

# Breaking the rules (of thumb)

Issued by Midland National® Life Insurance Company

## Annuity

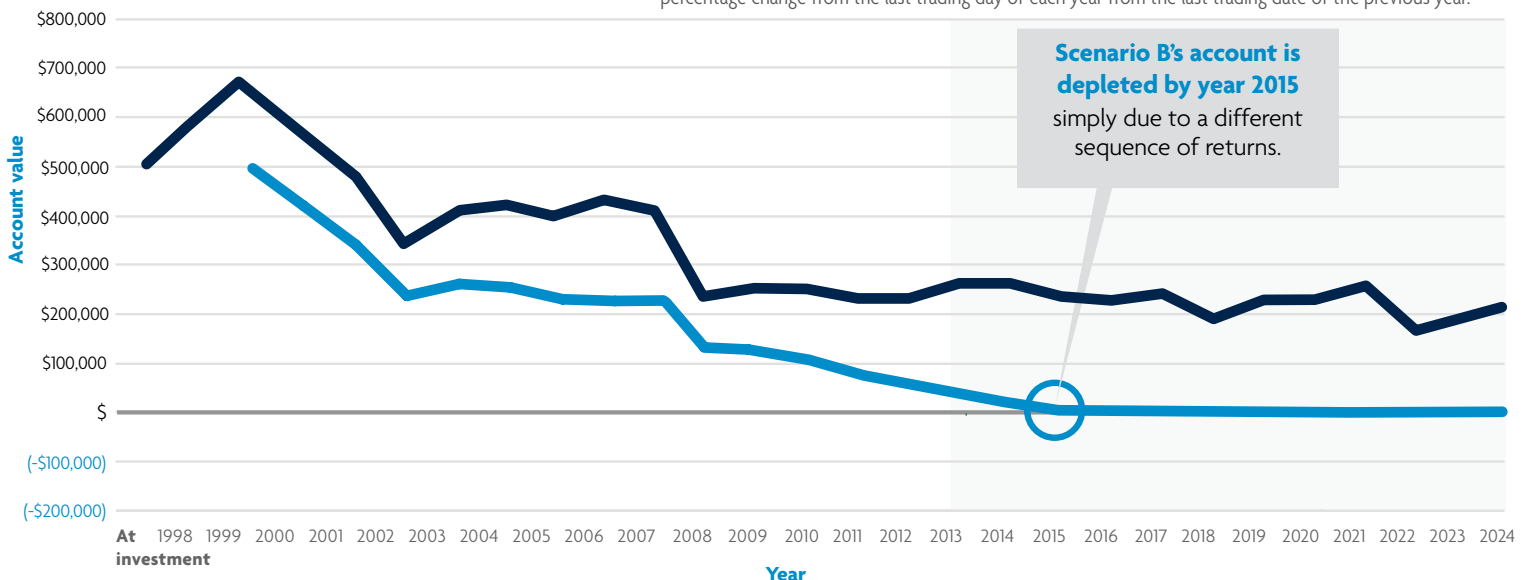
### Drawdown drawbacks

Could a sequence of returns deplete your savings?

When it comes to generating sustainable retirement income, many people only think of an average rate of return needed on their assets. However, what might be more important is not the “average” return but the order of the returns. In the two hypothetical examples provided, scenario A begins taking withdrawals in 1998 and scenario B begins taking withdrawals just two years later in 2000. Both have \$500,000 at the time withdrawals begin. 21 years later, with just a difference of two years from when withdrawals started, scenario A still has over \$100,000 while scenario B's account is depleted by year 15.

Scenario A Withdrawals begin in 1998			Scenario B Withdrawals begin in 2000	
Year	Gain/Loss	Account value	Gain/Loss	Account value
At issue	-	\$500,000	-	-
1998	26.67%	\$598,509	-	-
1999	19.53%	\$682,505	-	\$500,000
2000	-10.14%	\$588,592	-10.14%	\$424,592
2001	-13.04%	\$487,911	-13.04%	\$345,301
2002	-23.37%	\$352,831	-23.37%	\$243,544
2003	26.38%	\$411,155	26.38%	\$273,037
2004	8.99%	\$418,159	8.99%	\$267,619
2005	3.00%	\$402,383	3.00%	\$247,325
2006	13.62%	\$425,940	13.62%	\$249,764
2007	3.53%	\$412,503	3.53%	\$230,109
2008	-38.49%	\$236,831	-38.49%	\$124,633
2009	23.45%	\$258,429	23.45%	\$119,915
2010	12.78%	\$260,447	12.78%	\$104,228
2011	0.00%	\$232,940	0.00%	\$76,726
2012	13.41%	\$232,981	13.41%	\$55,825
2013	29.60%	\$266,306	29.60%	\$36,709
2014	11.39%	\$266,007	11.39%	\$10,258
2015	-0.73%	\$236,774	-0.73%	\$0
2016	9.54%	\$229,228	9.54%	\$0
2017	19.42%	\$240,904	19.42%	\$0
2018	-6.24%	\$200,093	-6.24%	\$0
2019	28.88%	\$222,435	28.88%	\$0
2020	16.26%	\$226,629	16.26%	\$0
2021	26.89%	\$252,681	26.89%	\$0
2022	-19.44%	\$181,399	-19.44%	\$0
2023	24.23%	\$191,190	24.23%	\$0
2024	23.31%	\$201,844	23.31%	\$0

**Assumptions:** Initial account value \$500,000, annual withdrawal \$27,500, S&P 500® index. The gain/loss column is the annual percentage change of the S&P 500 index. The performance is calculated as the percentage change from the last trading day of each year from the last trading date of the previous year.



**Talk to your financial professional about how a fixed index annuity could fit within your overall portfolio.**

Source for charts: Bloomberg 1/3/2025

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.

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 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.

This information is provided for general reference purposes and should not be viewed as investment advice or as a recommendation for a specific index. Neither Midland National, nor any financial professionals acting on its behalf should be viewed as providing legal, tax or investment advice. Always consult with and rely on a qualified advisor.

The "S&P 500®" ("the Index") is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and has been licensed for use by Midland National® Life Insurance Company ("the Company"). S&P®, S&P 500®, US 500, The 500, iBoxx®, iTraxx® and CDX® are trademarks of S&P Global, Inc. or its affiliates ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The Company's Product is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the Indices.



**Talk to your financial professional about how a fixed index annuity could fit within your overall portfolio.**