

Life

The Fidelity Multifactor Yield IndexSM 5% ER

Expertise, diversification,
and consistency

Life insurance products are issued by Midland National® Life Insurance Company



The Fidelity Multifactor Yield IndexSM

5% ER

Designed to help deliver more consistent performance in various market conditions.

Growth potential

Market fluctuations seem to be the only constant these days. In addition to looking for death benefit protection, you may be searching for new ways to help manage this volatility, while also growing your policy's potential cash value.

One option is to harness the power of factors with the Fidelity Multifactor Yield Index 5% ER.

This rules-based index blends six equity factor indices with U.S. Treasuries and cash, using a dynamic allocation approach that seeks to reduce volatility to deliver more consistent returns over time.

Midland National offers the Fidelity Multifactor Yield Index 5% ER on currently marketed and select inforce indexed universal life insurance products.

The Fidelity Multifactor Yield Index 5% ER is built on:

Expertise



Diversification



Consistency



The Fidelity Multifactor Yield Index 5% ER is ticker: FIDMFYDN.



Expertise

With 50+ years of quantitative investment experience, factor investing is a meaningful component of Fidelity's capabilities.



What is a factor?

A factor is a characteristic of a security that helps explain its risk and return behaviors. And when key factors are combined, they have the potential to outperform the broader market and lower overall risk.

Research team

- Over **100 quantitative investment professionals** across equity, fixed income, and asset allocation
- Provides expertise to retail, intermediary and institutional strategies

Tools and resources

- **3,000+ equity and fixed income** characteristics in the research library
 - Style factors
 - Macro factors
- Custom, proprietary risk-management tools

Factor-based strategies

- **13 Equity Exchange Traded Funds (ETFs) and 2 Fixed Income ETFs** with \$4.3B in assets under management
- **Over 60 proprietary factor indexes** with indexes supporting ETFs and mutual funds
- **Single factor and multifactor** active investment capabilities with \$5.5B across retail and institutional assets
- **9 dedicated factor funds** within managed accounts with \$41.7B in assets under management

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Source: Fidelity Investments, Asset data and fund count as of 3/31/2022.
For illustrative purposes only.



Diversification

Certain factors have tended to perform well in varying market environments, but no single factor outperforms all the time, so combining factors may provide diversification benefits.

Combination of six key factors

Supported by years of academic research and empirical data, six equity factor indexes were combined to create the Fidelity Multifactor Yield Index 5% ER. Each factor and weighting was chosen with the goal of enhancing returns, managing risk, and targeting specific outcomes.

Factors within the Fidelity Multifactor Yield Index 5% ER

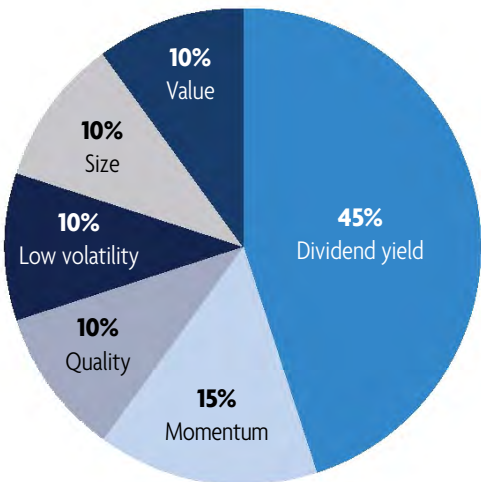
| | Value | Momentum | Dividend yield | Quality | Low volatility | Size |
|-----------------------|---|--|---|---|--|--|
| What it is | Securities that are inexpensive relative to fundamentals | Positively trending securities | Securities that pay higher dividends | Financially healthy companies | Lower-risk securities | Smaller, potentially more agile companies |
| Underlying index name | Fidelity U.S. Value Factor Index SM (FIDUSVLT) | Fidelity U.S. Momentum Factor Index SM (FIDUSMOT) | Fidelity High Dividend Index SM (FIDUSCDT) | Fidelity U.S. Quality Factor Index SM (FIDUSQLT) | Fidelity U.S. Low Volatility Factor Index SM (FIDUSLVT) | Fidelity Small-Mid Factor Index SM (FIDUSSMT) |

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Weighted to enhance income potential

A portfolio of six equity factors weighted with a tilt toward dividend yield may produce higher returns than an equally weighted portfolio, while still providing the benefits of diversification with exposure to the other factors.

The Fidelity Multifactor Yield 5% ER works to optimize income potential by applying fixed weights to six Fidelity factor indexes.



