

# ML Strategic Balanced Index<sup>®</sup>

Seeking to Provide Stable Returns & Steady Growth

THE POWER SERIES  
of Index Annuities<sup>®</sup>

## Highlights

### Index Composition

- S&P 500<sup>®</sup> without dividends
- Merrill Lynch 10-Year Treasury Futures Total Return

### Allocation Method

Index weightings are adjusted based on volatility—the greater the volatility of an underlying index, the lower the exposure to that index.

### Reallocation Frequency

Semiannual

### Volatility Target

Equity and fixed income asset classes may be shifted to cash on a daily basis when short-term volatility rises above 6%. The Index seeks to maintain volatility at this level to help balance risk and return.

### Volatility Management Frequency

Daily

### ML Strategic Balanced Index Interest Accounts

- Annual Point-to-Point
- 2-Year Point-to-Point

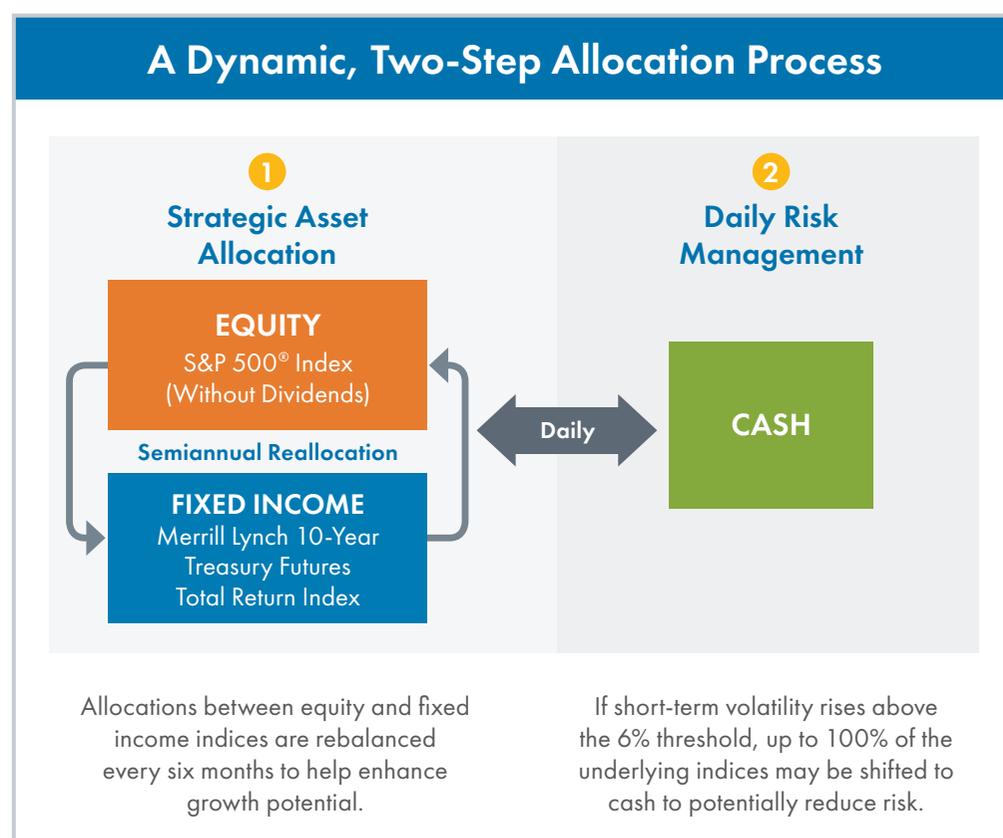
## Important Information

Index annuities are not a direct investment in the stock market or any index. Individuals cannot invest directly in an index. The information contained herein is supplemental to a Power Series Index Annuity client brochure and must be used in conjunction with this brochure. Please see reverse side for additional information.

## A Multi-Asset Index That Offers Upside Potential While Helping to Manage Risk

The **ML Strategic Balanced Index<sup>®</sup>** (“the Index”) blends equity and fixed income indices to seek an attractive level of return for a given level of risk. A non-discretionary, rules-based process is used to adjust exposures to the S&P 500<sup>®</sup> Index and the Merrill Lynch 10-Year Treasury Futures Total Return Index. This process may help the Index generate positive returns while meeting a target volatility level.

