

Preparing for Retirement Transitions



Protecting, building and generating income

Retirement Strategies



AMERICAN EQUITY
INVESTMENT LIFE INSURANCE COMPANY®

Benefits of a Fixed Index Annuity

In the past, planning for retirement meant saving for retirement. While saving is still an important part of the equation, it's not the only part. Today's retirees can expect to spend a quarter of their life in retirement.¹ As a result, the demand for accumulation opportunities to grow retirement funds has increased.

As more Americans retire every day, many are looking for options that protect the assets they've worked hard to achieve while also growing their income potential.

A **fixed index annuity** can provide clients a powerful combination of benefits that work in concert to deliver protection and growth opportunities. With options like diverse index-linked allocations and locked-in interest growth, these products offer you the opportunity to grow your assets for guaranteed income through retirement.

Retirement Income Goals

Matching fixed index annuity benefits with concerns to help meet goals



GOAL: PROTECT NEST-EGG

Concern: For 71% of pre-retirees, protecting hard-earned dollars is the top retirement goal.² As the transition from retirement saving to retirement income nears, the importance of protecting assets from market instability increases. An inopportune downturn can be a significant setback to the day you retire and your retirement funds.

Benefit: As an insurance product, money used to purchase a fixed index annuity is not directly invested in an index or stock. This allows for complete principal protection from volatility. The contract value will never decrease due to index volatility.



GOAL: GROW PORTFOLIO

Concern: Today's pre-retirees and retirees are living longer. As a result, we spend more time and money in retirement. While retirees' portfolios may be more risk averse than in the past, they may still benefit from growth opportunities that can help build assets to last through retirement.

Benefit: Portioning a part of your portfolio into a fixed index annuity opens those funds to a variety of growth opportunities. Funds are able to grow tax-deferred until income is withdrawn. That allows for faster growth than taxable funds and helps shore up retirement reserves. The contract value may earn interest through a guaranteed fixed rate, as well as credited increases from an underlying index, like the S&P 500[®]. Any growth credited to the contract value is locked in and cannot be lost due to volatility.



GOAL: MANAGE RISKS

Concern: Retirement comes with unknowns. To name a few: longevity, market volatility and medical costs. Any, or all, of these can put retirement income at risk. The fact that there is no predicting the future only makes the value of managing its risks all the more important.

Benefit: Diversifying your assets can help balance risk factors. Fixed index annuity contract owners have the choice to allocate funds to different fixed and index-linked crediting strategies. Leveraging the strengths of different strategies can help deliver stability and growth opportunities. Additionally, an optional lifetime income benefit rider³ may be added to the fixed index annuity to help generate lifetime income through reliable payments and enhanced payments.



GOAL: GUARANTEED CASH FLOW

Concern: Shifting from a paycheck to relying on your retirement portfolio can be intimidating. Even though a lot of time and energy goes into long-term budgeting for retirement expenses, access to cash can go a long way in covering the day-to-day or a rainy day.

Benefit: The fixed index annuity design offers nest-egg protection for long-term income, as well as liquidity options. In addition to an annual withdrawal of up to 10% of the contract value, the annuity contract owner is able to secure guaranteed income through scheduled payment installments in the years ahead. Electing an income rider can bring added flexibility to turn payments off and on.

Seeing How It Fits

Know your stable money options

A comprehensive retirement strategy can rely on a number of stable money products. To understand where a fixed index annuity fits with other traditional products, compare benefits across various vehicles with less exposure to volatility.

Fixed Index Annuity (FIA) – An insurance contract that earns interest based on the benchmark performance of an underlying index, such as the S&P 500®.

Certificate of Deposit (CD) – A savings account with a fixed rate of return for a fixed amount of time or rate of return that fluctuates with the movements of an index, such as the S&P 500®.

Mutual Funds – Invests in a variety of markets or securities to reach a stated objective with shares redeemable at Net Asset Value.

Bonds – Debt issued by financial institutions whose returns are based on, among other things, interest rates.

Benefits	FIA	CD	Mutual Funds	Bonds
Tax-Deferred Interest Accumulation	✓	✗	✗	✗
Growth Potential	✓	✓	✓	✓
Flexible Premium	✓	✗	✓	✗
Penalty-Free Withdrawal Available	✓	✗	✓	✓
Principal Protection from Volatility	✓	✓	✗	✗
Immediate Liquidity	✗	✗	✓	✓
No-Fee Nursing Care and Terminal Illness Rider	✓	✗	✗	✗
Multiple Allocation Options	✓	✗	✓	✓
Lifetime Income Options	✓	✗	✗	✗
Variety of Terms Available	✓	✓	✗	✗
FDIC Insured	✗	✓	✗	✗

This section contains highlights only, for a full explanation of these of annuities, please refer to the disclosure which provides more detailed product information, including all charges or limitations.

Who It Can Work For*

Retirement income planning is unique to each individual and should be designed according to their goals.



