EQUITABLE
— LIFE & CASUALTY INSURANCE COMPANY —
A commitment to caring since 1935.

How Your Annuity Will Grow

An Overview of the S&P 500® Index & Equitable's Teton™ Crediting Strategies

Fixed indexed annuities are designed to help you achieve your long-term goals for retirement savings. They provide insurance against major financial risks, such as market losses and outliving your money.

Teton™ and Teton™ Bonus offer fixed and indexed crediting strategies for you to choose from. The indexed crediting strategies are tied to the performance of the industry-leading benchmark of the US equity market – the S&P 500®. While interest may be tied to the performance of the S&P 500® Index, you are never actually invested in the index itself.

Who is S&P®?

Standard & Poor's® (S&P®) has provided credit ratings for over 150 years and indices for over 120 years. It is the home to iconic financial market indicators like the S&P 500® and Dow Jones Industrial Average. Its indices are relied upon to gauge the overall health of financial markets. More assets are invested in products based on S&P's® indices than any other provider in the world.

The Strength of the S&P 500® Index

What is the S&P 500®?

When investors say that the market is up for the year, they are typically referring to the S&P 500®. It is the benchmark of the US equity market. The S&P 500® Index was created in 1957 and was the first US stock market index based on market capitalization. Market capitalization is the total market value of the company's outstanding shares. The S&P 500® was the first index to have pension funds, consumer mutual funds, futures and options indexed to it. It includes 500 leading companies and captures approximately 80% of available market capitalization.

Today there is over $9.9 Trillion (*Trillion with a 'T'*) benchmarked to the S&P 500®. Indexed assets account for approximately $3.4 Trillion of this total.

How Can a Company Be Included in the S&P 500®?

Only industry leaders make it to the S&P 500®. All companies must meet the following criteria:

- Must be a US company.
- Companies must have a market capitalization of at least $6.1 Billion.
- At least 50% of company shares must be available for trading.
- Companies must have positive earnings over the most recent quarter as well as over the last four quarters (if a company starts slipping, they are removed from the S&P 500®).
- Company stocks must be highly tradable for a reasonable price.

The S&P 500® is rebalanced quarterly and is maintained monthly. This is an actively maintained and managed index.

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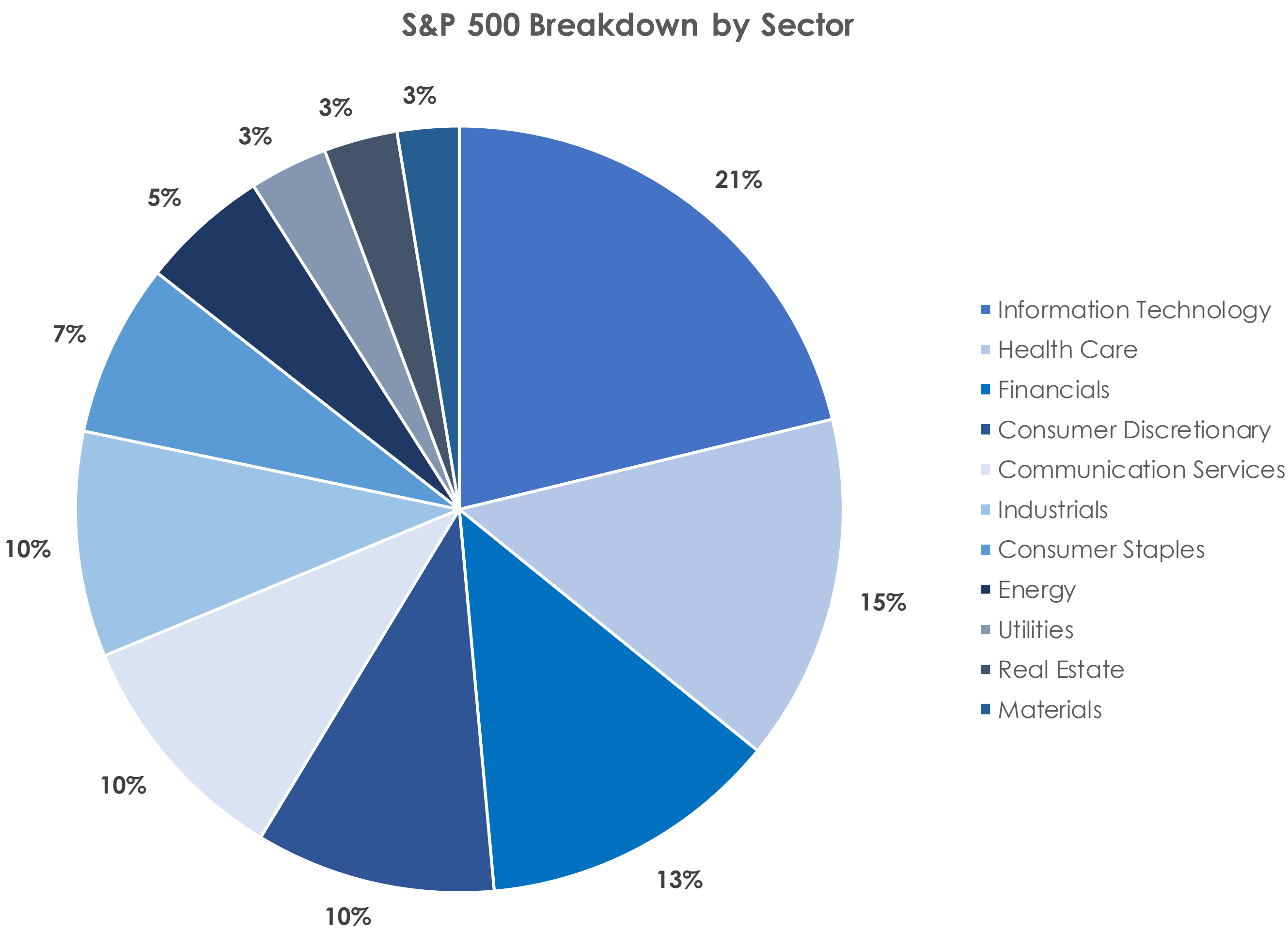
Current Makeup

