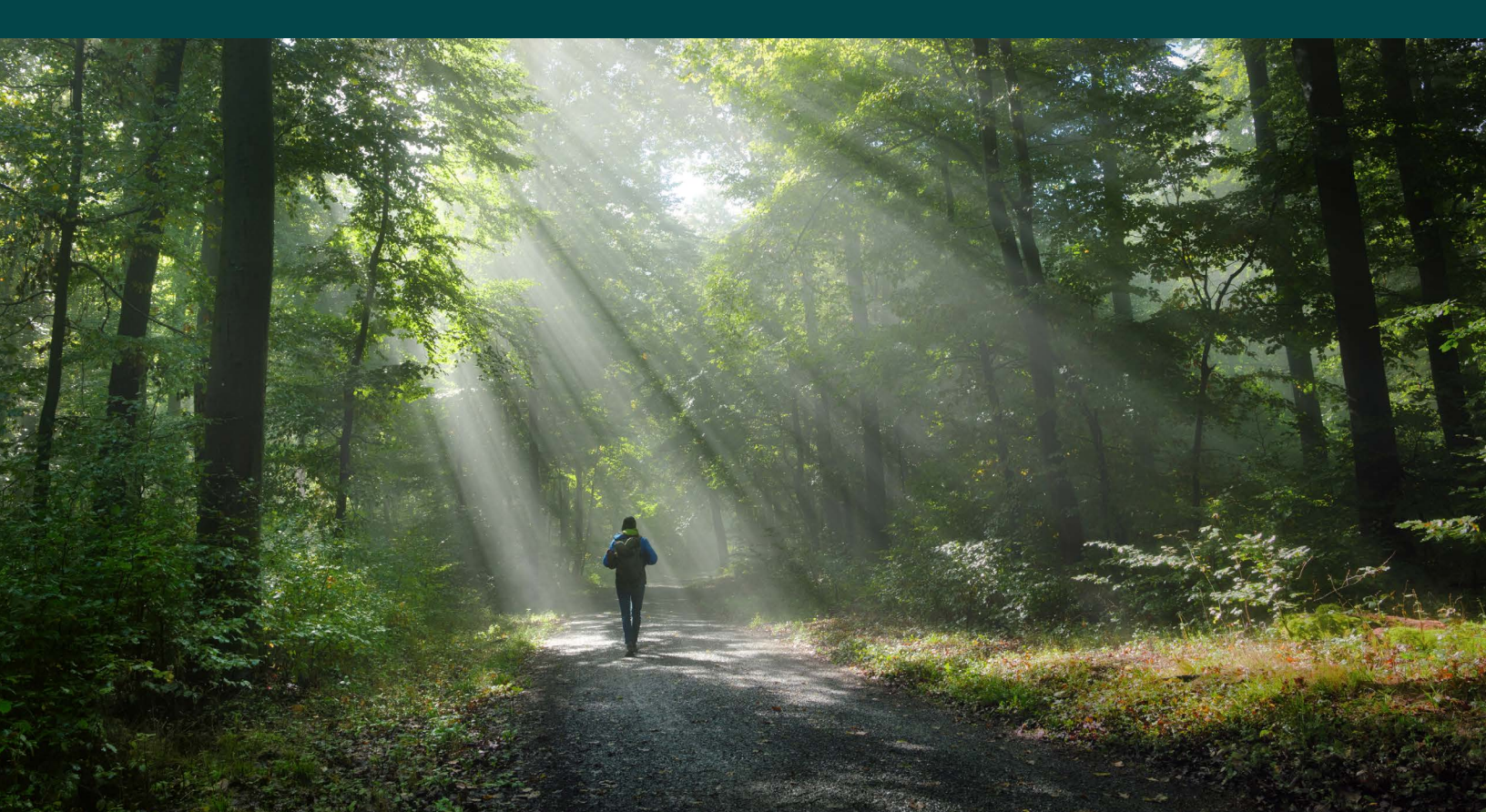




# LEVERAGING THE IMPACT OF DIVERSIFICATION

Crediting strategies help you maximize the potential of your fixed index annuity





## MAXIMIZING THE BENEFITS OF A FIXED INDEX ANNUITY

Diversification is designed to help you balance risk and reward as you determine a strategy for your financial future. Rather than focusing all your money on one financial vehicle — or in one account, index, sector or asset class — you disperse your money among a variety of resources. It can help you limit exposure to the performance of a single asset.

