



GUARANTEESHIELD 5

Annuity Disclosure

American Equity Investment
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This document reviews important points to think about before you buy this American Equity annuity. This annuity is a single-premium, which means you buy it with one premium payment. It is a fixed annuity, which means it earns a specified interest rate during the guarantee period. This is a deferred annuity, which means payouts begin at a future date. You don't pay taxes on the interest it earns until the money is paid to you. You can use an annuity to save money for retirement and to receive retirement income for life. It is not meant to be used to meet short-term financial goals.

If you have questions about this annuity, please ask your agent or contact a company representative at 1-888-221-1234.

THE ANNUITY CONTRACT

Available ages 18-85.

How will the value of my annuity grow? Your contract value at any time is the single premium received and interest credited to the contract value, less any withdrawals (including withdrawal charges and market value adjustment).

The guaranteed initial interest rate shown on the contract specification page is set at issue and guaranteed for the duration of the five year guarantee period. Interest is compounded daily as an effective annual rate. Interest rates will vary based upon the amount of premium paid.

End of Guarantee Period – Within 30 calendar days after the end of the guarantee period, one of the following options can be chosen:

- Renew the contract for another five year guarantee period;
- Take a free withdrawal and apply the remaining contract value to a new five year guarantee period;
- Annuitize the contract and begin receiving annuity payments;
- Surrender the contract without surrender charges or market value adjustment; or
- Continue the contract without surrender charges.

If no option is chosen, the contract will automatically continue without surrender charges. Interest rates may vary each contract year, but will never be less than the Minimum Guaranteed Interest Rate of 1%.

If the contract is continued for another guarantee period, the market value adjustment, applicable surrender charges, and surrender period apply to the new guarantee period.

Surrender Value – The Minimum Guaranteed Surrender Value (MGSV) of the contract equals 90% of the single premium, minus any withdrawal proceeds, all accumulated at the Minimum Guaranteed Surrender Value-Minimum Guaranteed Interest Rate (MGSV-MGIR). The MGSV-MGIR is set on the contract issue date and is guaranteed for the life of the annuity contract. It is guaranteed to never be less than 2.65%, and applies to the MGSV only.

The surrender value of the annuity contract is equal to the greater of (1) The contract value, minus any applicable surrender

charges, plus or minus any market value adjustment, or (2) The MGSV. The surrender value can never be lower than the MGSV of the annuity contract.

BENEFITS

How do I get income (payouts) from my annuity?

Withdrawals – You may take a withdrawal from the annuity contract any time before the contract's maturity date. Free withdrawals of up to 10% of the contract value are allowed each contract year beginning in year two. Free withdrawals are not subject to withdrawal charges.

Withdrawal Charges will apply to withdrawals taken in excess of the free withdrawal amount. Any withdrawal from the contract will result in a reduction of contract value.

Enhanced Benefit Rider – This no-fee rider is added to the annuity contract by the Company and may provide additional withdrawal or surrender options.

- **Qualified Nursing Care Benefit** – After the first contract year, one additional free withdrawal of up to 100% of the contract value is allowed if the owner is confined in a qualified care facility for a minimum of 90 consecutive days. Confinement must begin after the first contract year and written proof is required from both the qualified care facility and recommending physician.
- **Terminal Illness Benefit** – After the first contract year, one additional free withdrawal of up to 100% of the contract value is allowed if the owner is diagnosed with a terminal illness. Diagnosis must occur after the contract is issued and written proof with supporting documentation is required from a qualified physician.

Contract Maturity – The maturity date is the date on which the payment phase of your annuity contract begins. If you do not select a maturity date, the latest maturity date specified in the annuity contract is the date annuity payments must begin.

The total annuity payments equal the surrender value on the maturity date and will be paid under the default payment option provision, as described in the contract (unless another option is elected).

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Payout options are listed below:

- **Income for Specified Period:** We will make payments to the payee for at least five years or a greater period of time you specify.
- **Life Income:** We will make payments to the payee for a period of time you choose, and then for as long as the annuitant lives.
- **Joint and Survivor Income:** We will make payments for as long as either joint annuitant lives.
- **Default Payment Option:** If you do not choose a payment option, we will make payments for as long as the annuitant lives, but in no case less than 10 years, unless prohibited by the Internal Revenue Code.

What happens after I die? If you die, the death benefit is paid to the surviving joint owner. If there is no surviving joint owner, the death benefit is paid to the named beneficiary(ies). If you are not the annuitant, and the annuitant dies before you, then you become the annuitant and the contract continues.

The death benefit of the contract prior to the maturity date will be equal to the greater of (1) The contract value; or (2) The MGSV. The beneficiary(ies) may choose to receive the death benefit in a lump sum or another payment option available in the annuity contract.

If you or the annuitant dies after the contract maturity date, any remaining guaranteed annuity payments will be paid as described in the contract.

FEES, EXPENSES & OTHER CHARGES

What happens if I take out some or all of the money from my Annuity Contract? Withdrawal and Surrender Charges are deducted from the contract value in the event of (1) a full surrender during the period shown in the Table of Withdrawal and Surrender Charge Percentages; (2) withdrawals in the first contract year; and (3) withdrawals in excess of the free withdrawal amount during the period shown in the Table of Withdrawal and Surrender Charge Percentages.

