

Deutsche Bank's CROCI Sectors III USD 5.5% Volatility Control Index

The CROCI Sectors III USD 5.5% Volatility Control Index (CROCI Index), managed by Deutsche Bank AG, is another market index you can select as a benchmark for crediting interest to the cash value of your Delaware Life fixed index annuity (FIA).¹

What this index represents

This index reflects the performance of a portfolio of value stocks in major global equity markets and industry sectors plus a cash component used to help limit overall volatility.

The CROCI Sectors III USD 5.5% Volatility Control Index (CROCI Index) may be appropriate if you want an index option that:

- Includes **markets outside the U.S.**
- Uses a strategy focusing on **attractive stock valuations**
- Increases the likelihood of paying interest by **managing volatility** with a dynamic cash allocation²

More details about how Deutsche Bank manages this index are included on p. 2.

Your FIA can earn interest credits based on how this index performs

- Your Delaware Life FIA is not directly invested in financial markets and it does not own shares in any index, index fund, or equity or bond investment. Instead it earns interest credits based on the performance of the indexes you select.³
- It's important to remember that a FIA index is not an investment that you can purchase.
- It tracks the actual index but is not invested directly in the index.
- So, while you cannot actually invest in an index, you can use it as a benchmark—or point of reference—to track the performance of the market it represents and compare that to the returns of similar securities or groups of securities.

¹ Index Annuities issued by Delaware Life Insurance Company.

² While volatility controls may result in less fluctuation in rates of return as compared to indexes without volatility controls, they may also reduce the overall rate of return as compared to products not subject to volatility controls.

³ Index strategies used in Delaware Life Fixed Index Annuities are subject to factors such as caps, spreads, and participation rates, which will reduce crediting rates relative to the underlying index performance. See the applicable disclosure statement for more information.

How we calculate the FIA interest credit for this index³

To calculate the amount of interest credited each year to your annuity account value, the CROCI Sectors 5.5% VC Index option uses a **1-year point-to-point strategy with a spread**.

The **1-year point-to-point strategy measures the change** in the index value between a starting “point” date and a finishing “point” date to determine the gross return. The annuity then **subtracts a “spread”** or percentage from this return to determine your interest credit. So,

■ If the percentage change in the index is more than the spread, you will receive an interest credit for **the difference between the gross return and the spread**.

■ But if the percentage change is equal to or less than the spread, you won't receive any interest. However, **your contract's value will still be protected** and will not decrease due to any negative performance.

For example, if the annuity has a 4% spread and the index grows by 10%, then your interest credit would be 6% (10%–4% spread). But if the index gains only 2%, you would not get an interest credit because the spread is a negative number (2%–4% spread). In this case, your contract value would remain unchanged.

The spread used to calculate the interest credit will be specified in your FIA contract. Please ask your financial representative for the rate sheet that includes the current spread value.

How the CROCI Index “invests”

This index:

