



AIG Life & Retirement Launches Innovative Multi-Style Index with AQR to Help Consumers Earn Consistent Returns in Changing Markets

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AQR DynamiQ Allocation IndexSM Seeks Steady, Repeatable Returns Through Global Diversification and AQR's Unique, Style-Based Methodology

NEW YORK--(BUSINESS WIRE)--Jun. 10, 2020--

AIG Life & Retirement, a division of American International Group, Inc. (NYSE: AIG) and a leading provider of annuities, today announced the launch of the new AQR DynamiQ Allocation Index, available exclusively through the Power Protector Series of Index Annuities. This multi-style index has been designed by AQR Indices, LLC, a subsidiary of AQR Capital Management, LLC, a global systematic investment management firm recognized for its efficient portfolio construction and world-class research on investing, economic theory and behavioral finance.

The AQR DynamiQ Allocation Index is the first-ever index to be developed by AQR for use in an index annuity. It seeks to enhance returns and reduce risk by dynamically allocating across equity and fixed income markets from around the world. The index uses AQR's unique, style-based (factor) methodology to identify assets that have the potential to perform well across a variety of market environments. The AQR DynamiQ Allocation Index is not available for direct investment, but its returns are used to help determine the interest earned in the index annuity. In addition, any assets allocated to the index annuity are protected against market downturns, so consumers never lose principal or any interest earned due to market volatility.

"We are excited that AIG Life & Retirement will be the first to bring AQR's sophisticated, style-based investment approach to consumers through an index annuity," said Bryan Pinsky, Senior Vice President of Individual Retirement Pricing and Product Development at AIG. "AQR has built customized portfolios for some of the world's largest institutional investors. Now they have taken the best practices and lessons learned from managing those assets to develop an index designed to provide stable growth with strong risk management."

AQR's signature index methodology is based on its decades-long research into styles, or factors that drive an asset's performance. The AQR DynamiQ Allocation Index is designed to boost performance potential while managing downside risk by combining five distinct styles: Value (cheap assets), Momentum (assets that show positive long-term performance), Carry (higher-yielding fixed income assets), Defensive (higher quality, lower risk equities) and Trend (assets that show positive short-term performance). These styles are dynamically allocated across asset classes and geographic regions on a monthly basis based on a systematic, rules-based process that seeks to take advantage of changing market conditions.

"AQR is proud to work with AIG Life & Retirement to extend our expertise in applying analytical research to solve challenging client problems," said David Kabiller, co-Founder of AQR. "We are committed to investment innovation and excited to apply it to index annuities. By diversifying across multiple styles, asset classes and geographies, the AQR DynamiQ Allocation Index has the potential to produce more consistent returns with lower risk than many indices."

The AQR DynamiQ Allocation Index is available exclusively in the Power Protector Series of Index Annuities, which is issued by American General Life Insurance Company and distributed primarily through independent marketing organizations. These annuities combine tax deferral, principal protection against down markets, growth potential through a diverse range of index interest accounts, and guaranteed lifetime income options to help consumers prepare for retirement. Guarantees are backed by the claim-paying ability of American General Life Insurance Company.

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 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.

Diversification and risk management strategies do not guarantee positive performance or prevent negative returns. There are no assurances that any objectives will be achieved. Depending on index performance and other factors, individuals may earn no interest in the index annuity.

Interest earned in an index annuity is calculated using index performance over a specific term, subject to contract provisions, such as an index rate cap, spread or participation rate, which may limit or reduce the upside potential. The index rate cap is the maximum percentage of index performance that can be credited as interest for an index term. The spread is the minimum threshold or percentage that index performance must exceed to be credited interest. The participation rate is the percentage of index performance that is used to calculate interest in certain accounts.

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The AQR DynamiQ Allocation IndexSM is a long only index providing exposure to futures on third-party equity indices primarily comprised of large-cap securities of U.S. and non-U.S. issuers from developed markets, and exposure to futures on U.S. and non-U.S. developed government fixed income securities.

The AQR DynamiQ Allocation IndexSM (the "Index") embeds an annual index cost in the calculations of the change in index value. This embedded index cost will reduce any change in index value, and it funds certain operational and licensing costs for the Index. Since it will affect the return of the Index, it may also impact the amount of interest credited to an index annuity; however, it is not a fee paid by the policy owner or received by the issuing insurance company.

Index 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). AGL is a member of the American International Group, Inc. (AIG) family of financial services companies. The underwriting risks, financial and contractual obligations and support functions associated with the annuities issued by AGL are its responsibility. AGL does not issue products in the state of New York. Annuities and riders may vary by state and are not available in all states. AIG and its member companies are not affiliated with AQR.

Not FDIC or NCUA/NCUSIF Insured

May Lose Value • No Bank or Credit Union Guarantee

Not a Deposit • Not Insured by any Federal Government Agency

About AIG Life & Retirement

AIG Life & Retirement brings together a broad portfolio of protection, retirement savings, investment and lifetime income solutions to help people achieve financial and retirement security. The business consists of four operating segments – Individual Retirement, AIG Retirement Services, Life Insurance and Institutional Markets – and holds longstanding, leading market positions in many of the markets it serves.

AIG Life & Retirement includes AIG member insurance companies American General Life Insurance Company (Houston, TX), The United States Life Insurance Company in the City of New York, and The Variable Annuity Life Insurance Company (VALIC), Houston, TX as well as their affiliates. Securities products are distributed by AIG Capital Services, Inc., member FINRA. Additional information about AIG Life & Retirement can be found at www.linkedin.com/showcase/aig-life-&-retirement.

About AIG

American International Group, Inc. (AIG) is a leading global insurance organization. AIG member companies provide a wide range of property casualty insurance, life insurance, retirement solutions, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange.

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About AQR

AQR is a global investment management firm dedicated to delivering results for its clients. At the nexus of economics, behavioral finance, data and technology, AQR's evolution over two decades has been a continuous exploration of what drives markets and how it can be applied to client portfolios. The firm is headquartered in Greenwich, Connecticut, with offices in Bangalore, Boston, Chicago, Frankfurt, Hong Kong, London, Los Angeles and Sydney.



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