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Factors can provide diversification

Factors have been shown to enhance portfolios over time, but no single factor works all the time. Since factors are not highly correlated with each other, they may perform differently in varying environments, which could allow consumers to benefit from diversification.

Hypothetical annual returns of factor strategies versus the broader market - 2002–2021

| 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 20 year average (2002-2021) |
|--|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|-----------------------------|
| -5.68 Dividend Yield | 61.60 Size | 24.98 Value | 15.20 Momentum | 20.62 Dividend Yield | 14.17 Momentum | -28.90 Low Vol | 113.33 Size | 28.02 Size | 5.64 Low Vol | 19.57 Size | 40.77 Momentum | 14.49 Low Vol | 3.12 Low Vol | 26.31 Dividend Yield | 21.81 Momentum | -1.16 Low Vol | 30.89 Low Vol | 20.55 Momentum | 31.46 Dividend Yield | 11.49 Dividend Yield |
| -9.94 Momentum | 56.39 Value | 21.92 Dividend Yield | 11.84 Value | 17.57 Value | 10.07 Quality | -42.12 Russell 1000 | 72.25 Dividend Yield | 27.86 Momentum | 2.86 Dividend Yield | 19.15 Momentum | 40.36 Size | 13.44 Dividend Yield | 1.78 Momentum | 23.82 Size | 21.40 Quality | -5.75 Momentum | 29.89 Quality | 15.88 Russell 1000 | 29.27 Value | 11.25 Quality |
| -12.25 Quality | 43.38 Russell 1000 | 21.72 Quality | 10.86 Quality | 16.00 Quality | 2.72 Russell 1000 | -42.33 Quality | 71.46 Value | 26.15 Value | 1.15 Quality | 18.97 Value | 38.95 Value | 12.81 Value | -3.81 Russell 1000 | 21.33 Value | 18.71 Russell 1000 | -7.96 Dividend Yield | 29.16 Russell 1000 | 12.60 Size | 27.24 Quality | 10.88 Momentum |
| -12.97 Low Vol | 42.93 Momentum | 21.25 Size | 9.79 Russell 1000 | 15.57 Low Vol | 2.13 Low Vol | -43.46 Dividend Yield | 53.84 Russell 1000 | 24.28 Russell 1000 | -2.22 Russell 1000 | 17.68 Russell 1000 | 36.47 Russell 1000 | 11.28 Quality | -4.87 Quality | 16.62 Low Vol | 17.57 Low Vol | -8.09 Quality | 28.24 Dividend Yield | 12.47 Quality | 24.01 Low Vol | 10.87 Low Vol |
| -16.16 Value | 40.51 Dividend Yield | 18.99 Momentum | 7.78 Size | 14.97 Russell 1000 | -4.50 Size | -43.77 Momentum | 49.38 Quality | 23.83 Dividend Yield | -3.24 Value | 16.89 Quality | 35.21 Quality | 10.86 Russell 1000 | -7.26 Dividend Yield | 15.28 Russell 1000 | 15.51 Value | -9.10 Russell 1000 | 28.14 Momentum | 7.63 Dividend Yield | 22.34 Russell 1000 | 10.55 Value |
| -20.03 Russell 1000 | 36.06 Quality | 18.98 Low Vol | 7.21 Low Vol | 14.26 Size | -6.18 Dividend Yield | -47.90 Value | 23.21 Low Vol | 21.93 Quality | -3.51 Momentum | 16.03 Low Vol | 33.17 Low Vol | 9.89 Momentum | -7.55 Value | 11.23 Quality | 14.24 Dividend Yield | -14.87 Size | 26.11 Size | 6.37 Low Vol | 19.78 Size | 10.55 Russell 1000 |
| -25.44 Size | 28.42 Low Vol | 18.44 Russell 1000 | 3.56 Dividend Yield | 9.94 Momentum | -6.86 Value | -48.40 Size | 20.20 Momentum | 18.52 Low Vol | -8.65 Size | 14.44 Dividend Yield | 29.14 Dividend Yield | 6.75 Size | -11.50 Size | 7.51 Momentum | 12.37 Size | -15.88 Value | 25.55 Value | 3.07 Value | 19.53 Momentum | 10.27 Size |
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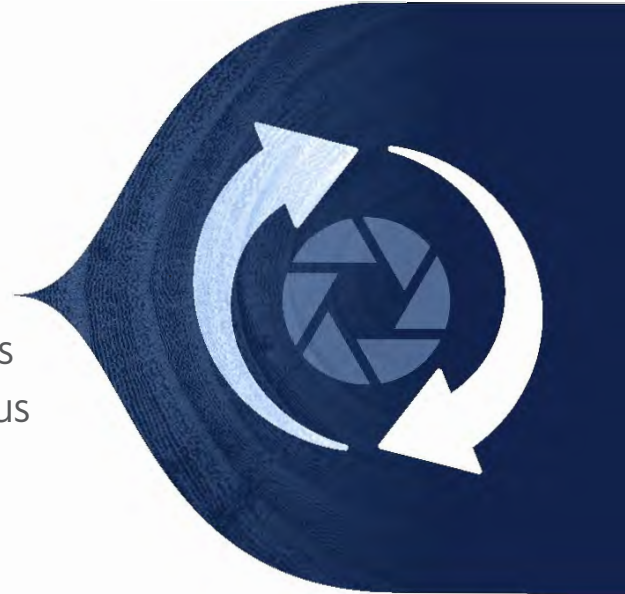
The performance shown does not represent any Fidelity strategy or client account and is no indication of any future performance of any such products or accounts.

