

Building and Protecting Retirement Income



How Fixed Index Annuities Work

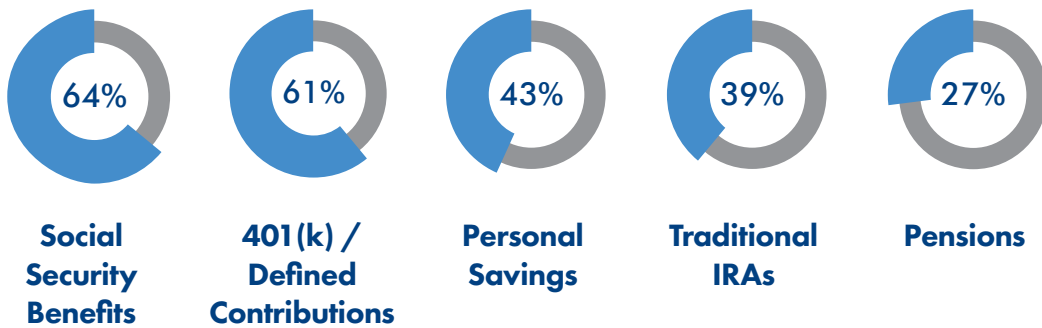


AMERICAN EQUITY
INVESTMENT LIFE INSURANCE COMPANY®

A Different Retirement Option

Every retirement is different. But any sound retirement plan is built on common fundamentals that protect hard-earned dollars and provide the income you need.

Retirees expect to rely most heavily on various income sources.¹



How people fund their retirement has changed a lot over the years. Today's retirees are faced with the responsibility of funding their own retirement. As a result, people are looking beyond traditional retirement income sources to supplement the lifestyle they've earned.

A fixed index annuity offers a unique way to help build and protect retirement assets and generate guaranteed lifetime income.

The Basics

How annuities work

On a basic level, annuities are insurance products, purchased from a carrier, that are designed to help protect your retirement income from risks like market exposure or outliving your money.

As an insurance product, a fixed index annuity guarantees principal protection from market loss while offering growth potential based on increases in a market index (like the S&P 500®).

There are two phases to every fixed index annuity: accumulation and income.



ACCUMULATION PHASE

In the accumulation phase, your money is able to earn interest based on a fixed interest rate and index-linked crediting strategies. Any interest credited to your annuity in the accumulation phase is tax-deferred up to when you decide to draw income.



INCOME

For the income phase, your income can be drawn into a lump sum, a series of installments, or a stream of lifelong payment distributions.

Accessing your money

Fixed index annuities are designed for a long-term retirement strategy, but there are also liquidity features baked into the product. Typically, annuity owners can withdraw up to 10% of their contract value annually.

Withdrawal amounts in excess of the penalty-free withdrawal amount may be subject to early surrender charges, if the partial withdrawal is taken during the surrender charge schedule. The annuity's surrender value will never be less than 87.50% or 90% of the premium received, depending on the product selected, less any withdrawals, accumulated at the minimum guaranteed interest rate.



AMERICAN EQUITY SERVICE

The Golden Rule is the bedrock of our service culture. That's because we appreciate the importance of being able to answer questions when needed, and the value of respect inherent in treating people the way we would want to be treated. That means a commitment to doing things right, because it's the right thing to do, at every interaction.

Who Annuities Can Work For

All fixed index annuities offer a base of benefits that includes principal protection, tax-deferral, and guaranteed income. But, not all fixed index annuities are alike. Different annuities and annuity features can benefit different retirement needs.

Retirement Need: Accumulation



The Builder

Priorities

- **Retire in the next 5 to 10 years**
- **Protect hard-earned money**
- **Growth opportunities**
- **Shore up nest egg**



71% of pre-retirees' top goal is principal protection¹

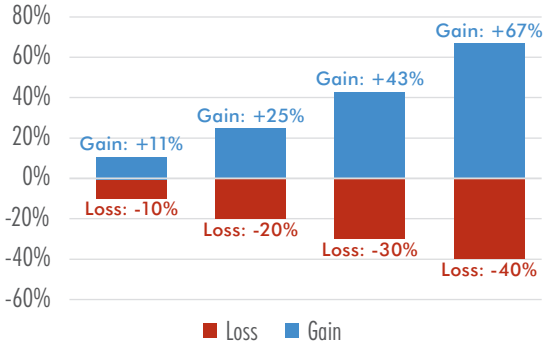
Protecting years of hard work

By placing a portion of a portfolio into a fixed index annuity, The Builder can utilize principal protection and growth potential benefits to help increase retirement assets.

