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# BALANCESHIELD™ 10

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FIXED INDEX ANNUITY



**AMERICAN EQUITY**  
INVESTMENT LIFE INSURANCE COMPANY®

# Life is always changing




How we manage change can define the lives we live – especially in retirement. Fortunately, you’re already taking steps to create a plan that balances the changes you want, the changes you can prepare for and the changes you choose to make in retirement. Let’s start by looking at some of the changes having the biggest impact on the future of retirement.



## Living longer

We’re living longer and having to stretch retirement dollars further than past generations.

## Retiree life expectancy at 65<sup>1</sup>

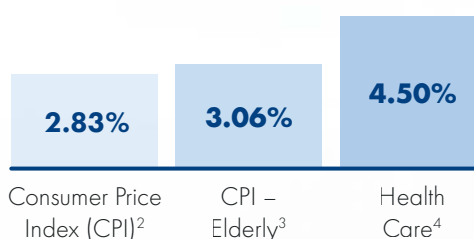
 <b>Men</b>	<b>81</b>
 <b>Women</b>	<b>84</b>
 <b>Couples</b> (One of the couple will live to 89.)	<b>89</b>



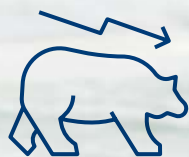
## It’s costing more

Our money must work harder as inflation continues to drive up costs, requiring more spending to sustain the same lifestyle.

## Average annual inflation increase since 1983



## Average annual inflation since 2020



## Shifting markets

With ongoing market volatility, protecting a portion of your portfolio can help save you the cost and time of having to recoup losses.

## Bear Market Cycles



\*Ned Davis Research as of 6/30/23. Past performance does not guarantee future results.

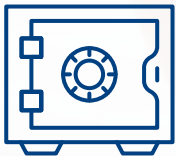
# Bring balance to your retirement

Don't let retirement change how you live; change how you retire with the benefits of a fixed index annuity.

## What is a fixed index annuity?

Fixed index annuities are tax-deferred, long-term financial contracts with an insurance company. In exchange for premium, they offer guarantees like principal protection so your Contract Value will never decrease due to market declines, and accumulation opportunities tied to your choice of index-linked interest crediting strategies.

## BalanceShield 10 FIXED INDEX ANNUITY



### Protection when you need it.

Guaranteed protection of hard-earned dollars, ensuring your money is there when you need it.



### Growth in any condition.

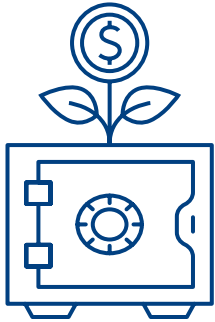
Maximize growth potential by earning interest based, in part, on positive index performance, with guaranteed growth even when the market is down.



### Choices when you want them.

Empower your savings plan with choices for accumulation and access to your money on your terms.

# Balancing protection with growth



## Track Daily Performance

The Contract Performance Value monitors how your contract is performing throughout the year and allows you to track potential interest credits on a daily basis.