Index weightings are reviewed and rebalanced every six months based on the historical volatility of the Index. As an additional measure of risk control, cash positions may be increased or reduced daily to help maintain the overall volatility of the Index at 6%.<sup>1</sup>



<sup>1</sup> Volatility control measures seek to provide smoother results and mitigate sharp market fluctuations. While this type of strategy can lessen the impact of market downturns, it is important to note that it will also lessen the impact of market upturns, therefore limiting upside potential.

## Potential for Enhanced Growth and Stability

The Power Series of Index Annuities offers two index interest accounts that credit interest based partly on the performance of the ML Strategic Balanced Index®. There are no index rate caps applicable to these accounts, so individuals have the potential to earn an attractive level of interest. Keep in mind that the spread will reduce the amount of interest earned.

Index Interest Account Option	Index Interest Calculation Based on:	Spread	Index Rate Cap
Annual Point-to-Point	Annual change in the ML Strategic Balanced Index® from one contract anniversary to the next, reduced by the spread.	Yes	No
2-Year Point-to-Point	2-year change in the ML Strategic Balanced Index® from one contract anniversary to the anniversary two years later, reduced by twice the annualized spread.	Yes	No

Note: The spread is the minimum threshold or percentage that the index's performance must exceed to be credited interest. The initial spread is declared at contract issue and guaranteed for one index term, after which it is subject to change at the end of each index term. The total spread for the 2-year index term is the annualized spread multiplied by two. Please see your agent for current spreads and carefully consider each of the crediting strategies offered with this index annuity and choose the one(s) that best meet your goals and objectives.

### Additional Information on the ML Strategic Balanced Index®

The ML Strategic Balanced Index® embeds an annual index cost in the calculations of the change in index value over the index term. This "embedded index cost" will reduce any change in index value over the index term that would otherwise have been used in the calculation of index interest, and it funds certain operational and licensing costs for the index. It is not a fee paid by you or received by American General Life Insurance Company ("the Company"). The Company's licensing relationship with Merrill Lynch, Pierce, Fenner & Smith Incorporated for use of the ML Strategic Balanced Index and for use of certain service marks includes the Company's purchase of financial instruments for purposes of meeting its interest crediting obligations. Some portion of those instruments will, or may be, purchased from Merrill Lynch, Pierce, Fenner & Smith Incorporated or its affiliates.

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### Additional Information on the S&P 500® Index

The S&P 500® is widely regarded as the standard for measuring U.S. stock market performance.

### Additional Information on Index Annuities

Index annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the claims-paying ability of the issuing insurance company. They provide the potential for interest to be credited based in part on the performance of the specified index, without the risk of loss of premium due to market downturns or fluctuations. Index annuities may not be suitable or appropriate for all individuals. Withdrawals may be subject to federal and/or state income taxes. An additional 10% federal tax may apply if you make withdrawals or surrender your annuity before age 59½. Consult your tax advisor regarding your specific situation.

Index interest accounts are not a permanent part of the contract and may be removed due to circumstances beyond the control of American General Life 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),** 2727-A Allen Parkway, Houston, Texas 77019. Contract Numbers for the Power Series of Index Annuities: AG-800 (12/12) and AG-801 (12/12). Rider Form Numbers: AGE-8000 (12/12), AGE-8001 (12/12), AGE-8002 (9/13), AGE-8003 (12/12), AGE-8005 (12/12), AGE-8007 (12/12), AGE-8008 (12/12), AGE-8009 (12/12), AGE-8024 (9/13), AGE-8028 (4/14), AGE-8029 (5/15) and AGE-8034 (4/15). AGL is a member of American International Group, Inc. (AIG). The underwriting risks, financial and contractual obligations and support functions associated with the annuities issued by AGL are its responsibility. AGL does not solicit business in the state of New York. Annuities and riders may vary by state and are not available in all states. In Oregon, a Power Series Index Annuity can only be issued as a single premium contract. No other premiums may be paid. © 2018 American International Group, Inc. All rights reserved.

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