ALAN

Age: 55
Retirement Phase: Pre-retiree
Top Concerns: Market impacts to retirement funds
Top Goal: Protect a portion of his portfolio from market volatility and loss

Why an FIA

Alan was just starting to plan for his retirement when a financial crisis hit. While it did not have a huge impact on his portfolio then, he saw co-workers forced to push back their retirement plans as the nation's 401(k) and IRAs lost trillions in the last quarters of 2008. So, as he approaches retirement, he wants to ensure that a portion of his portfolio will not be directly invested in stocks or bonds.

The fixed index annuity design provides principal protection from index volatility, while also giving him the opportunity to participate in potential increases. By choosing a guaranteed option such as an FIA, he knows that any increases are locked in when credited and will be there for him when he chooses to draw income.

These are hypothetical examples shown for informational purposes only and is not indicative of past performance, nor intended to predict future performance of any specific product. Withdrawal charges may apply to an annuity. Interest earnings in an annuity are not taxed until withdrawn. Annuity withdrawals and distributions may be subject to income tax and, if withdrawals or distributions are taken prior to age 59½, a 10% federal penalty tax may apply.

Annuity benefits, features and riders vary by product and may not be available on all products. Please see product specific sales brochures and disclosures for details on individual product features, limitations and availability.



LINDA

Age: 67
Retirement Phase: Recent retiree
Top Concern: Current tax situation
Top Goals: Flexibility to draw income now or later

Why an FIA

As Linda transitions from saving for retirement to retirement income, she wants a more conservative option that could help her dollars continue to work for her in retirement while also having access to her money. By placing a portion of her portfolio in a fixed index annuity, her money is able to grow tax-deferred up to when she draws an income. Plus, she is able to withdraw up to 10% of her contract value annually prior to income payments starting.

To ensure she receives lifetime income payments that she can start and stop, she elects to add a lifetime income benefit rider to her fixed index annuity.

Demonstrating How It Works

Providing accessibility and flexibility

There are a variety of reasons why a client may choose a fixed index annuity for their retirement income planning goals.

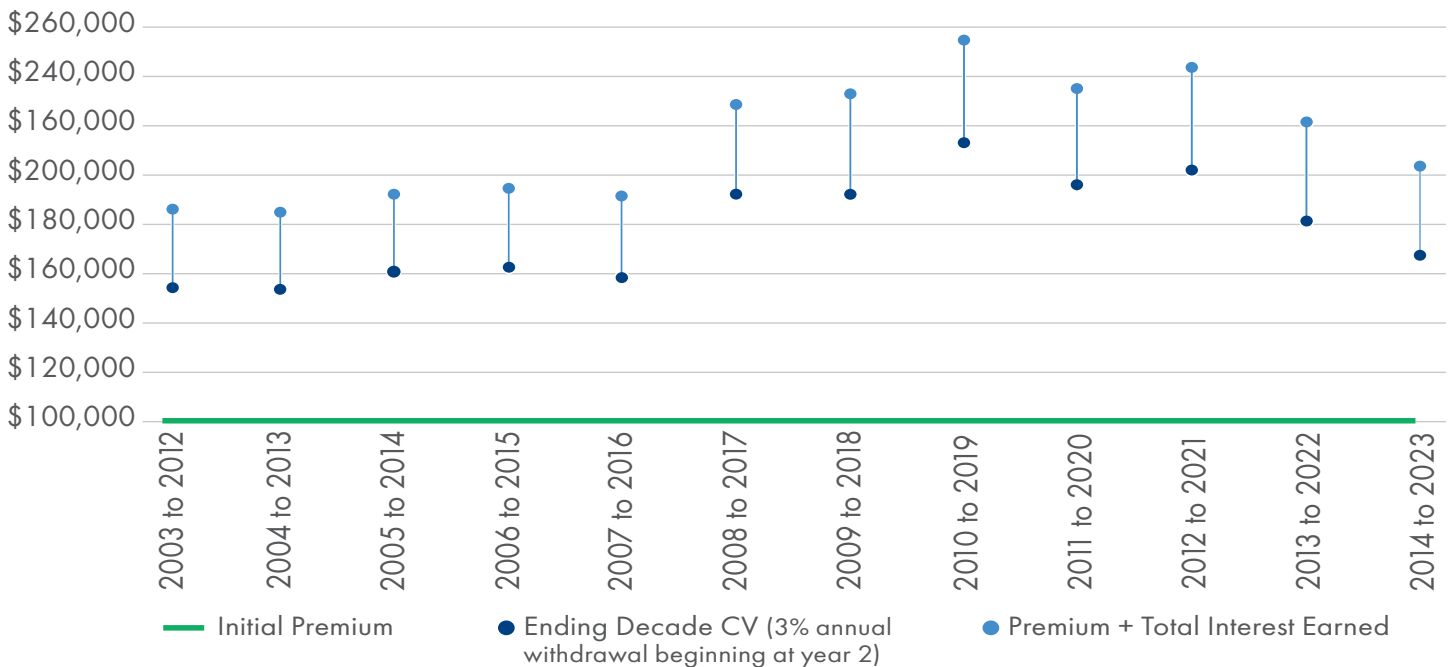
ACCESS AND STABILITY

Two key benefits are access options and the stability of principal protection. After the first contract anniversary, a contract owner can make annual free withdrawals of up to 10% of the contract value, while their principal remains protected from index decreases. To demonstrate the strength of these benefits overtime, we look at the actual BlackRock Adaptive US Equity 7% Index performance over 10-year historical time frames, with a \$100,000 initial premium.

