

Issued by North American Company for Life and Health Insurance®

About the S&P MARC 5% ER Index

The S&P Multi-Asset Risk Control 5% Excess Return Index (S&P MARC 5% ER) strives to create more stable index performance through diversification, an excess return methodology, and volatility management.

Premium allocated to the Term Point-to-Point with Margin or Participation Rate (Annual and Two-year)

Fixed index annuity premiums allocated to the S&P MARC 5% ER are not a direct investment in the stock market or in the index itself. Interest credits will not mirror the actual performance of the index. The allocation provides the potential for interest to be credited based in part on the performance of the index without risk of loss of premium due to market downturn or fluctuation. The Point-to-Point crediting method measures the change in index value using two points in time; the beginning index value and the ending index value for that term, either annual or two-year. Index linked gains are calculated based on the change in these two values. Once the index-linked gains are calculated, an index margin or participation rate is applied to determine the interest credit. No cap rate is applied. The annual interest credit will never be less than zero. North American offers the following crediting methods with the S&P MARC 5% ER; see specific fixed index annuity product brochure for details on which apply.

- Annual Point-to-Point with Index Margin
- Annual Point-to-Point with Participation Rate
- Two-year Point-to-Point with Participation Rate

Managing volatility and portfolio allocation

Volatility is the amount of uncertainty (or risk) that results from market fluctuations (changes in market performance). The S&P MARC 5% ER strives to create stable returns over time by managing to a targeted volatility ("risk control"). The index manages volatility by adjusting the allocations to the asset classes listed in the sidebar, and by allocating to cash in certain market environments.

Excess return

The S&P MARC 5% ER is an excess return index, which means index performance is reported after subtracting a benchmark rate (the Federal Funds Rate).

For applicable fixed index annuity products, please contact your financial professional.

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.

Diversification

The S&P MARC 5% ER allocates among the following asset classes and may also allocate to cash as part of managing volatility.

Reminder: Premium allocated to this index is not a direct investment in the stock market or the component indexes.

Asset classes

Equities

S&P 500*

*For purposes of the S&P MARC 5% ER, an excess return version of the S&P 500 is calculated from the S&P 500 Total Return Index.

Bonds

S&P 10-Year US Treasury Note Futures
Excess Return Index

Commodities

S&P GSCI Gold Excess Return Index

For more information including index values, visit spindices.com and search ticker symbol **SPMARC5P**.

Disclosures

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Fixed index annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Although fixed index annuities guarantee no loss of premium due to market downturns, deductions from the accumulation value for optional benefit riders or strategy fees or charges associated with allocations to enhanced crediting methods could exceed interest credited to the accumulation value, which would result in loss of premium. They may not be appropriate for all clients. Interest credits to a fixed index annuity will not mirror the actual performance of the relevant index.

The S&P 500® MARC 5% ER Index is managed to a volatility target, and as a result the index performance will not match the performance of any other index or the markets in general since volatility control tends to reduce both the rate of negative performance and positive performance of the underlying index, thereby creating more stabilized performance. The S&P MARC 5% ER Index has been in existence since 3/27/2017. Ending values in years prior to inception are determined by S&P Dow Jones Indices LLC or its affiliates ("SPDJI") using the same methodology as used currently.

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For more information including index values, visit spindices.com and search ticker symbol **SPMARC5P**.