Fixed index annuities (FIAs) help you take full advantage of the impact of diversification.

- ✓ FIAs earn interest based on the performance of a range of external market indices and the application of crediting strategies.
- ✓ You control the money you put into your annuity — your premium — determining how you want to allocate it.
- ✓ Your money is never exposed to downside risk.

### **More consistent overall performance to achieve your objectives**

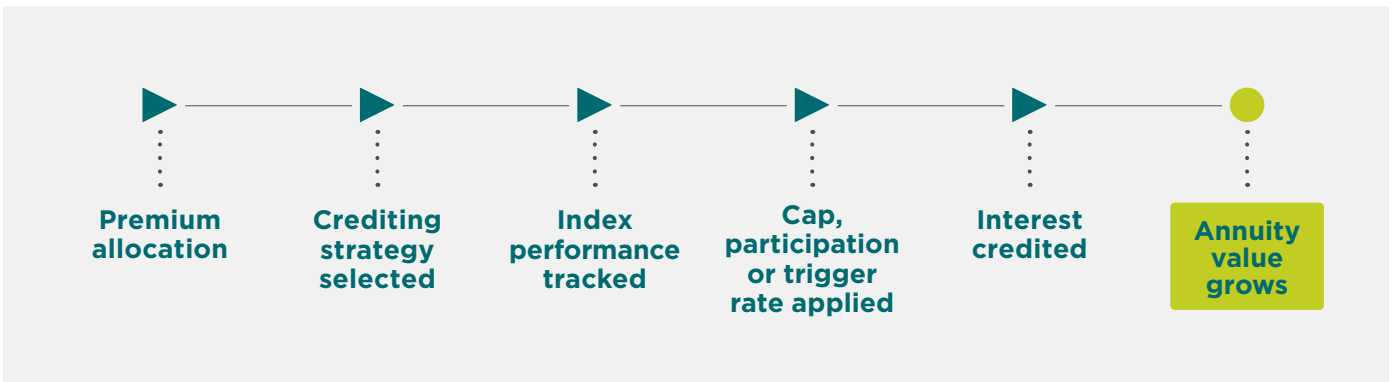
Not all crediting strategies — or index accounts — perform consistently through varying market cycles. That's why diversifying your premium among an array of strategies and index options can help you realize more steady overall performance from your FIA.

To put it simply, a good mix can help you optimize the value of your annuity, potentially bringing you closer to achieving the retirement you envision.

## CREDITING STRATEGIES

### Crediting strategies help grow your annuity

Index accounts on an FIA offer earnings — called “index credits” — based on the performance of a specified index, subject to cap, participation and performance trigger rates. Index credits will never be less than zero and are added to accounts at the end of the selected one-year or two-year allocation period.



### How do the three strategies work?

Crediting strategies determine how interest is credited to your annuity.



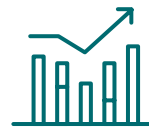
#### Cap

Interest is credited based on the percentage change in the index over a one- or two-year term up to a specified cap rate.



#### Participation

Interest is credited based on the percentage change of the index over a one- or two-year term multiplied by a specific participation rate.



#### Performance trigger

If the index growth is positive over the one- or two-year term, interest is credited at the declared performance trigger rate. If the index decreases or has no growth, no index credits are applied.

### Allocating your premium





After your initial premium payment, you can add subsequent premium dollars to your FIA, allocating them based on a crediting strategy to the annuity’s fixed account or index accounts.