Some of the top-weighted companies in the S&P 500® Index include **Microsoft, Apple, Amazon, Facebook, Berkshire Hathaway, Johnson & Johnson, Alphabet, Exxon Mobil and JP Morgan Chase**.



Source: S&P 500® Fact Finder, as of March 29, 2019

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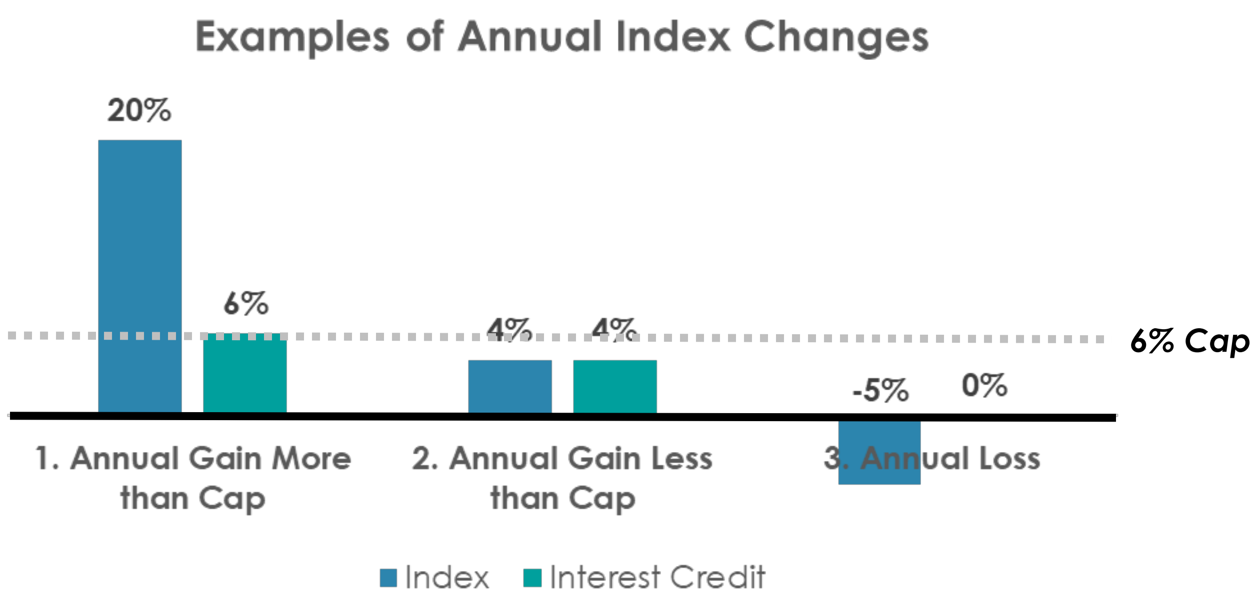
Annual Point-to-Point with Cap Crediting Strategy

