

RISK CONTROL ACCOUNTS:

LIMITING THE DOWNSIDE,
PROVIDING POTENTIAL
FOR HIGHER RETURNS



CUNA MUTUAL GROUP

Anyone who has witnessed a major financial crisis and its aftermath understands just how volatile the market can be. To limit losses, some clients opt to place their savings in fixed rate investments, but in today's low rate environment, taking no risk probably means getting little in return. The ideal solution could be one that combines both upside potential and downside protection – and lets your clients choose their own “comfort zone.”



RISK CONTROL ACCOUNTS: A NEW WAY TO DIVERSIFY

Standard diversification calls for a mix of stocks and bonds, with more aggressive investors allocating greater amounts to equities, while those who are conservative give greater portfolio weight to fixed income. But there is a new way to diversify portfolios. Using risk control accounts, your client can set a “comfort zone” of portfolio performance linked to index returns. With limits on the downside of -5% or -10%, the compound annual growth rate (CAGR) of a selected portfolio could be higher over time than that generated by a diversified portfolio without loss protection.

MEMBERS[®] Zone and Horizon annuities offer index-linked returns and a limit on market losses. Dollars can be allocated between two risk control accounts, each linked to a market index but each with its own range of possible investment performance. By blending allocations between the two accounts, investors could help control their market risk and potential reward. And they can reallocate between the accounts each year to personalize their annuity to fit their lifestyle and future outlook.

LOOK AT THE FACTS

Using a 10-year hypothetical, portfolios with risk control were able to quickly recover from the dramatic drop, and reap the benefits of the subsequent recovery. Gray boxes in the chart mark the year by which each portfolio had recouped any losses. While no one knows what the future may hold, an annuity with risk control has the potential to help deliver higher returns.

GROWTH OF \$100,000 INVESTMENT (Hypothetical 10-year period.)

YEAR	STOCK INDEX	BOND INDEX	STOCK/BOND MIX					COMFORT ZONE		
			100/0	75/25	50/50	25/75	0/100	CAP 5.50% FLOOR 0.00%	CAP 9.50% FLOOR -5.00%	CAP 13.50% FLOOR -10.00%
			\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Year 1	13.62%	4.33%	\$113,620	\$111,298	\$108,975	\$106,653	\$104,330	\$105,500	\$109,500	\$113,500
Year 2	3.53%	6.97%	\$117,631	\$116,124	\$114,616	\$113,109	\$111,602	\$109,224	\$113,365	\$117,507
Year 3	-38.49%	5.24%	\$72,355	\$83,628	\$94,902	\$106,176	\$117,450	\$109,224	\$107,697	\$105,756
Year 4	23.45%	5.93%	\$89,322	\$98,095	\$106,868	\$115,641	\$124,415	\$115,231	\$117,928	\$120,033
Year 5	12.78%	6.54%	\$100,737	\$108,691	\$116,644	\$124,598	\$132,551	\$121,569	\$129,131	\$135,373
Year 6	0.00%	7.84%	\$100,737	\$111,289	\$121,840	\$132,392	\$142,943	\$121,569	\$129,131	\$135,373
Year 7	13.41%	4.21%	\$114,246	\$122,925	\$131,604	\$140,282	\$148,961	\$128,256	\$141,399	\$153,527
Year 8	29.60%	-2.02%	\$148,063	\$147,535	\$147,008	\$146,480	\$145,952	\$135,310	\$154,832	\$174,253
Year 9	11.39%	5.97%	\$164,927	\$162,362	\$159,796	\$157,231	\$154,665	\$142,752	\$169,541	\$194,100
Year 10	-0.73%	0.55%	\$163,723	\$161,672	\$159,620	\$157,568	\$155,516	\$142,752	\$168,303	\$192,683
CAGR			5.05%	4.92%	4.79%	4.65%	4.51%	3.62%	5.34%	6.78%

