

Annuity

Issued by Midland National®  
Life Insurance Company

# The Fidelity Multifactor Yield Index<sup>SM</sup> 5% ER

Expertise, diversification,  
and consistency



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

- ▶ Founded in 1906<sup>1</sup>
- ▶ Privately held
- ▶ Over 1 million annuity and life insurance policies
- ▶ A+ rated by the major rating agencies<sup>2</sup>
- ▶ 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

# Introducing the Fidelity Multifactor Yield Index 5% ER

Designed to deliver more consistent performance in various market conditions.

## Growth potential

Market fluctuations seem to be the only constant these days. And you may be searching for new ways to help manage this volatility, while also growing your assets for retirement.

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 has licensed the Fidelity Multifactor Yield Index 5% ER for exclusive use on select fixed index annuity products.**

## The Fidelity Multifactor Yield Index 5% ER is built on ...

### Expertise



### Diversification



### Consistency



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

To learn more about Midland National products, contact your financial professional.



# Expertise

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



## The team

**1965:** First dedicated quantitative analyst joins Fidelity

**1992:** Fixed Income Quantitative Team formed

**1998:** Money Market Quantitative Team formed

**2006:** Equity Quantitative Team established to complement Fidelity's fundamental capabilities



## Capabilities and strategies

**1988:** First quantitative fund launched

**2005:** First proprietary fixed income multifactor risk model launched

**2007:** First equity multifactor global models launched

**2016:** Launched first domestic equity factor indices and exchanged-traded funds (ETFs)

**2017:** Launched Fidelity Bitcoin Index, our first digital asset index

**2018:** Launched first international equity and fixed income factor indices and ETFs

**2021:** Fidelity builds first thematic indices for its new suite of ETFs



## 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	Tools and resources	Factor-based strategies
<ul style="list-style-type: none"> <li>• <b>Over 90 quantitative investment professionals</b> across equity, fixed income, and asset allocation</li> <li>• <b>50+ years</b> of quantitative investment experience at Fidelity</li> </ul>	<ul style="list-style-type: none"> <li>• <b>3,000+ equity and fixed income</b> characteristics in the research library               <ul style="list-style-type: none"> <li>• Style factors</li> <li>• Macro factors</li> </ul> </li> <li>• Custom, proprietary risk-management tools</li> </ul>	<ul style="list-style-type: none"> <li>• <b>13 Equity ETFs*</b> and <b>2 Fixed Income ETFs</b> with \$4.3B in assets under management</li> <li>• <b>Over 70 proprietary factor indexes</b> with indexes supporting ETFs and mutual funds</li> <li>• <b>Single factor and multifactor</b> active investment capabilities with \$3.9B across retail and institutional assets</li> <li>• <b>9 dedicated factor funds</b> within managed accounts with \$36.4B in assets under management</li> </ul>

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Asset Data as of 3/31/2023

\* Fund count data as of 3/31/2023

For illustrative purposes only.



# Diversification

Certain factors have tended to perform well in varying market environments and no one 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 indices 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 <sup>SM</sup> <b>(FIDUSVLT)</b>	Fidelity U.S. Momentum Factor Index <sup>SM</sup> <b>(FIDUSMOT)</b>	Fidelity High Dividend Index <sup>SM</sup> <b>(FIDUSCDT)</b>	Fidelity U.S. Quality Factor Index <sup>SM</sup> <b>(FIDUSQLT)</b>	Fidelity U.S. Low Volatility Factor Index <sup>SM</sup> <b>(FIDUSLVT)</b>	Fidelity Small-Mid Factor Index <sup>SM</sup> <b>(FIDUSSMT)</b>

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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 - 2003–2022

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	20 year return (2003-2022)
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	1.60 Dividend Yield	11.63 Dividend Yield
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	-3.80 Low Vol	11.24 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	-6.38 Value	11.22 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	-7.40 Quality	10.83 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	-11.14 Momentum	10.71 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	-12.91 Russell 1000	10.54 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	-16.47 Size	10.53 Momentum

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Source: Fidelity Investments as of 12/31/2022.

