corebridge financial

Dimensional US Foundations Index

Pursue growth with targeted volatility using a strong foundation of rigorous research

What is the Dimensional US Foundations Index?

The Dimensional US Foundations Index is a diversified index of equities, fixed income and commodities that uses a scientific, research-driven approach to pursue higher growth with more consistent volatility. This approach draws on decades of financial research by some of the world's most prominent economists, including a number of Nobel Prize winners.
The Index is available in The Power Series of Index Annuities® issued by American General Life Insurance Company.

Understanding a Fixed Index Annuity

A Fixed Index Annuity (FIA) is a contract issued by an insurance company that is designed for asset accumulation and retirement income. It is not a direct investment in the stock market and works in two stages:

Accumulation: The FIA provides you with the opportunity to earn interest based in part on the performance of a particular index like the Dimensional US Foundations Index. A fixed account is also available that can guarantee interest for a specific period of time.

Income: You may turn the FIA into a stream of income payments ranging from 5 years to life through annuitization, which is available as part of the base contract for no annual fee. Some FIAs also offer lifetime income options for an annual fee.

Please see a Power Series Index Annuity product brochure for more information.

Benefit from a dynamic, research-driven approach

The Dimensional US Foundations Index (the "Index") seeks growth with targeted volatility based on scientific research and sound investment principles, not speculation.

The Dimensional US Foundations Index is:

1. **Backed by financial science**

   The Index draws on insights from decades of academic and empirical research by some of the greatest minds in financial science, including Nobel laureates Eugene Fama and Robert Merton, to target factors that drive outperformance in financial markets.

2. **Designed to pursue growth with targeted volatility**

   Quantitative rules are used to systematically pursue growth within equities, fixed income and commodities while maintaining volatility at a target level of 5%.

3. **Built with richer, deeper data**

   Better inputs can lead to better outcomes. Rather than rely on one source or type of data, the Index uses a powerful combination of industry-leading volatility metrics from Dimensional Fund Advisors and Salt Financial, a premier provider of index and risk management solutions, to dynamically respond to changes in the market.

What are volatility metrics?

Volatility is the degree of fluctuation in the returns of securities like stocks or bonds. Volatility metrics are measures or indicators that may provide insight into how securities have performed in the past and where they might be headed in the future.

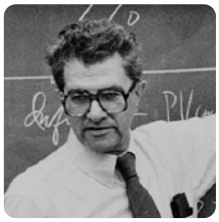
1 Backed by financial science

The Index was created by Dimensional Fund Advisors ("Dimensional"), a leading asset management firm known for its scientific approach to investing. Dimensional's approach is grounded in academic theory and in-depth research with close ties to some of the world's foremost economists, including four winners of the Nobel Prize in Economic Sciences.

A heritage of Nobel Prize-winning research

Eugene Fama
University of Chicago
Nobel Laureate, 2013
Efficient Markets Hypothesis

Robert Merton
MIT
Nobel Laureate, 1997
Options Pricing Model



Merton Miller
University of Chicago
Nobel Laureate, 1990
Investments and Capital Structure

Myron Scholes
Stanford University
Nobel Laureate, 1997
Options Pricing Model

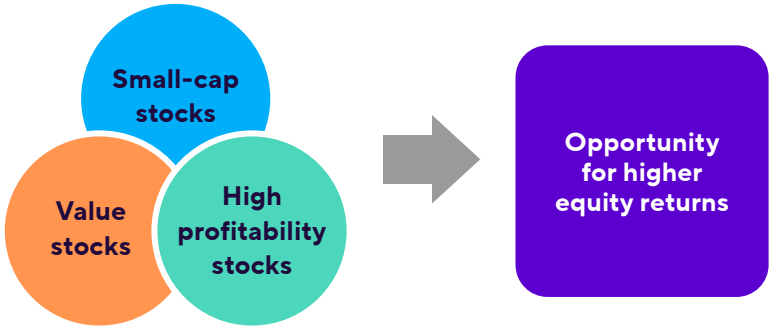
Focus on what drives returns over time

The Index builds on insights and perspectives from decades of academic research, including work informed by the studies of Nobel laureates Eugene Fama and Robert Merton, to identify and target the key drivers of performance across its equity, fixed income, and commodity positions.