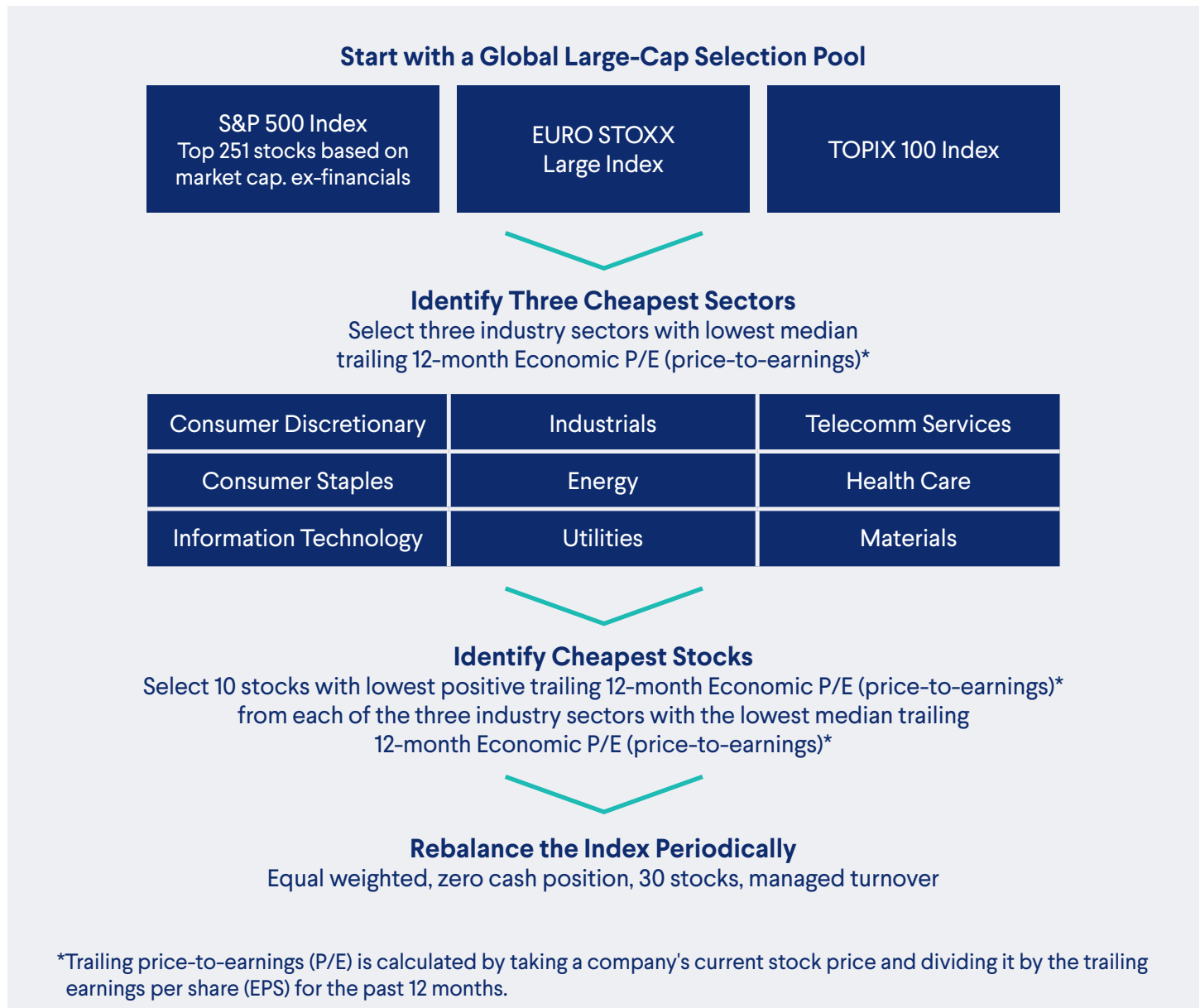
- Uses a rigorous selection process to identify the regions, sectors, and stocks/equities that represent the best values all over the globe
- Rebalances the stock portfolio regularly to reflect changes in markets and industry sector valuations
- Manages the allocation of its cash component to try to limit annual volatility to 5.5%

The equity portfolio of this index is represented by Deutsche Bank's CROCI Index, which tracks the performance of 30 potentially undervalued stocks of companies located in the U.S., the Eurozone, and Japan.

³Index strategies used in Delaware Life Fixed Index Annuities are subject to factors such as caps, spreads, and participation rates, which will reduce crediting rates relative to the underlying index performance. See the applicable disclosure statement for more information.

The selection of stocks for this underlying index is based on Deutsche Bank's proprietary CROCI (Cash Return on Capital Investment) Economic P/E (price-to-earnings) evaluation methodology that helps compare company valuations across sectors and geographies.

As shown in the chart, the selection process begins with a pool of large-cap global stocks from which three global industry sectors with the lowest stock valuations are chosen. The index then identifies the cheapest stocks in each sector and rebalances them periodically to reflect changing valuations and market conditions.



How the index manages volatility

The CROCI Index combines the equity/stock component with a cash allocation that provides additional diversification to help reduce the risk of negative index returns over time. The cash allocation is adjusted daily to target an annualized volatility level of 5.5%—with a higher allocation to cash when volatility increases and a higher allocation to equities when volatility decreases.

What are the benefits of selecting the CROCI Index?

■ Global growth potential

- Reflects global exposure to cheaper “value” stocks in the U.S., Eurozone, and Japan
- Regular rebalancing among selected stocks and sectors responds to changes in valuations and markets

■ Less volatility

- Daily “dynamic rebalancing” of the cash allocation in the index helps manage volatility
- 5.5% annual volatility target

■ Consistent performance in a variety of market environments

- Positive returns in 6 of the past 10 calendar years (based on simulated returns)

■ A strategy that complements other Delaware Life FIA index options that track

- Global Momentum (Stocks, Bonds & Commodities) (MSGO)
- Global Value (Stocks) (CROCI)
- Income (Fixed Account)

