



Experience
the Power of
Collaborative
Thinking

How to Read Your Client's F&G Dynamic AccumulatorSM 10 Fixed Indexed Annuity Illustration

What makes F&G Dynamic AccumulatorSM 10 Fixed Indexed Annuity (FIA) unique is its first-of-its-kind structured FIA account.

It also makes illustrations for the product a little different than a traditional FIA.

This guide will help you better understand and walk your clients through their Dynamic Accumulator illustrations. At the end of this document, you'll also find a glossary to help you understand new terminology and how terms you know well from traditional FIAs work slightly differently with this product.

How the structured FIA account works

On pages 3 and 4 of the illustration, we've included some hypothetical graphs to refresh your clients on the unique design of Dynamic Accumulator and help reinforce the value proposition, putting some gains at risk for additional upside.

Page 3 compares a traditional FIA to Dynamic Accumulator. Page 4 demonstrates how tracking value and account value interact.

Tracks and rates

Page 5 is reserved for discussing rates.

In any FIA, clients need to choose between a fixed account and index accounts as well as their interest crediting method (participation rate or cap rate, for example).

With Dynamic Accumulator, clients allocated to the structured FIA account will have to make one additional consideration – their maximum risk appetite – represented by a crediting track. Each track has an associated floor and rate. Rates will look familiar to how they're listed in traditional FIAs but will be higher.

Premium Allocation and Current Rate Assumption	Performance Track	Participation	Cap Rate	Allocation
Interest Interest Crediting Option	0.00%	0.00%	25.00%	N/A
10-Year S&P 500 Volving Track-to-Part with FIA	-2.00%	0.00%	22.00%	N/A
	-6.00%	0.00%	22.00%	N/A
	-10.00%	0.00%	22.00%	N/A
10-Year S&P 500 Volving Track-to-Part with Cap	-2.00%	N/A	N/A	0.00%
	-6.00%	N/A	N/A	0.00%
	-10.00%	N/A	N/A	0.00%
Floor	N/A	N/A	N/A	0.00%

The floors are the same whether the clients choose a participation rate or a cap rate. The rates themselves increase the more interest credits the client chooses to put at risk – up to 10%. Their track choice is the maximum risk they’ll accept. All clients start out with zero credited interest and therefore zero to put at risk, though. As adequate gains are established over time, risk and rates can increase accordingly. As tracking value rises or falls, what’s risked and the applicable rate can change automatically up to the maximum risk and rate for the selected track.

In the same way clients can change traditional FIA allocations every contract anniversary, clients can change tracks annually with Dynamic Accumulator if they choose.

Strategy Tracking Value vs. Strategy Vesting Value vs. Strategy Account Value

Page 6-9 may seem familiar. Look a little closer, though, and you’ll see some new values:

- **Strategy Tracking Value** is the hypothetical growth of what’s allocated to the structured FIA account. While it takes 10 years for any structured FIA account gains to be credited to the Strategy Account Value, the Strategy Tracking Value reflects product performance during the years where the Strategy Account Value won’t yet register those interest credits.

- **Strategy Vesting Value** is the Strategy Tracking Value multiplied by the vesting percentage from the vesting schedule (see below). While Tracking Changes aren’t fully

vested to the Strategy Account Value for 10 years, they are partially vested through the Strategy Vesting Value, which is used as the basis for partial withdrawals and surrenders during 10-year crediting periods.

- **Strategy Account Value** is composed of two parts:

- Dollar-for-dollar, any growth in the fixed account is reflected each year in the Strategy Account Value like always.
- Growth (or losses) in the tracking value won’t be realized in the Account Value until the structured FIA’s 10-year crediting period ends. At that point, any gains are locked into the Strategy Account Value.

