

American Equity's
Gold standard
for a secure Retirement

Foundation Gold

(ICC11 IDX3)*



*Form number and availability
may vary by state.



Where Will Your Retirement Dollars Take You?

RETIREMENT PROTECTION

ASSURING YOUR LIFESTYLE...

As Americans, we work hard everyday to earn an income to take care of our families, educate our children and provide for a secure retirement. As retirement age approaches, we are wise to consider:

- Are Our Retirement Dollars Safe?
- How Will Taxes Affect Our Standard of Living?
- What Happens To My Family if I Become Ill?
- Do We Have Enough Money to Retire?

INDEXED ANNUITIES FOR YOUR RETIREMENT PORTFOLIO

Indexed annuities are fixed annuities that provide an opportunity to potentially earn more interest than traditional fixed annuities and other safe money alternatives. This is done by basing interest earned on an increase in an equity index. You control how your annuity grows by choosing the index crediting methods on each Contract Anniversary. The index we use to determine index values for this annuity is the S&P 500® and the 10-Year U.S. Treasury Bond.

A very important benefit is that your premium and credited interest can never be lost due to index volatility.

When purchasing an indexed annuity, you own an annuity contract backed by American Equity Investment Life Insurance Company, you are not purchasing shares of stock or indexes.

BENEFITS OF ANNUITIES

At American Equity, our innovative tax deferred annuities help you maximize both growth and safety for your hard earned retirement dollars, ultimately offering you the peace of mind you deserve. We understand that creating a retirement nest egg is hard work and while many people take into consideration market risk, there are five other factors you should consider as well:

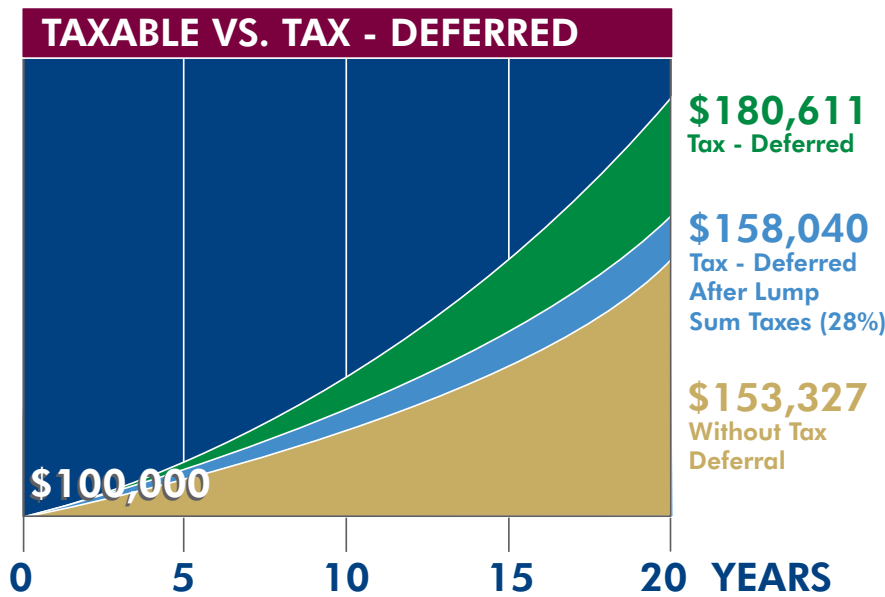
- Safety Of Premium
- Avoidance Of Probate
- Income Taxes
- Liquidity
- Guaranteed Income

SAFETY OF PREMIUM

Fixed annuities by their very nature are considered a safe money alternative. It is a contract between you and the insurance company for guaranteed interest and guaranteed income options. All Guarantees are based on the financial strength and claims paying ability of American Equity.

AVOIDANCE OF PROBATE

In the case of premature death, your beneficiaries have the accumulated funds within your annuity available to them and may avoid the expense, delay and publicity of probate. Your named beneficiaries can choose to receive the proceeds as monthly income or a lump sum payment.



Note: Example assumes 3% annual interest rate and 28% tax bracket.
This hypothetical example is for demonstration purposes only.

INCOME TAXES

One of the primary advantages of deferred annuities is the opportunity to accumulate a substantial sum of money by **allowing your premium and interest to grow tax-deferred. Unlike taxable investments, you pay no taxes on your annuity interest until you begin to take withdrawals or receive income.** This allows your money to grow faster than in a taxable account. With our annuities you earn interest on your premium, interest on your interest and interest on what you would normally pay in income taxes. Once withdrawn your earnings are taxed as ordinary income.

