



# The Barclays Trailblazer Sectors 5 Index

**The Index offers a daily dynamic rebalancing and uses only domestic U.S. assets and cash.**

**This indexed interest crediting option is offered on select FGL fixed indexed annuities.**

## Who are FGL and Barclays?

### Who is Fidelity & Guaranty Life?

Fidelity & Guaranty Life has been, and continues to be, a catalyst to help others plan for tomorrow. With approximately 700,000 policyholders counting on the protection features of our life insurance and annuity products, we constantly push ourselves to innovate on your behalf. Everything we do is designed to help meet your changing needs. We want you to understand your options, have an easy experience and feel great about helping protect your family and your future retirement.

### Who is Barclays?

Barclays has over 325 years of history in the financial services industry. They have operations in over 40 countries and employ approximately 130,000 people.

The Barclays Trailblazer Sectors 5 Index is available in a new two-year point-to-point with spread and participation rate indexed interest crediting option within FGL's Performance Pro® and AccumulatorPlus® fixed indexed annuities in all states where approved, except: HI, IA, MN, NH, OR, PA, WA. It is available within FGL's Accelerator Plus™ fixed indexed annuities in all states where approved except IA and NH. Please see the applicable product brochure and Statement of Understanding for a detailed description of this new crediting option. If an election is made to allocate premium to this crediting option or any other indexed interest crediting option available in FGL's fixed indexed annuities, keep in mind that the premium is never invested directly in the external Index. The Index will be used only to determine the crediting interest, if any. The investment performance of the Barclays Trailblazer Sectors 5 Index does not directly pass through as an investment.

## A Systematic Approach to Stay on Track

The **Barclays Trailblazer Sectors 5 Index** (the “Index”) may provide opportunities for positive returns based on a diverse set of U.S. asset classes. The goal of the Index is to track a diversified portfolio of assets with the highest return potential for a given level of risk.

## A New Index Offering a Potential Growth Opportunity

The **Barclays Trailblazer Sectors 5 Index** is based on Modern Portfolio Theory, and aims to maximize returns without exceeding a certain level of risk.

### ***Potential Performance***

The Index selects the portfolio mix from a unique set of asset classes (see next page) to provide the potential for growth opportunities.

### ***Diversification***

The **Barclays Trailblazer Sectors 5 Index** portfolio is chosen from a mix of Exchange Traded Funds (ETFs), providing exposure to the U.S. equity market, the fixed income market, and cash.\*

### ***Volatility Managed***

The Index is monitored on a daily basis, is rebalanced if necessary (as described below), and will adjust its exposure to the index portfolio if actual volatility is higher or lower than the Index’s target volatility of 5% per year.\*\*

### ***Dynamic Rebalancing***

The Index rebalances into a new portfolio only when specific trigger conditions are met, allowing the Index to avoid unnecessary adjustments in less volatile markets while adjusting as often as daily when markets are more volatile.

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\*Any allocation to cash will earn zero return. \*\* Subject to a minimum of 0% and a maximum of 150%

## Eligible Index Components

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	Index Component	Name	Ticker
Equity Assets	Large Cap U.S. Materials	Materials Select Sector SPDR Fund	XLB
	Large Cap U.S. Energy	Energy Select Sector SPDR Fund	XLE
	Large Cap U.S. Financials	Financial Select Sector SPDR Fund	XLF
	Large Cap U.S. Industrials	Industrial Select Sector SPDR Fund	XLI
	Large Cap U.S. Technology	Technology Select Sector SPDR Fund	XLK
	Large Cap U.S. Consumer Staples	Consumer Staples Select Sector SPDR Fund	XLP
	Large Cap U.S. Utilities	Utilities Select Sector SPDR Fund	XLU
	Large Cap U.S. Health Care	Health Care Select Sector SPDR Fund	XLV
	Large Cap U.S. Consumer Discretionary	Consumer Discretionary Select Sector SPDR Fund	XLY
	U.S. Real Estate	iShares U.S. Real Estate ETF	IYR
Bond Assets	U.S. High Yield Bonds	iShares iBoxx \$ High Yield ETF	HYG
	Long Duration U.S. Treasury Bonds	iShares 20+ Year Treasury Bond ETF	TLT
	U.S. Mortgage Backed Securities	iShares MBS ETF	MBB
Cash	Cash	3 Month USD LIBOR	US0003M

### ***No Caps, No Limits***

Regarding diversification, there is no cap on the weight that any individual index component may have in the index portfolio, and there is no minimum or maximum number of constituents that must be in the portfolio at any time.

