

# WealthQuest® III Variable Universal Life

## PERFORMANCE REPORT

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The WealthQuest® III Variable Universal Life Insurance is issued by American National Insurance Company, Galveston, Texas and distributed through ANICO Financial Services, Inc. (ANFS), Member FINRA. ANFS is a subsidiary broker-dealer of American National Insurance Company, One Moody Plaza, Suite 1423, Galveston, Texas 77550, 1-800-306-2959.

**The Prospectus for the variable product contains more complete information including all insurance fees and charges. The Prospectuses for each underlying portfolio offered also include more complete information. All investors are advised to consider the investment objectives, risks, and charges and expenses of the underlying portfolios carefully before investing. The prospectuses contain other information about the portfolios and investment companies. You should read the prospectuses carefully before investing.**

**THIS INFORMATION MUST BE ACCOMPANIED OR PRECEDED BY CURRENT PROSPECTUSES FOR AMERICAN NATIONAL'S WEALTHQUEST® III VARIABLE UNIVERSAL LIFE CONTRACT.**

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WealthQuest® III Variable Universal Life Insurance is sold by prospectus only. It can provide a valuable tax-favored death benefit to the beneficiary of the insured for as long as it is kept in force, one of the most attractive reasons for owning such a product. Consistent with the costs of providing that death benefit, there are charges associated with this contract, and such charges are explained in the prospectus.

A unique feature of a variable universal life insurance contract is the option for the contract owner to determine how the premium payments and accumulated value are allocated to subaccounts investing in a variety of eligible portfolios. The contract owner bears all investment risk, including the possibility of negative rates of return.

All charges are reflected in a personalized illustration of hypothetical performance that we have available. We urge you to contact your registered representative to obtain a personalized illustration.

Besides the death benefit, other reasons people choose to own this type of life insurance include: the potential for supplemental tax-free retirement income,\* and the wide variety and flexibility of investment choices that can be selected and tailored to suit the contract holder's individual situation and preferences. Variable universal life insurance is suitable for long-term investing, such as retirement investing.

The portfolios available with this product are shown on the following pages along with the performance report for the subaccounts for the periods stated. Risk disclosures, as well as other pertinent information is provided.

\*Available through loans from the insurance contract. Loans from life insurance contracts generally are not treated as distributions, nor are they subject to income tax (IRC§7702) as long as the policy remains in force during the insured's life. In the event the contract becomes a Modified Endowment Contract, taxes will be due on the entire amount of the loans and withdrawals in excess of the cost basis of the contract. Loans or withdrawals from the contract will affect the contract value and the death benefit.

**PORTFOLIO DISCLOSURES**

**(1) An investment in the portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the portfolio seeks to preserve the value of the portfolio at \$1.00 per share, it is possible to lose money by investing in the portfolio.**

(2) The investment adviser is waiving all or part of its fees and, in addition, may reimburse the underlying investment option for a portion of its expenses. If these reimbursements or waivers were not in effect, total returns would have been lower.

(3) Portfolio turnover is greater than most funds, which may affect performance.

(4) Investing in a single-sector mutual fund involves greater risk and potential reward than investing in more established companies.

(5) International investments include currency risk due to fluctuations in exchange rates, as well as additional economic and political risks inherent to foreign country investing.

(6) High Yield Bond investing includes fixed income securities of medium and lower-grade corporate debt securities generally associated with higher risks and higher yield potential.

(7) An investment in this portfolio is not insured or guaranteed by the U.S. Government, its agencies, or instrumentalities.

(8) At any given time, the fund may be subject to sector risk, which means a certain sector may underperform other sectors or the market as a whole. The fund is not limited with respect to the sectors in which it can invest.

(9) The fund may invest in small and mid-sized companies that involve greater risks not associated with investing in more established companies. Additionally, small companies may have business risk, significant stock price fluctuations and illiquidity.

(10) The fund may invest up to 25% of its assets in securities of non-U.S. issuers that present risks not associated with investing solely in the United States. Securities of Canadian issuers and American Depository Receipts are not subject to this 25% limitation.

(11) Investing in mid-sized companies involves greater risk not associated with investing in more established companies.

(12) International investing presents certain risks not associated with investing solely in the United States. These include, for instance risks relating to fluctuations in the value of the U.S. dollar relative to the value of other currencies, custody arrangements made for the fund's foreign holdings, political risks, differences in accounting procedures and the lesser degree of public information required to be provided by non-U.S. companies.