Equity component

Emphasizes small-cap, value and high profitability stocks

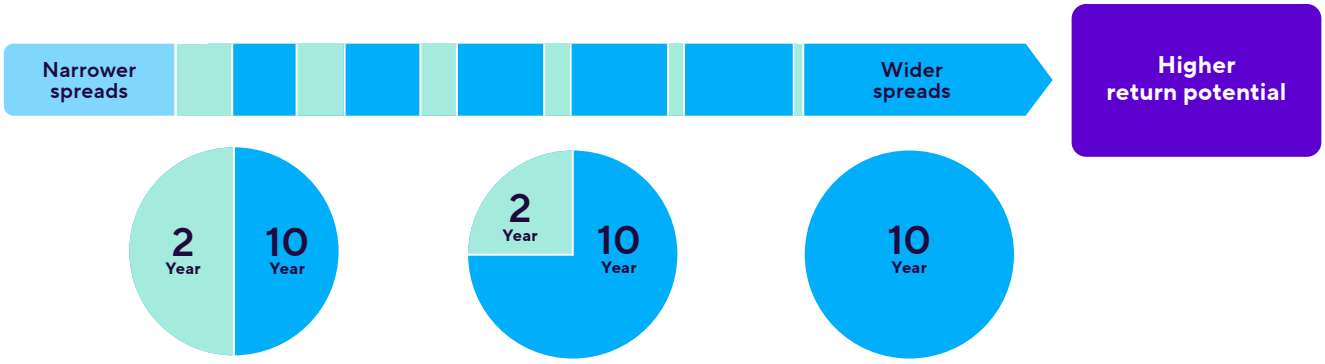
Detailed research by Dimensional and other scholars has shown that some types of stocks perform better than others. In fact, small-cap, value and high profitability stocks tend to provide higher average returns than the overall stock market.[1] The Index is designed to put emphasis on these stocks in a broadly diversified manner to help improve returns.



Fixed income component

Looks for widening yield spreads

Dimensional's studies have shown that longer-term bonds generally provide higher returns than shorter-term bonds. This performance gap tends to increase when the "term spread," or the difference in yield between longer- and shorter-term bonds, widens. Applying this research, the fixed income component of the Index provides exposure to a combination of 2- and 10-year Treasury bonds. As the term spread widens, the Index increases exposure to 10-year Treasury bonds to target higher returns.



Commodity component

Evaluates changes in the price of commodity futures

Through its research, Dimensional has found that differences in commodity futures prices over varying time horizons, as well as across different commodities, can be used to identify commodity investments with the opportunity for higher expected returns. The commodity component of the Index puts this research to work across over 20 different types of commodities to target higher returns.[2]

What are commodity futures?