Floor	PAR	Tracking Change	Strategy Tracking Value	Strategy Vesting Value	Strategy Account Value
0.00%	25.00%	0.39%	100,390	100,351	100,000
0.00%	25.00%	2.92%	103,321	103,056	100,000
-2.50%	32.00%	9.47%	113,106	112,320	100,000
-10.00%	55.00%	6.26%	120,186	119,379	100,000
-10.00%	55.00%	-0.40%	119,706	119,114	100,000
-10.00%	55.00%	5.76%	126,601	126,069	100,000
-10.00%	55.00%	10.67%	140,109	139,708	100,000
-10.00%	55.00%	-3.86%	134,701	134,701	100,000
-10.00%	55.00%	15.88%	156,091	156,091	100,000
-10.00%	55.00%	8.94%	170,046	170,046	170,046

Vesting schedule

The Strategy Tracking Value in the structured FIA account has a vesting schedule. More of the balance is vested over time, reaching 100% after year 7. This schedule is used to calculate the Strategy Vesting Value, which is only used when early withdrawals are taken or a contract is surrendered.

		End of contract year									
	Issue date	1	2	3	4	5	6	7	8	9	10+
Vesting %	90%	92%	94%	96%	97%	98%	99%	100%	100%	100%	100%

Additional details on the 10-year crediting period for the structured FIA account

As we've noted, your client's Strategy Tracking Value will increase or decrease annually. At the end of the 10th year, any index credits will be applied to the Account Value.

If a client chooses to remain allocated to the structured FIA account, another crediting period will begin. Past their 10th anniversary, no surrender charges will apply, and vesting percentage will remain at 100%.

Any prior gains will be protected like their initial premium was the first 10 years.

Just like happened at the start of the contract, the new crediting period begins with risk reverted back to zero until adequate gains are established to dial risk back up again.

Glossary

While an extensive list of terms and definitions is always included at the end of our illustrations, we want to highlight several that are new to Dynamic Accumulator. We also want to be clear about which familiar terms from traditional FIAs work differently for this product.

New terminology

Tracking Change

Participation or cap rate multiplied by index growth (subject to the applicable floor).

Strategy Tracking Value

Each structured FIA account has its own Strategy Tracking Value. Tracking Changes apply to the Strategy Tracking Value at the end of each Tracking Period. Strategy Tracking Values are reduced by withdrawals of any type.

Strategy Vesting Value

Tracking Changes vest to the Strategy Vesting Value via a vesting schedule. The Strategy Vesting Value is reduced by withdrawals of any type.

Structured FIA Account Value

The Structured FIA Account Value at issue is equal to the amount of premium applied to the index strategy. At the end of the 10-year crediting period, the total Tracking Change is applied to the Structured FIA Account Value as an interest credit so that the Strategy Account Value equals the Strategy Tracking Value.

Strategy Death Benefit

Each strategy has its own Strategy Death Benefit:

- For the fixed strategy, it's the Strategy Account Value.
- For the Structured FIA strategy, it equals the Strategy Tracking Value as of the date of death plus any Tracking-Period-to-Date (TPTD) Tracking Changes on Death.

TPTD Tracking Changes on Death are calculated using the same formula as a Tracking Change except the date of death is used rather than the Tracking Period End Date. TPTD Tracking Changes on Death will not be less than zero, the same as on our other products.

Track

The Track specifies the minimum floor that may be applied during the Tracking Period. The actual floor for each contract year will be the lowest floor available given the Strategy Tracking Value At Risk but will never be more aggressive than the selected Track.

Structured FIA Crediting Options

Dynamic Accumulator features two structured FIA crediting options:

- 10-Year S&P 500® Vesting Point-to-Point with a Participation Rate
- 10-Year S&P 500® Vesting Point-to-Point with a Cap Rate

Any index credits for the 10-Year S&P 500® Vesting Point-to-Point with a Participation Rate are calculated and credited only on the index crediting date. Tracking Changes are calculated by using a formula that considers the beginning and ending values of the S&P 500® Index for the one-year Tracking Period. Tracking Changes are based on the percentage change in the index from the previous tracking period to the current one, multiplied by the Participation Rate. This value is then subject to the applicable Floor. The Participation Rates are guaranteed for one contract year and can change annually. The Participation Rates rate will never be less than the minimum defined for the applicable Track.

