



## Which Index Should You Choose?

Life insurance products create an immediate reservoir of funds that, at death, can be used to help protect the financial security of your family or help maintain your business. In addition to the death benefit, indexed universal life (IUL) insurance also offers the potential to build cash value.

IUL policies credit interest based in part on the change of a market index. Each indexed strategy in our IUL policies calculates the amount of interest to credit based in part on the change of the index during a 1-year term. They also offer a fixed interest crediting strategy.

Which index strategy to choose depends on your objectives and tolerance risk. However, with many options to choose from, you can diversify your cash value with indexed strategies whose underlying indexes focus on different markets, assets, geographies and objectives.

<b>Annual Point-to-Point S&amp;P 500 Index, Cap Focus and Participation Focus Strategies</b>	<ul style="list-style-type: none"> <li>• Tracks the S&amp;P 500, considered to be representative of large-company stocks in general</li> <li>• Choose a higher participation rate or higher cap depending on your outlook on the index</li> </ul>
<b>Balanced Trend</b>	<ul style="list-style-type: none"> <li>• A volatility-targeted index that seeks to provide a smoother ride than the highs and lows of the general market</li> <li>• Follows a mix of different asset classes and global markets in the pursuit of less volatility</li> </ul>
<b>Annual Point-to-Point S&amp;P 500 Index, 1% Floor Strategy</b>	<ul style="list-style-type: none"> <li>• Guaranteed 1% annual interest crediting regardless of market performance</li> <li>• For those willing to give up some upside for greater guaranteed interest crediting</li> </ul>
<b>U.S. Pacesetter Index</b>	<ul style="list-style-type: none"> <li>• A volatility-targeted index that seeks to provide a smoother ride than the highs and lows of the general market</li> <li>• Follows a mix of different asset classes and US Equities markets in the pursuit of less volatility</li> </ul>
<b>Fixed-Term Strategy</b>	<ul style="list-style-type: none"> <li>• Guaranteed interest crediting using an annually declared fixed interest rate</li> <li>• Upside potential is limited</li> </ul>

Products issued by:

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## Hypothetical Returns by Strategy

Year	Balanced Trend Index Pt-to-Pt Growth Rate	Balanced Trend Index Pt-to-Pt No Cap Par: 215.00%	S&P 500® Pt- to-Pt Growth Rate	S&P 500® Pt-to-Pt Cap Focus Cap: 9.25% Par: 105.00%	S&P 500® Pt-to-Pt Par Focus Cap: 6.50% Par: 140.00%	S&P 500® Pt-to-Pt 1% Floor Cap: 6.75% Par: 100.00%	US Pacesetter Index Pt-to-Pt Growth Rate	US Pacesetter Index Pt-to-Pt No Cap Par: 235.00%
2003	12.39%	26.63%	26.38%	9.25%	6.50%	6.75%	9.87%	23.20%
2004	7.14%	15.36%	8.99%	9.25%	6.50%	6.75%	12.67%	29.78%
2005	3.64%	7.83%	3.00%	3.15%	4.20%	3.00%	10.19%	23.95%
2006	6.33%	13.61%	13.62%	9.25%	6.50%	6.75%	7.13%	16.75%
2007	1.27%	2.72%	3.53%	3.71%	4.94%	3.53%	7.35%	17.27%
2008	1.71%	3.67%	-38.49%	0.00%	0.00%	1.00%	-0.48%	0.00%
2009	4.87%	10.48%	23.45%	9.25%	6.50%	6.75%	4.41%	10.36%
2010	6.43%	13.82%	12.78%	9.25%	6.50%	6.75%	14.04%	33.00%
2011	4.69%	10.08%	0.00%	0.00%	0.00%	1.00%	13.09%	30.75%
2012	8.25%	17.74%	13.41%	9.25%	6.50%	6.75%	7.12%	16.73%
2013	8.42%	18.10%	29.60%	9.25%	6.50%	6.75%	-1.06%	0.00%
2014	12.79%	27.51%	11.39%	9.25%	6.50%	6.75%	7.66%	18.01%
2015	-0.43%	0.00%	-0.73%	0.00%	0.00%	1.00%	0.34%	0.81%
2016	2.45%	5.27%	9.54%	9.25%	6.50%	6.75%	3.23%	7.58%
2017	9.65%	20.74%	19.42%	9.25%	6.50%	6.75%	12.46%	29.29%
2018	-2.21%	0.00%	-6.24%	0.00%	0.00%	1.00%	0.86%	2.01%
2019	11.09%	23.84%	28.88%	9.25%	6.50%	6.75%	11.88%	27.93%
2020	1.16%	2.49%	16.26%	9.25%	6.50%	6.75%	14.75%	34.66%
2021	5.23%	11.25%	26.89%	9.25%	6.50%	6.75%	3.32%	7.81%
2022	-11.09%	0.00%	-19.44%	0.00%	0.00%	1.00%	-15.26%	0.00%
5 YEAR AVG	0.60%	7.14%	7.50%	5.45%	3.85%	4.41%	2.50%	13.63%
10 YEAR AVG	3.50%	10.45%	10.40%	6.39%	4.51%	4.99%	3.50%	12.10%
15 YEAR AVG	4.00%	10.65%	6.60%	6.08%	4.29%	4.80%	4.80%	13.88%
20 YEAR AVG	4.50%	11.22%	7.60%	6.28%	4.64%	4.93%	5.90%	15.88%