Who Annuities Can Work For

Fixed index annuity benefits can help you address retirement concerns.

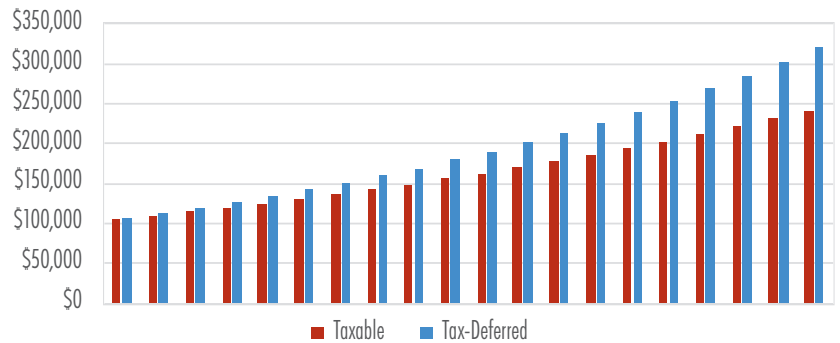
Loss Incurred vs. Gain Required



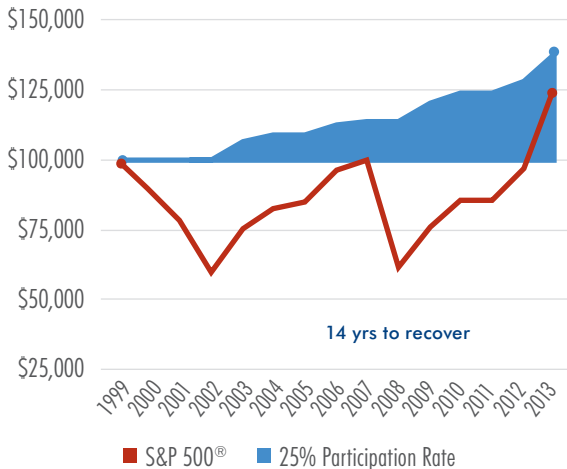
As the money is not directly invested in any index, the principal is protected from market downturns and the return will never be less than zero due to volatility. This can be a key benefit that keeps your money from having to work twice as hard to recoup losses.

A fixed index annuity is a tax-deferred product allowing money to compound and potentially grow your assets faster until it is time to withdraw.

Tax-Deferred Growth



Protection from Losses



All interest credited to the contract based on index increases is locked in and cannot be lost due to market volatility. This can go a long way in helping build up assets if you choose to take income later or pass your assets on to a loved one.

Who Annuities Can Work For

In this example, The Protector is someone focused on securing a lifelong income source for themselves and loved ones.

Retirement Need: Income



The Protector

Priorities

- **Entering retirement**
- **Supplemental monthly income**
- **Income options**
- **Continued income for loved ones**



78% of pre-retirees' top goal is lifetime income¹

Ensuring lifetime income

By placing a portion of their retirement portfolio in an income-focused fixed index annuity, The Protector is able to shield hard-earned dollars from market declines and put their money to work so that it is generating a lifelong income stream.

Lifetime Income Options

For more income features, many fixed index annuities offer optional riders where in exchange for annual fee, or sometimes no fee, a rider is added the fixed index annuity to deliver increased income benefits and flexibility.

A Lifetime Income Benefit Rider may also be added to your contract. This generates income for lifelong payments. Interest growth on this account is credited at a simple or compound interest rate, set at issue and guaranteed for a set period. This can help increase your income account value, which is used to measure your lifetime income payments.



ENHANCED PAYMENT

Unexpected expenses can be a major setback in retirement, especially as we get older. A wellbeing income benefit rider can also provide enhanced payments if you are unable to perform two of six activities of daily living.



CARE NEEDS

For contract owners under age 75 there are additional options, such as the Enhanced Benefit Rider that is designed to help for specific qualified care needs. Documentation is required from a qualified physician. For additional information, refer to Waiver of Surrender Charge Riders brochure.