## What factors are important when selecting a crediting strategy?

There's no one-size-fits-all approach to selecting a crediting strategy. Different crediting strategies perform best in particular market environments, but a range of factors may influence how you allocate your premium, including:

- Current market environment
- How the FIA fits into your financial strategy
- Your time horizon and risk tolerance
- Historical performance of the strategy<sup>1</sup>
- Historical performance of the index<sup>1</sup>

Diversification is achieved by spreading your premium among a variety of accounts linked to specific indices, resulting in the method through which the strategy is calculated. EquiTrust offers some or all of these crediting strategies, depending on the FIA. Some may be offered with a buy-up option, which provides a higher rate for an annual fee.

Crediting strategy	How does the strategy calculate interest?	Description	In what type of market will the strategy perform well?
<b>1-Year Interest Account</b>	A fixed rate account with interest guaranteed for one contract year.	The guaranteed fixed rate performs best when markets are flat or down.	
<b>1-Year Point-to-Point Cap</b> S&P 500 Index	Percentage change from previous contract anniversary, up to specified cap.	Includes the point-to-point performance, but with the growth capped at a certain point. May perform well in a market with modest growth throughout the year.	
<b>1-Year Point-to-Point Participation</b> S&P 500 Index	Percentage change from previous contract anniversary, multiplied by participation rate.	Point-to-point may perform better than averaging when the index is growing throughout the year. In a strong growth market, participation may perform better than cap.	
<b>1-Year Point-to-Point Participation</b> S&P 500 Dynamic Intraday TCA, S&P Marc 5 and Barclays Focus50	Percentage change from previous contract anniversary, multiplied by participation rate.	May perform well in a market swing with more volatility, but a shorter-term growth outlook.	



Crediting strategy	How does the strategy calculate interest?	Description	In what type of market will the strategy perform well?
<b>1-Year Point-to-Point Performance Trigger</b> S&P 500 Index	Percentage change from previous contract anniversary, with index credits based on a declared Performance Trigger Rate if index growth is positive. If the index decreases or has no growth, index credits are zero.	May perform best in a flat to moderately positive market because the strategy credits a fixed rate when the S&P 500 Index has a positive annual return above the trigger threshold.	
<b>1-Year Monthly Average Participation</b> S&P 500 Index	Percentage change from previous contract anniversary to monthly index average, multiplied by participation rate.	Combines averaging with a participation rate, leading to positive returns in a higher growth year vs. a cap. May perform better through market volatility.	
<b>1-Year Monthly Cap</b> S&P 500 Index	Cumulative sum of capped monthly changes from previous contract anniversary. Each monthly gain subject to a cap, but monthly declines not subject to a floor.	Combines averaging and cap, and may perform better in a lower growth, volatile year.	
<b>2-Year Point-to-Point Participation</b> Barclays Focus50	Percentage change from previous two-year contract anniversary, multiplied by participation rate.	May perform well in a market swing with more volatility, but a longer-term growth outlook.	

### More details about the indices available on EquiTrust FIAs

EquiTrust FIAs offer growth through a range of asset classes. Your premium is allocated among a variety of accounts linked to the S&P 500 Index and certain volatility-controlled indices, which are designed to limit exposure to large market swings. Depending on the FIA, available indices may include:

#### S&P 500 Index<sup>2</sup>

Visit [spglobal.com/spdji](https://spglobal.com/spdji)

Ticker: SPX

Widely regarded as the best single gauge of large-cap U.S. equities. More than \$16 trillion is indexed or benchmarked to the S&P 500 Index, with indexed assets comprising approximately \$10 trillion of this total. Includes 500 leading companies and covers approximately 80% of available market capitalization.

#### S&P 500 Dynamic Intraday TCA Index<sup>2</sup>

Visit [spglobal.com/spdji](https://spglobal.com/spdji)

Ticker: SPFDYNI

Seeks to provide exposure to the S&P 500 through the use of E-mini S&P 500 futures, while applying an intraday volatility control and trend-following mechanism. The index rebalances up to 13 times throughout the trading day, employing a time-weighted average price (TWAP) to adapt to changing market conditions as it seeks a more stable volatility experience compared to traditional risk control indices. Trend signals guide rebalancing to help the index respond to market movements while seeking to maintain a 15% volatility target to allow for higher potential S&P 500 exposure.