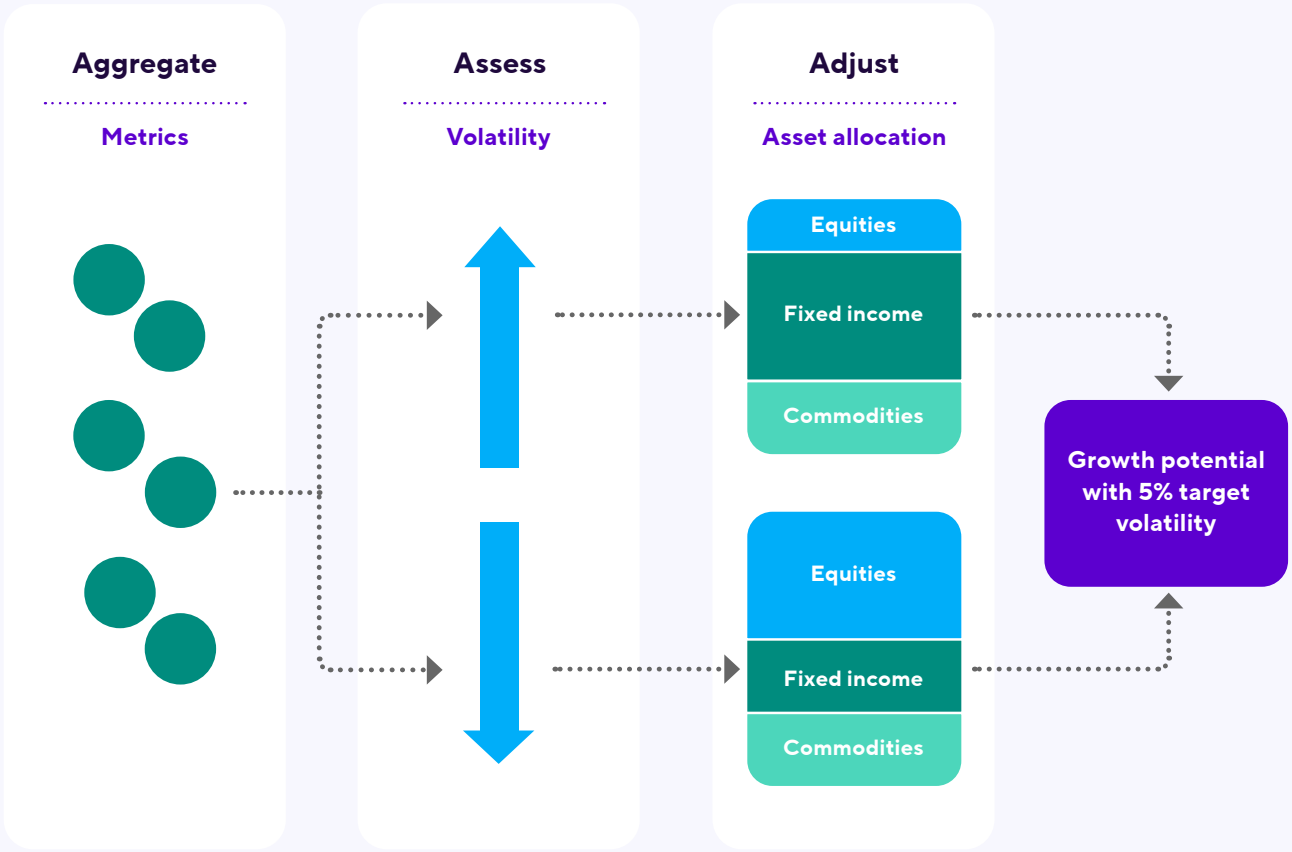
Commodity futures are financial contracts that allow an individual or institution to buy or sell commodities at a future date and price. Commodities include oil and natural gas, agricultural products, metals, and livestock.

[1]Profitability is a measure of current profitability based on information from individual companies' income statements.
[2]Number of commodity types is as of June 30, 2022 and subject to change.

2 Designed to pursue growth with targeted volatility

The Index uses a systematic, rules-based process to translate robust volatility metrics into asset allocation decisions across equities, fixed income, and commodities. The following graphic helps illustrate how this works. Volatility and correlation metrics are analyzed to assess the levels and direction of volatility, as well as how the three asset classes are moving in relation to each other. Allocations across the various components of the Index are then adjusted in a controlled and transparent manner to provide growth potential with a target volatility level of 5%.

Breaking down the daily process



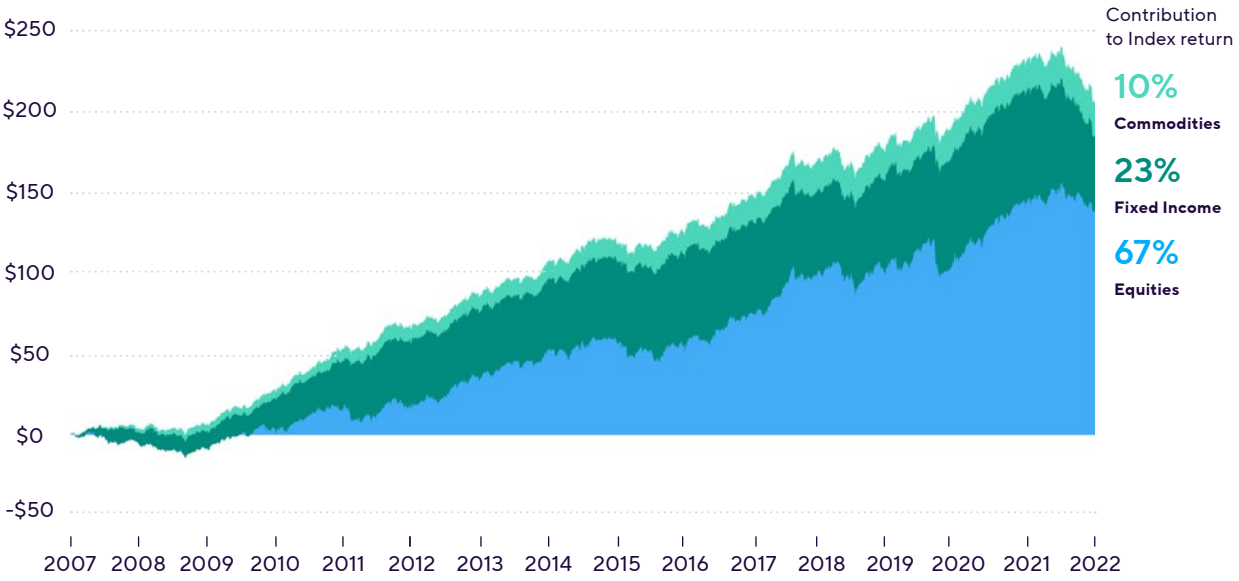
For illustrative purposes only. Additional considerations apply and actual allocations may vary.