**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.**

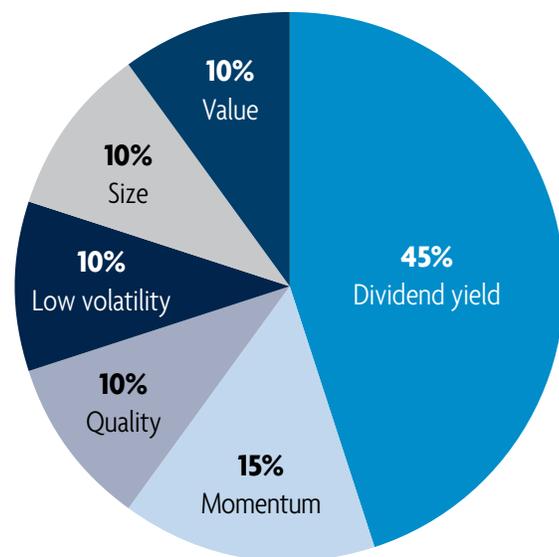
Past performance is not guarantee of future results. Methodology: All factor portfolio returns shown are equal-weighted and sector neutral. Factor portfolios and indexes assume the reinvestment of dividends and exclude fees and other implementation costs. Russell 1000 Index is equal-weighted. Size (small 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.

# 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.

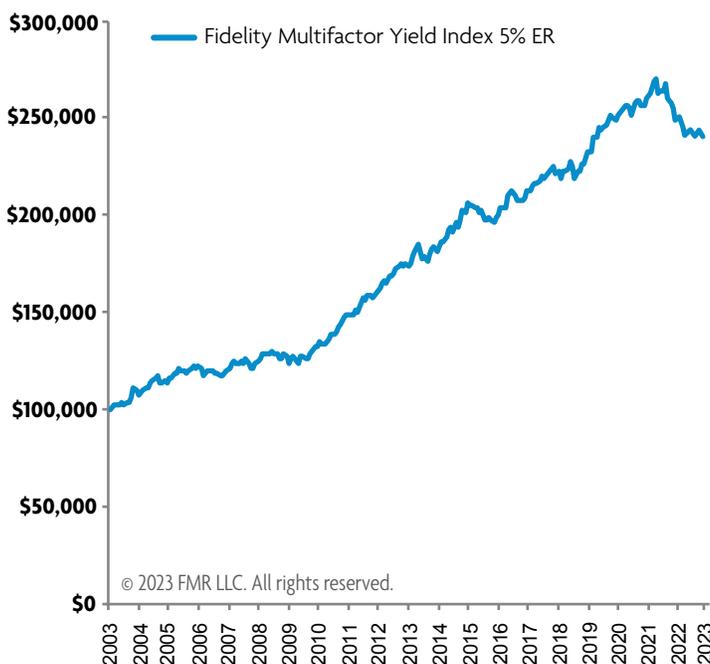
The Fidelity Multifactor Yield 5% ER works to optimize income potential by applying fixed weights to six Fidelity factor indices.



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This potential to produce higher returns can be seen in the hypothetical growth chart below.

Hypothetical growth of \$100,000 (March 2003 — March 2023)



March 2003 – March 2023	Fidelity Multifactor Yield Index 5% ER
Annualized Return	4.47%
Annualized Volatility	4.85%
Sharpe Ratio	0.66
Annualized Returns	
YTD	1.42%
1-Year	-5.78%
5-Year	1.67%
7-Year	2.44%
10-Year	2.94%
20-Year	4.47%

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Source: Fidelity Investments, Morningstar Direct, for the period 6/30/2003 to 3/31/2023. **Past performance is not a guarantee of future results. For the most recent performance date see [go.fidelity.com/FIDMFY](https://go.fidelity.com/FIDMFY).**

Fidelity Multifactor Yield Index 5% ER Index inception was 12/11/19. Returns of the Fidelity Multifactor Yield Index 5% ER prior to inception represent hypothetical pre-inception index performance (PIP), and returns for time frames after this date reflect actual index performance. PIP is based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected performance. Actual performance of the index may vary significantly from PIP data. The level of the Fidelity Multifactor Yield Index 5% ER is calculated on an excess return basis (net of a notional financing cost) and reflects the daily deduction of a fee of 0.50% per annum. The fee is not related to the annuity. The hypothetical performance information presented herein does not reflect fees and expenses that an investor would pay in a fixed index annuity. It is not possible to invest directly in an index. All market indices are unmanaged. Not intended to represent the performance of any fixed index annuity.

