

## How Does Monthly Sum Cap Crediting Work?

Monthly Sum Cap is a unique interest crediting option for indexed annuities that offers strong interest potential during market upturns but protects your premiums paid and interest earned from loss due to market downturns.<sup>1</sup>

In each month where the index increases relative to the prior calendar month, an interest rate (up to the predetermined cap) is assigned to the current month. In any month where the index decreases relative to the prior calendar month, a negative interest rate is assigned to the current month. There is no floor for monthly negative interest assignments. At the end of a 12-month period the interest assigned to each month (both positive and negative) is summed to determine annual credited interest.

When the sum total of the assigned interest rates<sup>2</sup> for the 12 month period is positive, that interest rate is credited to the policy. If the sum total of the assigned interest rates is negative for the 12 month period, you'll receive 0% interest for the year, but you'll never lose a penny of your premiums paid and interest credited. This is illustrated by the chart to the right.

**The Monthly Sum crediting option is available on select indexed annuity products.**

### Hypothetical policy purchased in June.

Does not represent the actual results of any policy and your results will likely differ.

			Index Change	Policy Cap
JUN	1.25%		4.00%	1.25%
JUL	1.25%		2.00%	1.25%
AUG		-1%	-1.00%	1.25%
SEP	1.00%		1.00%	1.25%
OCT		-1%	-1.00%	1.25%
NOV	1.25%		1.25%	1.25%
DEC	0.00%		0.00%	1.25%
JAN	1.25%		1.50%	1.25%
FEB		-3%	-3.00%	1.25%
MAR	0.50%		0.50%	1.25%
APR	1.25%		1.25%	1.25%
MAY	1.25%		2.00%	1.25%
	<b>9%</b>	<b>-5%</b>		
	<b>4% interest credited to policy<sup>3</sup></b>			

Products issued by

**National Life Insurance Company® | Life Insurance Company of the Southwest®**

<sup>1</sup> Assuming no withdrawals during the surrender period. Rider charges continue to be deducted regardless of whether interest is credited.

<sup>2</sup> Subject to monthly caps (maximum interest crediting allowed) and annual participation rates (percent of the change in the index that is credited).

<sup>3</sup> Assuming 100% allocation to monthly sum crediting strategy.

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