PIMCO Global Elite Markets Index™

Dynamically Blending Global Equities and Bonds to Help Provide Growth Potential

Available exclusively with the X5 Advantage Annuity℠
Issued by American General Life Insurance Company (AGL), An American International Group, Inc. (AIG) member company.
The Power of PIMCO

With the PIMCO Global Elite Markets Index™, you can potentially benefit from the knowledge and expertise of one of the world’s leading investment managers with extensive experience in rules-based strategies. Founded in 1971, PIMCO has focused on creating opportunities for investors in every environment for over 47 years. PIMCO believes that performance starts with preparation. It conducts exhaustive research and analysis to continuously evaluate the world’s changing risks and opportunities, from broad economic trends to individual securities. The company’s aim is to deliver forward-looking solutions that help maximize the possibilities for its clients.

What Is the PIMCO Global Elite Markets Index™?

The PIMCO Global Elite Markets Index™ is a rules-based index that seeks to provide upside return potential by dynamically adjusting its allocations to a diverse range of global equity and bond assets. The PIMCO Global Elite Markets Index™ has been designed exclusively for the X5 Advantage Annuity by Pacific Investment Management Company LLC (PIMCO), one of the world’s premier asset managers.

The information contained herein is supplemental to a consumer product brochure and must be used in conjunction with this brochure. Important Note: This brochure is intended for educational use only. The PIMCO Global Elite Markets Index™ is available within the X5 Advantage Annuity. This annuity is an insurance product, not an investment, and does not represent an investment in an index. Index annuities provide the potential to earn interest based in part on the performance of an index or indices. Individuals cannot invest directly in an index. Please refer to the X5 Advantage Annuity Owner Acknowledgment for more information.
An Index Designed for More Stable Growth Potential

The PIMCO Global Elite Markets Index™ (the “Index”) utilizes some of the same innovations and principles PIMCO uses when managing assets for institutional investors. Designed to help generate more consistent returns while managing volatility, the Index is founded upon three core principles:

GLOBAL DIVERSIFICATION
To help provide greater growth opportunities through changing markets, the Index utilizes a diversified group of global equities and bonds.

EQUITY MOMENTUM AND BOND OUTLOOK
The Index systematically overweights the equity markets exhibiting the strongest momentum and the bond markets with the strongest outlook.

RETURN STABILIZATION
To help provide more stable returns, the Index can make daily adjustments to the mix of equities, bonds and cash with the aim to reduce risk and help stabilize returns through changing markets.

PIMCO, one of the world’s leading asset managers, designed the Index using an objective and consistent process that applies their asset allocation insights. For more information, please visit pimcoindex.com/gem.

1Diversification, momentum, and return stabilization strategies do not guarantee positive performance or prevent negative returns.
Benefit from Global Diversification

The PIMCO Global Elite Markets Index™ helps provide growth opportunities through changing markets with access to 11 globally diversified equity and bond assets across the U.S., developed markets, and emerging markets. The flexibility to allocate to a broad universe can help the Index benefit from upward trends in global markets, while also reducing risk through diversification.

A Broadly Diversified Index

**U.S. Markets**
- Large Cap Equities
- Small Cap Equities
- Large Cap Growth
- 10-Year Treasuries

**Developed Markets**
- Eurozone Large Cap Equities
- Japan Large Cap Equities
- U.K. Gilt Bonds
- German Bonds
- Japanese Government Bonds

**Emerging Markets**
- Emerging Markets Equities
- Hong Kong
- Large Cap Equities

Indices are not available for direct investment. The Index gains exposure to each asset class through futures indices, which track the performance of the underlying futures instruments. See back cover for the risks associated with these.
The Index applies PIMCO’s innovative bond allocation process designed to help generate more consistent returns through changing interest rate environments. The Index also systematically adjusts equity market weights based on momentum—the tendency for assets with the strongest recent returns to be likely to continue performing over the short term.

Allocate Based on the Strongest Equity Momentum and Bond Outlook

The equity portion of the Index rebalances monthly by systematically overweighting the equity markets demonstrating the strongest positive momentum and lower volatility.

The bond portion of the Index rebalances monthly and systematically weights bond markets based on short- and long-term bond rate signals while accounting for volatility.

The Index also rebalances daily between the selected equity and bond allocations and interest-free cash to help maintain a 5% volatility target.

---

3 This portion of the Index allocates at least 100% to bonds but may increase the allocation as high as 150% when bond volatility is low.

