

American Equity's California Gold



Protection. Income. **Guaranteed.**



The one who works for you!®



California Gold

Fixed Index Annuity

Every retirement is different, each with its own financial goals and unique needs. But, many of today's retirement objectives are the same — asset protection, growth opportunities and a reliable income source.

That is why many Americans are turning to fixed index annuities. These products have helped millions of people reach their retirement goals with benefits like principal protection, tax-deferred growth and guaranteed income that cannot be outlived.



Understanding Fixed Index Annuities

What is a Fixed Index Annuity?

A fixed index annuity is a contract backed by the financial strength and claims paying ability of the issuing company. This guarantees contract owners a retirement vehicle designed to protect assets while allowing for growth opportunities. It does this through a combination of powerful benefits:

- **Principal Protection**
- **Guaranteed Income**
- **Tax-Deferred Growth**
- **Liquidity**
- **May Avoid Probate**

How a Fixed Index Annuity Works

The long-term retirement product is purchased with an insurance provider that, in turn, guarantees

principal protection, tax-deferred growth on assets and a reliable income stream. Throughout the course of the contract, the fixed index annuity can earn additional interest credits based, in part, on equity index increases.

As an insurance product, the fixed index annuity is not directly tied to any index. So, there are none of the exposure risks associated with direct stock or share ownership. The annuity cannot lose money due to volatility and the interest credited will never be less than zero.

What a Fixed Index Annuity can Provide

- **Protection in Down Years**
- **Growth Opportunities in Up Years**
- **Stability Through the Years**

Why American Equity?

For over 20 years, American Equity has been committed to quality annuity products backed by superior service. Today, as the number three all-time fixed index annuity provider¹, we remain focused on the business principles that have served our contract owners from the beginning. Through our financial strength and ongoing stability, we help fund more than half-a-million contract owners' retirements across the country.

\$41 Billion in Assets²

35,000 Active Agents

540,000 Active Contract Owners

A- (Excellent) rating from A.M. Best³

A- (Strong) rating from S&P 500^{®4}

American-owned and operated





Key Terms

American Equity is dedicated to simple product designs and easy-to-understand crediting strategies. Here is a list of key terms and definitions that may be useful while learning about our products.

Annuitization	Conversion of the Cash Surrender Value of the annuity into regular guaranteed income payments.	Penalty-Free Withdrawal	Opportunity once a year, after the first contract year, to take a withdrawal of up to 10% of the Contract Value, without expense.
Bonus Vesting	Each year after the first contract year, a percentage of the bonus is vested until 100% vested at the end of the vesting period.	Partial Withdrawal	Available at any time, for partial distribution over the Penalty-Free Withdrawal amount. Surrender Charges, Bonus Vesting schedule and minimum values will apply.
Cash Surrender Value	The amount paid to the contract owner by American Equity when the contract is surrendered.	Premium Bonus	Guaranteed 5% Premium Bonus on all premiums received in the first contract year.
Contract Value	The total of the values in the annuity contract.	Surrender	Termination of the contract in exchange for Cash Surrender Value.
Death Benefit	The greater of the Contract Value or MGSV of the annuity is paid in a lump-sum with no Surrender Charges, plus 100% Bonus Vesting, to named beneficiaries.	Surrender Charge	Fee charged, when applicable, for full or partial distribution over the Penalty-Free Withdrawal amount.
Interest Crediting Strategies	Contract owners choose from several Index or Fixed Value Crediting Strategies, each offering different opportunities for growth.		
Minimum Guaranteed Surrender Value (MGSV)	At no time will the Cash Surrender Value of the contract be less than 87.5% of premium received, less any withdrawals, accumulated at the minimum guaranteed interest rate.		



The Power of a Fixed Index Annuity

A fixed index annuity offers a powerful combination of benefits that help protect against many of today's common retirement concerns.

Fixed Index Annuity BENEFITS	Common Retirement Concerns				
	Outliving Income	Index Volatility	Tax Exposure	Access to Funds	Taking Care of Loved Ones
Principal Protection	X	X	X		X
Guaranteed Income	X	X		X	X
Tax-Deferred Growth		X	X		X
Liquidity	X	X		X	X
May Avoid Probate				X	X

Principal Protection: Premium payments are secure, and each year any interest credited to the contract is locked in and cannot be lost due to index volatility.

Guaranteed Income: Flexible payout options available, including lifelong paychecks.

Tax-Deferred Growth: Earn interest on money without paying taxes on it until making a withdrawal, or distribution begins. It enables faster growth by allowing credited interest to compound over time.

