

Index Annuities May Help You Power Through Retirement Risks



There are risks that can impact your income plan for supporting your lifestyle during retirement. An index annuity issued by an insurance company can help you mitigate certain risks and provide you with growth potential for your retirement assets. Here are some retirement risks and how an index annuity may help you power through them.

Market and Emotions Risk

Market volatility comes with investing in the equity markets. You have the potential for large gains along with the potential risk of losing your investment. This volatility may make you implement short-term emotional decisions that can hinder your long-term goals. A study conducted a few years after the 2008 crisis found that employer sponsored plan participants who sold all stocks and stayed out of the market during the peak of the crisis actually did a lot worse than participants who stayed invested and maintained exposure to equities. (Fidelity 2010)

Help for Powering Through This Risk

An index annuity protects your principal and earned interest. Even if the market declined by 30% or more, there would be no impact to the annuity's value. This level of protection may allow you to stay calm and focused on your long-term goals for retirement.

Fee Risk

Investment and service fees can take their toll on a portfolio's value. Though these fees may be necessary to provide you with important financial services or features, you may want to consider additional ways to help lower your overall expenses.

Help for Powering Through This Risk

Most index annuities have no investment and service fees, administration or distribution fee charges under the base contract. An index annuity may help you meet your retirement needs in a cost effective manner.

Longevity Risk

People are living longer and life expectancies are increasing. Without a proper plan, you may outlive your savings and be forced to make difficult financial choices. Remember, your lifestyle at the end of retirement is just as important as it is at the beginning of it.

Help for Powering Through This Risk

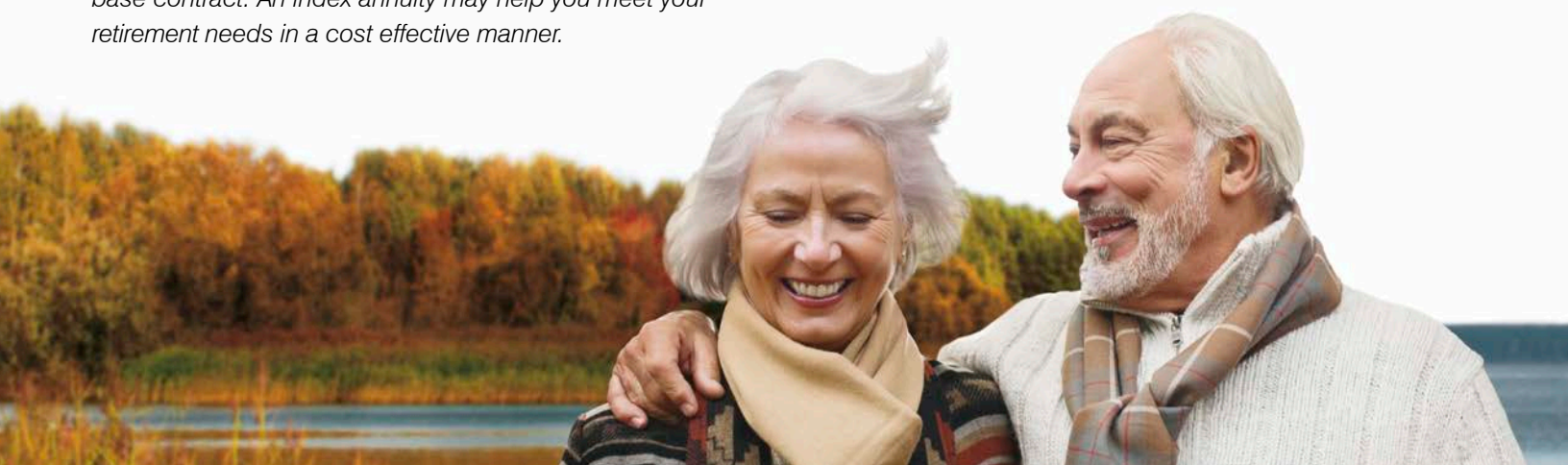
An index annuity's guaranteed living benefit rider can provide you with lifetime income that is protected from market downturns. The rider may have guarantees that provide the potential for more income for life, regardless of the annuity's value. These riders charge an annual fee that is deducted from the annuity.

Tax Drag Risk

When investing through certain accounts, you may get an annual tax bill on gains, even when those gains are reinvested. As a result, you may have to liquidate assets at an inappropriate time to help pay the taxes owed.

Help for Powering Through This Risk

With an index annuity, taxes are not due on any interest earned until that interest is withdrawn. You may be in a lower tax bracket at that time. Plus, any interest that stays within the annuity has the potential to earn more interest for you.



Creating a Balanced Portfolio

Consider an index annuity to help balance out the risks in your financial portfolio. Since it is not a direct investment in the stock market or any particular index, an index annuity can help reduce overall portfolio risk and provide growth potential that may be greater than other fixed income instruments.

With an index annuity, you can get:

- **Protection** from any market downturn
- **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.**

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 for riders. These vary by contract so you want to ensure you are aware of these elements before you purchase an annuity.

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.

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 clients.

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 clients make withdrawals or surrender their annuity before age 59½.

Annuities are issued by American General Life Insurance Company (AGL) or 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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Not a Deposit • Not Insured by any Federal Government Agency