See the potential impact of a balanced approach

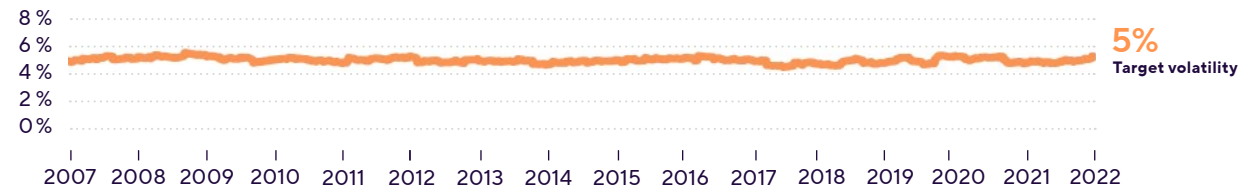
The hypothetical charts below show how the Index would have performed if it had existed over the last 15 years ended June 30, 2022. The Index would have gained more than 200%, with equities, fixed income and commodities contributing 67%, 23% and 10% respectively to overall performance. At the same time, annual volatility would have remained consistently around the target level of 5%.

Putting it all together

Hypothetical growth of the Index, 6/30/07 – 6/30/22



Volatility based on 1-year rolling returns, 6/30/07 – 6/30/22



Hypothetical example for illustrative purposes only

Source: Dimensional, 2022. Past performance is no guarantee of future results. The Dimensional US Foundations Index has been retrospectively calculated and did not exist prior to the index inception date of 9/30/22. Accordingly, results shown during the periods prior to the index inception date do not represent actual returns of the Index. Other periods selected may have different results, including losses. Backtested index performance is hypothetical and is provided for informational purposes only to indicate historical performance had the Index been calculated over the relevant time periods. Backtested performance results assume the reinvestment of dividends and capital gains.

The above chart does not reflect the amount of interest credited to an index annuity or the impact of any index annuity fees, charges or withdrawals during this time period. Actual results for a specific insurance contract would depend on the crediting strategy chosen and the cap (the maximum amount of the positive movement of an index that is used to calculate interest) or participation rate (the percentage of the positive movement of an index that is used to calculate interest) for the time period(s) shown, as well as any contractual fees, charges or withdrawals. If caps or participation rates, or any index annuity fees, charges or withdrawals were included, the returns shown would be lower. Interest earned in an index annuity will never be less than zero in flat or down markets; contract value will decline due to withdrawals and/or fees.

