Global Atlantic
FINANCIAL GROUP
*Thinking Ahead*

# 1-Year Point-to-Point BlackRock Diversa® Volatility Control Indexed Strategy

**Products issued by Accordia Life and Annuity Company**

**KEY TERMS**

**What is a Participation Rate?**

The participation rate determines how much of the increase in the index's value is taken into consideration in calculating the interest credit, before applying the cap rate. We guarantee that the participation rate for this strategy will be at least 100% for the life of the policy.

**What is a Cap Rate?**

The cap rate is the maximum crediting rate that the insurance company will credit to an IUL policy during an interest crediting period. For example, if the strategy has an 11% cap rate, and the change in the index during the interest crediting period is 14%, 11% will be credited, not 14%.

Cap rates may be reset at the beginning of an interest crediting period at the discretion of the insurance company but can never be less than the guaranteed minimum cap rate of 2%.

When you purchase an indexed universal life policy, you decide how your policy earns interest by selecting one or more crediting strategies.

## 1-Year Point-to-Point BlackRock Diversa® Volatility Control Indexed Strategy

The BlackRock Diversa® Volatility Control Index is a multi-asset index designed to provide diversified asset allocation within the index, focus on broad market trends and deliver steadier returns within the index.

Here's how this strategy works:

- It calculates interest based on the upward movement, if any, of the BlackRock Diversa® Volatility Control Index over a one-year period and credits interest at the end of each one-year period.
- It uses a "point-to-point" calculation method — meaning it takes the values of the BlackRock index at the beginning and again at the end of each one-year interest crediting period and compares them to determine the percentage change during that period.[1]
- The interest credited is calculated first by multiplying the percentage change in the index by a "participation rate."
- The resulting interest percentage credited to your policy is then subject to a limit called "cap rate."
- Interest credits for any interest crediting period can be positive or zero.

When you purchase indexed universal life insurance, you are not directly investing in the BlackRock Diversa® Volatility Control Index.

### A key benefit of this strategy is...volatility control!

The BlackRock Diversa® Volatility Control Index includes a volatility control feature that seeks to capture market opportunities in various environments by dynamically responding to trends in asset returns. This control aims to reduce the risk of volatile index returns and can provide the potential for more consistent returns than a traditional stock index.

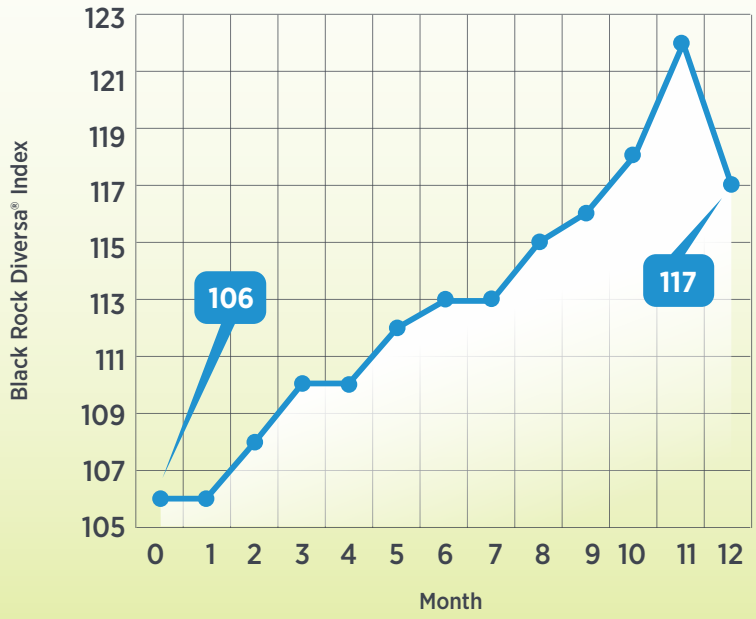
## 1-Year Point-to-Point BlackRock Diversa® Volatility Control Indexed Strategy

(Interest Calculation Hypothetical Example)

| | |
|---|---|
| Beginning BlackRock Diversa® Volatility Control Index Value | 106 |
| Ending BlackRock Diversa® Volatility Control Index Value | 117 |
| Non-guaranteed Participation Rate: | 200% |
| Non-guaranteed Annual Cap Rate: | 11% |

**The index percentage change is calculated as follows:**

$$\left(\frac{117 - 106}{106}\right) = 10.4\%$$




Interest credited will be the lesser of the index percentage change multiplied by the participation rate, and the annual cap rate, but can never be less than 0%. In this example, the cap rate is less than the index change multiplied by the participation rate (10.4% x 200% = 20.8%), therefore the interest credited for this interest crediting period is the cap, 11%.

The beginning and ending index values used to calculate the 1-Year Point-to-Point BlackRock Diversa® Volatility Control Indexed Strategy are based on an interest crediting period, not a calendar year. For the purposes of this example, we assumed that an interest crediting period was created at the beginning of month one. Interest credited in this strategy will vary based on the interest crediting period's starting/ending date and the value of the BlackRock Diversa® Volatility Control Index on that date.

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[1] The point-to-point index movement used to calculate your interest may be much different than the published annual index performance. Your interest is calculated based on the interest crediting period of each segment, not a calendar year.

This example is purely hypothetical, not guaranteed, and not indicative of past or future performance. Other index value patterns would produce different interest crediting results.

Indexed universal life insurance products are not stock market investments and do not directly participate in any stock or equity investments. Market indices do not include dividends paid on the underlying stocks, and therefore do not reflect the total return of the underlying stocks; neither an Index nor any indexed universal life insurance product is comparable to a direct investment in the equity markets. Clients who purchase indexed universal life insurance products are not directly investing in a stock market index.

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