The chart above illustrates how much more your money grows over a 20-year period with a tax-deferred annuity compared to an account that is currently taxed.

LIQUIDITY

American Equity provides you with opportunities to withdraw funds at any time (subject to applicable surrender charges). This annuity contract allows penalty-free withdrawals of up to 5%, after the first contract anniversary. A cumulative Penalty-free withdrawal option available (Reference page 6 for details). American Equity also has available certain riders which increase liquidity in the event of confinement to a nursing home, or if diagnosed with a terminal illness. (Riders not available in all states)

GUARANTEED INCOME

American Equity can provide you with a guaranteed income from this tax-deferred annuity. You have the ability to choose from several different income options, including payments for a specified number of years or income for life, no matter how long you live.

TAX TREATMENT

You may be subject to a 10% federal penalty if you make withdrawals or surrender this annuity before age 59½. If this annuity is within a qualified plan all distributions may be taxable. Under current tax laws annuities grow tax deferred and an annuity is not required for tax deferral in a qualified plan. Any distribution may cause a taxable event. Neither American Equity nor our agents offer legal, investment or tax advice. Please consult your own personal advisor for these matters.

The Foundation Gold: Choices & Diversification

FOUNDATION GOLD

Foundation Gold is a Fixed Indexed Annuity that allows for the accumulation of money over a long period of time. Because of the Bonus credited on all premiums paid in the first Contract Year, it allows for a more rapid accumulation of interest than other fixed annuities. The Bonus is applied to your Values immediately, but is vested over time. This means that the longer you hold on to your annuity, the greater the payout to you becomes. In addition, we vest the Bonus 100% immediately in the death benefit, so in the unfortunate case of your early death, your beneficiary will receive the entire Contract Value, including 100% of the Bonus.

So, just how do the interest crediting and bonus vesting features work, and how do they affect your long-term accumulation of wealth for retirement? Let's take a look:

PREMIUM PAYMENT & ALLOCATION

You may direct your initial premium payment in any combination you choose, into either the Fixed Interest Strategy or any of the Indexed Strategies. Any additional premium payments you make after your initial premium will automatically go into the Fixed Interest Strategy. At each Contract Anniversary, you may choose to transfer between the different Interest Crediting Strategies, giving you greater flexibility.

Your Accrued Premium Amount is the portion of the Contract Value resulting from Premiums paid plus Interest, less Withdrawal Amounts.

INTEREST CREDITING

You have seven different Interest Crediting Strategies options to choose from in determining how we will credit interest to your Contract Values. Additionally, we provide a Minimum Guaranteed Interest Rate which guarantees you a minimum return upon surrender. We calculate all Interest Rates as effective annual rates, compounded daily.

To calculate Withdrawal or Surrender Amounts we track Interest credits to Accrued Premium Amount and Accrued Bonus Amount on a pro-rata basis.

CHOICES

This annuity offers 6 index and 1 fixed Interest Crediting Strategies.

■ **The S&P 500® Index** contains stocks from 500 various industry leaders and is widely regarded as a leading benchmark for U.S. stock market performance.

■ **10-Year U.S. Treasury Bond Strategy** is designed to mirror general market interest rates. Growth in this Strategy is determined by the annual change in the 10-Year U.S. Treasury Bond, plus a Coupon Rate each Contract Year. The percentage change in the Treasury Bond is calculated and the Coupon Rate is added. The Cap is applied to this sum and the Asset Fee Rate is subtracted. The Index Credit for the year is determined by multiplying the result by the Treasury Bond Strategy on the last Contract Anniversary, less withdrawals and applicable surrender charges.

Choice Of:

■ **Cap Rate** - An upper limit applied to the Index credit. Cap rates are subject to change, declared each Contract anniversary, and guaranteed to never be less than 1% on the Annual Monthly Average, Annual Point to Point and Monthly Point to Point Crediting Strategy.

-OR-

■ **Participation Rate (PR)** - The stated percentage of any Index increase credited to the annuity contract. PRs are subject to change, declared annually, and guaranteed to never be less than 10%. (On S&P 500® only)

INDEX CREDITING STRATEGY CHOICES

American Equity annuities allow for annual transfers between different strategies allowing you greater flexibility in utilizing the interest crediting strategies available. A Transfer of Values (TOV) letter and form are sent one month prior to the Contract Anniversary as a courtesy.