Liquidity: Each contract defines various opportunities to withdraw funds, such as Penalty-Free Withdrawals, Partial Withdrawals, qualified care and lifetime income options. (Subject to applicable Surrender Charges.)

May Avoid Probate: If applicable, beneficiaries receive any remaining value in the contract while avoiding the expense and time spent in probate.



California Gold

California Gold is a fixed index annuity designed to help protect hard-earned dollars from index fluctuations while offering interest growth opportunities based on increases in an index.

Premium Bonus

The California Gold includes a Premium Bonus, which is applied to the Contract Value immediately and vests over time. This provides a jump start for the Contract Value, because the premiums paid during the first year receive a bonus and can help increase interest growth from the start.

Premium Bonus Allocations

The California Gold offers a 5% Premium Bonus on all premium received in the first contract year. This is added to the Contract Value on the date received, and allocated to the same values as the premiums.

The initial premium payment can be allocated, in any combination, to either the fixed interest or any of the index strategies. Payments received after the

initial premium automatically go into the fixed interest strategy. On each contract anniversary, there is an opportunity to transfer between the different values.

Premium Bonus Vesting

The Premium Bonus vests over a 9-year period. Each year, after the first contract year, a percentage is vested until 100% vested — at the end of the 9th contract year.

The vested amount of the Premium Bonus is guaranteed and cannot be forfeited as a result of early Partial Withdrawal or Surrender. In the event of a Partial Withdrawal or Surrender, Premium Bonus payouts will be based on the vesting schedule.



In the event of death, 100% of the Premium Bonus is vested immediately and the beneficiary receives the entire Contract Value, including the Premium Bonus.

Premium Bonus Vesting Schedule										
Contract Year	1	2	3	4	5	6	7	8	9	10+
Vested Percent	0	10	20	30	40	50	60	70	85	100

Surrender Values and Charges

The annuity's Surrender Value will never be less than 87.5% of the premium received, less any withdrawals, accumulated at the minimum guaranteed interest rate. If a Partial Withdrawal or Surrender is taken during the Surrender Charge period, a deduction will be taken out according to the Surrender Charge schedule.

Surrender Charge Schedule (Age 18-80)										
Contract Year	1	2	3	4	5	6	7	8	9	10+
Surrender Charge Percent	7.95	7.10	6.20	5.30	4.40	3.45	2.50	1.50	0.75	0.00



Money Access Options and Features

With the California Gold there is always access to money in the annuity. American Equity provides withdrawal flexibility and a variety of liquidity options.

Penalty-Free Withdrawals

This is a once a year opportunity (after the first contract year) to take a Penalty-Free Withdrawal of up to 10% of the Contract Value.

Partial Withdrawals

These are available at any time, for partial distribution over the Penalty-Free Withdrawal amount. Surrender Charge and premium Bonus Vesting will apply.

All withdrawals are pro-rated between the premium and bonus portions of the contract value. Surrender Charges are then applied to the premium and its accrued interest, and Bonus Vesting is applied to the bonus and its accrued interest to calculate the proceeds. Withdrawals in excess of the Penalty-Free Withdrawal amount will forfeit a part of the non-vested portion of the bonus and its accrued interest.

Qualified Care Needs

Available to annuitants under age 75 at issue.

Nursing Care Rider (NCR-4-CA)

This rider allows you to take a 50% Penalty-Free Withdrawal if the Annuitant is confined in a Qualified Nursing Care Center, after the end of the second Contract Year, continually for at least 60 consecutive days.

Terminal Illness Rider (TIR-100)

If, after the first contract year, the annuitant is diagnosed with a terminal illness, a 100% Penalty-Free Withdrawal of the Contract Value is available.

Death Benefit

Death Benefit proceeds are paid to the named beneficiary(ies) with no Surrender Charges, plus 100% Bonus Vesting. Generally paid in a lump-sum, other income options are also available.

Multiple Ways to Access Money



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.

Safety

Our products provide Sleep Insurance[®] for contract owners that can trust their principal is protected and their income is guaranteed for life.

life.american-equity.com



Call us at **888-221-1234**

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Annuity Contract issued under form series CA16 IDX11. For use in California only.

¹ Source: <http://www.looktowink.com/2016/03/30418/>. If you cannot access this article online, you may call 888-647-1371 to request a copy.

² As of 12/31/15 - Assets \$41 billion, Liabilities \$39 billion.

³ 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 4/14/2016.

⁴ Standard and 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.

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