



National Life
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Sentinel Advantage Variable Annuity 5 (SAVA 5)

DIFFERENTIATION THROUGH ACCUMULATION

Products issued by
National Life Insurance Company®

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The Sentinel Advantage Variable Annuity 5 (SAVA 5)

A Simple Approach to Meeting Today's Financial Challenges With Investment Flexibility and Tax Deferral

Your retirement strategy may be the backbone of your long-term financial planning. That's smart thinking on your part, because such plans offer tax advantages and the discipline of asset building.

But sometimes we need a plan that incorporates more than just one strategy. Did you know that there is another method of asset building that offers access to professionally managed funds in a tax-deferred cocoon is available outside of your retirement plan? It's through a long-term asset accumulation vehicle called a variable annuity.

SAVA 5 is a new kind of variable annuity that offers investment flexibility, the potential to grow your retirement next egg, and access to industry respected Money Managers in a simple no-fuss package.

A variable annuity is a contract issued by an insurance company that enables you to set aside money as often as you wish. The money you put into your variable annuity may be invested in a variety of professionally managed portfolios that offer flexibility and diversification amongst equities and fixed income portfolios that are fully customizable to meet your unique goals. Or, you may allocate part of your premiums to a fixed account paying a specified rate of guaranteed¹ interest.



Perhaps most importantly, SAVA 5 offers a better chance at building a retirement portfolio that could last a lifetime.

¹The fixed account guarantees are dependent upon the claims-paying ability of the insurer and do not protect the value of the variable product portfolios, which may fluctuate. Variable Annuity contract holders are subject to investment risks, including the possible loss of principal invested.

Sentinel Advantage Variable Annuity 5, form series 7400/7401/7400ID(0199)/7401ID(0199)/ICC16-7400(0516)/ICC16-7401(0516), is underwritten by National Life Insurance Company, and is distributed by Equity Services, Inc., a Broker/Dealer affiliate of National Life Insurance Company, One National Life Dr., Montpelier, VT 05604. Riders may not be available in all states.

Sentinel Advantage Variable Annuity 5 is sold by prospectus. For more complete information, please request a prospectus from your registered representative or call (800) 906-3310. Please read it and consider carefully the variable product's objectives, risks, charges and expenses before you invest or send money. The prospectus contains this and other information about the investment company.



The Investment Advantage

We've partnered with out-standing money management firms to bring the SAVA 5 annuity owner a diverse choice of investment options.²

Quarterly, you will receive a SAVA 5 statement that consolidates the values of all your portfolios and shows your total accumulation value.

Enjoy the flexibility of multiple fund managers and investment styles along with consolidated information to help you track performance.

The Affordability Advantage

SAVA 5 gives you the flexibility to pay premiums whenever you wish and you can establish your Variable Annuity with as little as \$5,000³ (\$1,500 for qualified accounts⁴) and add as little as \$100 thereafter.

² Past performance is no guarantee of future performance. Variable annuities are subject to investment risks, including the possible loss of principal invested.

³ For South Carolina the minimum initial premium is \$3,000

⁴ Tax deferral is provided by the IRA and the tax deferral of the annuity does not provide any additional benefit. Annuities may be subject to additional fees and expenses to which other tax-qualified plan funding vehicles may not be subject.



Strategic Advantages

- SAVA 5 provides a number of important strategic advantages including:
- Increased earning power through compounding.
- Tax deferral of investment earnings.
- Ability to change investment allocation without incurring a taxable event (subject to trading maximum limits).
- Equity market participation as a hedge against inflation.
- Dollar Cost Averaging for lump sum payments.
- Portfolio Rebalancing, as often as quarterly, to maintain your asset allocation model.
- Capital Preservation through guaranteed accounts to help “Preserve” your original investment amount.
- Guaranteed death benefit equal to the greater of the contract value of net premium payments, minus withdrawals.
- Additional Benefits such as:
 - 15% Penalty Free Withdrawal Feature
 - Systematic Withdrawal Options
 - Nursing Home Waiver
 - Stretch Payout Options for Beneficiary Distribution

Look into the Strategic Advantages

Increased Earning Power Through Compounding

It may be the best time to put compounding power to work for you. Annuity earnings are automatically reinvested and can compound toward your long-term goals. This means your money can build faster over time.