■ **Annual Monthly Average** - Index Credits are based on 12 dates during the year. The average is calculated by adding the 12 Index amounts on each monthly date and dividing by 12. Caps or Participation Rates are applied to the Index Credit Calculation.

■ **Annual Point to Point** - On each Contract Anniversary the Index value is compared to the previous years Index value. The Index Credit is based on the increase in the Index value from point to point. Caps or Participation Rates are applied to the Index Credit Calculation.

■ **Monthly Point to Point** - Each month a percentage of change is calculated. Caps are applied to any increase. The sum of the resulting monthly values, less an asset fee, is the Index Credit applied on each Contract Anniversary.

■ **Fixed Interest** based on a current declared interest rate guaranteed to never be less than the Fixed Interest Strategy Minimum Guaranteed Interest Rate stated in the annuity contract.

	Annual Monthly Average	Annual Point to Point	Monthly Point to Point	Fixed Rate
Interest Credit Calculation	Average sum of index closes on monthly Contract Anniversary	Percentage of annual increase in the Index	Annual % of monthly changes in the Index with cap less an asset fee	Fixed Interest Rate Declared
Index Availability	S&P 500®	S&P 500® 10-Year U.S. Treasury Bond	S&P 500®	Not Applicable
Frequency of Interest Credit	Annually	Annually	Annually	Daily
Cap or Participation Rate Available	Choice of Cap or Participation Rate	Choice of Cap or Participation Rate on S&P 500® only	Cap	Not Applicable



Foundation Gold Benefits and Accessibility

BONUS

We pay a Bonus of 7% of all premiums received in the first Contract Year. We add this Bonus to the Contract Value on the date we receive Premiums, and we allocate it to the same values as your Premiums.

Accrued Bonus Amount is the portion of the Contract Value resulting from the Bonus, plus Interest, less Withdrawal Amounts. Surrender Charges do not apply to your Accrued Bonus Amount.

BONUS VESTING

The Bonus vests over a 10-year period. Each year after the 1st Contract Year, you become Vested in a percentage of the Bonus, until you become 100% Vested at the end of the 10th Contract Year. The Vested amounts of the Bonus are the amounts that you do not forfeit as a result of an early Partial Withdrawal or Surrender.

If you take a Partial Withdrawal or Surrender you will receive the Vested portion of your Bonus according to the following schedule.

- 1) **At Partial Withdrawal** - the pro-rata portion of the Partial Withdrawal Amount allocated to your Accrued Bonus Amount multiplied by the Bonus Vesting %; or
- 2) **At Surrender** - your Accrued Bonus Amount multiplied by the Bonus Vesting % minus the non-Vested portion of any Penalty-free Withdrawals taken from your Accrued Bonus Amount in the last 12 months.

The Bonus is always 100% Vested in the Death Benefit.

Contract Yr	Premium Bonus Vesting Schedule %
1	0
2	10
3	20
4	30
5	40
6	50
7	60
8	70
9	80
10	90
11+	100

WITHDRAWALS

You may make Withdrawals from your Contract Value at any time. Withdrawals include Penalty-free Withdrawals and Partial Withdrawals. We will determine Withdrawal Proceeds taking into consideration any Penalty-free amount available, any Surrender Charges, and Bonus Vesting.

1) Penalty-free Withdrawals

Once each Contract Year, after the first Year You may take one Penalty-free Withdrawal of up to 5% of the Contract Value. If the Penalty-free withdrawal is not taken in any Contract Year, it may be carried over to the next Contract Year for a maximum Penalty-free withdrawal of 10%. Penalty-free withdrawals are not subject to Surrender Charges and Bonus Vesting.

2) Partial Withdrawals

You may make Partial Withdrawals at any time. We will first determine any amount of the Partial Withdrawal that would be Penalty-free. Amounts above the Penalty-free amount are subject to Surrender Charges and the Bonus Vesting Schedule.

All Withdrawals are pro-rated between the Accrued Premium Amount and the Accrued Bonus Amount of the Contract Value. We apply a Surrender Charge to your Accrued Premium Amount and Vesting to your Accrued Bonus Amount. **Withdrawals in excess of the Penalty-free Withdrawal Amount will cause loss of part of your Accrued Bonus Amount.**

DEATH BENEFIT

The Death Benefit is the full Contract Value of your annuity contract and is paid in a lump sum with no surrender charges, plus 100% Bonus Vesting, to your named beneficiaries. Other income options may also be available.