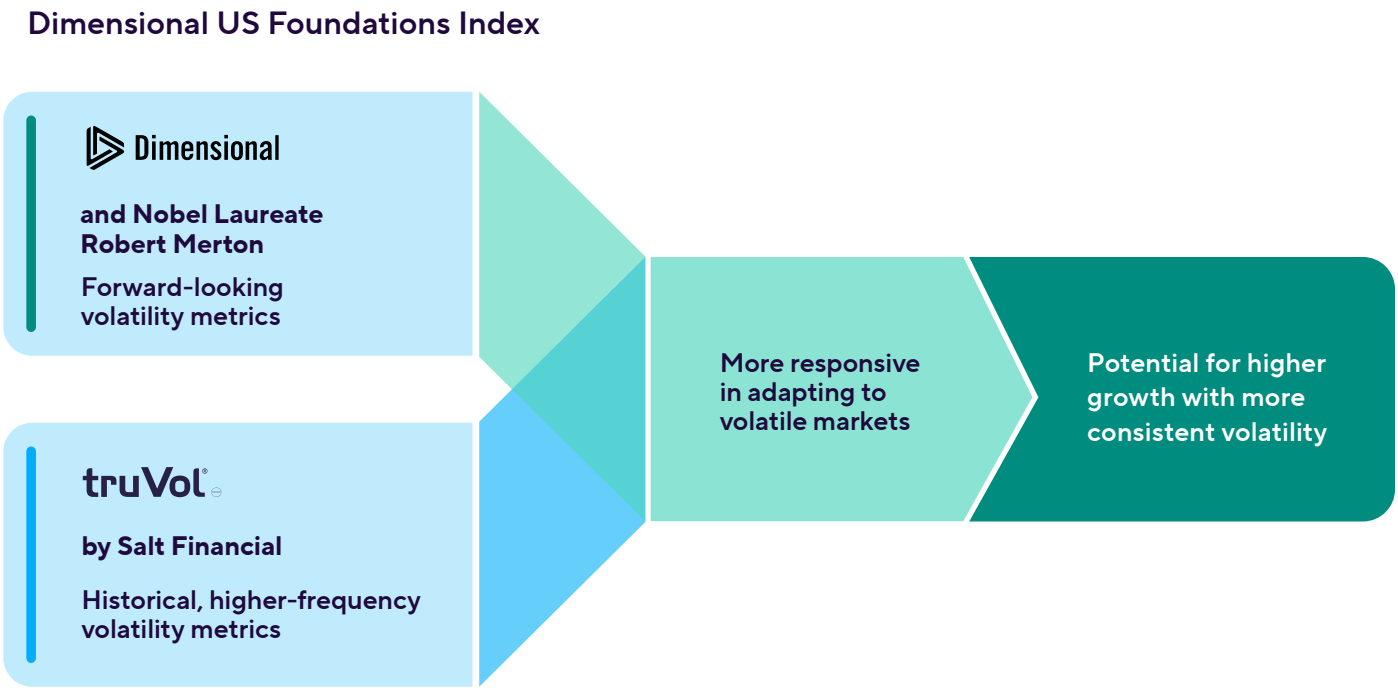
3 Built with richer, deeper data

The Index is designed to adapt to changes in volatility. To do so effectively, the quality of inputs plays a critical role. Unlike some indices that rely on limited or static data, the Index uses a full range of volatility metrics from two industry-leading sources to help adjust allocations:

- **Forward-looking volatility metrics** based on research conducted by Dimensional's team of expert analysts, including Nobel laureate Robert Merton, Resident Scientist of the firm.
- **Historical volatility metrics** from **Salt Financial's truVol® Risk Control Engine**. This patent-pending tool offers higher-frequency data than traditional risk management solutions.

These volatility metrics allow the Index to make more dynamic, informed decisions on a daily basis, helping it to quickly adapt to sudden downturns or volatile events.

