

Product Profile



Protective  SM

## CITI FLEXIBLE ALLOCATION 6 EXCESS RETURN INDEX

Protective refers to Protective Life Insurance Company and Protective Life and Annuity Insurance Company.  
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# Volatility control to help protect retirement savings

For clients seeking options for protected asset growth to support their goals in retirement, it makes sense to identify a solution designed with that need in mind.

That's why select Protective indexed annuity solutions offer interest crediting strategies linked to the Citi Flexible Allocation 6 Excess Return Index. This index uses a dynamic allocation process and volatility control mechanism to strive for positive and consistent returns.

As part of a diversified allocation plan, the interest crediting strategies linked to the performance of Citi Flexible Allocation 6 Excess Return Index can help your clients safely grow contract value for future expenses — protected from market drops.



The Citi Flexible Allocation 6 Excess Return Index is designed to perform based on hypothetical exposure to different asset classes with features to help limit volatility. It does this through the use of a dynamic allocation process to allocate to the Core Portfolio when both the Trend Indicator and the Citi Risk Aversion Indicator are favorable, and to the Reserve Portfolio at all other times — all while attempting to limit its realized volatility to 6% annually by allocating a portion of the index to non-interest bearing cash. The Index is an “excess return” index, which means that the performance of the basket of constituents is reduced by the funding rate (set to be 3-month US Dollar LIBOR rate before (and including) December 31st, 2021, and SOFRRATE Index +0.26161% onwards).

## Hypothetical asset class exposure

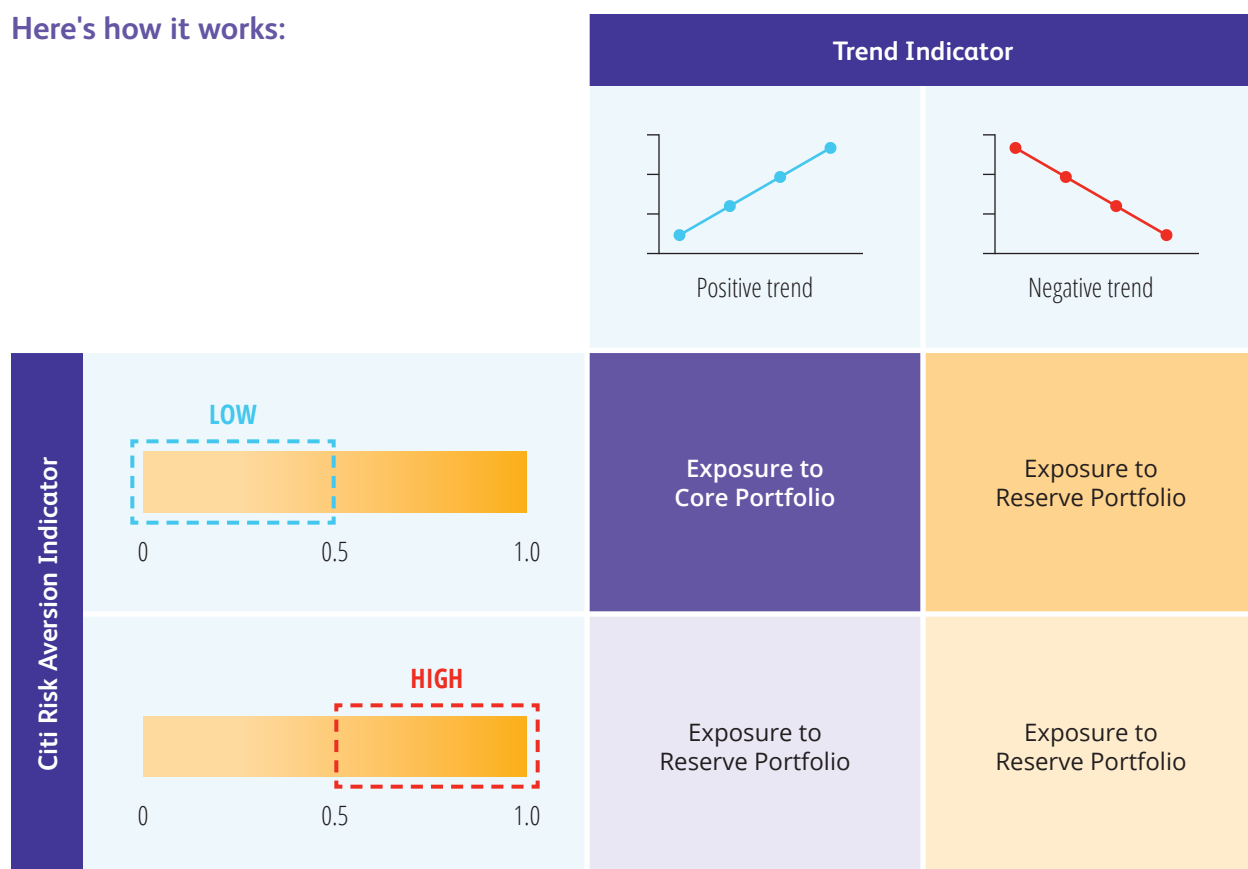
On a monthly basis, the Citi Flexible Allocation 6 Excess Return Index applies established rules to allocate hypothetical exposure to either the Core Portfolio or Reserve Portfolio based on two market signals, the Trend Indicator and the Citi Risk Aversion Indicator. These indicators use historical data and the perception of market participants' views of future events.