CONTRACT VALUE

Your Contract Value equals the sum of your Fixed Strategy, plus your Indexed Strategies.

ACCESSIBILITY – 5% PENALTY-FREE WITHDRAWALS

We understand that access to your money is very important. While most financial vehicles charge penalties for Withdrawals before maturity, this annuity offers an annual 5% Penalty-free withdrawal once each year, beginning in year 2. If no Penalty-free Withdrawals are taken for two or more successive contract years, the carryover Penalty-free withdrawal percentage balance can be accumulated up to the maximum of 10%. In the first year, you may receive systematic withdrawals of interest or Required Minimum Distributions from the Fixed Interest account as quickly as 30 days after your Contract is issued.*

NCR-100**

This rider is automatically included, at no cost, for annuitants under age 75 at issue. This allows you to take a 100% penalty-free withdrawal after the 3rd Contract Anniversary if confinement in a Qualified Nursing Care Center occurs after the end of the 3rd Contract Year and continues for at least 90 consecutive days. If confinement occurs in the 2nd or 3rd Contract Year then a 20% penalty-free withdrawal is allowed.

TIR-100**

This rider is automatically included, at no cost, for annuitants under age 75 at issue. This allows you to take an additional penalty-free withdrawal of up to 100% of the Contract Value if the diagnosis of a terminal illness by a qualified physician occurs after the first Contract Year, and is expected to result in death within one year.

MINIMUM GUARANTEED SURRENDER VALUE (MGSV)

At no time will the Surrender Value of the Contract be less than 87.5% of all Premiums received, less any Withdrawals, accumulated at Minimum Guaranteed Interest Rate stated in the Contract. The MGSV is a separate calculation from Contract Value.

* Not guaranteed and subject to change

** NCR-2-PA in PA, TIR-1 in TX.

See Product Disclosure for further details.

The Foundation Gold: Choices & Diversification

CASH SURRENDER VALUE

The Cash Surrender Value is the amount We pay if you Surrender the Contract. It equals the greater of the Accrued Premium Amount minus any surrender charges, plus the Vested portion of the Accrued Bonus Amount, or the Minimum Guaranteed Surrender Value.

SURRENDER CHARGES

We deduct a Surrender Charge on Partial Withdrawals or Surrenders during the Surrender Charge Period according to the following schedule. Surrender Charges are determined as follows:

- 1) At Partial Withdrawal, the Partial Withdrawal from your Accrued Premium Amount multiplied by the Surrender Charge Percentage; or
- 2) At Surrender, your Accrued Premium Amount, plus any Penalty-free Withdrawals from your Accrued Premium Amount in the last 12 months, multiplied by the Surrender Charge Percentage.

Contract Yr	Surrender Charge % Age 0-80
1	9.00
2	8.25
3	7.25
4	6.25
5	5.25
6	4.25
7	3.25
8	2.25
9	1.00
10	0.50
11+	0.0

SCENARIO

So, how exactly does all of this work? Let's look at Sally Jones. She is a 50-year-old woman planning for her retirement. She currently has \$100,000 that she has set aside to plan for retirement, but wants to find a long-term accumulation instrument to assist in that planning. Her current daily expenses and needs are taken care of through her work and other income, so the \$100,000 isn't needed for any immediate use. Sally's agent has told her about fixed indexed annuities and how they may provide a solid income in retirement. He tells Sally about the annuity. He states that it can provide a solid interest rate, some of which can be determined by linking to a stock market index, so it may provide the opportunity for an interest rate greater than that of a traditional fixed annuity.

In addition, she has the option of putting some or all of her money in a Fixed Interest Strategy, and she can transfer between the Index and Fixed Strategies at the beginning of each Contract Year. Additionally, the Foundation Gold annuity offers an 7% Bonus on all premiums paid in the first year. Because the Bonus vests during the Contract period, the longer she holds the annuity the more of the Bonus becomes vested. While the full Bonus is part of the death benefit, if she surrenders the contract or completes a Partial Withdrawal she will forfeit a portion of the Bonus.