Dynamically built for greater responsiveness and higher return potential

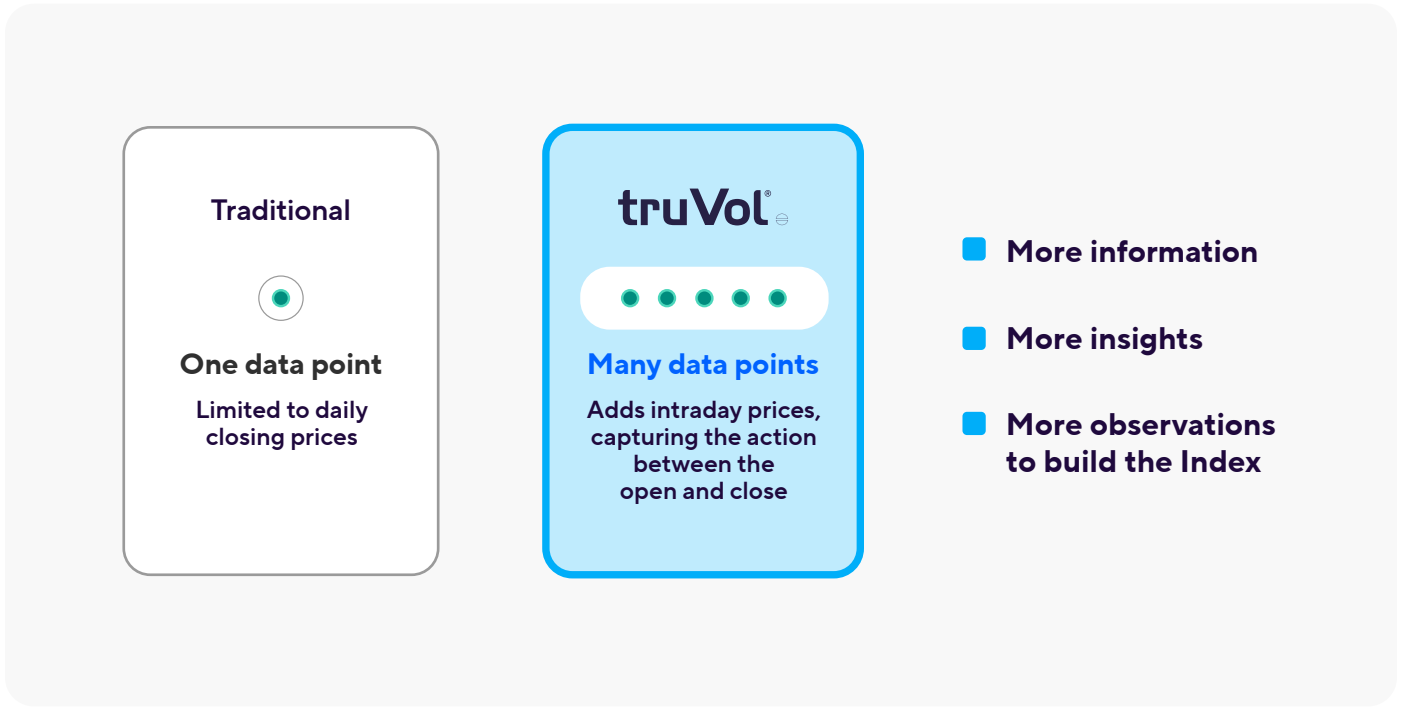


The value of combining forward-looking and historical metrics

Dimensional believes that market prices contain all relevant information necessary to make intelligent asset allocation decisions. Dimensional uses the market prices of equity and bond options, as well as commodity futures, to glean up-to-date information about the future volatility expectations of market participants. These forward-looking volatility metrics are then combined with historical volatility metrics to provide a more complete view of market trends and help the Index adjust allocations for potentially better outcomes.

What makes truVol® different

When it comes to historical volatility metrics, not all inputs are created equal. The Index uses the truVol® Risk Control Engine from Salt Financial to provide state-of-the-art volatility metrics. While many volatility metrics rely on one data point each day, the truVol® Risk Control Engine uses higher-frequency intraday data to provide a more comprehensive picture of historical volatility and trends.



Dimensional at a glance

One
Investment philosophy

14
Global offices

41
Years since founding

$575B
Firmwide assets under management

A different investment approach

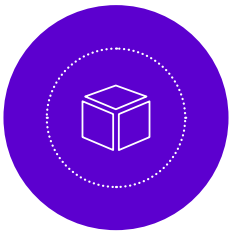
- **Some managers** aim to match index returns, accepting portfolio management and trading constraints that can increase costs.
- **Other managers** may rely on predictions or backtested simulations to find mispriced securities or to time markets.
- **Dimensional** believes investors can have a successful investment experience without having to outguess the market. The firm trusts market prices and applies a scientific, transparent, and process-driven investment approach to pursue higher expected returns.

Applying financial science to investing

- Dimensional has forged deep working relationships with top academics in finance.
- Nobel laureate Robert Merton is a Resident Scientist of the firm.
- Nobel laureate Eugene Fama, fellow researcher Kenneth French, and other leading academics are directors and consultants to the firm.
- A scientific perspective guides the firm's culture, philosophy, and investment approach.

"Dimensional applies the same type of rigor that you expect to see in scientific investigation."

-Robert Merton
Nobel laureate, 1997 • Professor, MIT
Resident Scientist, Dimensional



Dimensional US Foundations Index

Uses a dynamic, research-driven approach to help you generate growth with targeted volatility

Contact your financial professional or agent to learn more

Action is everything.