Annual Withdrawal Percentage	Crediting Strategy	Period Time Frames
3%	Annual Point-to-Point with 120% Participation Rate	2003-2023

Allowing for 3% annual withdrawal, the contract value stayed above principal 12 of 12 time periods.

Access funds and still secure a legacy



Initial Premium	Average Withdrawn*	Average Ending Contract Value
\$100,000	\$36,251	\$178,530

*Average withdrawn is determined by 3% withdrawn across all 10-year historical time frames represented from 2003-2023.

A fixed index annuity also provides ongoing growth potential. Diverse allocation options, linked to an underlying index, give contract owners the opportunity to build up retirement reserves for when they choose to draw income. To demonstrate, let's look at the accumulation and distribution stages for a hypothetical fixed index annuity, purchased at age 55 with an initial premium of \$100,000.

Annual Withdrawal Amount	Crediting Strategy	Accumulation Time Frame
\$10,000	BlackRock® Adaptive US Equity 7% Index annual point to point with 120% participation rate	2014-2023

Actual and back tested Index performance from 2010-2023 was repeated for contract years 1-10, 11-20 and 21-30. Actual interest credited will vary.

GROW YOUR RETIREMENT FUNDS

Client Age: 55-65

After letting their initial premium of \$100,000 grow for 10 years, the contract value is \$221,061 at age 65.

WITHDRAWAL OPTIONS IF YOU NEED IT

Client Age: 65-70

At 65, the client starts accessing money, withdrawing \$10,000 annually for the next five years, totaling \$50,000 in distributions and an ending contract value of \$254,829 at age 70.

Client Age: 70-75

Through their early 70s, the client continues to withdraw \$10,000 annually for a total distribution of \$100,000 over the last ten years and an ending contract value of \$330,319 at age 75.

Client Age: 75-80

At 75, the client has continued to withdraw \$10,000 annually, for a total distribution of \$150,000 from an initial premium of \$100,000 and ending contract value of \$411,690 at age 80.

Client Age: 80-85

At 80, the client has continued to withdraw \$10,000 annually, for a total distribution of \$200,000 from an initial premium of \$100,000 and ending contract value of \$571,846 at age 85.

Contract Year	Withdrawal	Total Contract Value
11	\$10,000	\$233,244
12	\$10,000	\$223,244
13	\$10,000	\$226,913
14	\$10,000	\$264,829
15	\$10,000	\$254,829
16	\$10,000	\$287,086
17	\$10,000	\$301,469
18	\$10,000	\$327,932
19	\$10,000	\$317,932
20	\$10,000	\$330,319
21	\$10,000	\$353,984
22	\$10,000	\$343,984
23	\$10,000	\$355,393
24	\$10,000	\$421,690
25	\$10,000	\$411,690
26	\$10,000	\$471,022
27	\$10,000	\$501,592
28	\$10,000	\$553,090
29	\$10,000	\$543,090
30	\$10,000	\$571,846

LEAVE A LEGACY

Initial Premium	Total Withdrawals	Ending Contract Value
\$100,000	\$200,000	\$571,846

Rates are set at issue and subject to change.

¹ Source: Social Security Benefit. Life Expectancy of 85.25 for American turning 65 year old in 2019.

² Source: IALC, Retirement Readiness, 2017.

³ Provisions of the Lifetime Income Benefit Rider, such as Income Account Value Accumulation Rates, (and IAV multiplier) may change prior to issue. Income Account Value is only used to calculate Lifetime Income. It is not part of the underlying Contract Value, or available in a lump sum. Available for issue ages 40+. Rider fee is calculated based on the income account value and deducted from the contract value on each contract anniversary as long as the rider is attached to the contract.

Guarantees are based on the financial strength and claims paying ability of American Equity and are not guaranteed by any bank or insured by the FDIC.

Surrender charges may apply to excess withdrawals that, (in addition to LIB payment), exceed the annual free withdrawal available under the contract. You may be subject to a 10% federal penalty if you make withdrawals before age 59½.

Possible interest credits for money allocated to an index-linked crediting strategy are based upon performance of the specific index; however, fixed index annuities are not an investment, but an insurance product, and do not directly invest in the stock market or the index itself.

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