Tax Deferral of Investment Earnings

A significant challenge that many investors often face is reducing tax drag. Generally speaking, taxes decrease the compounding power your assets enjoy, and the higher your tax bracket, the greater the “tax drag.”

SAVA 5 defers tax on earnings until the money is withdrawn. What does this mean for you? Simply put, all of your earnings can compound in the portfolios of your choice without current tax drag, alleviating your assets to compound to their fullest potential. Money distributed from the annuity will be taxed as ordinary income in the year it is received.





Differentiation
through
Accumulation

Equity Market Participation as a Hedge Against Inflation

Sometimes a major test of time is the ability to withstand inflation. SAVA 5 offers a diverse choice of investment portfolios. Equity participation in U.S. and international markets is offered through outstanding money management firms with proven records.⁵

Take Advantage of Professional Management and Diversification

Advantage Variable Annuity 5 has money managers with proven performance records,⁵ as well as expertise in different investment styles. As a result, SAVA 5 is a true “multi-manager” program that gives you access to highly sought after, actively managed investment subaccounts. What’s more is that you can diversify your assets among these managers as well as transfer money among them without tax liability or transaction costs.

⁵ Past performance is no guarantee of future performance. Variable Annuities are subject to investment risks, including the possible loss of principal invested. International investing involves additional risk, which include but are not limited to potential influences, currency fluctuations and economic cycles that may be unrelated to those affecting domestic financial markets.

Accessibility Advantages

Portfolio Rebalancing

Based on subaccount performance, the units owned over time will vary from the allocation you choose. Rebalancing is simply readjusting your subaccount holdings back to the allocation you elected based on your risk tolerance and time horizon.

Through the Portfolio Rebalancing feature, your subaccount allocation can be set up to automatically rebalance to match your premium allocation. This can be done on either a quarterly, semi-annual or annual basis.

Dollar Cost Averaging⁶

Most investors know that investing takes discipline and a long-term commitment. Market volatility, however, can often make the decision about when to invest a challenge. Through Dollar Cost Averaging, you can enter the market gradually, over time, rather than investing a lump sum all at once. This way, you can avoid the dilemma of choosing the right time to invest and can potentially reduce your unit price, if prices fluctuate over time.

Capital Preservation

If market volatility is a concern, then the SAVA 5 Preserver Accounts⁷ provide you the opportunity to earn a guaranteed interest rate. This simply means that you can secure a set rate and have it “locked-in” for a specified period of time. Preserver Account options include 5, 7, and 10-year lock-in periods, each offering a competitive, income-tax deferred rate of interest.

Contract Penalty – Free Partial Withdrawals⁸

In the event you encounter an unforeseen need, SAVA 5 offers withdrawal privileges that further increases your options. You may withdraw up to 15% of your beginning of year account value without incurring a contract withdrawal charge. This type of flexible accessibility can help you protect and preserve your financial security.

⁶ Periodic investment plans do not assure a profit and do not protect against loss in declining markets. Dollar cost averaging plans involve continuous investment regardless of fluctuating price levels. Investors should consider their financial ability to continue purchases through periods of low price levels.

⁷ Preserver accounts are designed specifically for money you want to lock in for a period of time. If you withdraw, transfer or annuitize money from a preserver account before the end of the guaranteed period, your funds may be subject to a market value adjustment. A market value adjustment reflects the change in current interest rates since we established your guaranteed account. The market value adjustment can be positive/negative depending on interest rates established at the time of your investment and at the time of your withdrawal. The guaranteed account is backed by the claims-paying ability of National Life Insurance Company.

⁸ Early withdrawals, above the amount allowed by contract, will be subject to a deferred sales charge. In addition, withdrawals prior to age 59½ may be subject to a 10% Federal Tax Penalty. Some states may restrict the withdrawal percentage and impose a premium tax that will be deducted from withdrawals.



A Simple Approach to Meeting
Today's Financial Challenges

Accessibility Advantages *continued*

Annuitization of Your Contract

When you are ready to begin drawing an income, SAVA 5 offers income options that are customized to your needs. Whether you're looking for income that lasts a lifetime or you want to leave behind a legacy, you decide what works for you. You may elect, at any time after the second contract anniversary, to convert your SAVA 5 contract value into a stream of income.