Note: Stocks, bonds and commodities are subject to risks, including the possible loss of principal. Stocks of small-cap companies are generally more volatile and not as readily marketable as those of larger companies. Bonds are subject to interest rate, issuer, credit, inflation, and liquidity risk. Interest rates and bond prices typically move inversely to each other; for example, a bond will generally increase in value when interest rates fall and decrease in value when rates go up. Government bonds and Treasury bills are backed by the full faith and credit of the U.S. government if held to maturity. Commodities include increased risks, such as political, economic, andcurrency instability, and may not be suitable for all individuals.

Important information about Dimensional Fund Advisors, Inc:

Diversification neither assures a profit nor guarantees against loss in a declining market. Robert Merton provides consulting services to Dimensional Fund Advisors LP. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP.

The Dimensional US Foundations Index (the "Index") is sponsored and published by Dimensional Fund Advisors LP ("Dimensional"), which has contracted with Salt Financial LLC ("Salt") (each of Dimensional and Salt, an "IP Provider", and which shall include each of their respective directors, officers, employees, representatives, delegates or agents) to provide intellectual property (the "IP") that is used by Dimensional in connection with the maintenance and calculation of the Index. The use of "Dimensional" in the name of the Index and the related stylized mark(s) are service marks of Dimensional and have been licensed for use by American General Life Insurance Company ("AGL"). AGL has entered into a license agreement with Dimensional providing for the right to use the Index and related trademarks in connection with the Index Annuity (the "Financial Product"). The Financial Product is not sponsored, endorsed, sold or promoted by any IP Provider, and no IP Provider makes any representation regarding the advisability of investing in such Financial Product. No IP Provider has any responsibilities, obligations or duties to investors in the Financial Product, nor does any IP Provider make any express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use with respect to the Index or the IP, as applicable, or as to results to be obtained by a Financial Product or any other person or entity from the use of the Index or the IP, trading based on the Index or the IP, the levels of the Index at any particular time on any particular date, or any data included therein, as applicable, either in connection with the Financial Product or for any other use.

No IP Provider has any obligation or liability in connection with the administration, marketing or trading of the Financial Product. In certain circumstances, Dimensional may suspend or terminate the Index. Dimensional has appointed a third-party agent (the "Index Calculation Agent") to calculate and maintain the Index. While Dimensional is responsible for the operation of the Index, certain aspects have thus been outsourced to the Index Calculation Agent.

No IP Provider guarantees the accuracy, timeliness or completeness of the Index or the IP, as applicable, or any data included therein or the calculation thereof or any communications with respect thereto, as the case may be, and each has no liability for any errors, omissions or interruptions of the Index or the IP, as applicable, or in connection with its use. In no event shall any IP Provider have any liability of whatever nature for any losses, damages, costs, claims and expenses (including any special, punitive, direct, indirect or consequential damages (including lost profits)) arising out of matters relating to the use of the Index or the IP, as applicable, even if notified of the possibility of such damages. Each IP Provider has provided AGL with all material information related to the Index methodology and the maintenance, operation and calculation of the Index.

No IP Provider makes any representation with respect to the completeness of information related to the Index provided by AGL in connection with the offer or sale of any Financial Product. Each entity shall each act as principal and not as agent or fiduciary of any other person. No IP Provider published or approved this document, nor does any IP Provider accept any responsibility for its contents or use.

Important information about 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 appropriate for all individuals.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. Please consult with your financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional.

All contract and benefit guarantees including any fixed account crediting rates or annuity rates are backed by the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased.

The Power Series of Index Annuities are issued by **American General Life Insurance Company** (AGL), Houston, Texas. Contract Numbers: AG-800 (12/12) and AG-801 (12/12). AGL is a member company of Corebridge Financial, Inc. The underwriting risks financial and contractual obligations and support functions associated with the annuities issued by AGL are its responsibility. Guarantees are backed by the claims-paying ability of the issuing insurance company. AGL does not solicit, issue or deliver policies or contracts in the state of New York. Annuities and riders may vary by state and are not available in all states. This material is not intended for use in the state of Idaho or New York.

corebridgefinancial.com

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

corebridge financial