



# Just the Facts.

Annuity concepts made simple by Midland Retirement Distributors<sup>SM</sup>.

## About the S&P 500<sup>®</sup> Low Volatility Daily Risk Control Indexes

The S&P 500 Low Volatility Daily Risk Control Indexes strive to create stable returns by managing volatility on the S&P 500 Low Volatility Index, which measures performance of the 100 least volatile stocks in the S&P 500. The index covers the major asset sectors listed in the Diversification table in order to better diversify represented companies.

Because these indexes are managed to certain volatility levels (5% and 8%), the index performance will not match the underlying performance of the S&P 500 Low Volatility Index. Typically, the volatility control tends to reduce the rate of negative and positive performance of the underlying S&P 500 Low Volatility Index – thus creating more stabilized performance.

### Premium Allocated to Point-to-Point with Index Margin (Annual and Two-Year)

Premium allocated to the S&P 500 Low Volatility Daily Risk Control Indexes is not a direct investment in the stock market or in the applicable index itself. Interest credits will not mirror the actual performance of the index. The allocation provides the potential for interest to be credited based in part on the performance of the index, without risk of loss of premium due to market downturn or fluctuation.

The point-to-point crediting method measures the change in index value using two points in time: the beginning index value and the ending index value for that term, either annual or two-year. Index-linked gains are calculated based on the difference between these two values. Once the index-linked gains are calculated, an index margin is subtracted to determine your interest credit. No cap rate is applied and the annual interest credit will never be less than zero.

### Managing Volatility and Portfolio Allocation

Volatility is the amount of uncertainty or risk due to changes in market performance. The indexes strive to create stable returns over time by managing volatility (risk control). These indexes attempt to manage volatility to a 5% and 8% level by allocating a portion of the portfolio to cash in certain market environments. When market volatility increases, the indexes allocate more funds to cash. When volatility decreases, the indexes allocate more funds to stocks. In either case, a portion of the indexes may be allocated to cash to bring the expected volatility of the index within the risk control.

## Diversification

The underlying index covers major asset sectors (see list below) and may also allocate to cash as a result of managing volatility.

Reminder: premium allocated to this index is not a direct investment in the stock market or the component indexes.



Information Technology



Financials



Health Care



Consumer Discretionary



Energy



Industrials



Consumer Staples



Materials



Telecommunication Services



Utilities

For applicable fixed index annuity products, please contact your financial professional.

For more information on the underlying index, visit [spindices.com](http://spindices.com) and search ticker symbol **SPLV5UT** & **SPLV8UT**.

**MIDLAND**  
Retirement Distributors<sup>SM</sup>

# Backed By More Than 100 Years' Experience

Midland Retirement Distributors<sup>SM</sup> offers a competitive product line of fixed rate and fixed index annuities, issued by Midland National<sup>®</sup> Life Insurance Company. Founded in 1906 under the name of Dakota Mutual Life Insurance Company, Midland National Life Insurance Company assumed its current name in 1925. Today Midland National is one of the leading insurance companies in the U.S. Throughout the Company's history, Midland National has enjoyed steady growth, stability, and industry success.

Midland National currently holds more than 1 million life insurance and annuity policies with over \$51 billion\* in assets. Independent rating agencies have awarded the following ratings:

A.M. Best <sup>a,b</sup>	S&P Global Ratings <sup>b,c</sup>	Fitch Ratings <sup>b,d</sup>
<b>A+</b> (Superior) (2nd category of 15) Superior ability to meet ongoing obligations to policyholders	<b>A+</b> (Strong) (5th category of 22) Very strong financial security characteristics	<b>A+</b> (Stable) (5th category of 19) Strong business profile and investment performance

A.M. Best is a large third-party independent reporting and rating company that rates an insurance company on the basis of the company's financial strength, operating performance, and ability to meet its obligations to policyholders. S&P Global Ratings is an independent, third-party rating firm that rates on the basis of financial strength. Fitch Ratings is a global leader in financial information services and credit ratings. Ratings shown reflect the opinions of the rating agencies and are not implied warranties of the company's ability to meet its financial obligations. The above ratings apply to Midland National's financial strength and claims-paying ability. a) A.M. Best rating affirmed on July 6, 2017. For the latest rating, access [www.ambest.com](http://www.ambest.com). b) Awarded to Midland National<sup>®</sup> as part of Sammons<sup>®</sup> Financial Group Inc., which consists of Midland National<sup>®</sup> Life Insurance Company and North American Company for Life and Health Insurance<sup>®</sup>. c) S&P Global Ratings' rating assigned February 26, 2009 and affirmed on October 19, 2016. d) Fitch Ratings' rating assigned on May 2, 2017, assigned an Insurer Financial Strength rating of A+ Stable. The rating reflects the organization's strong business profile, low financial leverage, very strong statutory capitalization, and strong operating profitability supported by strong investment performance. For more information access [www.fitchratings.com](http://www.fitchratings.com).



Talk to your financial professional today about how an annuity from Midland Retirement Distributors may help you reach your long-term financial goals.

\*Statutory basis as of 12/31/2016.

The term financial professional is not intended to imply engagement in an advisory business in which compensation is not related to sales. Financial professionals that are insurance licensed will be paid a commission on the sale of an insurance product.

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Product features, riders and index options may not be available in all states. See product brochures, disclosures and state availability chart for further details, limitations and information on appropriate state variations.

Fixed Index Annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Although Fixed Index Annuities guarantee no loss of premium due to market downturns, deductions from the Accumulation Value for additional optional benefit riders could under certain scenarios exceed interest credited to the Accumulation Value, which would result in loss of premium. They may not be appropriate for all clients.

These indexes are managed to a volatility target, and as a result their index performance will not match the performance of any other index or the markets in general since volatility control tends to reduce both the rate of negative performance and positive performance of the underlying index, thereby creating more stabilized performance. The S&P 500<sup>®</sup> Low Volatility Daily Risk Control 5% and the S&P 500<sup>®</sup> Low Volatility Daily Risk Control 8% Indexes have been in existence since 8/18/2011. Ending values in years prior to inception are determined by S&P Dow Jones Indices LLC or its affiliates ("SPDJI") using the same methodology as used currently.

The "S&P 500<sup>®</sup>", "S&P Multi-Asset Risk Control 5% Excess Return Index", "S&P 500<sup>®</sup> Low Volatility Daily Risk Control 5% Index", "S&P 500<sup>®</sup> Low Volatility Daily Risk Control 8% Index", "S&P MidCap 400<sup>®</sup>", and "DJIA<sup>®</sup>", Indices ("Indices") are products of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and have been licensed for use by Midland National<sup>®</sup> Life Insurance Company ("the Company"). Standard & Poor's<sup>®</sup> and S&P<sup>®</sup> are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones<sup>®</sup> is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the Company. The products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the Indices.

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