Lincoln Financial Group®

It's a good year for a one-year

Delivering better results through a one-year fixed indexed annuity strategy

When it comes to fixed indexed annuities, which indexed strategy delivers the best results — a one-year or multi-year strategy? When you look at it in terms of growth, performance and client experience, a one-year strategy offers several advantages compared to two- and three-year strategies.

IS NOW THE TIME for you to wait three years for results — or should you lock in gains sooner?

Running the numbers

A one-year strategy with a Lincoln fixed indexed annuity gives you the potential to grow your gains through more frequent compounding interest — since interest has the potential to be applied and locked in each year.

Let's compare how a 3-year vs. a 1-year crediting option would perform during a 3-year time period based on a $100,000 investment in a fixed indexed annuity. In the table below, the example on the left assumes an 18% return over three years and the example on the right assumes a 6% return each year for three years.

3-year strategy	1-year strategy
Year 1: $100,000	Year 1: $106,000
Year 2: $100,000	Year 2: $112,360
Year 3: $118,000	Year 3: $119,102
18% over 3 years = 18% credited to the account	6% per year = 19.1% credited to the account

Now let's look at two examples of how $100,000 invested in a fixed indexed annuity performed over time and see how a 3-year strategy with a 55% participation rate compares to a 1-year strategy with a 40% participation rate tied to the S&P 500 Index.* Interest was credited every three years, and every year respectively, over the time periods shown.

3-year strategy	1-year strategy
1/1/1998 – 1/1/2010	
35% return Account value: $135,333	56% return Account value: $156,270
1/1/1998 – 1/1/2019	
115% return Account value: $215,210	126% return Account value: $226,859

A participation rate is the percentage of the index's return the insurance company credits to the annuity. The examples on the right are results based on the participation rate and are total returns over the time periods shown.

Even with a lower participation rate, the 1-year strategy outperformed the 3-year strategy with the help of more frequent compounding interest.

Insurance products issued by:
The Lincoln National Life Insurance Company

For use with the general public.

Talk to your financial professional today about the power of a one-year fixed indexed annuity strategy.

*The S&P 500 Index results are actual performance for the full period, without dividends. Past performance is not indicative of nor does it guarantee future performance. A participation rate is the percentage of the index's return the insurance company credits to the annuity. The actual rate will be determined at contract issue and is declared annually by the issuing company at its discretion. Subsequent interest rates may be higher or lower than the initial one and may be different from those used for new contracts.

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A fixed indexed annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses. A fixed indexed annuity is not a registered security or stock market investment and does not directly participate in any stock or equity investments, or index.

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The exact terms of the annuity are contained in the contracts and any attached riders, endorsements and amendments, which will control the issuing company's contractual obligations. For more information about the annuity, please also read the Client Guide, Disclosure Statement and Fact Sheet, or contact your representative.

Income taxes are due upon withdrawal and if withdrawn before age 59½, an additional 10% federal tax may apply. Withdrawals and surrenders may be subject to surrender charges and a Market Value Adjustment.

There is no additional tax-deferral benefit for contracts purchased in an IRA or other tax-qualified plan, since they are already afforded tax-deferred status.

Product and features are subject to state availability. Limitations and exclusions may apply. Not available in New York.

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Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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