

Introducing Barclays Trailblazer Sectors 5 Index



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What is the Barclays Trailblazer Sectors 5 Index?

The Barclays Trailblazer Sectors 5 Index (the “Index”) is based on the principles of Modern Portfolio Theory, published in 1952 by the Journal of Finance. This new Index aims to maximize portfolio returns without exceeding a specific level of risk. More information about the Index can be found by visiting <http://trailblazer.barclays.com>.

Some of the key components of the new Index are:

- **Potential Performance** – The Barclays Trailblazer Sectors 5 Index selects the portfolio mix with the highest expected return given a certain level of risk.
- **Diversification** – The Barclays Trailblazer Sectors 5 Index portfolio mix is chosen from a universe of Exchange Traded Funds (ETFs) that provide exposure to sectors of the U.S. equity market, the fixed income market, and cash (3 month USD LIBOR), with the intention of avoiding the “Putting All Your Eggs In One Basket” scenario.²
- **Volatility Managed** – The Index aims to select portfolios with volatilities under 5% and also has the ability to adjust its exposure to the Index portfolio daily in an attempt to maintain the 5% target volatility level.
- **Dynamic Rebalancing** – The Index rebalances into a new portfolio only when specific trigger conditions are met, allowing the Index to avoid unnecessary adjustments in less volatile markets while adjusting as often as daily when markets are more volatile.

Hypothetical Historical Performance

The Barclays Trailblazer Sectors 5 Index returns for the hypothetical look back period December 31, 2007 - December 31, 2017.

Hypothetical Aggregate Calendar Year Returns Over The Last 10 Years										
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	10 Yr. Avg. Return
-4.95%	0.20%	10.38%	9.93%	6.89%	7.63%	14.84%	-5.74%	7.80%	11.71%	5.65%

The Barclays Trailblazer Sectors 5 Index was first calculated on July 5, 2016. All Index value information presented prior to this date for the Index is created through back-testing. Back-tested performance is not actual performance; it is hypothetical. Additionally, with respect to the Barclays Trailblazer Sectors 5 Index, the daily level of the Index reflects the deduction of a fee of 0.85% per annum and a cost equal to the 3 month USD LIBOR rate. The returns shown above are calculated based on 12/31 values. If the stock market is closed, the date prior to the closing date is used to calculate the Index values.

¹ It is available in FGL's Accelerator Plus™, FG AccumulatorPlus®, Performance Pro®, and Prosperity Elite® fixed indexed annuities in all states where approved except IA and NH.

² Please note, the Index may at any time be in only one asset class.

“FGL” when used herein refers to Fidelity & Guaranty Life, the marketing name for Fidelity & Guaranty Life Insurance Company issuing insurance in the United States outside of New York. Life insurance and annuities issued by Fidelity & Guaranty Life Insurance Company, Des Moines, IA. It is important to note the following information with respect to the Barclays Trailblazer Sectors 5 Index:

- The rationale of the Index may prove to be unsuccessful. The Index uses historical volatility to predict future returns and future volatility. If historical volatility proves to be a poor measure of predicting future returns or future

volatility, the Index portfolio may perform poorly and may under-perform alternative portfolios selected using a different methodology.

- The Index may not achieve its intended objectives of keeping the target volatility level for the Index approximately equal to 5%.
- The Index has limited actual history and may perform in an unanticipated manner.
- As noted above, the daily level of the Index reflects the deduction of a fee of 0.85% per annum and a cost equal to the 3-month USD LIBOR rate, any allocation to cash will earn zero return. Because of these deductions, the value of the Index will be less than the value of a hypothetical, identically constituted portfolio from which no such fees or costs are deducted.
- The Index may at any time be invested in only one or a small number of index components, which produce lower