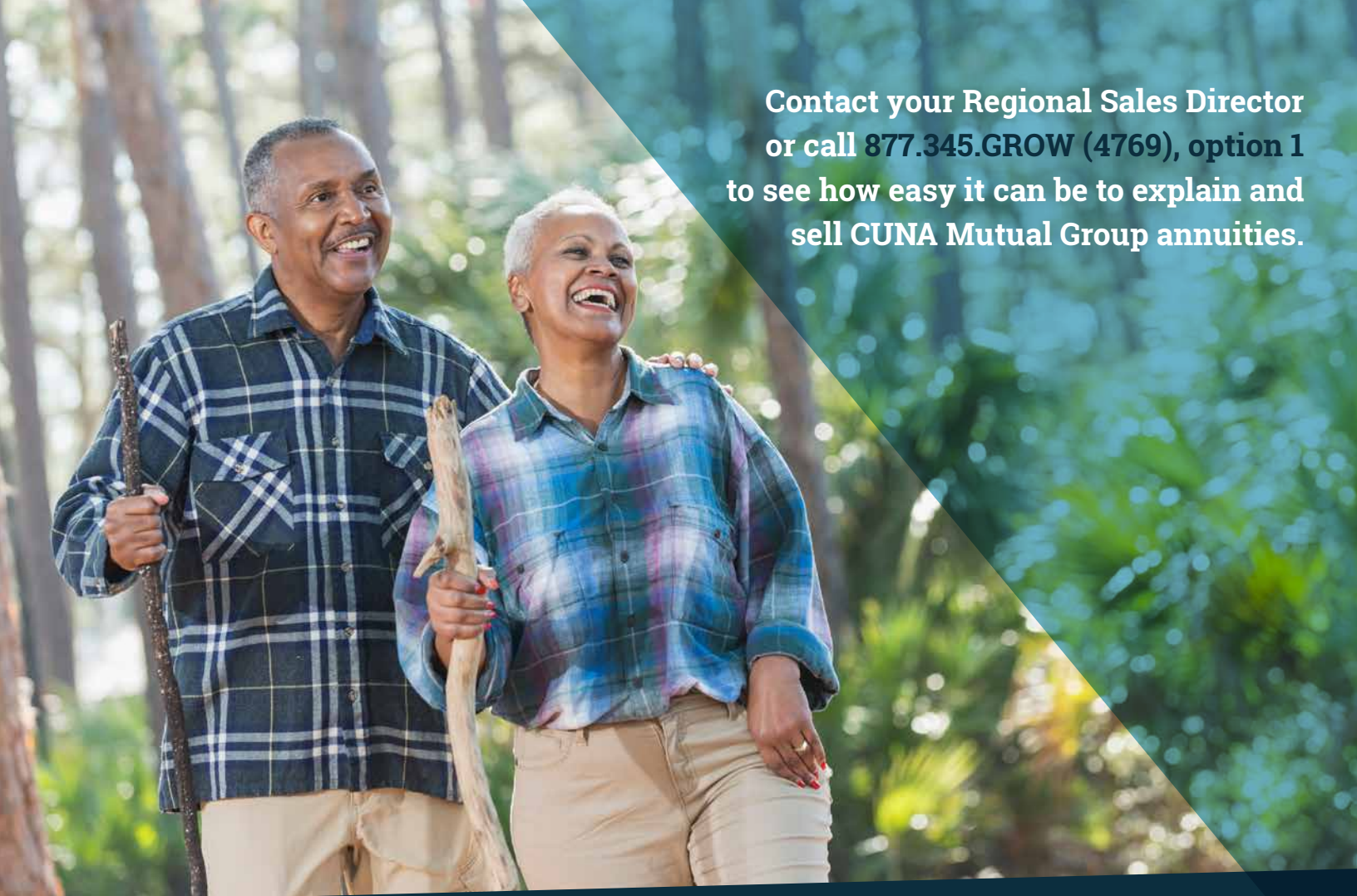
Hypothetical examples do not represent any specific annuity contract and may not be used to project or predict investment results. Rate caps are declared based on current market conditions and are subject to change.

Selling MEMBERS[®] Zone and Horizon

With their innovative ability to combine both upside potential and downside protection, Zone and Horizon annuities answer the modern investor's desire for potential returns and protection. And by combining market-linked growth potential with guaranteed limits on loss, risk control annuities answer your desire for product innovation.

- » Fees are clear and up-front – nothing is hidden
- » Risk control solutions that are easy to understand, easy to explain, and easy to sell
- » Engaging sales tools are available to help you sell

Whether you're helping aggressive investors protect their retirement savings or trying to move nervous savers off the sidelines, CUNA Mutual Group can help improve your clients' financial futures.



Contact your Regional Sales Director
or call 877.345.GROW (4769), option 1
to see how easy it can be to explain and
sell CUNA Mutual Group annuities.

IMPORTANT DISCLOSURES

Annuities are long-term insurance products designed for retirement purposes. Clients should consider a variable annuity's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information. Encourage clients to read it carefully.

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