Sally is interested in this annuity for these options, and asks the agent to demonstrate just how the Bonus works, how she could access her money if needed, and just how much she would have to pay in Surrender Charges or how much of her Bonus she might forfeit should she liquidate her annuity early. The agent put together some basic information to demonstrate for Sally how the Foundation Gold Annuity might work. Some basic assumptions were:

- 1) Interest Rate 2% non-guaranteed and assumed for all Contract Years
- 2) Penalty-free Withdrawals in Years 2, 3 and 4 followed by a full Surrender of the annuity in Year 5

With those basic assumptions he proceeded to demonstrate for her how the Foundation Gold credited Interest, Bonus amounts, and how the pro-rata distribution of Interest credited and Withdrawals taken from the Premium Amount and Bonus Amount would work:

With no Penalty-free Withdrawals in the first year, Sally's Contract Value grows with the addition of the Bonus plus Interest credited. Sally's agent reminds her that the Interest is calculated on the amount attributed to her Premium Paid ($\$100,000 \times 2\% = \$2,000$) and her Bonus (first year Premium $\times 7\% = \$7,000$ Bonus;



$\$7,000 \text{ Bonus} \times 2\% = \140) Her Contract Value has now grown to $\$109,140$ (Premium Amount $\$102,000 + \text{Bonus Amount } \$7,140 = \text{Contract Value } \$109,140$).

At the beginning of the 2nd Contract Year, Sally may now take a 5% Penalty-free Withdrawal, if she chooses. For this demonstration, that means she will have a Withdrawal of $\$5,457$ (Contract Value of $\$109,140 \times 5\%$). The amount of the Withdrawal is deducted on a pro-rata basis between the Premium Amount and the Bonus.

Sally's agent then showed how this transaction would be handled in Years 3 and 4.

	Accrued Premium Amount	Accrued Bonus Amount	Contract Value
Year 1			
Beginning Balance	100,000	7,000	107,000
2% Interest	2,000	140	2,140
Balance	102,000	7,140	109,140

Year 2			
Beginning Balance	102,000	7,140	109,140
5% Free Withdrawal	5,100	357	5,457
Balance After Withdrawal	96,900	6,783	103,683
2% Interest	1,938	136	2,074
Balance at End	98,838	6,919	105,757

Foundation Gold

(ICC11 IDX3)

Sally likes what she sees. She understands that part of her Contract Value is the result of her Premiums paid and Interest on those Premiums. This is called the Accrued Premium Amount. She also understands that part of the Contract Value results from the Bonus and Interest on the Bonus, and that this is called the Accrued Bonus Amount. Finally, she sees how both of these amounts are reduced on a pro-rata basis when she makes a Withdrawal. She also understands that should she unexpectedly die, her beneficiary would receive the entire Contract Value at the time of her death.

	Accrued Premium Amount	Accrued Bonus Amount	Contract Value
Year 3			
Beginning Balance	98,838	6,919	105,757
5% Free Withdrawal	4,942	346	5,288
Balance After Withdrawal	93,896	6,573	100,469
2% Interest	1,878	131	2,009
Balance at End	95,774	6,704	102,478

Sally asks her agent to then demonstrate what would occur if she chooses to Surrender her annuity at the beginning of the 5th Contract Year.

Year 4			
Beginning Balance	95,774	6,704	102,478
5% Free Withdrawal	4,789	335	5,124
Balance After Withdrawal	90,985	6,369	97,354
2% Interest	1,820	127	1,947
Balance at End	92,805	6,496	99,301

Sally informs her agent that she will purchase an Annuity. Sally really thinks that the Foundation Gold Annuity provides her with a solid financial tool that will allow her to accumulate more money for her retirement years. She understands that the longer she maintains the annuity, the more of the Bonus will vest. She has a Guaranteed Interest Rate on 87.5% of that Premium, which means that even in the unlikely event that the Index options she chooses never go up, she will get back at least her original Premium plus the interest accumulated or the minimum guaranteed rate if held until the end of the surrender charge schedule.

Year 5*			
Beginning Balance	92,805	6,496	99,301
Full Surrender Charge 5.25%	4,872		
Vesting 40%		2,599	
Surrender Value	87,933	2,599	90,531

*Assumes full surrender more than 12 months after last Penalty-free withdrawal.

Foundation Gold

ICC11 IDX3*

INDEXED ANNUITY DISCLOSURE

American Equity's Foundation Gold deferred annuity allows for long-term accumulation of money you don't anticipate needing in the short term. The Foundation Gold is a flexible premium deferred indexed annuity.