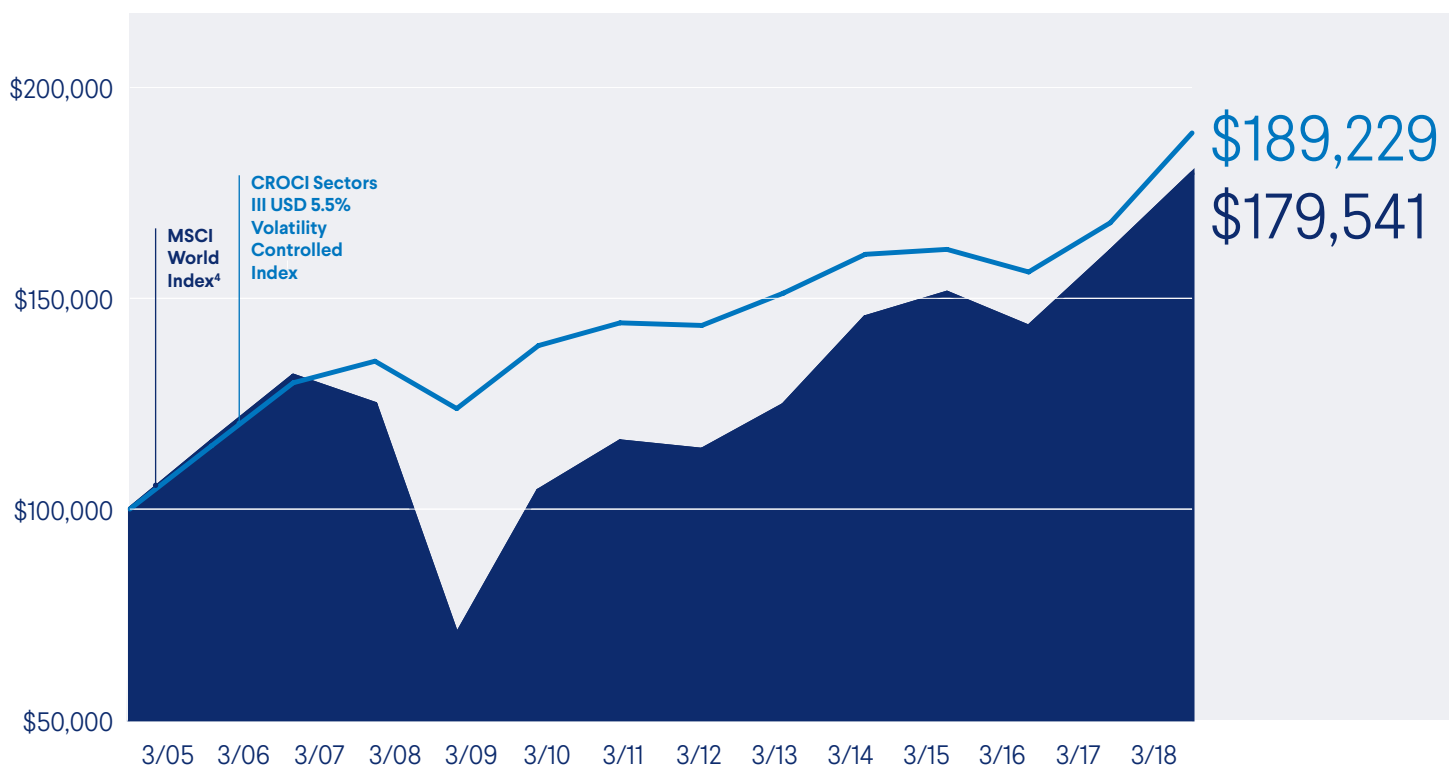
Performance (based simulated and actual returns)

The chart below compares the performance of the Deutsche Bank CROCI Sector III USD 5.5% Volatility Control Index and the MSCI World Index,⁴ a broad global benchmark of large- and mid-cap equities. Because the CROCI Index was introduced in March 2015, any returns prior to March 13, 2015, are based on the retrospective application of a back-tested index methodology designed with the benefit of hindsight.⁵

Global Diversification and Volatility Control Designed for a Variety of Markets

Deutsche Bank's CROCI Sectors III USD 5.5% Volatility Control Index: Historical Hypothetical Return Analysis⁵

Based on an initial investment of \$100,000



This example does not reflect the effect of any fees, spreads, floors or other adjustments that may apply to an annuity or other product.

⁴The MSCI World Index is a broad global equity benchmark, representing large- and mid-cap equity performance across 23 countries with developed markets. (source: msci.com/world)

⁵No actual investment that allowed tracking of the performance of the index was possible before March 13, 2015. The methodology of the index was designed, constructed and tested using historical market data and based on knowledge of factors that may have affected its performance.

About Deutsche Bank⁶

Founded in 1870 and headquartered in Frankfurt am Main, Germany, Deutsche Bank is the largest bank in Germany and one of the largest financial institutions in the world.⁷ As of December 2017, the firm had 2,434 branches in 70 countries.⁸ The company also offers the sales, trading and structuring of a wide range of financial markets' products including index-based swaps, notes and certificates.

⁶“Deutsche Bank” means Deutsche Bank AG and its affiliated companies, as context requires. Deutsche Bank does not render legal or tax advice and information in this communication should not be regarded as such.

⁷Source: <http://www.businessinsider.com/sp-global-biggest-banks-in-europe-2017-4?r=UK&IR=T/#4-deutsche-bank-germany-1676-trillion-19>

⁸Source: <https://www.db.com/company/en/global-network.htm>

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