

Understanding the main differences between mutual funds and annuities.

Mutual funds, fixed annuities and variable annuities are the choices available in your retirement plan that can help you shape your financial future. Deciding between these types depends on your unique situation and personal financial strategy. Each type has its own unique benefits and features. The chart below is intended for educational purposes to help you, with the guidance of your AIG Retirement Services financial professional, make informed decisions.

Product features			
Common questions	Mutual funds ¹	Fixed annuities ¹	Variable annuities ¹
What are the key features?	<ul style="list-style-type: none"> Individual investors buy a portion of a basket of underlying securities, such as stocks and bonds Potential growth from market appreciation Tax-deferred growth within a retirement plan 	<ul style="list-style-type: none"> Insurance product that offers guaranteed income Guarantees payment of a set amount for the term of the agreement² Tax-deferred growth within a retirement plan 	<ul style="list-style-type: none"> Retirement product that contains both an investment and insurance component The insurer invests in a portfolio of underlying funds Potential growth from market participation Tax-deferred growth within a retirement plan
Is my money protected?	<ul style="list-style-type: none"> No assurance that the objective of any fund will be achieved Investing involves risk including the possible loss of principal 	<ul style="list-style-type: none"> Guaranteed minimum interest rate regardless of market fluctuations Your premium is guaranteed by the claims-paying ability of the issuing insurance company 	<ul style="list-style-type: none"> Investment value will fluctuate with the returns on the underlying investments; your total contributions and earnings, when redeemed, may be worth more or less than their original cost Investing involves risk including the possible loss of principal
Do I have access to broadly diversified investment choices?	Access to a broad range of professionally managed investment choices with an array of investment objectives	No	Offers a range of highly differentiated variable investment options
Do I have access to my money?	Within a retirement account, access is limited by plan design and account holder age	Many allow a percentage of the contract value to be withdrawn annually without penalty ³	Many allow a percentage of the contract value to be withdrawn annually without penalty ³

Understanding the differences between mutual funds and annuities.

Product features			
Common questions	Mutual funds ¹	Fixed annuities ¹	Variable annuities ¹
When do I pay taxes on the money?	Taxes are due upon withdrawal, usually at retirement; withdrawals are treated as ordinary income ⁴	Taxes are due upon withdrawal, usually at retirement; withdrawals are treated as ordinary income ⁴	Taxes are due upon withdrawal, usually at retirement; withdrawals are treated as ordinary income ⁴
What are my distribution/ withdrawal options at retirement?	For specific income payment options available in your retirement plan, speak with your AIG Retirement Services financial professional	Generally, a variety of income payment options are available with annuitization, including retirement income payments guaranteed for life ⁵ For specific income payment options available in your retirement plan, speak with your AIG Retirement Services financial professional	Generally, a variety of income payment options are available with annuitization, including retirement income payments guaranteed for life ⁵ For specific income payment options available in your retirement plan, speak with your AIG Retirement Services financial professional
Is there a death benefit?	No guaranteed death benefit	<ul style="list-style-type: none"> • Generally have a guaranteed death benefit that provides income payments to your beneficiary, avoiding the costs and delays of probate¹ • Withdrawals will reduce the benefit 	<ul style="list-style-type: none"> • Generally have a guaranteed death benefit, avoiding the costs and delays of probate¹ • Withdrawals will reduce the benefit
Are the products subject to expenses, fees and charges?	<ul style="list-style-type: none"> • A fund's net performance reflects the automatic subtraction of its expenses (such as management fees) during the year • Subject to custodial fees • No maintenance fees • No separate account charges 	<ul style="list-style-type: none"> • No fund annual expenses • No custodial fees • Subject to maintenance fees • No separate account charges • May be subject to contractual surrender charges or market value adjustments for premature withdrawal 	<ul style="list-style-type: none"> • A fund's net performance reflects the automatic subtraction of its expenses (such as management fees) during the year • No custodial fees • Subject to maintenance fees • Could be subject to contractual charges such as separate account charges, mortality and expense fee • May be subject to contractual surrender charges for premature withdrawal

The information in this chart is general in nature. For information specific to your retirement plan account, refer to your plan documents, which can be found at

In addition, to find out the available choices in your retirement plan, log on to

Understanding the differences between mutual funds and annuities.

Your AIG Retirement Services financial professional stands ready to provide one-on-one guidance.

Which investment choices should you choose to help save for the financial future you envision? That is a topic you and your AIG Retirement Services financial professional may want to discuss. The answer depends on several factors including your age, comfort with risk and how long before you will need to withdraw the money and more.

To find out who your AIG Retirement Services financial professional is and schedule a meeting via phone, FaceTime or Webex, you can log on to aigrs.com/mc/schedule-virtual-advisor-meeting and follow the instructions below:

- Sign into your retirement plan account
- Once signed in, scroll to the bottom of your Overview page to view your AIG Retirement Services financial professional's information
- Contact your AIG Retirement Services financial professional directly to schedule a virtual meeting

¹ Note that when transferring an account from an annuity to a mutual fund investment choice, you forfeit the death benefits and other guaranteed features.

Your AIG Retirement Services financial professional can help you determine if transferring from one investment choice to another is appropriate for your situation.

² Guarantees are backed by the claims-paying ability of the issuing insurance company.

³ Subject to plan rules as well as tax rules related to qualified accounts.

⁴ Taxable withdrawals are subject to ordinary income tax. Withdrawals taken prior to age 59½ may be subject to a 10% federal early withdrawal tax penalty. Contractual withdrawal charges may also apply for annuities.

⁵ Annuitization is the process of converting part or all of the money in an annuity contract into a stream of regular income payments, either for your lifetime or the lifetimes of you and your joint annuitant.

We see the future in you.SM

CLICK

CALL 800-448-2542 VISIT your financial professional

Retirement plans and accounts such as 403(b)s, IRAs, 401(k)s, etc., can be tax deferred regardless of whether or not they are funded with an annuity.

A purchase in an annuity within a plan does not provide additional tax-deferred treatment of earnings. However, annuities do provide other features and benefits.

Bear in mind that investing involves risk, including the possible loss of principal. Investment values will fluctuate and there is no assurance that the objective of any fund will be achieved. Mutual fund shares are redeemable at the then-current net asset value, which may be more or less than their original cost. Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing.

Annuities are long-term products designed for retirement. Variable annuities have market risks, can lose money and are sold by prospectus. Fixed annuities may be impacted by inflation.

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 recommendation. 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.

Securities and investment advisory services offered through VALIC Financial Advisors, Inc. (VFA), member FINRA, SIPC and an SEC-registered investment adviser.

Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA. VALIC and ACS are members of American International Group, Inc. (AIG).

AIG Retirement Services represents AIG member companies – The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries, VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO). All are members of American International Group, Inc. (AIG).