BONUS

Credited on all 1st year Premiums, the Bonus increases your Contract Value by 7%. We add the Bonus to the Contract Value on the date we receive Premiums and allocate it to the same Values as your Premiums. The Bonus amount is vested over a 10 year period. Starting in the 2nd Contract Year, a percentage of the Bonus becomes guaranteed annually. That percentage increases each year through the 10th Contract Year according to the Bonus Vesting Schedule. After the 10th Contract Year your entire Bonus becomes fully vested. Additionally, the Bonus is 100% fully vested in the Death Benefit as of the Contract Date.

MINIMUM GUARANTEES

We set the Minimum Guaranteed Interest Rate (MGIR) on the issue date and guarantee it for the life of the annuity contract. It is guaranteed to never be less than 1.50%, and applies to Minimum Guaranteed Surrender Value (MGSV) only. The Fixed Strategy Minimum Guaranteed Interest Rate (FS-MGIR) is 1.00%.

INTEREST CREDITING METHODS

The total **Indexed Strategies** is the sum of all of the Indexed Strategy calculations. **Fixed Interest** is calculated based on a fixed interest rate rather than an Index Credit. **Fixed Interest Strategy Guaranteed Initial Interest Rate is applicable to initial premium only. Additional premiums may be subject to different rates.** The **Contract Value** equals the sum of all the Interest Crediting Strategies. The Contract Value is calculated on each Contract Anniversary.

ADDITIONAL CONTRACT INFORMATION

Contract Value: The sum of the Fixed Interest Strategy and the Indexed Interest Strategies. It is calculated each Contract Anniversary.

Accrued Premium amount: The portion of the Contract Value resulting from Your Premiums, plus associated Interest Credits, minus any withdrawal amount.

Accrued Bonus amount: The portion of the Contract Value resulting from the Bonus, plus associated Interest Credits, minus any withdrawal amount.

Cash Surrender Value: The amount payable at Surrender during the Bonus Vesting Schedule Period equals the greater of:

- (1) Accrued Premium Amount minus any applicable Surrender Charges, plus the Vested portion of Your Accrued Bonus Amount; or
- (2) Minimum Guaranteed Surrender Value.

TAX TREATMENT

You may be subject to a 10% federal income tax penalty if you make withdrawals or surrender this annuity before age 59½. If this annuity is within a qualified plan all distributions may be taxable. Under current tax laws, contract values accumulate, grow tax deferred, and an annuity is not required for tax deferral in a qualified plan. Any distribution may cause a taxable event. Gains from non-qualified annuities will be taxed as ordinary income at withdrawal. If your state imposes a premium tax, it will be deducted from the money you receive. Neither American Equity nor our agents offer legal, investment, or tax advice. Please consult your own personal advisor for these matters.

ACCESSIBILITY

You may make Withdrawals from Your Annuity Contract. Withdrawals include amounts Withdrawn under both the Penalty-free Withdrawal and Partial Withdrawal Options. We allow Penalty-free Withdrawals of up to 5% of Your Contract Value once each Contract Year after the first. If the Penalty-free withdrawal is not taken in any Contract Year, it may be carried over to the next Contract Year for a maximum Penalty-free withdrawal of 10%. Please see page 7 of the attached product guide for more information. Withdrawals will be deducted from both the Accrued Premium Amount and Accrued Bonus Amount on a pro-rata basis, and you will receive the Vested portion of Your Bonus, calculated as follows:

- **At Partial Withdrawal** - the pro-rata portion of the Partial Withdrawal Amount allocated to your Accrued Bonus Amount multiplied by the Bonus Vesting %; or
- **At Surrender** - your Accrued Bonus Amount multiplied by the Bonus Vesting % minus the non-Vested portion of any Penalty-free Withdrawals taken from your Accrued Bonus Amount in the last 12 months.

DEATH BENEFIT

The Death Benefit is payable under a variety of options. Your beneficiary(ies) will have access to your contract's full value. Death Benefit options are a lump sum payout, the guaranteed income of annuitization, penalty-free and continued tax deferral if you are a spouse. The Death Benefit is the greater of the Contract Value or Minimum Guaranteed Surrender Value at the death of the Annuitant or Owner, whichever comes first.

OTHER INFORMATION

- This annuity is designed generally for people who are willing and able to let their assets build over an extended period of time.
- While the values of this contract may be affected by an external index, this annuity does not participate directly in any stocks or equity investments. You aren't buying shares of stock or an index. Dividends paid on the stocks which comprise the indexes don't increase your annuity earnings.
- 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.
- Like any annuity issuer, American Equity incurs expenses to sell and issue its contracts, including the payment of a commission to its agents, and these expenses are taken into consideration when interest rates, caps and participation rates are established and reset. You will receive all benefits as set forth in the contract.
- Your state has a law that gives you a set number of days to look at an annuity after you buy it. If you decide during that time that you don't want it, you can return the annuity and get all your money back. Please review your contract after delivery to confirm the number of days you have.