3 PIMCO Global Elite Markets Index™ methodology adjusts exposures to achieve a volatility target. It is possible that the index could realize a volatility slightly greater or lower than its target.
The Power of Return Stabilization

The PIMCO Global Elite Markets Index™ dynamic rebalancing process is designed to help stabilize long-term returns through changing market environments. The graph below shows how the Index would have performed had it been available in past markets.

Hypothetical back-tested performance is for illustrative purposes only. Data shown from 3/1/2001 to 12/31/2019. The PIMCO Global Elite Markets Index™ was launched on 12/30/19. The above hypothetical chart is intended only to show the hypothetical growth of the PIMCO Global Elite Markets Index™. It does not reflect the amount of interest credited to an index annuity during this time. Returns for the PIMCO Global Elite Markets Index before these dates represent hypothetical data determined by retroactive application of a back-tested model, itself designed with the benefit of hindsight. The Index is an Excess Return index, which reflects the return of the underlying instruments in excess of a short-term interest rate. It also includes an embedded cost. Actual results for a specific insurance contract would depend partly on the crediting strategy chosen and the spread and participation rate for the time period(s) shown.
Ask Your Financial Professional or Agent for More Information About the PIMCO Global Elite Markets Index™ and the X5 Advantage Annuity
Stocks and bonds are subject to risks, including the possible loss of principal. International stocks that provide exposure to foreign markets involve special risks, such as currency fluctuations, differing financial reporting and regulatory standards, and economic and political instability. These risks are highlighted when stocks are from emerging markets. Stocks of small cap companies are generally more volatile and not as readily marketable as those of larger companies. Government bonds and Treasury bills are subject to interest rate risk, but they are backed by the full faith and credit of the national government if held to maturity. It is not possible to invest directly in an index.

Hypothetical and simulated examples have many inherent limitations and are generally prepared with the benefit of hindsight. There are frequently sharp differences between simulated results and the actual results. There are numerous factors related to the markets in general or the implementation of any specific investment strategy, which cannot be fully accounted for in the preparation of simulated results and all of which can adversely affect actual results. No representation is being made that any account, product, or strategy will or is likely to achieve profits, losses, or results similar to those shown.

The PIMCO Global Elite Markets Index™ (the “Index”) is an excess return index that allocates to a diversified range of global equity and global government bond markets. It employs a rules-based rebalancing process that is designed to enhance returns and manage volatility. The Index is a trademark of Pacific Investment Management Company LLC (“PIMCO”) and has been licensed for use for certain purposes by American General Life Insurance Company (“the Company”) with this annuity (“the Product”). The Index is the exclusive property of PIMCO and is made and compiled without regard to the needs, including, but not limited to, the suitability or appropriateness needs, as applicable, of the Company, the Product, or owners of the Product. The Product is not sold, sponsored, endorsed or promoted by PIMCO or any other party involved in, or related to, making or compiling the Index. PIMCO does not provide investment advice to the Company with respect to the Product or to owners of the Product. It is not possible to directly invest in the Index.

Neither PIMCO nor any other party involved in, or related to, making or compiling the Index has any obligation to continue to provide the Index to the Company with respect to the Product. Neither PIMCO nor any other party involved in, or related to, making or compiling the Index makes any representation regarding the Index, Index information, performance, annuities generally or the Product particularly.

PIMCO disclaims all warranties, express or implied, including all warranties of merchantability or fitness for a particular purpose or use. PIMCO shall have no responsibility or liability whatsoever with respect to the Product.

The Index is comprised of a number of constituents, some of which are owned by entities other than PIMCO. The Index relies on a variety of publicly available data and information and licensable equity and fixed income sub-indices. The Index is calculated independently from PIMCO. All disclaimers referenced in herein relative to PIMCO also apply separately to those entities that are owners of the constituents of the Index and the index calculation agent.

In calculating the level of the Index, the index methodology deducts an embedded cost of 0.50% per year, which will reduce the level of the Index and the amount of interest, if any, that will be credited to the Product.

Index annuities are issued by American General Life Insurance Company (AGL), 2727-A Allen Parkway, Houston, Texas 77019. Contract Numbers for the X5 Advantage Annuity: AG-808 (07/19). AGL is a member of American International Group, Inc. (AIG). The underwriting risks, financial and contractual obligations and support functions associated with the annuities and policies issued by AGL are its responsibility. AGL does not solicit business in the state of New York. Contracts, policies and riders may vary by state and are not available in all states.

© 2020 American International Group, Inc.
All rights reserved.
Annexus is a national marketing firm that works with independent distribution companies to distribute retirement products. Annexus is not affiliated with AIG or AGL.