A Guide to J.P. Morgan U.S. Sector Rotator 5 Index (Annuity Series)

A Dynamic Investment Strategy That Targets Stable Growth While Managing Market Risk

Standard Insurance Company

TheStandard®

J.P. Morgan U.S. Sector Rotator 5 Index (Annuity Series)

J.P. Morgan U.S. Sector Rotator 5 Index (Annuity Series), "The Index," was created in 2016 as a proprietary, multi-asset-class index for The Standard. The Index is sponsored by J.P. Morgan, one of the world's leading investment banks offering a wide range of products to institutional investors, distributors, corporations, and private investors. J.P. Morgan is a proven pioneer of investable indices, demonstrating innovative capabilities in multiple areas.

In an ever-changing world of economic indicators and indices, this guide is meant to help interested individuals understand in more detail how The Index will be calculated.

To learn more about The Index and to see its current value, visit:
http://www.jpmorganindices.com/indices/summary/JPUSSC5A

An Innovative Way to Accumulate Growth

The Index provides access to an innovative, focused investment strategy that seeks to obtain consistent returns by dynamically* adjusting investment allocations based on market conditions. The Index is based on the idea that a static index allocation may not be optimal when market conditions change. Key features of The Index include:

Targeted Exposure Through Sector Investing: Selecting the five best-performing U.S. market sectors out of the ten possible.

Dynamic Allocation: Each month, The Index dynamically adjusts investment allocations to sector funds that have recently exhibited the strongest performance.

Risk Management: The Index aims to manage risk and reduce the potential for large index declines by allocating weights to selected sector funds based in part on volatility, a measure of risk. Higher volatility sectors will have a lower weighting and lower volatility sectors will have a higher weighting.

* As defined on page 5 of this Guide.

Targeted Exposure through Sector Investing

The Power of Focusing

The Index provides opportunities for growth by targeting the best performing U.S. market sectors.

Sector investing focuses on particular segments of the economy, as opposed to investing in the broad market. The goal of sector investing is to give exposure to market segments that may have a better opportunity to outperform depending on where the economy is in the business cycle.

The Index selects from ten sector funds and one bond fund, allowing for the flexibility to adapt to a variety of market conditions.

	Funds	Sector	Currency	Tickers
U.S. Market Sectors	The Consumer Discretionary Select Sector SPDR® Fund	Consumer Discretionary	USD	XLY
	The Consumer Staples Select Sector SPDR® Fund	Consumer Staples	USD	XLP
	The Energy Select Sector SPDR® Fund	Energy	USD	XLE
	The Financial Select Sector SPDR® Fund	Financial	USD	XLF
	The Health Care Select Sector SPDR® Fund	Health Care	USD	XLV
	The Industrial Select Sector SPDR® Fund	Industrial	USD	XLI
	The Utilities Select Sector SPDR® Fund	Utilities	USD	XLU
	The Materials Select Sector SPDR® Fund	Materials	USD	XLB
	The Technology Select Sector SPDR® Fund	Technology	USD	XLK
	iShares® U.S. Real Estate ETF	Real Estate	USD	IYR
Bond Fund	PIMCO Total Return Active Exchange-Traded Fund		USD	BOND