Numbers shown represent the hypothetical past performance of our strategies, which are based on the change in the underlying index, excluding dividends, without direct market participation and applying an assumed cap, participation rate and floor.

### Guaranteed caps and participation rates by strategy:

S&P 500 Cap Focus Strategy — Participation Rate will always be equal to or greater than 100%. Guaranteed Minimum Cap 3.1%.

S&P 500 Participation Focus Strategy — Participation Rate will be at least 110% or greater. Guaranteed Minimum Cap 3.0%.

S&P 500 1% Floor Strategy — Guarantees a Floor of 1%. Participation Rate will always be equal or greater than 100%. Guaranteed Minimum Cap is 2.1%.

U.S. Pacesetter — Participation Rate will always be equal to or greater than 50%. We guarantee no Cap on this strategy.

Balanced Trend Index — Participation Rate will always be equal to or greater than 50%. We guarantee no Cap on this strategy.

Fixed Accounts — Credited daily, a fixed interest rate declared by the company and guaranteed for one year. Interest will be credited at a rate not less than the Accumulated Value Interest Rate shown in the Data Section of the policy.

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These index strategies are available on select indexed universal life insurance policies issued by National Life Insurance Company and Life Insurance Company of the Southwest.

Cap and Participation Rates can vary by product or strategy. Past performance is not indicative of future index performance and historical interest rates should not be construed as interest rates to be paid in the future on any product offered by the insurance companies of National Life Group. There are administrative, cost of insurance and other charges associated with these IUL insurance policies which are deducted regardless of any interest that is credited. The hypothetical values shown in this exhibit do not reflect these charges. Policy values may decline if premiums paid out-of-pocket are insufficient to cover insurance costs and other charges. The values shown assume that the current cap, floor and participation rate shown are applied to the historical values of the index. This does not represent actual historical interest crediting for these indexes as caps and participation rates have changed over time. The Participation Rate is the maximum percentage of the annual increase in the Index that will be credited. The Cap is the maximum earnings percent that will be credited. The floor is the minimum interest that will be credited to a strategy for that crediting period. Participation Rates and Caps are subject to change annually for a given indexed segment. Monthly deductions from the account value include a monthly policy fee, monthly expense charge, cost of insurance charge, and applicable rider charges. In addition there is a surrender charge if the policy is lapsed or surrendered in the first 10 years from issue or following an increase. Surrender charges vary based on gender, rate classification, issue age, and policy year.

Excess Interest Formula: Index earnings for each indexed segment are calculated at the end of the crediting period as follows: index growth is multiplied by the segment's participation rate, adjusted so that this rate is no greater than the segment's index earnings cap, and no less than the floor; multiplied by the value in the indexed segment value. Failure to maintain the index segment to maturity (the next crediting date for the index strategy segment) will result in no participation in the index for that crediting period. Index earnings are not direct participation in any stock or equity investment. Diversification does not assure a profit.

Volatility control acts to reduce the potential positive or negative change in the index. When included in a point to point Index Account with the protection of a 0% floor, the benefit of reduced negative change will not be realized. For the USB Balanced Trend Index there is a servicing cost to cover expenses which include but are not limited to rebalancing and replication costs that are deducted prior to computing the Index value. This cost may vary over time with market conditions and may reduce the potential positive change in the Index and thus the amount of interest that will be credited. For an Index with volatility control and the additional costs deducted from the Index value, the positive Index value change may be less than that of similar indices that do not include volatility control and do not deduct these costs. This may result in less interest that will be credited.

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