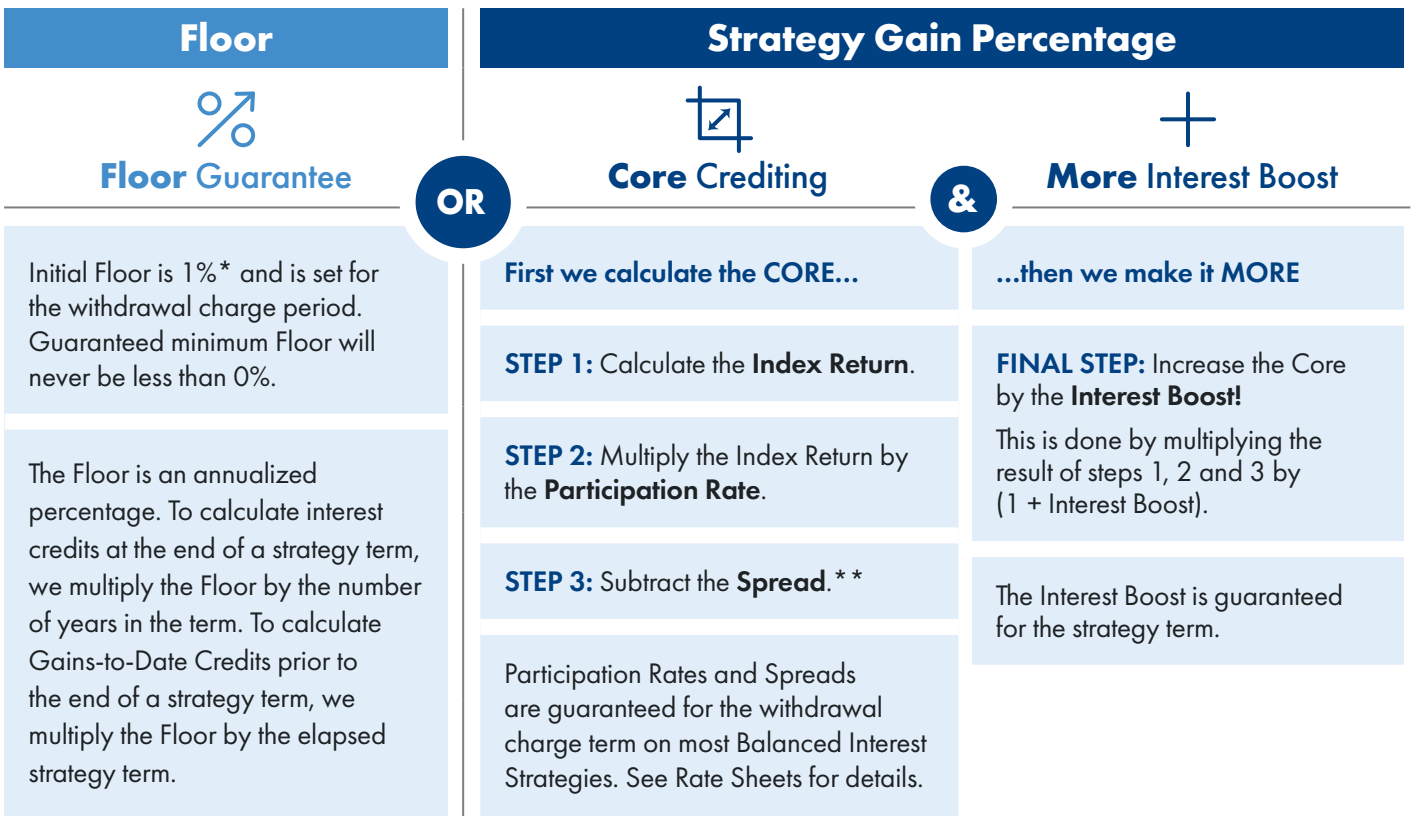
## How your money grows

You have numerous accumulation avenues available. This includes a fixed interest rate strategy as well as your choice of index-linked Balanced Interest Strategy allocation options.

## Balanced Interest Strategy

**BalanceShield 10** gives you multiple one- and two-year index-linked strategy options that all offer initial guaranteed interest credits — the **Floor**, along with the opportunity to capture additional interest credits from index growth through the Strategy Gain Percentage — based on the **Core & More** steps described below. You will receive interest based on the Floor or the Strategy Gain Percentage — whichever is higher.

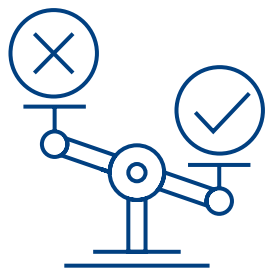
### Let's see how it works



\*Subject to change. Please see latest rate sheet for current Floor. You will receive the declared Floor in effect on the date your contract is issued.

\*\*The Spread is multiplied by the number of years in the term when calculating the Strategy Gain Percentage.

# Balancing guarantees with choices



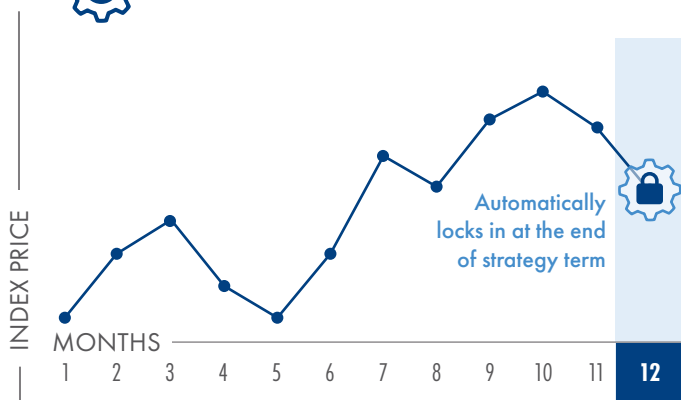
## Two ways to lock the index price

With **BalanceShield 10**, you have choices for when to lock in the index price: automatically at the end of the strategy term, or by applying the Index Lock at any point before the end of the strategy term. Here's how they work.