#### S&P MARC 5% Excess Return Index<sup>2</sup>

Visit [spglobal.com/spdji](https://spglobal.com/spdji)

Ticker: SPMARC5

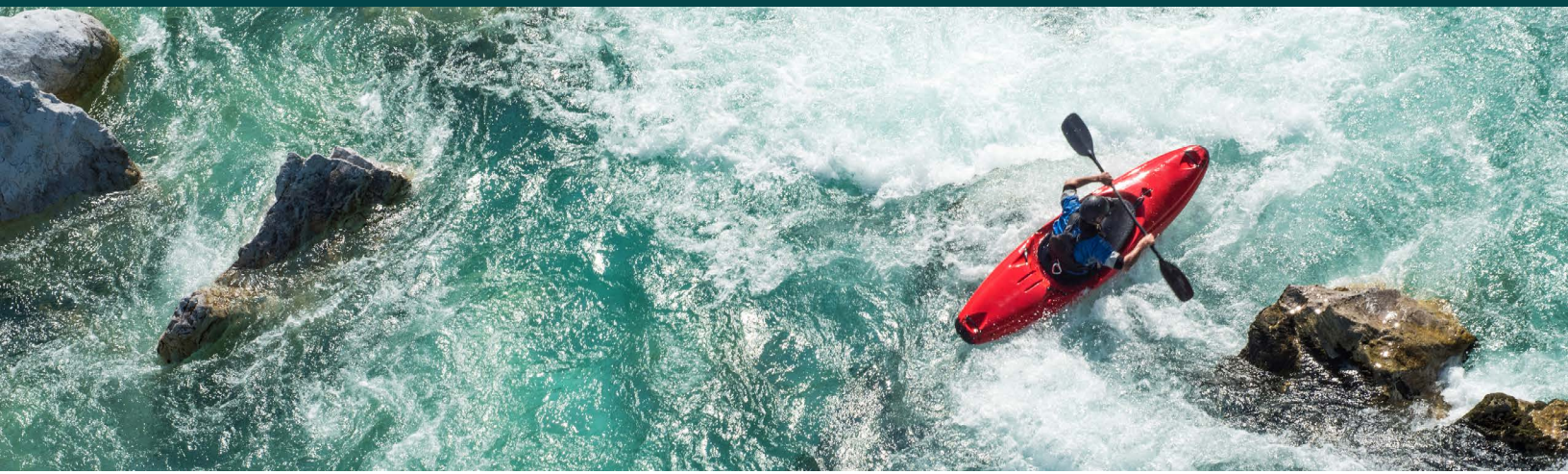
Seeks to provide multi-asset diversification within a simple risk-weighting framework, tracking three underlying component indices that represent three asset classes: equities, commodities and fixed income. This index is dynamically rebalanced between the three indices and the cash component to target a 5% level of volatility. In low-volatility environments, the index risk-control mechanism increases market exposure to riskier assets by increasing the allocation to the index (up to a leveraged position of 150%).

#### Barclays Focus50 Index<sup>3</sup>

Visit [Indices.Barclays/Focus50](https://Indices.Barclays/Focus50)

Ticker: BXIIF50E

Seeks growth opportunities while limiting volatility through exposure to a dynamic combination of U.S. stocks and U.S. Treasury Indices. Low-volatility U.S. stocks are used because, historically, they have tended to outperform other, higher volatility stocks, on a risk-adjusted basis. The broad universe consists of all stocks listed on the NYSE and NASDAQ issued by companies headquartered in the U.S. The addition of Treasuries adds a diversification benefit and a potential reduction in risk. To further control risk, the index aims to limit its annual volatility to a 5% target using a process called volatility control. Volatility can create sudden increases and decreases in asset class values, resulting in more potential for credited interest when markets are down, and more moderate interest credited when the market is up.



## WHAT IS VOLATILITY?

### The ups and the downs

When it comes to market indices, you'll rarely see stagnant performance on a day-to-day basis. In fact, indices are generally up and down, with gains and losses over periods of time based on the market. Sometimes, fluctuations in the market are stronger than other times in either direction. That's what we call market volatility.