SURRENDER CHARGES

We apply Surrender Charges on Partial Withdrawals or Surrenders during the Surrender Charge Period as follows:

- At Partial Withdrawal, the amount resulting from your Accrued Premium amount multiplied by the Surrender Charge Percentage; or
- At Surrender, the Accrued Premium amount, plus any Penalty-free Withdrawals from Your Accrued Premium amount in the last 12 months, multiplied by the Surrender Charge Percentage. **Surrender Charges do not apply to Your Accrued Bonus Amount.**

* Form number and availability may vary by state. Owner's Initials

Foundation Gold ICC11 IDX3*

CHOICES AND FLEXIBILITY

You choose how to allocate your total initial premium. You may make additional premium payments in any amount and frequency within the premium limits. Additional premiums are automatically credited to the Fixed Interest Strategy and may be subject to different rates. The annuity contract offers additional flexibility by allowing you to transfer money in or out of any value on each contract anniversary, subject to these minimums:

- The minimum initial premium is \$5,000.
- The minimum allocation for each value is \$1,000.
- The minimum transfer to select a new value is 10% of the Contract Value.

Seven interest crediting methods offer a variety of choices.

- 1 Traditional Fixed Strategy Interest Rate
- 2 S&P 500 Annual Monthly Average w/Cap
- 3 S&P 500 Annual Monthly Average w/PR
- 4 S&P 500 Annual Pt. to Pt. w/Cap
- 5 S&P 500 Annual Pt. to Pt. w/PR
- 6 S&P 500 Monthly Pt. to Pt. w/Cap
- 7 10-Year U.S. Treasury Bond

TOTAL INITIAL PREMIUM ALLOCATION:
Percentages must be whole numbers. Decimals will NOT be accepted.

- 1 _____ %
- 2 _____ %
- 3 _____ %
- 4 _____ %
- 5 _____ %
- 6 _____ %
- 7 _____ %

100%

(For a detailed description of each crediting method refer to page 4 of attached product guide.)

You will have the benefit of an annual reset of index credits. Your index credits become part of the Contract Value once credited and can never be lost or taken away from your Contract Value due to market volatility. PR=Participation Rate

BONUS VESTING

The Bonus is incrementally vested according to the schedule shown below. Premium Bonus contracts may have higher surrender charges and asset fee rates and/or lower participation, cap, and interest rates.

Surrender Charge and Bonus Vesting Schedule

SC=Surrender Charge; BV=Bonus Vesting

Year	1	2	3	4	5	6	7	8	9	10	11+
SC%*	9.00	8.25	7.25	6.25	5.25	4.25	3.25	2.25	1.00	0.50	0.00
BV%*	0.00	10.00	20.00	30.00	40.00	50.00	60.00	70.00	80.00	90.00	100

Issue Ages 0-80; Surrender Charges may vary by state.

The Minimum Guaranteed Surrender Value equals 87.5% of premiums paid, minus any withdrawals, all accumulated at the Minimum Guaranteed Interest Rate-Minimum Guaranteed Surrender Value (MGIR-MGSV).

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This disclosure is intended to summarize this Annuity. 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.

We apply Index Credit at the Contract Anniversary, therefore any payout occurring during a Contract Year such as Death Benefit, Annuitization, any Withdrawals from or Surrender of your contract will not receive an Index Credit for that Contract Year.

I have read and received a copy of this document.** I understand I am applying for an indexed annuity and that past Interest and Index activity is not intended to predict future activity. I also acknowledge that a full surrender or withdrawal over penalty free amounts taken within the Surrender Charge Period or Bonus Vesting Period will result in Surrender Charges being assessed, a forfeiture of a percentage of my Bonus, and potential loss of Premium.

Owner's Signature _____

Date _____

Joint Owner's Signature _____

Date _____

Agents 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 _____

**NAIC Buyer's Guide should be given at the time of application.

AMOUNT OF PREMIUM RECEIVED

\$ _____
Amount Received From

Owner's Name _____

Date _____

Agent's Name - Please Print _____

Agent's Signature _____

American Equity Investment
Life Insurance Company
P.O. Box 71216
Des Moines, Iowa 50325
www.american-equity.com
888-221-1234



Foundation Gold

ICC11 IDX3*

INDEXED ANNUITY DISCLOSURE

American Equity's Foundation Gold deferred annuity allows for long-term accumulation of money you don't anticipate needing in the short term. The Foundation Gold is a flexible premium deferred indexed annuity.

