,069.81 + \$126,665.36 + \$107,821.63 + \$109,902.68 = \$451,459.49$$

## Section 6: Withdrawal and Surrender Examples

### Withdrawal Example

Issue date and Index Strategy Start Date: 7/1/2026

Index Strategy: 1 Year Cap Rate with 10% Cap and 5% Buffer

Index Strategy Base: \$50,000

Withdrawal Date: 1/4/2027

Interim Value: \$70,000

Free Withdrawal:  $10\% \times \text{Account Value at prior Anniversary Date} = 10\% \times \$50,000 = \$5,000$

Withdrawal (No Surrender Charge or MVA): \$5,000

Withdrawal divided by Interim Value:  $\$5,000 / \$70,000 = 7.143\%$

Index Strategy Base Adjustment Amount:  $\$50,000 \times 7.143\% = \$3,571.50$

Index Strategy Base after Withdrawal:  $\$50,000 - \$3,571.50 = \$46,428.50$

Index Strategy End Date: 7/1/2027

Index Return: 15%

Index Credit:  $\text{Min}(\text{Index Return, Cap Rate}) = \text{Min}(10\%, 15\%) = 10\%$

Account Value:  $\$46,428.50 \times (1+0.10) = \$51,071.35$

## Surrender Example:

7/1/2027: Account Value: \$51,071.35 and renews to another 1-year Term

1/3/2028:

Fixed Income Asset Proxy: \$44,000.00

Derivative Asset Proxy: \$11,000.00

Account Value (Interim Value) = \$55,000.00

Surrender Charge %: 8%

Surrender Amount: \$55,000.00

Surrender Charge Amount: Surrender Amount x Surrender Charge % = \$55,000.00 x 8% = \$4,400.00

MVA Factor =  $[(1 + A) / (1 + B)]^C - 1$

Where,

A = the yield associated with the Market Value Index Rate at the Index Start Date;

B = the yield associated with the Market Value Index Rate at the current date; and

C = the total days remaining in the MVA Period divided by 365, capped at the duration of the MVA Period of [6] years

MVA Period Start Date: 7/1/2026

MVA Period End Date: 7/1/2032

Valuation Date: 1/3/2028

Number of Days from Valuation Date to the MVA Period End Date: MVA Period End Date - Valuation Date: 1.641

Positive MVA:

A: 3.00%

B: 2.50%

C: (MVA Period End Date - Valuation Date)/365 = 1,641/365 = 4.49586041

MVA Factor:  $[(1+3.00\%)/(1+2.50\%)]^{(4.49589041)} - 1 = 0.022119$

MVA: Fixed Income Asset Proxy x MVA Factor = \$44,000.00 x 0.022119 = \$973.24

Cash Surrender Value: Total Account Value - Surrender Charge Amount + MVA = \$55,000.00 - \$4,400.00 + \$973.24 = \$51,573.24

Negative MVA:

A: 3.00%

B: 3.50%

C: (MVA Period End Date - Valuation Date)/365 = 1,641/365 = 4.49586041

MVA Factor:  $[(1+3.00\%)/(1+3.50\%)]^{(4.49589041)} - 1 = -0.021537$

MVA: Fixed Income Asset Proxy x MVA Factor = \$44,000.00 x (-0.021537) = -\$947.63

Cash Surrender Value: Total Account Value - Surrender Charge Amount + MVA = \$55,000.00 - \$4,400.00 + (-\$947.63) = \$49,052.37