
MARKET INDEX CERTIFICATE

Performance tied to the Dow Jones Industrials

Market Returns - An opportunity to achieve higher than fixed rate returns based upon historical performance of the Dow Jones Industrial Average Index.

Diversified Among 30 "Blue-Chip" Stocks

Reliable - Portfolio diversification over a broad segment of the US economy.

Principal Protected, if held to maturity

Safety - Something not available in similar investment products.

NCUA Insured

Peace of Mind - Principal protected up to \$100,000 per account, (or \$250,000 for qualified retirement accounts) subject to limitations imposed by law.

\$500 Minimum Investment

Affordable - Available in additional increments of \$500.

1, 3, or 5 Year Terms

Manageable - Growth opportunity with terms suitable for you.

Early Withdrawal at Death Option

Reachable - Provides liquidity in the event of death, at market assessment subject to disclosure limitations.

No Member Fees or Charges

No Management Fees - Allows you to have 100% of your deposit at work.

Convenient

Another Great Service - Only available through your credit union.

logo and address here

Market Index Certificates



Looking for

Higher Earnings

Without the Risk?

We Have A Solution!

NCUA

MARKET INDEX CERTIFICATE

What Is A Market Index Certificate?

A Market Index Certificate (MIC) is issued by your Credit Union where the dividend is determined based upon a percentage of the Dow Jones Industrial Average over a specified term.

Features	Benefits
▶ Principal Guarantee	Safety
▶ \$500 Minimum	Affordable
▶ NCUA Insured	Protection
▶ No Member Fees	100% of your money at work
▶ Uncapped Returns	Earnings potential
▶ Convenient	Available at your credit union

Why Use the Dow Jones Industrial Average?

In existence for over 100 years, since 1896. One of the most well-known and established market indexes.

Historically outperformed many managed mutual funds. Index funds have outperformed most managed funds over the last 10 years.

Comprised of 30 "Blue Chip", Fortune 500 companies that provide stability and solid performance.

Are Market Index Certificates New? NO!

Index Certificates were first issued around 1986.

Are Market Index Certificates for Everyone?

<u>Taxable Accounts</u>	<u>Tax Deferred Accounts</u>
Individual Investors	Traditional IRAs
Joint Investors	Self-Directed IRAs
Share Accounts	Roth IRAs
	College Savings

How do Market Index Certificates Compare?

Product Attributes	Market Index CD	Fixed Rate CD	Stocks, Bonds
NCUA Insured	Yes	Yes	No
No Risk to Principal	Yes	Yes	No
Opportunity for Higher Earning	Yes	No	Yes
No Sales or Management Fee	Yes	Yes	No
Taxes, if not Qualified	Yes	Yes	Yes

How Are The Dividends Calculated?

The generic formula for dividend is as follows: $\text{Dividend} = \text{Principal Amount} \times \{\text{Participation Rate} \times [(\text{Final Index Value} - \text{Initial Index Value}) / \text{Initial Index}]\}$

Initial Index Value

The closing price of the Dow Jones Industrial Average on the Issue Date, no average is used for the initial index value.

Final Index Value

The arithmetic average of the closing values of the DJIA on the Pricing Dates as defined in the product issue Disclosure Statement. See Disclosure Statement for details.

Averaging of Index Values

Smooths the extremes of large market fluctuations, Market Index Certificates never have a negative return, if held to maturity.

Participation Rate

Dividend is determined based upon a percentage (participation rate) of the overall performance of the Dow Jones Industrial Average. For example, if a depositor invests \$10,000 in a Market Index Certificate with a participation rate of 80% and the index rises 50% over the 5-year term based upon the calculation of the index values as defined in the Market Index Certificate Disclosure Statement, the dividend payment would be \$4,000 at maturity. $[\text{Original Principal Amount} \times (\text{Participation Rate} \times \text{Index Performance})]$ OR $[\$10,000 \times (80\% \times 50\%)]$.

When are Dividends Paid?

Dividends on the Market Index Certificates, if any, will be determined, earned and credited to your account within two business days following the Expiration Date based upon the calculation of the Stock Index Interest Amount as defined in the Market Index Certificate Disclosure Statement.

Is There An Early Withdrawal at Death?

You may exercise the Early Withdrawal at Death Option in the event of a death, subject to the notice and pricing procedures defined in the Market Index Certificate of Deposit Disclosure Statement.

What Are The Income Tax Considerations?

Holders of the Market Index Certificate are subject to annual income tax, unless the deposit is held in a deferred tax account. The annual income tax rate is displayed on the Market Index Certificate final certificate. We suggest that you or your tax advisor consult IRS Publication 1212 for further details.

What Are The Potential Risks?

The biggest risk an owner faces is that they may have earned a higher return in another investment.

How can I learn more?

Read the Market Index Certificate of Deposit Disclosure and Truth In Savings Disclosure .