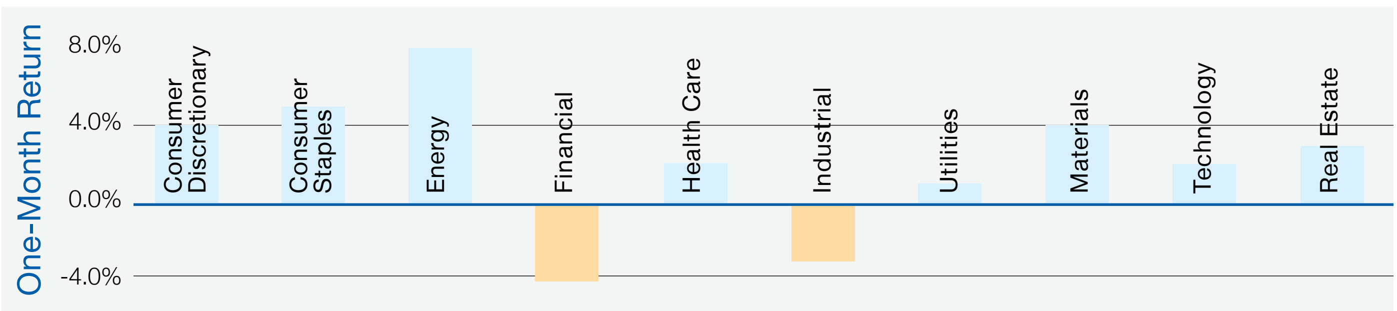
Dynamic Allocation

Rotate Into What's Performing Well

The Index utilizes a momentum-based strategy, based on the proposition that assets with recent positive performance are more likely to continue such positive trends in the near future. On a monthly basis, The Index aims to rotate exposure into the five sector funds exhibiting the strongest positive returns. The monthly process is as follows:

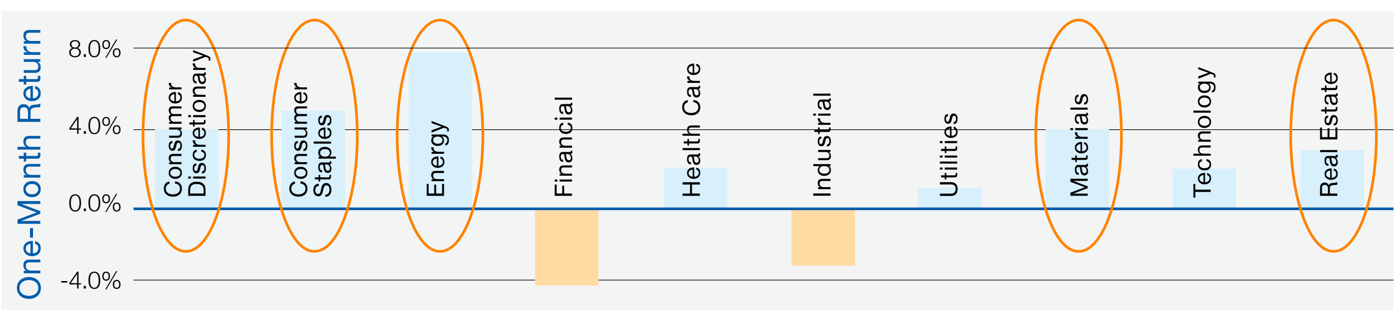
1) Evaluate Performance

Each month, The Index evaluates each of the ten U.S. market sectors based on their past month's return.



2) Select the Best Performers

The top five U.S. market sectors with the strongest positive performance will be selected. The bond fund will only be included if there are less than five sector funds with positive performance.