**The Fidelity Multifactor Yield Index 5% ER has been in existence since December 11, 2019. Performance figures prior to inception were determined by Fidelity Investments or its affiliates using the same methodology as used currently.**

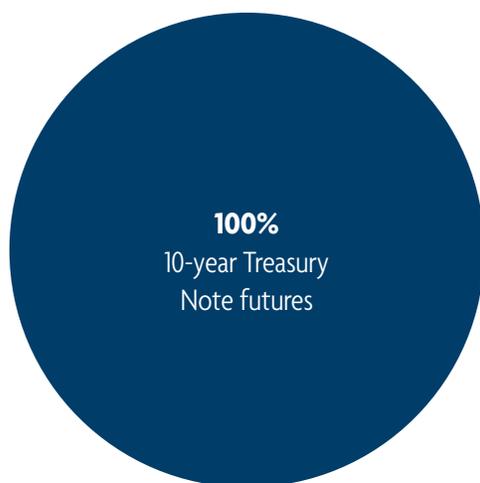
# Consistency

Volatility control in addition to the combination of factors may achieve performance consistency in various market conditions.

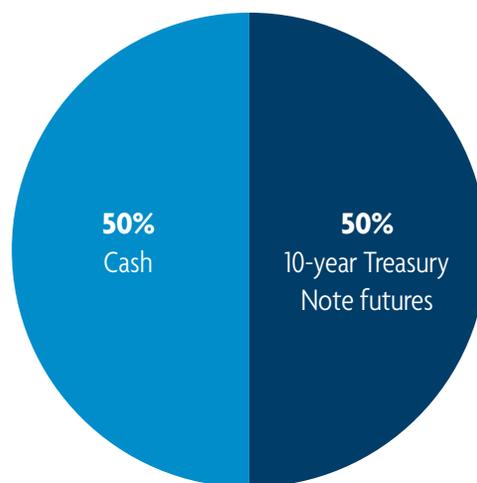


## Targets a specific volatility

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



When performance trend is **positive**



When performance trend is **negative**

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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.

# 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.



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### Featured whitepapers and resources

 Fidelity Multifactor Yield Index 5% ER Flyer	 Fidelity Capabilities Flyer	 An Overview of Factor Investing White Paper
 Putting Factors to Work White Paper	 Combining Factors to Target Specific Investment Outcomes White Paper	 Fidelity Multifactor Yield Index 5% ER Index Methodology Doc

**Plus** more index details and methodology!

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The Fidelity Multifactor Yield Index<sup>SM</sup> 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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Index methodology: Fidelity Multifactor Yield Index 5% ER Index inception was 12/11/19. Returns of the Fidelity Multifactor Yield Index 5% ER prior to inception represent hypothetical pre-inception index performance (PIP), and returns for time frames after this date reflect actual index performance. PIP is based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected performance. Actual performance of the index may vary significantly from PIP data. The level of the Fidelity Multifactor Yield Index 5% ER is calculated on an excess return basis (net of a notional financing cost) and reflects the daily deduction of a fee of 0.50% per annum. The fee is not related to the annuity. The hypothetical performance information presented herein does not reflect fees and expenses that an investor would pay in a fixed index annuity. It is not possible to invest directly in an index. All market indices are unmanaged. Not intended to represent the performance of any fixed index annuity.

**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 products, contact your financial professional.**



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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 strive to 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. Best<sup>A,B</sup>** (Superior) (Second category of 15)

**S&P Global Ratings<sup>B,C</sup>** (Strong) (Fifth category of 22)

**Fitch Ratings<sup>D</sup>** (Stable) (Fifth category of 19)

Ratings are subject to change.

Not FDIC/NCUA Insured	Not A Deposit Of A Bank	Not Bank Guaranteed
May Lose Value	Not Insured By Any Federal Government Agency	