### Automatic

Automatically captures index changes at end of strategy term.



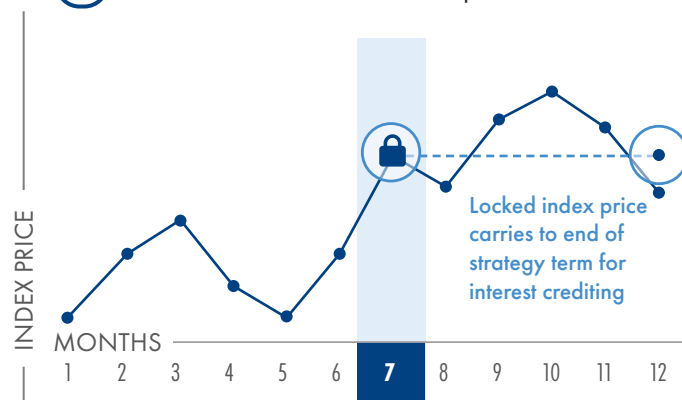
● Index Price      End of Strategy Term

- Ending index price automatically used to calculate interest credits at the end of the strategy term.
- No action required to receive this crediting.
- Negative index changes for strategy term will not result in a loss of Contract Value.



### Index Lock

Choose when to lock in index price for added control and downturn protection.



● Index Price      Index Lock Point

- Index lock is available on all strategies once per strategy term and can be applied to lock in the index price for the strategy term.
- This additional control can help address concerns over downturns prior to end of strategy term.
- Once activated, the locked index price is used to calculate any interest credits at the end of the strategy term and any Gains-to-Date Credits during the strategy term.

Balanced Interest Strategy allocations are independent of one another and once applied, the Index Lock remains in place until the end of the strategy term (and cannot be unlocked).

*Index lock is only available if the Strategy Gain Percentage is greater than the result of the Floor multiplied by the term length.*

# Diversified mix of index options



**BalanceShield 10** provides the opportunity to earn interest based on the performance of an underlying market index. You have the option to select from a variety of indexes. BalanceShield 10 does not directly participate in any stock, equity investments or index.

Index	Ticker	Description
<b>BlackRock® Adaptive U.S. Equity 5% Index</b>	BAUSE5X	This index is designed to deliver exposure to BlackRock's iShares® Core S&P 500® ETF, three fixed income U.S. Treasury iShares® ETFs and a cash component, while adaptively rebalancing daily based on macro conditions.
<b>S&amp;P 500® Dividend Aristocrats® Daily Risk Control 5% Excess Return Index</b>	SPXD5UE	Offers exposure to S&P 500® Dividend Aristocrats® Index, consisting of companies in the S&P 500 Index that have consistently increased dividends in each of the past 25 consecutive years, with the added stability of a cash (interest-free) component.
<b>S&amp;P 500® Index</b>	SPX	Considered one of the best gauges of large-cap U.S. equities, it consists of 500 leading publiclytraded companies in the U.S., covers approximately 80% available market capitalization and rebalances quarterly.



# Access on your terms



**BalanceShield 10** gives you the ability to capture interest from index gains when you take a withdrawal through our unique Gains-to-Date feature.

## Gains-to-Date Credits

Ability to take withdrawals on your terms—before end of strategy term—without leaving interest on the table

### Interest Credit on Withdrawals



You receive a Gains-to-Date Credit when you withdraw funds from a Balanced Interest Strategy prior to the end of the strategy term.

- Beginning in year two, Gains-to-Date Credits on withdrawals of up to 10% of the Contract Value each year are calculated using the full Strategy Gain Percentage.
- Gains-to-Date Credits on first year withdrawals and withdrawals in excess of 10% of the Contract Value in a year are calculated using a prorated Strategy Gain Percentage.
- Prorated Floor calculation will be applied as Gains-to-Date credit if amount is higher than Strategy Gain Percentage.

Gains-to-Date Credits are applied to your strategy value immediately after the withdrawal.