3) Strategically Weighted Funds

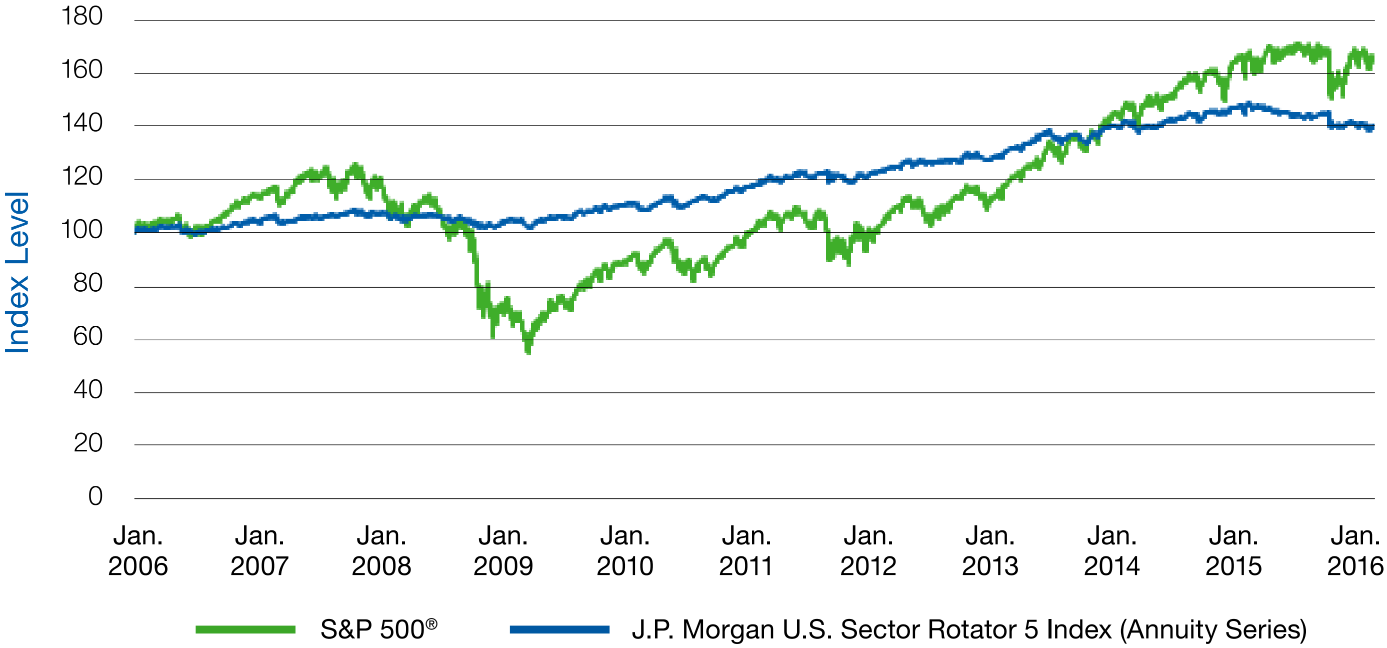
The selected funds are strategically weighted with the goal of managing risk and providing stable returns. Higher volatility sectors will have a lower weighting and lower volatility sectors will have a higher weighting.

Sector	Volatility	Weighting	Rationale
Higher Volatility Equity Sectors	︽	︾	Higher volatility sectors are given less weighting
Lower Volatility Equity Sectors	︾	︽	Lower volatility sectors are given more weighting

Risk Management

Target consistent returns using risk management

Stability in an index makes its returns more consistent. While volatile markets create uncertainty in returns and can impact performance, The Index is designed to manage risk and, on a hypothetical backtested basis, would have generated steady returns in various markets.



Hypothetical chart and graph, for illustrative purposes only, of The Index's performance versus the S&P 500 from January 2006 to January 2016; actual results will vary for index returns and crediting variables. The Index includes a 0.50% annual index fee associated with the ongoing maintenance and execution of The Index's strategy. This fee, deducted daily, is already reflected in the performance and daily closing price of The Index. The return of The Index is stated as an excess return, calculated as the price return of its constituent funds, with dividends reinvested, minus the return of the cash constituent, which represents a financing cost and is based on 2-month and 3-month LIBOR (London Interbank Offering Rate). The financing cost approximates the cost of maintaining a position using borrowed funds. For purposes of this hypothetical chart and graph, both The Index and the S&P 500 were set equal to 100 at the beginning of the relevant measurement period.

- From 2006-2016, over a ten year period, the S&P 500 averaged a 4.22% annualized return with 20.84% realized volatility while the J.P. Morgan U.S. Sector Rotator 5 Index (Annuity Series), if in existence, would have averaged a 3.22% annualized return with 4.59% realized volatility.
- From July 1, 2007 to July 1, 2009, at the height of the financial crisis, the S&P 500 was down -38.58% while the J.P. Morgan U.S. Sector Rotator 5 Index (Annuity Series), if in existence, would have been up 0.42%.

What is Volatility?

Volatility is a measure of the variability of returns. Higher volatility typically indicates more unpredictability for an investment. The J.P. Morgan U.S. Sector Rotator 5 Index (Annuity Series) is designed to target 5% volatility by reducing equity exposure during periods of higher volatility and leveraging the portfolio during periods of lower volatility. As a result of targeting 5% volatility, The Index typically is partially uninvested (in which case The Index reflects no return for the uninvested portion), and is occasionally invested in 100% or more of the portfolio.

The end result of this strategy is lower volatility and more consistent returns. Looking back 10 years, The Index, if in existence, would have had significantly lower realized volatility than the S&P 500, resulting in smoother and more consistent returns.

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Standard Insurance Company
1100 SW 6th Avenue
Portland, OR 97204

www.standard.com

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