Diversification in your FIA helps you manage this volatility because it disperses the ups and downs and offers a more stable overall performance. Keep in mind that an FIA doesn't expose your money to market losses and your credited interest will never be less than zero.

## MAKING CHANGES TO YOUR CREDITING STRATEGIES

### Account transfers

Because both the market outlook and your needs and objectives may change, you may wish to change the way your money is allocated. On each contract anniversary, you may transfer money among the various accounts offered in your contract. Transfers out of a two-year account are allowed only at the end of each two-year period.

### Allocation of additional premiums

At any time, you can request a change to your premium allocations. These updates take effect on the following contract anniversary, and apply only to any additional contributions during the current contract year.

### Want to learn more about leveraging the impact of diversification?

This brochure includes an overview of crediting strategies available on EquiTrust FIAs and the role they play in diversification. Ask your financial professional for more information about how these crediting strategies function, and which are available on each product.

<sup>1</sup> Past performance does not assure future results.

<sup>2</sup> The “S&P Multi-Asset Risk Control 5% Excess Return Index,” “S&P 500 Dynamic Intraday TCA Index” and “S&P 500®” Indices (“Indices”) are products of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”) and have been licensed for use by EquiTrust Life Insurance Company (“the Company”). Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the Company. The products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions or interruptions of the Indices.

<sup>3</sup> Neither Barclays Bank PLC, or Barclays Capital Inc., nor any affiliate (collectively “Barclays”) is the issuer or producer of MarketSeven Index – an index annuity contract – (“the contract”) and Barclays has no responsibilities, obligations or duties to investors in the contract. The Barclays Focus50 Index (“the Index”), including as applicable any component indices that form part of the Index is a trademark owned by Barclays Bank PLC, or Barclays Capital Inc., and licensed for use by EquiTrust Life Insurance Company (“EquiTrust”) as the Issuer of the contract. While EquiTrust as the issuer of the contract may for itself execute transaction(s) with Barclays in or relating to the Index in connection with the contract investors acquire the contract from EquiTrust and investors neither acquire any interest in the Index nor enter into any relationship of any kind whatsoever with Barclays upon making an investment in the contract. The contract is not sponsored, endorsed, sold or promoted by Barclays, and Barclays makes no representation regarding the advisability of the contract or use of the Index or any data included therein. Barclays shall not be liable in any way to the Issuer, investors or to other third parties in respect of the use or accuracy of the Index or any data included therein. Bloomberg Index Services Limited is the official index calculation and maintenance agent of the Index, an index owned and administered by Barclays. Bloomberg Index Services Limited does not guarantee the timeliness, accuracy or completeness of the Index calculations or any data or information relating to the Index. Bloomberg Index Services Limited makes no warranty, express or implied, as to the Index or any data or values relating thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. To the maximum extent allowed by law, Bloomberg Index Services Limited, its affiliates, and all of their respective partners, employees, subcontractors, agents, suppliers and vendors (collectively, the “protected parties”) shall have no liability or responsibility, contingent or otherwise, for any injury or damages, whether caused by the negligence of a protected party or otherwise, arising in connection with the calculation of the Index or any data or values included therein or in connection therewith and shall not be liable for any lost profits, losses, punitive, incidental or consequential damages.

The guarantees expressed in this brochure are based on the claims-paying ability of EquiTrust Life Insurance Company.

EquiTrust does not offer investment advice to any individual and this material should not be construed as investment advice. IRAs/qualified plans are already tax deferred; consider other annuity features. Your personal tax advisor can provide important information with respect to the purchase of a fixed index annuity contract and its taxation.

Products underwritten, issued and distributed by EquiTrust Life Insurance Company, West Des Moines, Iowa.



7100 Westown Pkwy Suite 200  
West Des Moines, IA 50266-2521  
866-598-3692 • EquiTrust.com

**ANNUITY AND INSURANCE PRODUCTS ARE NOT DEPOSITS NOR ARE THEY GUARANTEED BY ANY BANK. THEY ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR ANY OTHER AGENCY OF THE FEDERAL GOVERNMENT. CERTAIN PRODUCTS MAY LOSE VALUE**