More information about the **Barclays Trailblazer Sectors 5 Index**, including information about the index methodology, historical performance and certain risks associated with the index, can be found at [trailblazer.barclays.com](http://trailblazer.barclays.com).

# Historical and Hypothetical Performance

The graph illustrates a hypothetical look-back of the Barclays Trailblazer Sectors 5 Index versus the S&P 500® Index over the last 13 years.



The Barclays Trailblazer Sectors 5 Index was established on July 5, 2016. All index value information shown prior to this date is hypothetical and was determined using the methodology currently used to calculate the Index. Back-tested performance is hypothetical and provided for information purposes only. The actual historical prices of the S&P 500® Index have been used for the full period. With respect to the Barclays Trailblazer Sectors 5 Index, a notional financing cost is deducted from each Index component and an Index fee of 0.85% per annum is deducted from the Barclays Trailblazer Sectors 5 Index.

The S&P 500® Index does not include dividends paid on the underlying stocks, and therefore does not reflect the total return of the underlying stocks; neither a market index nor any market indexed annuity is comparable to a direct investment in the financial markets. Indexed annuities do not directly participate in any stock or equity investments.

With respect to the Barclays Trailblazer Sectors 5 Index, any data prior to the live date of the Index is purely hypothetical. Neither historical nor hypothetical historical performance is indicative of future performance.

The returns shown above are calculated based on the last business day of each calendar year.

## Historical and Hypothetical Performance, cont'd

The table below shows back-tested performance of the **Barclays Trailblazer Sectors 5 Index** over the last 13 years compared to the S&P 500® Index.

### Hypothetical Calendar Year Returns Over The Last 13 Years

INDEX	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	13 Yr. Avg. Return
S&P 500	8.99%	3.00%	13.62%	3.53%	-38.49%	23.45%	12.78%	0.00%	13.41%	29.60%	11.39%	-0.73%	9.54%	5.53%
Barclays Trailblazer Sectors 5	8.06%	0.51%	3.43%	1.46%	-4.95%	0.20%	10.38%	9.93%	6.89%	7.63%	14.84%	-5.74%	7.80%	4.48%

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## Key Considerations

It is important to note the following information with respect to the Barclays Trailblazer Sectors 5 Index:

- The rationale of the Index may prove to be unsuccessful. The Index uses historical volatility to predict future returns and future volatility. If historical volatility proves to be a poor measure of predicting future returns or future volatility, the Index portfolio may perform poorly and may underperform alternative portfolios selected using a different methodology.
- The Index may not achieve its intended objectives of keeping the target volatility level for the Index approximately equal to 5%. In addition, when the Index's exposure to its portfolio is greater than 100%, any negative performance of the portfolio will be magnified and the level of the Index may decrease significantly.
- The Index has limited actual history and may perform in an unanticipated manner.
- As noted above, the daily level of the Index reflects the deduction of a fee of 0.85% per annum and a cost equal to the 3-month U.S. dollar LIBOR rate. Because of these deductions the value of the index will be less than the value of a hypothetical, identically constituted portfolio from which no such fees or costs are deducted.
- The Index may at any time be invested in only one or a small number of index components, which produce lower returns than an investment in a more diversified pool of assets.
- Any exposure to cash in the portfolio will earn no return. In addition, if the volatility control mechanism causes exposure to the Index portfolio to be less than 100%, the difference will be uninvested and will earn no return.
- The performance of the Index will be subject to risks associated with investments in ETFs and with investments in the U.S. sectors and fixed income assets that are represented by the components of the Index at any given time.

## Ready to learn more?

Ask your financial professional about how FGL and the Barclays Trailblazer Sectors 5 Index, offered on select FGL fixed indexed annuities, can help you be smart, take action and own your future!

Not FDIC insured • Not insured by any federal government agency • May lose value

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