

200% exposure to the S&P 500®?

The S&P 500 IQ Index makes it possible.

What makes the S&P 500 IQ Index* an intelligent path to the S&P 500 for fixed indexed annuities? Beyond the potential for higher participation rates and more stable renewal rates, the S&P 500 IQ Index can achieve up to **200% exposure to the 500™**.

Built by S&P Dow Jones Indices, a name you can trust, the S&P 500 IQ Index starts with an innovative design. Using intraday technology developed over the last several years, the nimble S&P 500 IQ Index can rapidly adjust to market changes to maximize upside potential and mitigate downside risk. Here's how it works:

- The index measures volatility using the time weighted average price of the S&P 500 each trading day between 3:25 p.m. and 3:30 p.m. ET.
- Based on the volatility observed in this time window, the index rebalances its exposure to the S&P 500—always aiming to achieve a 15% volatility target.
 - > In periods of low volatility, the index may increase its leverage—potentially doubling equity exposure up to 200%.
 - > In periods of high volatility, the index may decrease its equity exposure to the S&P 500.
- Because of the reduction in time between when volatility is observed and when the index rebalances, the S&P 500 IQ Index has demonstrated higher performance over time than traditional risk control indices.**

High Volatility Case Study (Hypothetical): The S&P 500 IQ Index can adjust quickly during periods of heightened volatility, such as occurred during February and March 2020 when COVID-19 uncertainty escalated. Although the S&P IQ Index didn't launch until July 2023, during 2020's heightened volatility, this nimble index would have had the potential to react quickly to the rapidly changing market, decreasing its exposure to the S&P 500 and increasing its cash allocation—helping to maintain a volatility near its 15% target.**

Low Volatility Case Study (Hypothetical): In a low volatility market environment, the S&P 500 IQ Index has the ability to increase equity exposure up to 200%. For example, during 2017, the average volatility as measured by the S&P 500 IQ Index risk control mechanism was 7.57%. Since the measured volatility was below the volatility target of 15%, the index would have had the ability to lever up to hit its target and magnify gains. The average leverage during this period was 192.06%, and in analysis of hypothetical performance, the S&P 500 IQ Index could have increased 41.77%, compared with 19.42% for the S&P 500. **That's more than double the increase!†**

With the ability to adjust equity exposure higher than traditional risk control indices, the S&P 500 IQ Index offers the opportunity to amplify performance—an intelligent path to the S&P 500, indeed.



To learn more about the S&P 500 IQ Index, call the Legacy Marketing Group® Marketing Field Support Team at 800-395-1053, Ext. 4002.

The "S&P 500®" and "S&P 500 IQ 0.5% Decrement Index" ("S&P 500 IQ Index" or the "Index") are products of S&P Dow Jones Indices LLC or its affiliates ("SPDJ") and have been licensed for use by Amerigo Financial Life and Annuity Insurance Company. S&P®, S&P 500®, US 500, The 500, iBoxx®, iTraxx® and CDX® are trademarks of S&P Global, Inc. or its affiliates ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). Amerigo's Fixed Indexed Annuities 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® and S&P 500 IQ Index.

* Also known as the S&P 500 IQ 0.5% Decrement Index.

** Source: S&P Dow Jones Indices LLC. Data as of March 28, 2024. Past performance is no guarantee of future results.

† Source: S&P Dow Jones Indices LLC, October 2023. Past performance is no guarantee of future results.

AF1662v0424
22-838-1 (04/24)

FOR AGENT USE ONLY. NOT FOR USE WITH CONSUMERS.