Not available in CA.

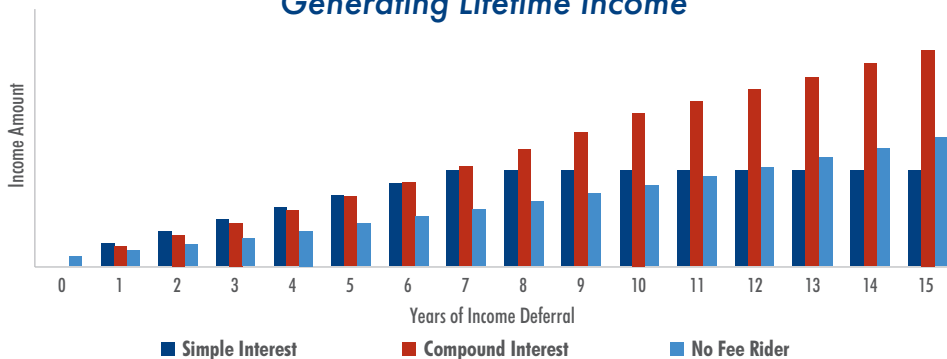


FLEXIBLE INCOME PAYMENTS

Lifetime Income Benefit Rider payments may begin after 30 days and provide the flexibility to start and stop as needed. Restarting income payments may impact the payment amount you receive.

Demonstration below comparing interest earned on lifetime income rider through simple and compound interest, and a no fee rider with 30 day income option.

Generating Lifetime Income



American Equity

Commitment to Values

Service

Our contract owners are why we are here, and we do our best to provide service, second to none, every day.

Integrity

Our values of honesty, fairness and truthfulness have been central to our past success and will continue to be for generations to come.

Excellence

Our dedication to going above and beyond in every facet of our business has established us as a top-tier fixed index annuity provider.

Protection

Our products provide assurance for contract owners so that they can trust their principal is protected and their income is guaranteed for life.

For additional resources and blogs, visit www.american-equity.com



**AMERICAN
EQUITY™**

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¹ Source: LIMRA: "It's no longer your parents' retirement" News Release. Feb. 7, 2023. <https://www.limra.com/en/newsroom/industry-trends/2023/its-no-longer-your-parents-retirement/>

² A.M. Best has assigned American Equity an "A-" (Excellent) rating, reflecting their current opinion of American Equity's financial strength and its ability to meet its ongoing contractual obligations relative to the norms of the life/health insurance industry. A.M. Best utilizes 15 rating categories ranging from A++ to F. An "A-" rating from A.M. Best is its fourth highest rating. For the latest rating, access www.ambest.com. Rating effective 8/2/2006, affirmed 9/9/2022.

³ Standard & Poor's rating service has recognized American Equity Investment Life Insurance Company with an "A-" rating. An insurer rated "A" has strong financial security characteristics, but is somewhat more likely to be affected by adverse effects of changing circumstances or economic conditions than are insurers with higher ratings. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. Rating effective 8/5/15, affirmed 11/8/22.

⁴ Fitch Ratings assigned American Equity Investment Life Insurance Company an Insurer Financial Strength rating of "A-" (Outlook Stable). Fitch Ratings utilizes 19 rating categories ranging from "AAA" to "C." An "A-" rating is the seventh highest rating. An insurer with an "A" rating is considered to have a strong capacity for payment of financial commitments, but may be more vulnerable to adverse business or economic conditions than insurers with higher ratings. Outlooks indicate the direction a rating is likely to move over a one- to two-year period if current financial or other trends continue. For more information, please visit www.fitchratings.com. Rating effecting 04/14/2021, affirmed 12/8/22.

See individual contract descriptions for details. LIBR issued under form series for IncomeShield: ICC20 R-LIBR-FCP, ICC20 R-LIBR-FSP, ICC20 R-LIBR-W-FCP, ICC20 R-LIBR-W-FSP; EstateShield: ICC21 R-LIBR-W-BAV and state variations thereof. Availability, benefits and form numbers may vary by state. See product disclosure for details.

ICC20 R-EBR available on IncomeShield, EstateShield, FlexShield, GuaranteeShield and AssetShield Series. Not available in CA. 19 R-EBR available in SD on all products except SPIA.

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.

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