Annual Point-to-Point with Cap is an indexed crediting strategy that credits the growth in the underlying index, subject to a cap. If the index increases over the policy year, then you will earn the percentage change of the index – up to the cap. The cap is the maximum rate of interest that can be earned over the policy year. If the underlying index decreases over the course of the policy year, then you will earn an interest credit of 0%. <u>You will never earn less than 0%.</u>

Here are a few examples of **Annual Point-to-Point with Cap**, assuming a 6% cap:



1. *Annual Gain More than Cap*
   The underlying index had an annual gain that was more than the declared cap. In this case, your interest credit would equal the cap rate of 6%.
2. *Annual Gain Less than Cap*
   The underlying index had an annual gain that was less than the declared cap. Your interest credit would equal the 4% gain in the index.
3. *Annual Loss*
   The underlying index had an annual loss. In this case, you will receive the annual floor of 0% as your interest credit. Congratulations! Your retirement savings did not decline.

Key Points:

- The change in the index is based on the index close value at the beginning and end of the policy year.
- Interest credits only occur at the end of the policy year. No interest credits occur during the policy year.
- Your interest credit will never exceed the cap.
- Caps are declared annually and are guaranteed for one policy year.
- Caps may change for future policy years but will never be less than the minimum in the policy.
- The cap rate of 6% is only for the purposes of this example and is not intended to represent a specific product.

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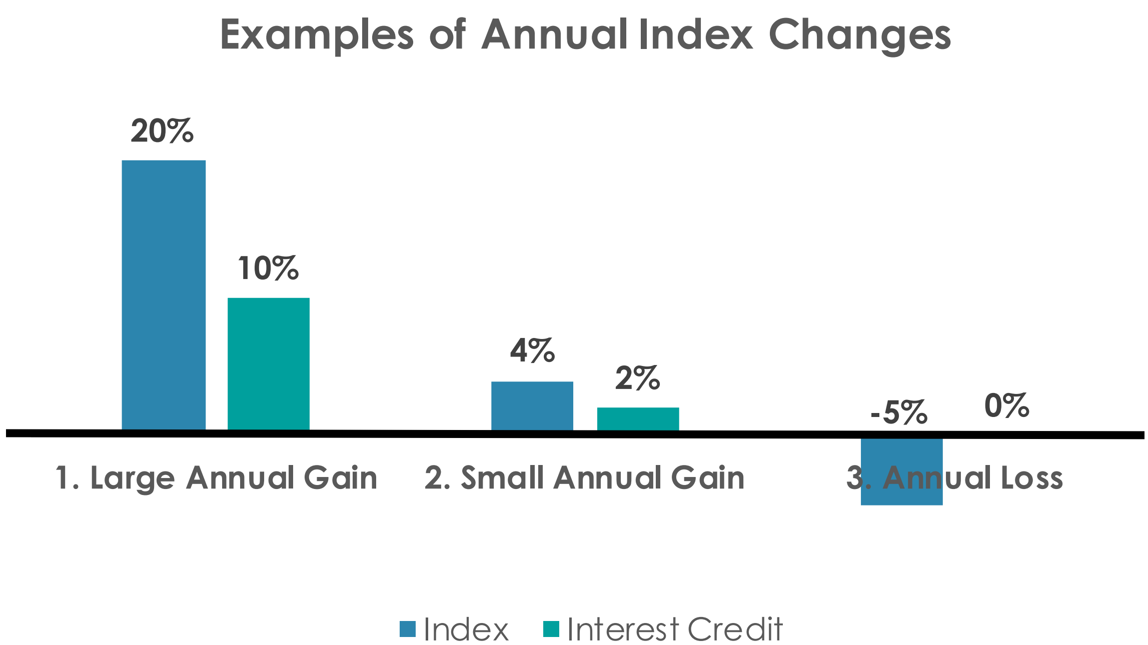
Annual Point-to-Point with Participation Rate Crediting Strategy

