

# About the BlackRock ESG U.S. 5% Index ER

The BlackRock ESG US 5% Index ER (the “Index”) objective is to offer exposure to the iShares ESG Aware MSCI USA ETF subject to a 5% Target Volatility. The index manages to the Target Volatility by incorporating Fixed Income US Treasury iShares<sup>®</sup> ETFs and a Cash Constituent.

The Index tracks the Return of the weighted ETFs and any Cash Constituent, above the sum of the Return on the Interest Rate and the Index Fee.

## Interest credits

Premium allocated to the BlackRock ESG US 5% Index ER is not a direct investment in the stock market or in the index itself, and interest credits do not mirror the actual performance of the index. Instead, the allocation provides the potential for interest to be credited based in part on index performance, without the risk of loss of premium due to market downturn or fluctuation.

Select annuities from Midland National<sup>®</sup> offer a one-or two-year term using a point-to-point crediting method (known as term point-to-point). This crediting method measures the change in index values between two points in time: the term’s beginning index value and its ending index value. Index-linked gains are calculated based on the difference between these two values. Once the index-linked gains are calculated, they are subject to a participation rate or margin. No cap rate is applied. Interest credited will never be less than zero.

It is important to note your premium is not invested in the Index but in the insurance company’s general account, which may include investments that do not follow the environmental, social, and governance (ESG) practices of the BlackRock ESG US 5% Index ER.

## Managing volatility and portfolio allocation

Volatility is the amount of uncertainty or risk that results from changes in market performance. The BlackRock ESG US 5% Index ER manages to the Target Volatility by incorporating Fixed Income US Treasury iShares<sup>®</sup> ETFs (shown in the sidebar) and a Cash Constituent. The Index tracks the return of the weighted ETFs and any Cash Constituent, above the sum of the Return on the Interest Rate and the Index Fee.

## Excess Return

The BlackRock ESG US 5% Index ER is an excess return index, which means index performance is measured after subtracting a notional Interest Rate, which is a rate equal to the Fed Funds Effective Rate, plus an Index Fee of 0.50% per annum.

## Sustainable Diversification

The BlackRock ESG US 5% Index ER allocates among the following ETFs and 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

#### Equity ETF

iShares ESG Aware MSCI USA ETF

#### Fixed income ETFs

- iShares 1-3 Year Treasury Bond ETF (SHY)
- iShares 7-10 Year Treasury Bond ETF (IEF)
- iShares 20+ Year Treasury Bond ETF (TLT)

For more information including index values, visit [blackrock.com/ESGUS5Index](https://blackrock.com/ESGUS5Index) and search ticker symbol **BESGUVCX**.

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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 your accumulation value for additional optional benefit riders or strategy fees 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.

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This information is provided for general reference purposes and should not be viewed as investment advice or as a recommendation for a specific allocation. Neither Midland National, nor any agents acting on its behalf should be viewed as providing legal, tax or investment advice. Please rely on your own qualified tax professional.

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For more information including index values, visit  
**[blackrock.com/ESGUS5Index](https://blackrock.com/ESGUS5Index)**  
and search ticker symbol  
**BESGUVCX.**

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