

# BUFFER VS. FLOOR

Move confidently into the future™

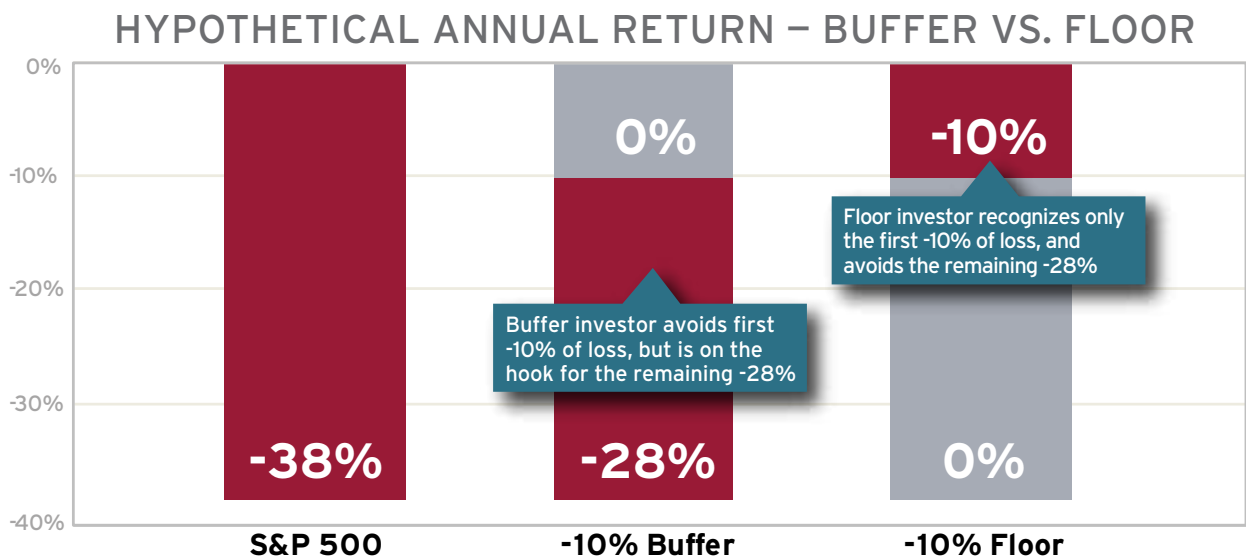
Protecting your hard-earned savings is an important part of your financial plan. But if you play it too safe, you also limit your portfolio's potential for gains.

If you're willing to take downside risk, you'll have a chance for greater return. But you may still worry about the possibility of the "big one" – that one dramatic market plunge that wipes out a huge chunk of your savings.

Market gains have been more common than losses over time. But big losses can and do occur – the financial crisis of 2008

taught us that. Since 1980, 23% of the rolling annual returns for the S&P 500 showed a loss. Of those, a majority were greater than -10%.<sup>1</sup>

To protect your savings from large drops, some types of annuities offer a **buffer** – a set amount of loss absorbed first by the issuing company before you begin to recognize the downside. Others protect instead with a **floor** – a clear limit on the total amount of loss your investment can realize. Below, compare the performance of each approach during a hypothetical market drop.



Both buffer and floor annuities offer their version of downside protection in return for a cap on the upside. But when it comes to reassurance against dramatic loss, the similarities stop there.

**Since 1980, 23% of the rolling annual returns for the S&P 500 showed a loss. Of those, a majority were greater than -10%.**

Buffer annuities may mitigate your loss, but with a clear limit on the downside, a floor annuity goes further. With a floor annuity, you know just how much risk of market loss you're taking each year. No uncertainty. No surprises.

MEMBERS Life Insurance Company offers annuities that let you set a guaranteed limit on loss, while still enjoying the growth potential of the market. And, you can reset your risk control floor each year based on changing needs and investment outlook. Talk to your advisor about the benefits, costs and limitations of annuities.

**And ask your advisor how you can set a clear floor on market loss.**

<sup>1</sup>Data derived from the S&P 500 Index, 2016.

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