Annual Point-to-Point with Participation Rate is an indexed crediting strategy that credits a portion of the growth in the underlying index. This portion of growth is the participation rate. If the index increases over the policy year, then you will earn the percentage change of the index multiplied by the participation rate. If the underlying index decreases over the course of the policy year, then you will earn an interest credit of 0%. <u>You will never earn less than 0%.</u>

Here are a few examples of **Annual Point-to-Point with Participation Rate**, assuming a 50% participation rate:



1. *Large Annual Gain*
   The underlying index had an annual gain of 20%. Your interest credit would be 10% (50% of 20%).
2. *Small Annual Gain*
   The underlying index had an annual gain of 4%. Your interest credit would be 2% (50% of 4%).
3. *Annual Loss*
   The underlying index had an annual loss of 5%. In this case, you will receive the annual floor of 0% as your interest credit. Congratulations! Your retirement savings did not decline.

Key Points:

- The change in the index is based on the index close value at the beginning and end of the policy year.
- Interest credits only occur at the end of the policy year. No interest credits occur during the policy year.
- Participation rates are declared annually and are guaranteed for one policy year.
- Participation rates may change for future policy years but will never be less than the minimum in the policy.
- The participation rate of 50% is only for the purposes of this example and is not intended to represent a specific product.

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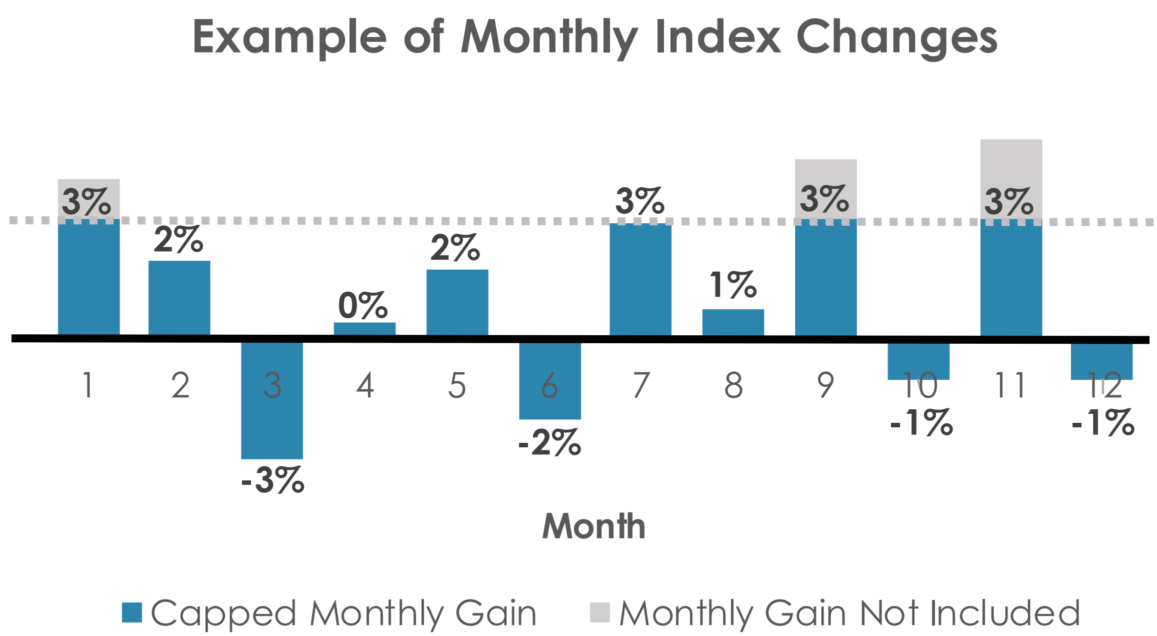
Monthly Point-to-Point with Cap Crediting Strategy