*10% of the Contract Value is determined at the time of the first withdrawal of the contract year. Gains-to-Date credits do not apply to the fixed interest strategy, which credits interest daily. Please see the product disclosure for additional information on how Gains-to-Date Credits are calculated.*

# Legacy and liquidity options







## Legacy benefits

**BalanceShield 10** offers a Death Benefit that may include Gains-to-Date credits prior to maturity. Multiple payment options are available for named beneficiaries or surviving joint owners. May also avoid probate.

## Enhanced Benefit Rider

This no-fee rider waives withdrawal charges for Qualified Nursing Care and Terminal Illness needs. Included for issue ages 75 and younger.

## Withdrawals and Surrender

### Free Withdrawal Amount

Beginning in the second contract year, you can withdraw up to 10% of the Contract Value each year without any withdrawal charge or market value adjustment.

### Surrender Value

If you surrender your contract, we will pay you the Surrender Value, equal to the Adjusted Daily Contract Value minus any withdrawal charges and plus any market value adjustment. The Surrender Value will never be less than the minimum guaranteed Surrender Value shown in your contract.

### Withdrawal Charges and Market Value Adjustment

If you surrender or take a partial withdrawal during the withdrawal charge period, a withdrawal charge and market value adjustment will apply to amounts withdrawn in excess of the Free Withdrawal amount. Free withdrawals and Required Minimum Distribution (RMD) payments will not incur a withdrawal charge or market value adjustment.

Contract year	1	2	3	4	5	6	7	8	9	10	11+
Withdrawal Charge %	9.2%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

# Key Terms

## **Adjusted Daily Contract Value**

– The total amount available for withdrawal from your contract on any given day, before application of any withdrawal charges or Market Value Adjustment. This value includes any Gains-to-Date Credits you would receive if you were to surrender.

## **Balanced Interest Strategy**

– Crediting strategies that use the Floor, Participation Rate, Spread and Interest Boost to calculate the interest credit over the strategy term.

## **Contract Performance Value**

**(CPV)** – A daily value intended to show how your contract is performing throughout the contract year. This value is equal to your current Contract Value, plus unrealized interest credits (interest credits which have not been credited to your contract) for funds in a Balanced Interest Strategy, calculated using the full Strategy Gain Percentage and the Floor (Floor multiplied by elapsed term). The CPV is not an amount available for withdrawal, except as payment of the Death Benefit.

**Contract Value** – The current value of your contract, equal to your premium payment plus any interest credits minus any withdrawals, including withdrawal charges and market value adjustments.

**Death Benefit** – Amount payable is the greater of the contract Surrender Value or Contract Performance Value. The Death Benefit amount payment options are listed in the annuity contract.

**Floor** – An annualized percentage used to calculate the minimum interest credit applied at the end of the strategy term and minimum gains-to-date credits applied during a strategy term. At the end of a strategy term, we multiply the Floor by the number of years in the strategy term when calculating the minimum interest credit. During a strategy term, we multiply the Floor by the elapsed strategy term when calculating minimum Gains-to-Date Credits.

**Free Withdrawal** – Opportunity each year, after the first contract year, to take withdrawals up to 10% of the Contract Value, without expense. Withdrawals are subject to ordinary income taxes.

**Gains-to-Date Credit** – Interest credits on amounts withdrawn from a Balanced Interest Strategy prior to the end of the strategy term, using either the preferred or non-preferred crediting rate. Interest credit amount is added to strategy value immediately after withdrawal.

## **Preferred Crediting Rate**

- Uses the full Strategy Gain Percentage at the time of the withdrawal.
- Used to calculate Gains-to-Date Credits for withdrawals of up to 10% of the Contract Value each year, beginning in year two.

## **Non-Preferred Crediting Rate**

- Uses a prorated Strategy Gain Percentage based on the amount of time that has elapsed in the strategy term.

- Used to calculate Gains-to-Date Credits for first year withdrawals and withdrawals in excess of 10% of the Contract Value in a year.

Prorated Floor calculation will be applied as Gains-to-Date credit if amount is higher than Strategy Gain Percentage.

**Index Lock** – Ability to lock in the index price prior to the end of a strategy term on Balanced Interest Strategies. Locked index price is used to calculate any Gains-to-Date Credits during the strategy term, and any interest credits at the end of the strategy term. Index Lock may be elected once each strategy term on each Balanced Interest Strategy.

**Index Return** – the percentage change in the index price between the first day of a strategy term and the date of calculation. Index prices are calculated each business day based on the closing price of the index on that day.