(13) Investing in micro and small companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.

(14) The real estate industry is highly cyclical, and the underlying value of securities issued by companies doing business in that sector may be illiquid and fluctuate widely. The real estate industry, and therefore the performance of the fund, is highly sensitive to economic conditions, interest rates, property taxes, overbuilding, real estate values and changes in rental income.

(15) An additional risk of investing in the portfolio is the possibility of greater risk by investing in smaller, less seasoned companies rather than larger, more-established companies owing to such factors as inexperienced management and limited financial resources.

(16) Additional risks of investing in this portfolio are: (a) the possibility of greater risk by investing in small-and medium-sized companies (in addition to large, more-established companies) owing to such factors as inexperienced management and limited financial resources; (b) the risk that the cost of borrowing money to leverage will exceed the returns of the securities purchased or that the securities purchased may actually go down in values; thus, the portfolio's net asset value

can decrease more quickly than if the portfolio had not borrowed.

(17) The securities of smaller, less well-known companies may be more volatile than those of larger companies.

(18) Investing in emerging growth companies is riskier than investing in more-established companies. Investing in foreign and/or emerging markets securities involves risks relating to interest rates, currency exchange rates, economic, and political conditions.

(19) An investment in stocks of mid-cap companies entails greater risk than the shares of larger companies.

(20) Not available for investment in contracts issued on or after May 1, 2004.

(21) The fund invests substantial assets in REITs that involve risks not associated with investing in stocks.

(22) The fund may invest a portion of its assets in synthetic instruments, such as warrants, futures, options, exchange-traded funds and American depository Receipts (ADRs), the value of which may not correlate perfectly with the overall security market. Risks associated with synthetic instruments may include counter party risk and sensitivity to interest rate changes and market price fluctuations. See the prospectus for more details.

(23) Foreign securities have additional risks, including exchange rate changes, political and economic upheaval, the relative lack of information about these companies, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

(24) The values of convertible securities will be affected by market interest rates and the value of the underlying common stock into which these securities may be converted. The prices of securities in the fund may decline in response to market risks, changes in interest rates, effective maturities and credit ratings of those securities. If the seller of a repurchase agreement in which the fund invests defaults or declares bankruptcy, the fund may experience delays in selling the securities underlying the repurchase agreement. As a result, the fund may experience losses, reduced levels of income and additional expenses.

(25) Formerly Alger American Small Capitalization Portfolio. Not available for investment in contracts issued on or after July 1, 2007.

(26) Effective September 23, 2009, the Fund name changed from "The Alger American Fund" to "The Alger Fund". All portfolios' names of The Alger American Fund also changed by removing "American" from the name. The Alger American Fund Class O shares were reclassified as Class I-2 shares.

(27) Effective May 2, 2011, the Invesco V.I. Dynamics Fund was acquired by the Invesco V.I. Capital Development Fund. Effective April 30, 2012, the Invesco V.I. Capital Development Fund was acquired by the Invesco Van Kampen V.I. Mid Cap Growth Fund. Effective April 29, 2013, the Invesco Van Kampen V.I. Mid Cap Growth Fund was renamed Invesco V.I. Mid Cap Growth Fund..

(28) Effective December 2, 2011, the Federated Capital Income Fund II name changed to Federated Managed Volatility Fund II.

(29) Effective April 30, 2014, the Invesco V.I. Utilities Fund's name changed to Invesco V.I. Managed Volatility Fund and it adopted a new investment objective.

(30) Effective March 27, 2015, the MFS Core Equity Series reorganized and merged into the MFS Core Equity Portfolio.

(31) Effective April 24, 2015, the Fidelity VIP Growth Strategies Portfolio merged into the Fidelity VIP Mid Cap Portfolio; and the Fidelity VIP Value Leaders Portfolio merged into the Fidelity VIP Value Portfolio.

(32) Effective December 1, 2015, the Fidelity VIP Money Market Portfolio transitioned to a government money market fund and has changed its name to Fidelity VIP Government Money Market Portfolio.

**PERFORMANCE REPORT DISCLOSURES**

WealthQuest® III Variable Universal Life Insurance (Form WQVUL08) is a life insurance contract issued by American National Insurance Company. It was first offered to the public on December 8, 2008. This product may not be available in all states. Contract Form Number WQVUL was offered prior to December 5, 2008, and will not be issued after December 31, 2008. Contract Form Number WQVUL was first offered to the public on September 1, 2001. The provisions of the two contract forms differ slightly. The differences in the contracts do not effect the performance numbers presented in this report. This report covers performance numbers for Contract Form Numbers WQVUL08 and WQVUL.