Past performance is not guarantee of future results. Methodology: All factor portfolio returns shown are equal-weighted and sector neutral. Factor portfolios and indexes assume the reinvestment of dividends and exclude fees and other implementation costs. Russell 1000 Index is equal-weighted. Size (small cap) returns are annualized returns of the equal-weighted bottom quintile (by market capitalization) of the Russell 1000 Index. Value composite returns shown are annualized returns of a combined average ranking of stocks in the equal-weighted top quintile (by book/price ratio) and stocks in the top quintile (by earnings yield) of the Russell 1000 Index. Momentum returns are annualized returns of the equal weighted top quintile (by trailing 12-month returns) of the Russell 1000 Index. Quality returns are annualized returns of the equal-weighted top quintile (by return on equity) of the Russell 1000 Index. Return on equity is a measure of profitability that calculates how many dollars of profit a company generates with each dollar of shareholder's equity. Low-volatility returns are annualized returns of the equal-weighted bottom quintile (by standard deviation of weekly price returns) of the Russell 1000 Index. Standard deviation is a measure of return dispersion. A portfolio with a lower standard deviation exhibits less return volatility. Dividend yield returns are annualized returns of the equal-weighted top quintile (by dividend yield) of the Russell 1000 Index.

Diversification does not ensure a profit or guarantee against a loss.

Consistency

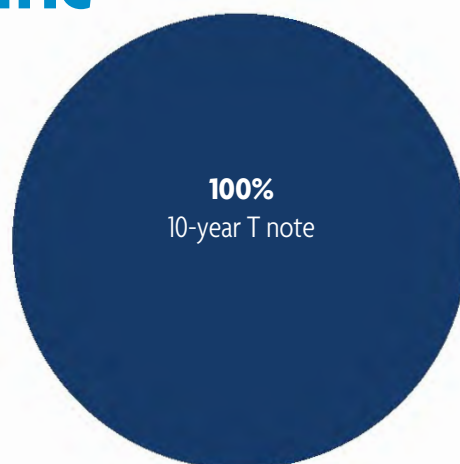
Volatility control combined with certain factors may achieve performance consistency in various market conditions.



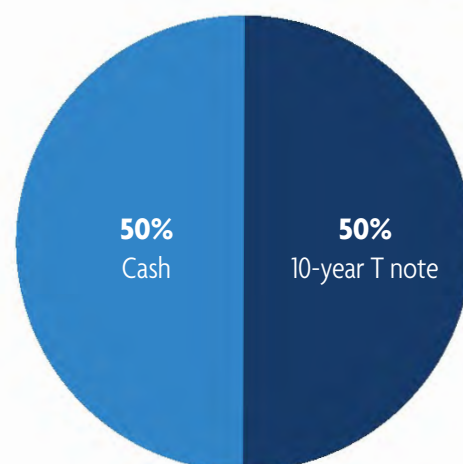
Targets a specific volatility

The Fidelity Multifactor Yield Index 5% ER applies a fixed income overlay to help achieve a 5% volatility target. To manage this target, it allocates between 10-year treasuries and cash, based on the performance trend in the prior three months, and adjusts allocations daily.

This volatility control mechanism, along with the combination of factors, can help the Multifactor Yield Index 5% ER achieve performance consistency in various market conditions.