Monthly Point-to-Point with Cap is an indexed crediting strategy that credits the sum of the monthly changes in the underlying index, subject to a monthly cap. If the sum of the monthly changes subject to the monthly cap is positive, then your interest credit will equal the total. If the sum of the monthly changes subject to the monthly cap is negative, then you will earn an interest credit of 0%. <u>You will never earn less than 0%.</u>

Here's an example of **Monthly Point-to-Point with Cap**, assuming a 3% monthly cap:



The interest credit for this example would have been the sum of the above capped monthly gains: ***10% for this example.***

Key Points:

- The change in the index is based on the index close value at the beginning and end of each month of the policy year.
- Interest credits only occur at the end of the policy year. No interest credits occur during the policy year.
- Monthly caps are declared annually and are guaranteed for one policy year.
- Monthly caps may change for future policy years but will never be less than the minimum in the policy.
- Monthly gains are capped at the monthly cap, but monthly losses are not limited.
- The monthly cap of 3% is only for the purposes of this example and is not intended to represent a specific product.

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Monthly Average with Cap Crediting Strategy

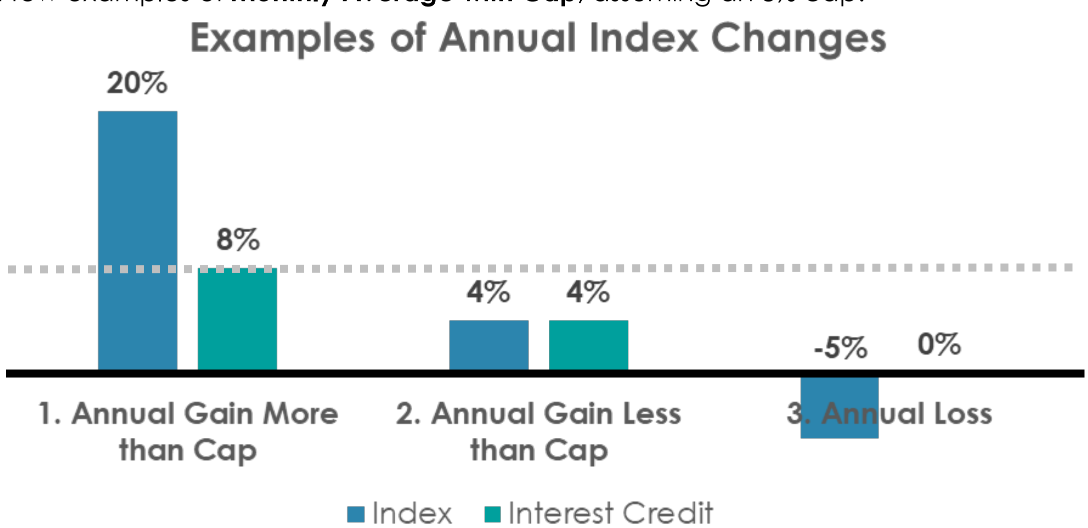
Monthly Average with Cap is an indexed crediting strategy that credits the percentage change of the index average, subject to a cap. The index average is the average of the index close values each month of the policy year. If the percentage change is positive for the policy year, then you will earn the percentage change – up to the cap. The cap is the maximum rate of interest that can be earned over the policy year. If the percentage change is negative for the policy year, then you will earn an interest credit of 0%. <u>You will never earn less than 0%.</u>

The table below shows an example of how the index average and monthly average percentage change is calculated:

Month	1	2	3	4	5	6	7	8	9	10	11	12
Index Close	1,200	1,050	900	950	1,100	1,300	1,500	1,350	1,300	1,300	1,250	1,200

Initial Index Close = **1,000**
Index Average (Average of months 1-12) = **1,200**
Percentage Change = 1,200 / 1,000 – 1 = **20%**

Here are a few examples of **Monthly Average with Cap**, assuming an 8% cap:



1. *Annual Gain More than Cap*
   The annual percentage change was more than the declared cap. In this case, your interest credit would equal the cap rate of 8%.
2. *Annual Gain Less than Cap*
   The annual percentage change was less than the declared cap. Your interest credit would equal the annual percentage change of 4%.
3. *Annual Loss*
   The annual percentage change was negative. In this case, you will receive the annual floor of 0% as your interest credit. Congratulations! Your retirement savings did not decline.