Income options include such settlement choices as payments for a stated time (ranging from 5 to 30 years); payments for life, based on your life only, or joint life with another individual; or, payments for life with a minimum certain period of time guaranteed in the event of a premature death.

Systematic Withdrawals

If you desire to have a steady income while still continuing to participate in the subaccount of your choice, the systematic withdrawal option allows for the distribution of payments, as long as the payment you elect is \$100 or more. By electing systematic withdrawals, you can relax knowing that there will be a steady stream of income coming straight to you on a regular basis.

Nursing Home Waiver⁹

SAVA 5 gives you complete access to your contract value – without surrender penalties – in the event you are confined to a nursing home for at least 90 consecutive days. This important benefit is available at any time following your first contract anniversary.

Accelerated Benefits Rider¹⁰

Under this rider you may access the Death Benefit Value of your contract, without surrender charge, in the event of a chronic or terminal illness. There is no additional cost for this rider, however, the death benefit amount payable is discounted for interest and mortality. The contract must be in force for at least 2 years prior to the terminal or chronic illness. It is available for annuities with an issue age of 75 or younger.

⁹ This waiver is not available in New York or New Jersey.

¹⁰ Accelerated Benefits Rider, form series 9304(0801)/9305(0801) – Payment of Accelerated Benefits under this rider will be in lieu of Death Benefits otherwise payable under the contract. It is probable that the receipt of Accelerated Benefits will be a taxable event. Please consult your personal tax advisor to determine the tax status of any benefits paid under this rider.



Surrender Charges on Withdrawals

You are permitted to withdraw up to 15% of your beginning of year contract value each year with no surrender charge.¹¹

In the first year of the contract this percentage can only be withdrawn contract penalty-free if a systematic monthly mode is elected.

On withdrawals in excess of this penalty-free amount, a surrender charge applies for up to 5 years on each premium payment, under the following schedule:

Money distributed from the annuity will be taxed as ordinary income in the year the money is received.

Years in Contract	Charge as % of Withdrawal
1	7%
2	6%
3	5%
4	4%
5	3%
After 5	0%

¹¹ Withdrawals made prior to age 59 1/2 may also be subject to a 10% federal tax penalty.



Distribution Advantages

Protect Your Estate and Loved Ones with a Guaranteed Death Benefit

SAVA 5 includes a guaranteed¹² death benefit feature which, in the event of your death, pays your beneficiary the greater of your premiums paid (less withdrawals, loans, or any applicable state premium tax) or your account value.

Stretch Distribution Options for Your Beneficiaries¹³

SAVA 5 has a stretch annuitization option that will provide income to your beneficiary while continuing to let the annuity grow tax deferred. This option allows you to enhance the legacy that you leave behind to your loved ones. This annuitization option can provide several important advantages:

- Longer payout means the potential for a greater overall amount
- Payments can be tax efficient
- Beneficiaries have access to the account balance

Find out if SAVA 5 may help you enhance the legacy you'd like to leave to your loved ones.

¹² Guarantees are dependent upon the claims-paying ability of the issuing company.

¹³ The Stretch Annuity Payment Option is designed for investors who will not need the money in the account for their own needs. Changes to tax laws, the impact of inflation and other risks may reduce returns.



Things to Keep in Mind...

Focusing on the Big Picture, Not Daily Details

Each Investment Portfolio offered by SAVA 5 is professionally managed. Diversification¹³ may help protect your account's value when investment markets turn volatile which, in turn, will help you maintain a long-term perspective. Your quarterly SAVA 5 statement consolidates the values of all your portfolios and shows your accumulation plan's total value. Using the statement, you and your financial professional can evaluate investment performance and your progress toward long-term goals.

Maintaining Flexibility in Planning Your Retirement Income

While you are working, you may not need current income from your investments. But there will probably come a time when your objectives will shift from accumulating assets to receiving income. SAVA 5 offers a variety of choices for retirement income that allow you to maintain maximum flexibility to plan your retirement income needs.

¹³ Diversification does not assure a profit or guarantee against loss.



Sentinel Advantage Variable Annuity 5

- Offers professional money management and diversification
- Postpones income taxes on earnings through tax deferral
- Provides earning power through compounding
- Added Liquidity with a 5 Year Surrender Schedule

To achieve your important goals,
you need every Advantage.



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