When performance trend is
positive



When performance trend is
negative

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See it at work

go.fidelity.com/FIDMFY

Want to see how the Fidelity Multifactor Yield Index 5% ER performs over time? Visit the index website to view:

- **Performance:** Daily levels, daily changes, and cumulative returns for multiple time periods.
- **Featured whitepapers and resources**
- **Plus** more index details and methodology!



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Midland National leverages its depth of experience and strength in business relationships to help clients meet their financial goals.

- ▶ Founded in 1906¹
- ▶ Privately held
- ▶ Over 540,000 life insurance policies³
- ▶ A+ rated by major rating agencies²
- ▶ 115+ years of strength and stability

1. Founded as Dakota Mutual Life Insurance Company

2. "A+" (Superior) A.M.Best, "A+" (Strong) S&P Global Ratings, "A+" (Stable) Fitch 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 ratings above apply to Midland National's financial strength and claims-paying ability.

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. A+ is the second highest rating out of 15 categories and was affirmed for Midland National Life Insurance Company as part of Sammons Financial Group on July 30, 2021. For the latest rating, access [ambest.com](https://www.ambest.com).

S&P Global Ratings is an independent, third-party rating firm that rates on the basis of financial strength. Awarded to Midland National as part of Sammons® Financial Group Inc., which consists of Midland National® Life Insurance Company and North American Company for Life and Health Insurance®. S&P Global Ratings assigned Feb. 26, 2009 and affirmed on June 2, 2021 The "A+" (Strong) rating is the fifth highest out of 22 available ratings as a member of Sammons® Financial Group, Inc.

Fitch Ratings, a global leader in financial information services and credit ratings, on December 14, 2021, assigned an Insurer Financial Strength rating of A+ Stable for Midland National. This rating is the fifth highest of 19 possible rating categories. 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, read the [Fitch Ratings report](#).

3. Number of inforce life policies as of 12/31/21, Agency Services Midland National Internal Report

Sammons Financial® is the marketing name for Sammons® Financial Group, Inc.'s member companies, including Midland National® Life Insurance Company. Annuities and life insurance are issued by, and product guarantees are solely the responsibility of, Midland National Life Insurance Company.

Indexed Universal Life Insurance products are not an investment in the "market" or in the applicable index and are subject to all policy fees and charges normally associated with most universal life insurance.

Charts and graphs depicting the Fidelity Multifactor Yield Index 5% ER used with permission from Fidelity Product Services LLC.

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*.

The Fidelity Multifactor Yield Index 5% ER (the "Index") is a multi-asset index, offering exposure to companies with attractive valuations, high quality profiles, positive momentum signals, lower volatility and higher dividend yield than the broader market, as well as U.S. treasuries, which may reduce volatility over time. Fidelity and its related marks are service marks of FMR LLC. Fidelity Product Services LLC ("FPS") has licensed this index for use for certain purposes to Midland National® Life Insurance Company (the "Company") on behalf of the Product. The Index is the exclusive property of FPS and is made and compiled without regard to the needs, including, but not limited to, the suitability needs, of the Company, the Product, or owners of the Product. The Product is not sold, sponsored, endorsed or promoted by FPS or any other party involved in, or related to, making or compiling the Index. The Company exercises sole discretion in determining whether and how the Product will be linked to the value of the Index. FPS does not provide investment advice to owners of the Product, nor to any other person or entity with respect to the Index and in no event shall any Product contract owner be deemed to be a client of FPS.

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The Fidelity Multifactor Yield Index 5% ER is just one of the many index options available through Midland National. To learn more about Midland National's life insurance products, please contact your financial professional.




Midland National is a Sammons Financial company.

We are committed to our customers, distribution partners, employees and communities – and the deeply rooted belief that we grow stronger together.

With so much change happening in the world, people are looking for companies that can stand the test of time. They need a partner that can weather life's storms. That's us. For over a century, we have been here for our customers and honoring our commitments. And because we're privately owned, we don't measure our impact by the number of years we've been in business, investor goals or size of the company. We are proud of our impact of the financial futures we help secure, and the legacies we help establish.

We believe that we aren't here to serve just today's customers, but customers for generations to come. As we look ahead to our next hundred years, that fundamental principle remains rich in its vision. No matter how much change happens in the world around us, we will find new ways to create value for our customers.

Just like always.



Midland National has continued to earn high ratings, based on our financial strength, operating performance, and ability to meet obligations to our policyholders and contract holders. Midland National currently holds the following ratings:

“A+”

A.M. Best² (Superior) (Second category of 15)

S&P Global Ratings² (Strong) (Fifth category of 22)

Fitch Ratings² (Stable) (Fifth category of 19)