Core Portfolio	Reserve Portfolio
U.S. equities, international equities, emerging markets, commodities, real estate and U.S. Treasuries	Gold and U.S.Treasuries
Trend Indicator	Citi Risk Aversion Indicator
Monitors whether the assets included in the Core Portfolio are trending upward or downward over a specified period of time.	Seeks to measure relative levels of risk aversion by tracking market signals that are assumed to reflect market sentiment at a point in time.

## Dynamic allocation process

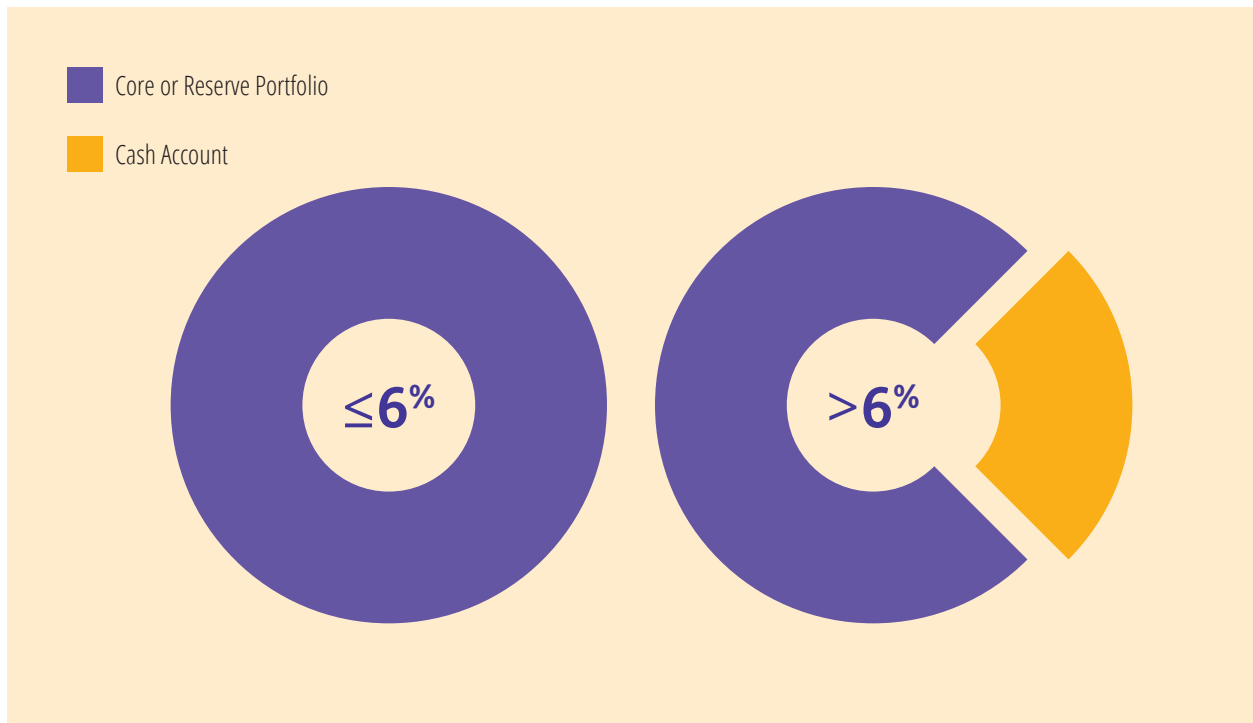
When the two market signals, as measured by the Citi Flexible Allocation 6 Excess Return Index, indicate that the Core Portfolio is in a positive or neutral trend and that there is lower risk aversion (values less than 0.5), it allocates to the Core Portfolio. Otherwise, the index allocates to the Reserve Portfolio.

Here's how it works:



## Volatility control mechanism

The Citi Flexible Allocation 6 Excess Return Index also attempts to limit its volatility to 6% annually by hypothetically allocating a portion of the index to non-interest bearing cash. Each day, the index's 21-day short-term realized volatility is compared to the 6% risk control. If short-term volatility exceeds the 6% target, a calculation is used to determine the percentage that is shifted away from either the Core or Reserve Portfolio and into the cash component in order to bring the index volatility to within the 6% target.



Through the combined power of diverse interest crediting strategies and index options like the Citi Flexible Allocation 6 Excess Return Index, your clients can have the enhanced growth potential, protection and volatility control needed for their retirement savings and income goals.



**For more information, please see the individual product's Interest Crediting Strategies Brochure, visit [investmentstrategies.citi.com](https://investmentstrategies.citi.com), or contact your Protective representative.**





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#### Citi Flexible Allocation 6 Excess Return Index Information

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