

Franklin **Factors US Index**

Game planning for a winning retirement



A dynamic index designed to seek growth with a smoother ride

Stock market and interest rate uncertainties call for an innovative investment approach. Introducing the Franklin Factors US Index—a daily blended index that seeks growth by constantly adapting to changing market conditions. Utilizing a mix of stocks, bonds and cash, the index relies on 2 components to achieve its goal: a sophisticated stock screen and a dynamic asset allocation tool.



The Elite Tier stock screen

Approximately 250 US stocks selected through a proprietary methodology



Dynamic Shift Technology

Allows the index to react to changing market conditions in an effort to create a smoother ride over time



Franklin Factors US Index

Daily blended index

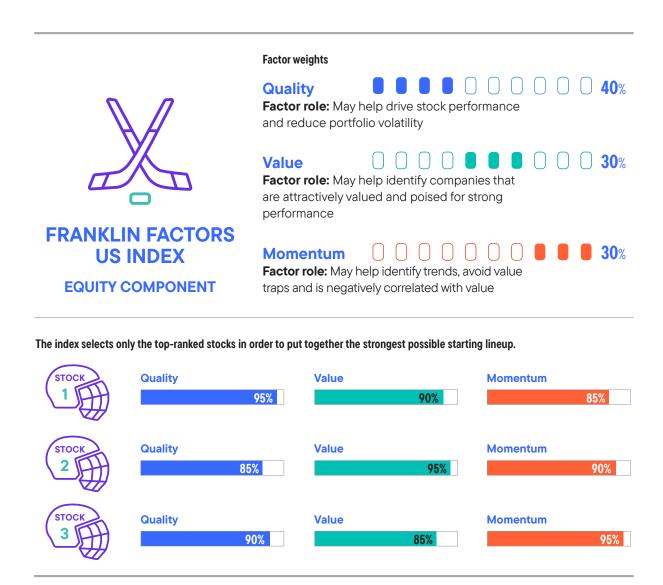


The Elite Tier stock screen

The equity component of the Franklin Factors US Index starts with a stock screen based on a proprietary quantitative methodology: The Elite Tier.

The screen starts with a list of 1,000 well-recognized US stocks and assigns a score to each based on a combination of three key factors: quality, value and momentum. Our research has determined that these factors can be the most reliable indicators of a stock's future performance. Once each stock has been scored, the index ranks them and focuses on only those in the top 250. These stocks are selected to act as the growth engine of the index.

The screening process is repeated periodically, ensuring the index always allocates to the stocks that best reflect the Elite Tier screening methodology.



For illustrative purposes only. Does not represent the actual rankings of any stock screened by the index.



Dynamic Shift Technology

Asset allocation is key to adapting to changing markets.

That's why Dynamic Shift Technology plays a pivotal role within the Franklin Factors US Index. The Index allocates to stocks when market conditions appear favorable to boost growth potential. Our research has shown that stocks have historically provided the strongest growth potential over time, which is why the Index shifts towards them as much as possible in the long term. We know, however, that markets do not always go up...

...this is where Dynamic Shift Technology comes into play.

During periods of less volatility, it shifts into an "offensive formation" by allocating to stocks to help boost performance.

During periods of **heightened volatility**, it becomes more defensive by shifting from stocks to bonds, which are used as a shock absorber.

During periods of **extreme volatility**, cash is used as a safety net. When markets become too volatile, Dynamic Shift Technology shifts more to cash, helping with downside protection.

Market volatility can change quickly and there can be no assurance that Dynamic Shift Technology will be successful. During times of extreme market volatility, the index will not be able to eliminate investment losses or capture all investment gains.





Franklin Factors US Index

What is it, why does it matter, how do we do it

١	N	h	a	t	İS	ľ	ť	?
	-			-		-	=	-

A rules-based, quantitative index built to deliver growth with a smoother ride by constantly adapting to changing market conditions.

Why does it matter?

Informed by the proprietary research of the Franklin Systematic[™] team, the index is designed to unlock the growth potential of US large-cap equities while delivering downside protection.

How do we do it?

By targeting select time-tested factors, such as quality and value, the index employs a sophisticated stock screen while also dynamically allocating across asset classes.

www.franklinfactorsusindex.com Franklin Factors US Index



For more information about the Franklin Factors US Index:



त (800) DIAL BEN/342-5236



www.franklinfactorsusindex.com

Disclosure

It is not possible to invest directly in an index. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. There is no guarantee that any strategies utilizing the Index will be effective or successful. Multi-asset indices and diversification do not promise any level of performance, success, or guarantee against loss of principal. This does not serve as an offer to sell or a solicitation of an offer to buy any product or security or the use or suitability of the Index. This information should not be relied upon as investment advice, research, or a recommendation by Franklin regarding (i) any products tied to the Index, (ii) the use or suitability of the Index, or (iii) any security in particular.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

Index information

The Franklin Factors US Index (the "Index") is owned by Franklin Templeton ("Franklin"), is calculated and maintained by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices, LLC) and is licensed for use by Aspida Life Insurance Company. The Index is not sponsored by S&P Dow Jones Indices, their affiliates or their third-party licensors (collectively, "S&P Dow Jones Indices"), Franklin and S&P Dow Jones Indices (collectively, "Index Parties") will not be liable for any errors, omissions or interruptions in calculating the Index. The Index Parties make no representations or warranties, express or implied and shall have no liability with respect to the adequacy, accuracy, timeliness and/or completeness of the Index. Aspida Life Insurance Company's products based on the Index are not sponsored, endorsed, sold or promoted by the Index Parties and the Index Parties have no responsibilities, obligations or duties to purchasers of such products. Franklin Templeton®, Franklin®, Franklin Factors US Index and the corresponding logos are trademarks of Franklin. S&P® is a registered trademark of Standard & Poor's Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC.

There are risks relating to the Index discussed herein. Please request a copy of the applicable Index rulebook for additional information and disclosure.

Index-linked annuities are insurance contracts issued by an insurance company. Index-linked annuities are not invested in the Index itself, but rather interest is credited based on the performance of the Index and the rules prescribed in the insurer's Index crediting strategy. Index-linked annuities are not issued by Franklin.

Investment risks

Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds adjust to a rise in interest rates, the performance of the Index may decline. During times of extreme market volatility, the Index will not be able to eliminate market losses or capture all market gains.