Similarly, index credits for the 10-Year S&P 500® Vesting Point-to-Point with a Cap Rate are calculated and credited only on the Index Crediting date. Tracking Changes are calculated by using a formula that considers the beginning and ending values of the S&P 500® Index for the Tracking Period. The Cap Rate is declared prior to each 1-year Tracking Period. Tracking Changes are based on the percentage change in the index from the previous contract period to the current one, subject to the Cap. This value is then subject to the applicable Floor. The Cap Rate is guaranteed for one contract year and can change annually. The Cap Rate will never be less than the minimum defined for the applicable Track.

If your client chooses a Structured FIA Crediting Option, at the end of the 10-year crediting period, the index credits are applied to the Strategy Account Value. Index credits can never be less than zero.

Partial Tracking Changes

A Partial Tracking Change applies to the Free Withdrawal Amount on the structured FIA account strategies. A Partial Tracking Change is calculated like a Tracking Change using the index values as of the date of the withdrawal and adjusted by a timing factor. A Partial Tracking Change can be positive, negative or zero. A positive Partial Tracking Change will increase the amount of the withdrawal paid while a negative Partial Tracking Change will decrease the amount of the withdrawal paid. Surrender charges and MVA do not apply to Partial Tracking Changes. For illustration purposes, the Partial Tracking Change is assumed to be zero.

Tracking Value Adjustments

A Tracking Value Adjustment applies to the Non-Free Withdrawal Amount on the structured FIA account strategies. A Tracking Value Adjustment is calculated like a Tracking Change using the index values as of the date of the withdrawal and adjusted by a timing factor. A Tracking Value Adjustment can be positive, negative or zero. A positive Tracking Value Adjustment will increase the amount of the withdrawal paid while a negative Tracking Value Adjustment will decrease the amount of the withdrawal paid. Surrender charges and MVA will apply to Tracking Value Adjustments.

Current Total Value/Total Value as of MM/DD/YYYY

While this value doesn't appear on the illustration, clients will see it on statements or when checking their balance online. This is the sum of the Fixed Account Value and the Strategy Tracking Value. We'll use "current" when the data is live, such as online or providing this number over the phone. On printed statements or any digital materials where data is pulled occasionally and stored beyond that day, a date will be included instead of using "current."

Nuances to terms you know

Account Value

The Account Value for Dynamic Accumulator is equal to the Structured FIA Account Value plus the Fixed Interest Strategy Account Value.

Surrender Value

Each strategy has its own Strategy Surrender Value. The Strategy Surrender Value for the Fixed Interest Strategy is the Fixed Interest Strategy Account Value less Surrender Charges and any applicable Market Value Adjustments. The Strategy Surrender Value for the Structured FIA strategy is equal to $A + B$ where $A =$ The Free Withdrawal Amount remaining plus Partial Tracking Change as of the Withdrawal date and $B =$ The Non-Free Withdrawal Amount plus the Tracking Value Adjustment less applicable Surrender Charges and Market Value Adjustment. Surrender Charges and Market Value Adjustment do not apply to the Partial Tracking Changes but do apply to the Tracking Value Adjustment.

Death Benefit

The Death Benefit is the amount that would be payable to the contract beneficiary when the first owner or first annuitant (if the owner is a non-living entity) dies. The Death Benefit is the greater of 1) Strategy Death Benefits for all crediting strategies that have allocated funds and 2) the Minimum Guaranteed Surrender Value on the date of the owner's death. Market Value Adjustment does not apply to the Death Benefit.

To go over an illustration or discuss any cases you're working, call us at [800.445.6758](tel:800.445.6758).

fglife.com

"F&G" is the marketing name for Fidelity & Guaranty Life Insurance Company issuing insurance in the United States outside of New York. Life insurance and annuities issued by Fidelity & Guaranty Life Insurance Company, Des Moines, IA.

Past performance does not guarantee future results.

All rates are subject to change at the sole discretion of F&G.

Surrender charges and market value adjustment may apply to partial and full surrenders. Surrenders may be taxable and may be subject to penalties prior to age 59 ½.

The "S&P 500 Index" is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ("SPDJI") and has been licensed

for use by Fidelity & Guaranty Life Insurance Company. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); These trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Fidelity & Guaranty Life Insurance Company. These Annuity products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, 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 S&P 500 Index.