What is a Market Value Adjustment Rider? This product includes an MVA. An MVA may increase or decrease the amount of a withdrawal in excess of the free withdrawal amount, the surrender value and amounts applied to begin a settlement option. The MVA does not apply to free withdrawals, any death benefit, the MGSV or any distributions occurring after the surrender charge period has ended. In general, as the MVA Index¹ increases, surrender values decrease. As the MVA Index decreases, surrender values increase. The MVA cannot decrease the surrender value below the MGSV.

Do I pay any other fees or charges? There are no additional fees or charges on your base Annuity Contract.

Table of Withdrawal and Surrender Charge Percentages

Contract Year	1	2	3	4	5
SC%	9	8	7	6	5

Withdrawal Charge Example:

- The contract value at the beginning of contract year 2 is \$100,000
- A withdrawal of \$20,000 is taken during the 2nd contract year
- The free withdrawal available is \$10,000 (10% x \$100,000)
- The withdrawal charge is equal to (\$20,000-\$10,000) x 8%=\$800

TAXES

How will payouts and withdrawals from my annuity be taxed?

This annuity is tax-deferred, which means you don't pay taxes on the interest it earns until the money is paid to you. When you take payouts or make a withdrawal, you pay ordinary income taxes on the earned interest. You also pay a 10% federal income tax penalty on earnings you withdraw before age 59½. There may be exceptions to the penalty and you may wish to consult a tax professional for further information. If your state imposes a Premium Tax, we recalculate your values at payout as if we had deducted Premium Taxes from your Premium.

You can exchange one tax-deferred annuity for another without paying taxes on the earnings when you make the exchange. Before you do, compare the benefits, features and costs of the two annuities. Neither American Equity nor our agents offer tax advice. Please consult a tax advisor.

Does buying an annuity in a retirement plan provide extra tax benefits? Buying an annuity within an IRA, 401(k), or other tax deferred retirement plan doesn't give you any extra tax benefits. Choose your annuity based on its other features and benefits, as well as its risks and costs, not its tax benefits.

OTHER INFORMATION

Changes to your Contract – We may change your Annuity Contract from time to time to follow federal or state laws and regulations. If we do, we'll tell you about the changes in writing. Your Annuity Contract and the solicitation, negotiation and sale are subject to the regulatory oversight of the New Jersey Department of Banking and Insurance, which you may contact at 1-800-446-7467.

Compensation – Like any annuity issuer, we incur expenses to sell and issue our Contracts, including the payment of a commission to our agents, and we take these expenses into consideration when we establish and reset interest rates. You will receive all benefits as set forth in your Annuity Contract.

Free Look – New Jersey has a law that gives you a set number of days to look at your annuity after you buy it. If you decide during that time that you don't want it, you can return your annuity and get all your money back. Please review your Annuity Contract after delivery to confirm the number of days you have.

What else do I need to know? This disclosure is intended to summarize this annuity, and is not part of your Annuity Contract with American Equity. Consult your Annuity Contract for specific terms and conditions of your annuity. Annuity Contracts are products of the insurance industry and are not guaranteed by any bank or insured by the FDIC. If you are replacing an existing Contract, carefully compare the benefits of the proposed Contract with your existing Contract to ensure your decision is in your best interest.

OWNER STATEMENT

Source of Funds Attestation – Check the appropriate statement(s) to indicate the source of money used to fund this annuity.

- Savings, checking, fixed annuity or other sources and not from the liquidation of mutual funds, stocks, bonds, variable products or other investment vehicles as defined under the Securities Act of 1933 (collectively “securities”).
- Liquidation of a security. I acknowledge that my insurance agent is appropriately securities licensed and authorized to recommend I liquidate these securities and otherwise provide investment advice related to my securities holdings.
- Liquidation of a security. This action is my sole decision. Neither the company nor my insurance agent recommended I liquidate any securities or provided any investment advice related to my securities holdings. I understand my agent is acting as an insurance agent and is not licensed to offer investment advice and that my agent advised me to consult with an investment advisor, registered representative, or other qualified professional if I have any questions or concerns about my securities holdings.

By signing below, I acknowledge:

- I have read and understand the provisions of this disclosure
- I have received a copy of the NAIC’s Buyer’s Guide
- I have received the Company’s Privacy Practices Notice
- I understand at the end of the five-year guarantee period I may elect an option listed in the End of Guarantee Period section of this disclosure

If you have questions about this annuity contract, we may be contacted at 1-888-221-1234.

Owner’s Signature

DATE

Joint Owner’s Signature

DATE

AGENT STATEMENT

I certify that I have provided a copy of this document to the applicant and I have made no promises or assurances regarding values of the annuity contract, nor have I made statements that differ from this disclosure.

Agent’s Signature

DATE

Agent’s State License Number

Annuity Contract issued under form series ICC20 BASE-SPDA, ICC20 SPDA-5, and ICC20 R-EBR. *MVA Index = The BofA Merrill Lynch 5-7 Year US Corporate Index

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