

Index Annuities

Helping You Power Through Market Downturns



When saving for retirement, market downturns may cause disruption to your savings plan.

An index annuity provides principal protection from market downturns with growth potential based partly on the upturns of a specified index. As the example below shows, the sharp downturns in the early 2000's and 2008 would have had no effect on an index annuity's value, while the years of upturns would have provided growth.

During the time period financial pundits referred to as the "Lost Decade," an index annuity with \$100,000 premium allocated to an index interest account based on the annual return of the S&P 500® Index (excluding dividends) could have earned interest equaling over \$29,000. In contrast, the S&P 500® experienced a 4.74% loss for this time period. Of course, past performance is not indicative of future results.

Principal Protection with Growth Potential During the "Lost Decade."

Year	S&P 500® Index Return	Interest Earned	Annuity's Value
2000	—	—	\$100,000
2001	-13.04%	0.00%	\$100,000
2002	-23.37%	0.00%	\$100,000
2003	26.38%	4.00%	\$104,000
2004	8.99%	4.00%	\$108,160
2005	3.00%	3.00%	\$111,404
2006	13.62%	4.00%	\$115,860
2007	3.53%	3.53%	\$119,950
2008	-38.49%	0.00%	\$119,950
2009	23.45%	4.00%	\$124,748
2010	12.78%	4.00%	\$129,738
	-4.74%		\$29,738
	Ending Return		Interest Earned

Growth Potential

Only positive index performance is accounted for when calculating the interest earned (subject to contract limitations).

Downside Protection

Market downturns would have had no effect on the principal and any interest earned.

Hypothetical example assumptions: Single Premium Deferred Fixed Index Annuity with Annual Point-to-Point Index Interest Account (S&P 500®), \$100,000 premium, and 4% annual index rate cap, reset each year. This chart is for illustration purposes only. It is not intended to be indicative of the performance of any specific investment. Indices are unmanaged. You cannot invest directly in an index. Past performance does not guarantee future results. The index rate cap is hypothetical and may be reset at a higher or lower rate on each contract anniversary by the issuing insurance company.

Key Terms:

Principal: The amount of money used to purchase the annuity. Also known as the "premium."

Annual index rate cap: The maximum rate of interest that can be earned in an index term.

Guarantees are backed by the claims-paying ability of the issuing insurance company.

Why Consider an Index Annuity?

Consider an index annuity because it can help you protect, save and potentially grow assets for retirement. It may help to support your lifestyle during retirement with the opportunity for asset growth and the ability to create lifetime income.

With an index annuity, you can get:

- **PROTECTION** from any market downturns*
- **GROWTH** potential through various interest crediting accounts
- **LIFETIME INCOME** through various income options

Work with your financial professional to see if an index annuity may be right for you.
Get started today in preparing for tomorrow.

*The annuity's value will be reduced due to withdrawals and/or fees (if imposed by the issuing insurance company).

Additional Important Information about Index Annuities

An index annuity is an insurance product designed for long-term savings. Because it is not an investment, there is no market risk with an index annuity. However, there are considerations to keep in mind, such as surrender-charge period and market value adjustment on full surrenders and on certain withdrawals. Account value will be impacted by withdrawals and, when applicable, fees/charges. These vary by contract so you want to ensure you are aware of these elements before you purchase an annuity. Index annuities may not be suitable or appropriate for all individuals.

Index annuities offer the potential for index interest to be credited to the annuity but index interest is not guaranteed. It is possible that there will be periods where no interest is credited based on the performance of the underlying index. Index rate caps, spreads and participation rates on the index interest crediting accounts can also limit or reduce the amount of interest credited.

Withdrawals may be subject to withdrawal charges. Withdrawals may also be subject to federal and/or state income taxes. An additional 10% federal tax may apply if individuals make withdrawals or surrender their annuity before age 59½.

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Index interest accounts are not a permanent part of the contract and may be removed due to circumstances beyond the control of the issuing insurance company. Such circumstances include, but are not limited to, the discontinuation of an index, which may occur at the end of an index term, a change in the composition or calculation of an index, the inability to license the use of an index and the inability to hedge risks associated with these index interest accounts. Special rules govern how assets in a discontinued index interest account may be reallocated. These rules may differ by state. Please see the Owner Acknowledgment and Disclosure Statement for more information.

Annuities are issued by American General Life Insurance Company (AGL) or by The Variable Annuity Life Insurance Company (VALIC), 2727-A Allen Parkway, Houston, Texas 77019. AGL and VALIC are members of American International Group, Inc. (AIG). AIG is a leading global insurance organization serving customers in more than 100 countries and jurisdictions. The financial and contractual obligations are the responsibility of AGL or VALIC, and not AIG.

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