Key Points:

- The change in the index is based on the index close value at the beginning of the policy year and average of the index close values on the twelve monthiversaries.
- Interest credits only occur at the end of the policy year. No interest credits occur during the policy year.
- Your interest credit will never exceed the cap.
- Caps are declared annually and are guaranteed for one policy year.
- Caps may change for future policy years but will never be less than the minimum in the policy.
- The cap of 8% is only for the purposes of this example and not intended to represent a specific product.

Monthly Average with Participation Rate Crediting Strategy

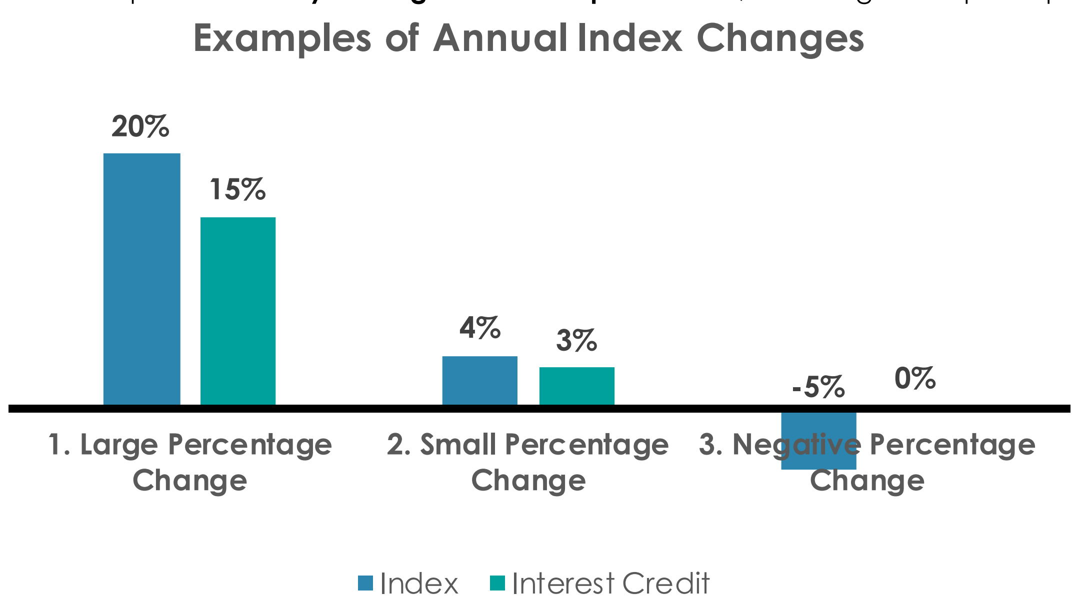
Monthly Average with Participation Rate is an indexed crediting strategy that credits a portion of the percentage change of the index average. This portion is the participation rate. The index average is the average of the index close values each month of the policy year. If the percentage change is positive for the policy year, then you will earn the percentage change multiplied by the participation rate. If the percentage change is negative for the policy year, then you will earn an interest credit of 0%. <u>You will never earn less than 0%.</u>

The table below shows an example of how the index average and monthly average percentage change is calculated:

Month	1	2	3	4	5	6	7	8	9	10	11	12
Index Close	1,200	1,050	900	950	1,100	1,300	1,500	1,350	1,300	1,300	1,250	1,200

Initial Index Close = **1,000**
Index Average (Average of months 1-12) = **1,200**
Percentage Change = 1,200 / 1,000 – 1 = **20%**

Here are a few examples of **Monthly Average with Participation Rate**, assuming a 75% participation rate:



1. *Large Percentage Change*
   The underlying index had a percentage change of 20%. Your interest credit would be 15% (75% of 20%).
2. *Small Percentage Change*
   The underlying index had a percentage change of 4%. Your interest credit would be 3% (75% of 4%).
3. *Negative Percentage Change*
   The underlying index had a negative percentage change of 5%. In this case, you will receive the annual floor of 0% as your interest credit. Congratulations! Your retirement savings did not decline.

Key Points:

- The change in the index is based on the index close value at the beginning and average of the index close values on the twelve monthiversaries.
- Interest credits only occur at the end of the policy year. No interest credits occur during the policy year.
- Participation rates are declared annually and are guaranteed for one policy year.
- Participation rates may change for future policy years but will never be less than the minimum in the policy.
- The participation rate of 75% is only for the purposes of this example and is not intended to represent a specific product.

