

Sequence of Returns



Pre-Retirement Accumulation & Retirement Income

How market returns and retirement timing can **significantly** impact how long your nest egg may last.

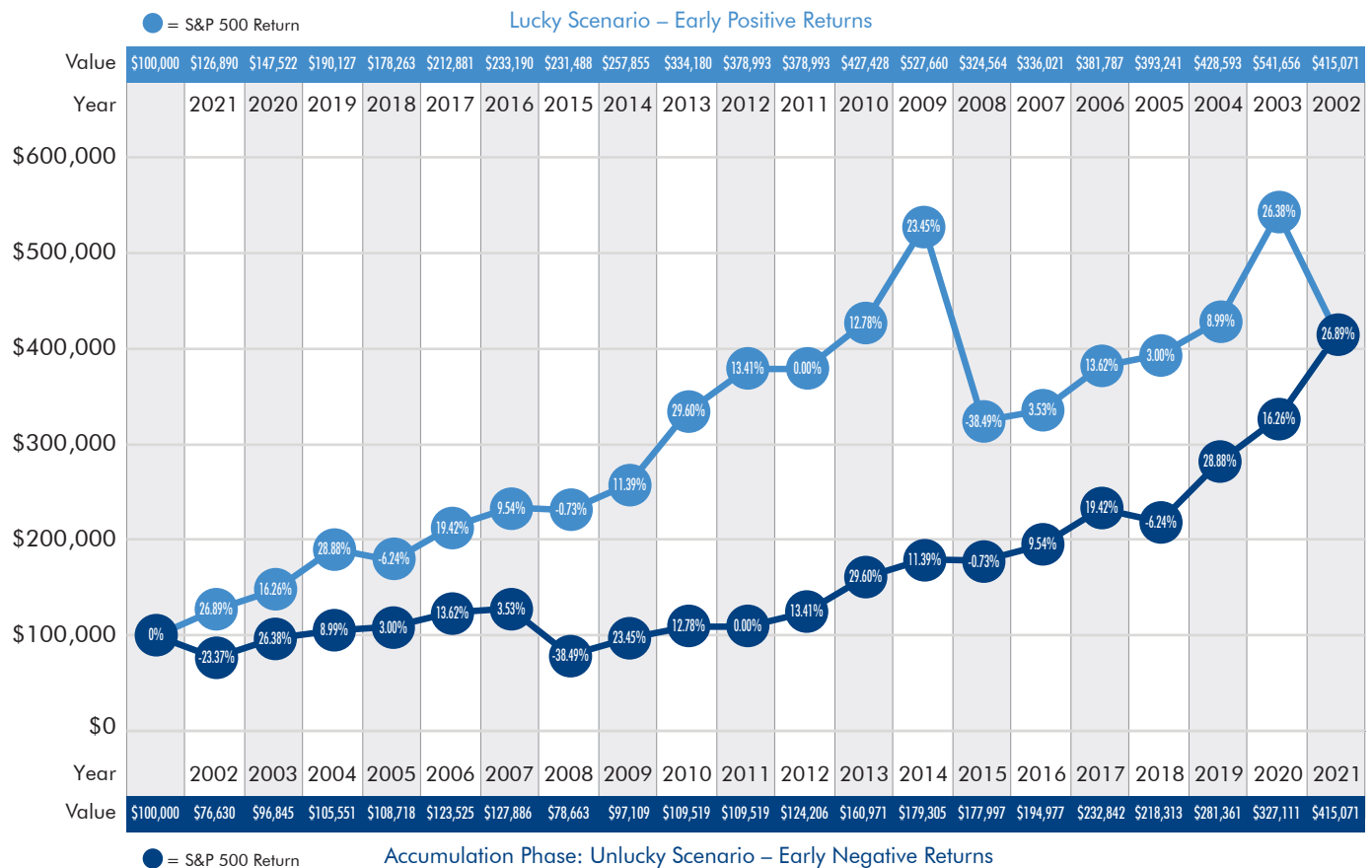


AMERICAN EQUITY
INVESTMENT LIFE INSURANCE COMPANY®

Sequence of Returns

Pre-Retirement Accumulation

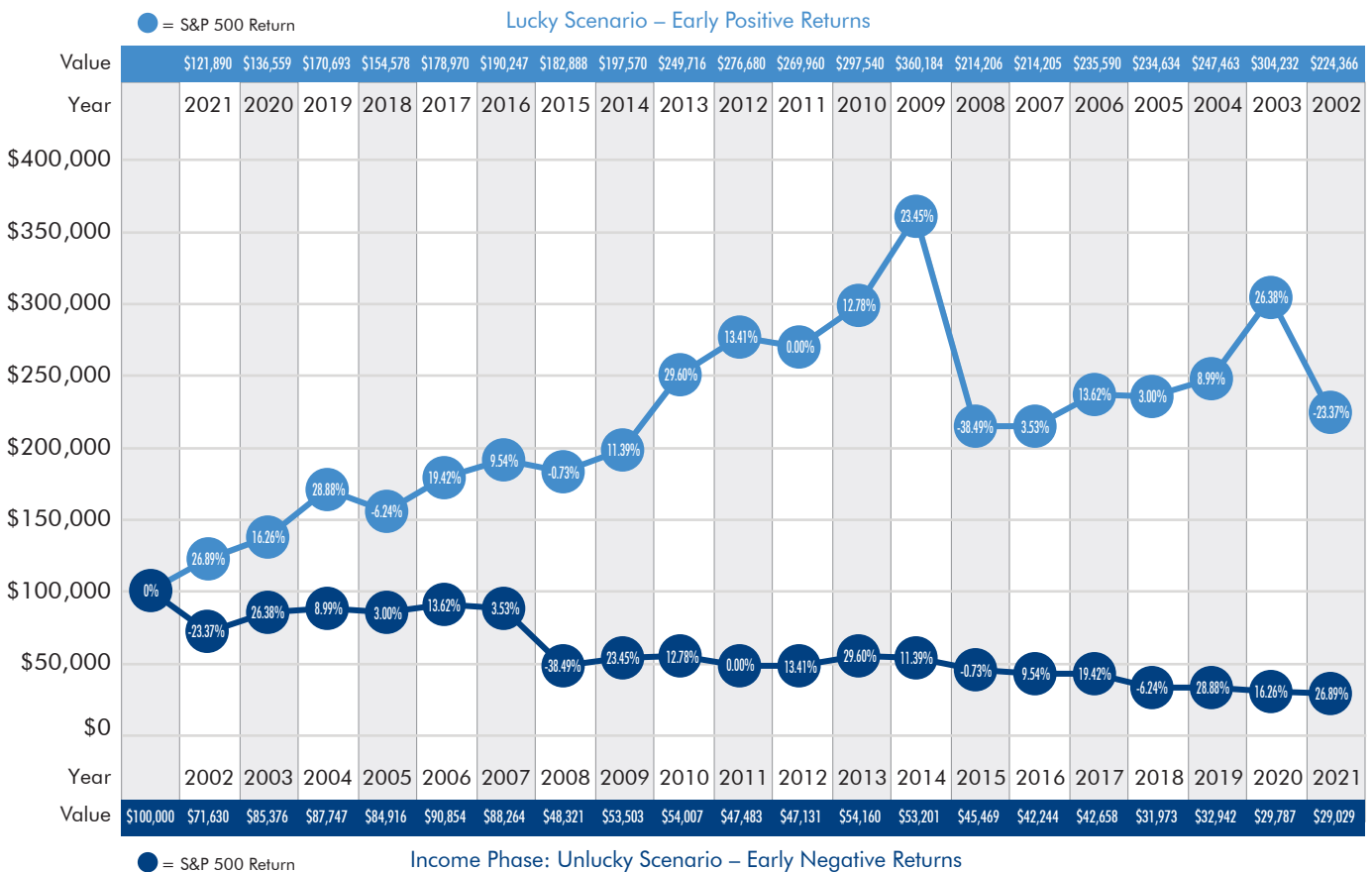
As you save for retirement, it's hard not to pay attention to the ups and downs of the market. Even though, in the long run, the order of market swings may not have a significant impact on your portfolio in the accumulation phase. To demonstrate, the graph below shows two hypothetical scenarios for a \$100,000 portfolio invested directly in the S&P 500® over a 20 year period where no income is taken and the only difference is the sequence of returns (early positive vs. early negative). As you can see, the sequence of returns with early negative returns has little affect on the overall accumulation.



Hypothetical example shown for illustrative purposes only and is not guaranteed. It represents past performance which may not be used to predict or project future results. Figures do not reflect taxes or investment fees, which would reduce the figures shown here.

Retirement Income

The sequence of positive and negative returns over the course of a retirement can have a significant impact on your portfolio. A downturn early in your retirement, after income withdrawals begin, may dramatically diminish a portfolio overtime. To demonstrate, the graph below shows two hypothetical scenarios for a \$100,000 portfolio invested directly in the S&P 500® over a 20 year period, while drawing an initial income of \$5,000 and adjusting annually by 3% for inflation.



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As an insurance product, a fixed index annuity is not directly invested in any index or stock. This allows for guaranteed principal protection from index losses while also allowing for growth opportunities via index-linked interest crediting strategies with positive index returns.



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

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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.

This is not a comprehensive overview of all the relevant features and benefits of fixed index annuity products and should not be used as the sole basis for a purchasing decision. Please read the appropriate annuity sales brochure and disclosure for complete details and limitations.

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