A More Stable Solution for the "Ups & Downs"

UNDERSTANDING VOLATILITY-CONTROLLED INDEXES[1]

Where will the markets go next?

Up or down, market volatility is the only certainty. And not everyone has the stomach for it. Many people prefer to avoid it altogether, but they also appreciate the need to have some market exposure in their long-term financial strategy.

Is there a solution to help with volatility?

Yes! Volatility-controlled indexes.

Volatility-controlled indexes are managed with the goal of levelling off the sharp ups and downs of the markets. They can still experience the same cycles as the general market, but they seek a smoother ride than just a traditional index, like the S&P 500.[2]

Asset Mix Corresponds to Volatility

Volatility-controlled indexes invest in different geographies around the world as varying asset classes, such as stocks, bonds, real estate, commodities, cash and more. By adjusting the mix depending on what's less volatile at the time, the index looks to manage its total volatility.

Setting Limits to Adjust for Changing Markets

Controlling volatility is a daily pursuit. As the markets move, the index manager can change the asset mix in the effort to limit its up or down movement within a pre-determined percentage (no more than 5% in either direction, for example).

A volatility controlled index may be ideal for clients who are looking for more gentle ups and downs, but still want the interest-crediting potential provided by an indexed insurance product.

If you have questions regarding our volatility-controlled indexes or our indexed annuity or insurance products in general, please contact the National Life Sales Desk at **1-800-906-3310.**

1 A low volatility index aims to deliver a narrower range of outcomes: more certainty at the expense of less upside and downside. When included in a fixed indexed annuity or life insurance product with the protection of a 0% floor, the benefit of reduced downside will not be realized for index returns below 0%. A cap may not be imposed on the indexed interest which can be earned however, the index deducts a maintenance fee to cover expenses, costs and fees. Contract value is not impacted by the maintenance fee. This fee may be increased or decreased in the aggregate by the volatility control mechanism. While the volatility control may result in less fluctuation in rates of return as compared to indices without volatility controls, it may also reduce the overall rate of return as compared to products not subject to volatility controls and the Index may underperform similar portfolios from which these fees and costs are not deducted. Indexed life and annuity products do not directly participate in any stock or equity investments.

2 There is no guarantee that a volatility-controlled index will achieve its objectives.

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