§ Current Yield is for the seven days ending on the date shown at the top of the report. The current yield quotation more closely reflects the current earnings of the money market portfolios in the product. The quotation reflects the 7-day current yield with and without applicable investment advisory fee waivers or excess expense reimbursements.

† Year-to-date returns are cumulative.

‡ The returns for subaccounts that invest in an underlying portfolio with a 12b-1 fee, reflect the historical performance of that share class of the underlying portfolio.

\* The performance figures reflect hypothetical past performance of the WealthQuest® III Variable Universal Life Insurance policy's subaccounts based on the underlying portfolios, which were in existence prior to their availability for sale in WealthQuest® III Variable Universal Life Insurance. Each portfolio's date of inception is reflected in the report. Returns were calculated on a pro forma basis from the inception date of the portfolios. A Daily Asset Charge (mortality and

expense risk fee) and Administrative Charge have been assessed in determining pro forma returns, although these portfolios were not available for sale through this contract during a portion of the period. The hypothetical performance shown is not intended to serve as a projection or prediction of future investment results. Returns are cumulative for portfolios in existence less than one year.

The performance figures reflect the hypothetical past performance of a \$1,000 investment in the WealthQuest® III Variable Universal Life Insurance policy's subaccounts. Performance Returns were calculated on a pro forma basis from the inception date of the underlying portfolios and reflect deductions for management and other expenses of the portfolios, as well as mortality and expense risk charges. However, the returns do not reflect deductions for the cost of insurance, per \$1,000 of specified amount charges, monthly loads, surrender charges, or other charges that may be incurred under a contract. If these charges were included, the returns shown would be significantly lower. Should the contract become a "Modified Endowment," the contractowner would incur a 10% tax penalty for a loan or withdrawal prior to age 59½.

This information is current as of the date shown. **Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.**

N/A means the performance data is either not applicable or not available for all or part of the period indicated.

There have been no changes in the asset based fees during the time the product has been sold.

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This report reflects average annual total returns current as of 12/31/2017.

The American National Insurance Company fixed account interest rate was 3.00% as of 12/31/2017.

**Performance data quoted represents past performance and does not guarantee future results.**

**Investment return and principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.**

**The performance report for this product, current to the most recent month-end, can be found at [www.prospectuslink.com](http://www.prospectuslink.com).**