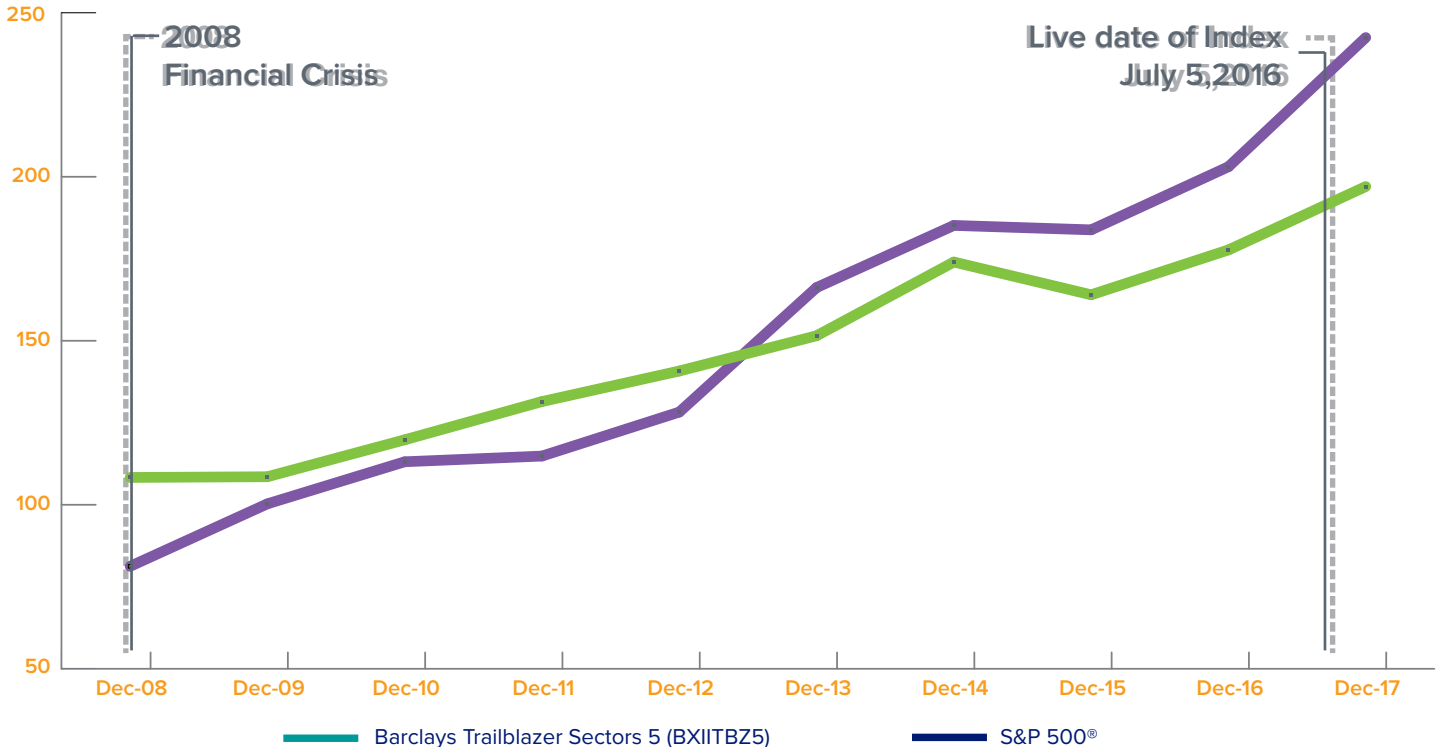
returns than an investment in a more diversified pool of assets.

- Any exposure to cash in the portfolio will earn no return. In addition, if the volatility control mechanism causes exposure to the Index portfolio to be less than 100%, the difference will be uninvested and will earn no return. The performance of the Index will be subject to risks associated with investments in ETFs and with investments in the U.S. sectors and fixed income assets that are represented by the components of the index at any given time.
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Hypothetical Historical Performance, cont'd

In a hypothetical look-back, **Barclays Trailblazer Sectors 5 Index** shows slow and steady growth versus the indices referenced below over the last 10 years.



Index values shown are scaled to a value of 100 on December 31st, 2008 and reported on December 31st of each respective year. The **Barclays Trailblazer Sectors 5 Index** was first calculated on July 5, 2016. All Index value information presented prior to this date for the Index is created through back-testing. Back-tested performance is not actual performance; it is hypothetical.

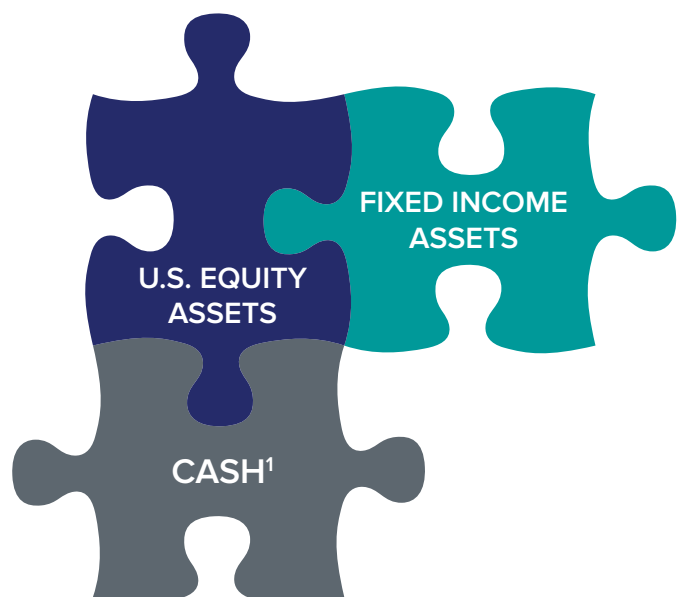
Diversification

The **Barclays Trailblazer Sectors 5 Index** provides opportunities for growth based on a diverse set of U.S. asset classes:

- 11 U.S. equity assets
- 3 fixed income assets
- Cash¹

¹Any allocation to cash will earn zero return.

The **Barclays Trailblazer Sectors 5 Index** provides opportunities for growth by selecting from a set of exchange-traded funds and cash, which consists of 11 U.S. equity ETFs, 3 fixed income asset ETFs and 3 month USD LIBOR. At any one time, depending on market conditions, the Index may be more heavily weighted in one asset class than another and may be in only one asset class.

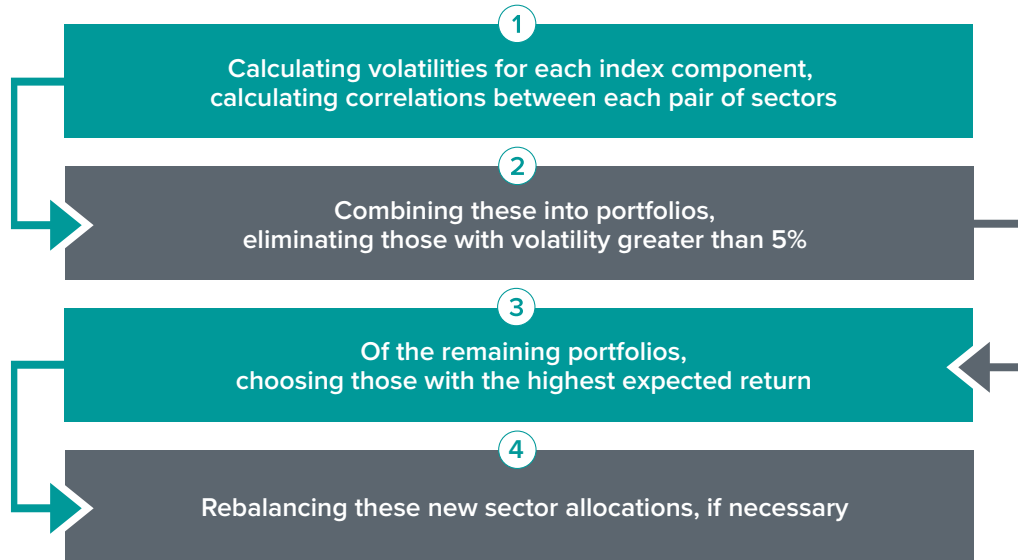


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How is Volatility Managed?

Investment theory states that returns are compensation for risk taken. So, risk-adjusted returns are expected to be similar for different asset classes or sectors over time. Volatility is used as a measure of risk. The Index builds an allocation between U.S. equity assets and fixed income assets (each a “sector”) by:



Who is Barclays?

Barclays has over 325 years of history in the financial services industry. They have operations in over 40 countries and employ approximately 130,000 people.

How the Barclays Trailblazer Sectors 5 Index Is Calculated

The **Barclays Trailblazer Sectors 5 Index** is available in a two-year point-to-point with spread and participation rate indexed interest crediting option within FGL’s Performance Pro®, Prosperity Elite®, Accelerator Plus™, and AccumulatorPlus® annuities. Please see the applicable product brochure and Statement of Understanding for a detailed description of this new crediting option. If your clients elect to allocate premium to this crediting option or any other indexed interest crediting option available in FGL’s fixed indexed annuities, keep in mind that your client’s premium is never invested directly in the external Index. The Index will be used only to determine your client’s crediting interest, if any. The investment performance of the **Barclays Trailblazer Sectors 5 Index** does not directly pass through to your clients as an investment.

Contact us at salesdesk@fglife.com for more information about this exciting strategy!

• Not a deposit • Not FDIC insured • Not insured by any federal government agency • May lose value

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Volatility control seeks to provide smoother returns and mitigate sharp market fluctuations. While this type of strategy can lessen the impact of market downturns, it can also lessen the impact of market upturns, potentially limiting upside potential.

Form numbers: API-1018(06-11), ACI 1018(06-11); et al.

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