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Monthly Average with Spread Crediting Strategy

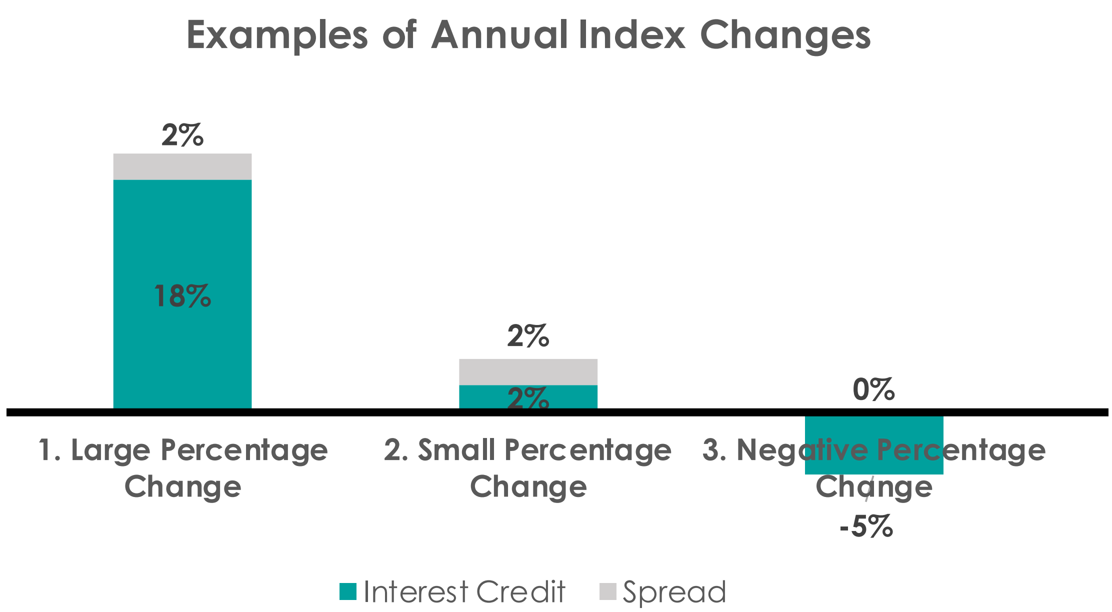
Monthly Average with Spread is an indexed crediting strategy that credits the percentage change of the index average less a spread. The index average is the average of the index close values each month of the policy year. If the percentage change less the spread is positive for the policy year, then you will earn the percentage change less the spread. The spread is the amount subtracted from the percentage change of the index average. If the percentage change less the spread is negative for the policy year, then you will earn an interest credit of 0%. <u>You will never earn less than 0%.</u>

The table below shows an example of how the index average and monthly average percentage change is calculated:

Month	1	2	3	4	5	6	7	8	9	10	11	12
Index Close	1,200	1,050	900	950	1,100	1,300	1,500	1,350	1,300	1,300	1,250	1,200

Initial Index Close = **1,000**
Index Average (Average of months 1-12) = **1,200**
Percentage Change = 1,200 / 1,000 – 1 = **20%**

Here are a few examples of Monthly Average with Spread, assuming a 2% spread:



1. *Large Percentage Change*
   The underlying index had a percentage change of 20%. Your interest credit would be 18% (20% less 2%).
2. *Small Percentage Change*
   The underlying index had a percentage change of 4%. Your interest credit would be 2% (4% less 2%).
3. *Negative Percentage Change*
   The underlying index had a negative percentage change of 5%. In this case, you will receive the annual floor of 0% as your interest credit. Congratulations! Your retirement savings did not decline.

Key Points:

- The change in the index is based on the index close value at the beginning and average of the index close values on the twelve monthiversaries.
- Interest credits only occur at the end of the policy year. No interest credits occur during the policy year.
- Spreads are declared annually and are guaranteed for one policy year.
- Spreads may change for future policy years but will never be more than the maximum in the policy.
- The spread of 2% is only for the purposes of this example and is not intended to represent a specific product.

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