Subaccounts	Inception Date <sup>1</sup>	Since Inception <sup>2</sup>	YTD <sup>1</sup>	1-Year	3-Year	5-Year	10-Year	7-Day Current Yield <sup>3</sup>	
								With Waiver	Without Waiver
<b>THE ALGER FUND CLASS I-2 SHARES (26)</b>									
Alger Balanced Portfolio (26)	9/5/89	7.32%	15.44%	15.44%	8.32%	9.90%	5.19%		
Alger Large Cap Growth Portfolio (26)	1/9/89	10.30%	28.46%	28.46%	9.02%	14.20%	6.72%		
Alger Growth & Income Portfolio (26)	11/15/88	8.87%	21.32%	21.32%	10.54%	14.57%	7.81%		
Alger Capital Appreciation Portfolio (16,26)	1/25/95	12.77%	31.08%	31.08%	11.84%	16.56%	8.99%		
Alger Mid Cap Growth Portfolio (17,26)	5/3/93	10.38%	29.79%	29.79%	8.86%	13.61%	4.26%		
Alger Small Cap Growth Portfolio (15,25,26)	9/21/88	9.84%	28.73%	28.73%	9.76%	12.26%	6.58%		
<b>FEDERATED INSURANCE SERIES</b>									
Federated High Income Bond Fund II Portfolio-Primary Shares (6)	3/1/94	6.38%	6.94%	6.94%	6.16%	5.62%	7.39%		
Federated Managed Volatility Fund II (2,28)	2/10/94	5.58%	18.11%	18.11%	5.55%	8.26%	7.23%		
Federated Kaufmann Fund II Portfolio-Primary Shares (5,8,15)	4/30/02	8.48%	28.04%	28.04%	11.66%	16.11%	6.31%		
Federated Fund for U.S. Government Securities II Portfolio (7)	3/28/94	3.98%	1.92%	1.92%	1.35%	1.30%	2.89%		
Federated Quality Bond Fund II Portfolio-Primary Shares (5,6)	4/28/99	4.13%	4.04%	4.04%	2.52%	2.28%	3.93%		
<b>FIDELITY VARIABLE INSURANCE PRODUCTS - SERVICE CLASS 2 SHARES<sup>4</sup></b>									
Fidelity VIP Contrafund Portfolio (2)	1/3/95	10.53%	21.59%	21.59%	9.57%	13.97%	6.87%		
Fidelity VIP Index 500 Portfolio (2)	8/27/92	9.00%	21.41%	21.41%	11.05%	15.40%	8.17%		
Fidelity VIP Growth Opportunities Portfolio (2)	1/3/95	7.64%	34.18%	34.18%	12.25%	16.84%	7.73%		
Fidelity VIP Mid Cap Portfolio (2,31)	12/28/98	12.22%	20.54%	20.54%	9.89%	13.68%	7.35%		
Fidelity VIP Value Portfolio (2,31)	5/9/01	5.96%	15.36%	15.36%	8.13%	12.86%	6.34%		
Fidelity VIP Value Strategies Portfolio (2)	2/20/02	7.48%	18.97%	18.97%	7.46%	11.16%	6.24%		
Fidelity VIP Growth & Income Portfolio (2)	12/31/96	7.02%	16.61%	16.61%	9.59%	14.09%	6.65%		
Fidelity VIP Equity-Income Portfolio (2)	10/9/86	8.74%	12.65%	12.65%	8.29%	11.98%	5.88%		
Fidelity VIP Investment Grade Bond Portfolio (2)	12/5/88	4.93%	3.99%	3.99%	2.51%	2.19%	4.21%		
Fidelity VIP Government Money Market Portfolio (1,32)	1/12/00	1.01%	0.43%	0.43%	0.14%	-0.19%	-0.12%	0.36%	0.36%
<b>AIM VARIABLE INSURANCE FUNDS (INVESCO VARIABLE INSURANCE FUNDS) - SERIES I SHARES (27)</b>									
Invesco V.I. Mid Cap Growth Fund (8,9,10,23,27)	6/1/10	10.16%	21.64%	21.64%	6.94%	12.29%	N/A		
Invesco V.I. Small Cap Equity Fund (3,8,10,13)	8/29/03	8.20%	13.26%	13.26%	5.75%	10.41%	6.73%		
Invesco V.I. Diversified Dividend Fund (4,10,11,22,27)	3/1/90	7.83%	8.57%	8.57%	8.36%	13.47%	6.94%		
Invesco V.I. Global Health Care Fund (3,4,10,11,12,23)	5/21/97	7.93%	15.83%	15.83%	1.90%	12.21%	7.60%		
Invesco V.I. Global Real Estate Fund (3,4,9,10,12,14,18,21,22,23,24)	3/31/98	7.44%	13.05%	13.05%	4.36%	5.96%	2.83%		
Invesco V.I. Technology Fund (3,4,10,11)	5/20/97	5.57%	35.13%	35.13%	12.73%	14.76%	8.01%		
Invesco V.I. Managed Volatility Fund (4,10,11,29)	12/30/94	6.99%	10.56%	10.56%	6.17%	9.83%	4.62%		
<b>MFS VARIABLE INSURANCE TRUST - INITIAL CLASS SHARES</b>									
MFS Core Equity Portfolio (30)	5/9/97	7.18%	24.82%	24.82%	11.53%	15.78%	8.32%		
MFS Growth Series (18)	7/24/95	8.83%	31.40%	31.40%	13.13%	16.64%	9.44%		
MFS Investors Trust Series	10/9/95	7.78%	23.34%	23.34%	10.31%	14.50%	7.82%		
MFS Research Series	7/26/95	7.89%	23.37%	23.37%	10.58%	14.54%	8.13%		
<b>T. ROWE PRICE</b>									
T. Rowe Price Equity Income Portfolio	3/31/94	9.09%	16.02%	16.02%	8.80%	12.40%	6.68%		
T. Rowe Price International Stock Portfolio (5)	3/31/94	4.79%	27.88%	27.88%	8.98%	7.83%	2.93%		
T. Rowe Price Limited-Term Bond Portfolio	5/13/94	3.34%	1.05%	1.05%	0.92%	0.70%	1.94%		
T. Rowe Price Mid-Cap Growth Portfolio (19,20)	12/31/96	10.91%	24.77%	24.77%	12.21%	16.92%	10.38%		