**Interest Boost** – A percentage by which we increase the Index Return, after application of any Participation Rate and Spread, in order to calculate the Strategy Gain Percentage.

## **Market Value Adjustment**

**(MVA)** – An increase or decrease in the amount of a partial withdrawal or Surrender Value in excess of the Free Withdrawal amount. The MVA does not apply to Free Withdrawals, the Death Benefit, of any amounts withdrawn after the end of the Withdrawal Charge period.

# Disclosures

**Participation Rate** – The percentage of the Index Return used when calculating the Strategy Gain Percentage, prior to application of any Spread and Interest Boost.

**Spread** – An annualized percentage deducted from the Index Return, after application of any Participation Rate, when calculating the Strategy Gain Percentage. We multiply the Spread by the number of years in the strategy

term when calculating the Strategy Gain Percentage.

**Strategy Gain Percentage** – A percentage used to calculate end of strategy term interest credits and mid-term Gains-to-Date Credits. It is calculated based on the percentage change in the index price after application of the Participation Rate, Spread, and Interest Boost.

**Surrender Value** – The amount paid to the contract owner by American Equity when the contract is surrendered.

**Withdrawal Charge** – A charge assessed, when applicable, for surrenders or partial withdrawals over the Free Withdrawal amount.

Rates, withdrawal charge period, and strategy term period guarantees are set at issue and subject to change without notice.

Annuity Contract and riders issued under form series ICC24 BASE-SP-IDX, ICC24 IDX-15-10, ICC24 E-BICS, ICC24 R-EBR and state variations thereof. Availability may vary by state.

<sup>1</sup> American Academy of Actuaries and Society of Actuaries, Actuaries Longevity Illustrator, <http://www.longevityillustrator.org/>, (accessed June, 3, 2024). 65-year-olds with 75% probability of reaching listed life expectancy age.

<sup>2</sup> US Bureau of Labor Statistics; based on CPI-U from 1/83 through 12/23; <https://beta.bls.gov/dataViewer/view/timeseries/CUUR0000SAO>

<sup>3</sup> US Bureau of Labor Statistics; CPI-E is an experimental index, public and unpublished data; 12/82 through 12/23.

<sup>4</sup> US Bureau of Labor Statistics; based on Medical Care index from 12/82 through 12/23; [data.bls.gov/timeseries/CUUR0000SAM?output\\_view=pct\\_1mth](https://data.bls.gov/timeseries/CUUR0000SAM?output_view=pct_1mth)

<sup>5</sup> US Bureau of Labor Statistics; based on CPI-U from 1/20 through 12/23; <https://beta.bls.gov/dataViewer/view/timeseries/CUUR0000SAO>

Each day, the CPV shows the interest you would receive if that day was the last day of all strategy terms; it does not reflect the Gains-to-Date credits you would receive if you were to take a partial withdrawal. Changes in the CPV throughout the year do not reflect actual interest credited to your contract. The full Floor is used to calculate interest credits only at the end of a strategy term.

Under current tax law, the Internal Revenue Code already provides tax deferral to qualified money. There is no additional tax deferral benefit if you purchase the contract through a tax qualified plan, such as an IRA or Roth IRA, and you should only purchase the contract for its other benefits.

Earnings are taxable as ordinary income when distributed. Surrender charges may apply to excess withdrawals that exceed 10% annual Free Withdrawal available under the contract. You may be subject to a 10% federal penalty if you make withdrawals before age 59½. Any information regarding taxation contained herein is based on our understanding of current tax law, which is subject to change and differing interpretations.

The index lock date is the day we process a request to exercise an Index Lock for an indexed strategy. We will process the request on the business day we receive the notice to exercise the Index Lock. If we receive the notice on a day that is not a business day or after a business day has ended, the notice is considered to be received by us on the next business day.

Business day is a date the Company is open for business, which is generally a day the New York Stock Exchange (NYSE) is open for trading. A business day ends at 4:00 p.m. Eastern Time.

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 material is for informational purposes only, and is not a recommendation to buy, sell, hold or rollover any asset. It does not take into account the specific financial circumstances, investment objectives, risk tolerance or need of any specific person. In providing this information American Equity Investment Life Insurance Company is not acting as your fiduciary as defined by the Department of Labor. American Equity does not offer legal, investment or tax advice or make recommendations regarding insurance or investment products. Please consult a qualified professional.

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