BONUS

Credited on all 1st year Premiums, the Bonus increases your Contract Value by 7%. We add the Bonus to the Contract Value on the date we receive Premiums and allocate it to the same Values as your Premiums. The Bonus amount is vested over a 10 year period. Starting in the 2nd Contract Year, a percentage of the Bonus becomes guaranteed annually. That percentage increases each year through the 10th Contract Year according to the Bonus Vesting Schedule. After the 10th Contract Year your entire Bonus becomes fully vested. Additionally, the Bonus is 100% fully vested in the Death Benefit as of the Contract Date.

MINIMUM GUARANTEES

We set the Minimum Guaranteed Interest Rate (MGIR) on the issue date and guarantee it for the life of the annuity contract. It is guaranteed to never be less than 1.50%, and applies to Minimum Guaranteed Surrender Value (MGSV) only. The Fixed Strategy Minimum Guaranteed Interest Rate (FS-MGIR) is 1.00%.

INTEREST CREDITING METHODS

The total **Indexed Strategies** is the sum of all of the Indexed Strategy calculations. **Fixed Interest** is calculated based on a fixed interest rate rather than an Index Credit. **Fixed Interest Strategy Guaranteed Initial Interest Rate is applicable to initial premium only. Additional premiums may be subject to different rates.** The **Contract Value** equals the sum of all the Interest Crediting Strategies. The Contract Value is calculated on each Contract Anniversary.

ADDITIONAL CONTRACT INFORMATION

Contract Value: The sum of the Fixed Interest Strategy and the Indexed Interest Strategies. It is calculated each Contract Anniversary.

Accrued Premium amount: The portion of the Contract Value resulting from Your Premiums, plus associated Interest Credits, minus any withdrawal amount.

Accrued Bonus amount: The portion of the Contract Value resulting from the Bonus, plus associated Interest Credits, minus any withdrawal amount.

Cash Surrender Value: The amount payable at Surrender during the Bonus Vesting Schedule Period equals the greater of:

- (1) Accrued Premium Amount minus any applicable Surrender Charges, plus the Vested portion of Your Accrued Bonus Amount; or
- (2) Minimum Guaranteed Surrender Value.

TAX TREATMENT

You may be subject to a 10% federal income tax penalty if you make withdrawals or surrender this annuity before age 59½. If this annuity is within a qualified plan all distributions may be taxable. Under current tax laws, contract values accumulate, grow tax deferred, and an annuity is not required for tax deferral in a qualified plan. Any distribution may cause a taxable event. Gains from non-qualified annuities will be taxed as ordinary income at withdrawal. If your state imposes a premium tax, it will be deducted from the money you receive. Neither American Equity nor our agents offer legal, investment, or tax advice. Please consult your own personal advisor for these matters.

ACCESSIBILITY

You may make Withdrawals from Your Annuity Contract. Withdrawals include amounts Withdrawn under both the Penalty-free Withdrawal and Partial Withdrawal Options. We allow Penalty-free Withdrawals of up to 5% of Your Contract Value once each Contract Year after the first. If the Penalty-free withdrawal is not taken in any Contract Year, it may be carried over to the next Contract Year for a maximum Penalty-free withdrawal of 10%. Please see page 7 of the attached product guide for more information. Withdrawals will be deducted from both the Accrued Premium Amount and Accrued Bonus Amount on a pro-rata basis, and you will receive the Vested portion of Your Bonus, calculated as follows:

- **At Partial Withdrawal** - the pro-rata portion of the Partial Withdrawal Amount allocated to your Accrued Bonus Amount multiplied by the Bonus Vesting %; or
- **At Surrender** - your Accrued Bonus Amount multiplied by the Bonus Vesting % minus the non-Vested portion of any Penalty-free Withdrawals taken from your Accrued Bonus Amount in the last 12 months.

DEATH BENEFIT

The Death Benefit is payable under a variety of options. Your beneficiary(ies) will have access to your contract's full value. Death Benefit options are a lump sum payout, the guaranteed income of annuitization, penalty-free and continued tax deferral if you are a spouse. The Death Benefit is the greater of the Contract Value or Minimum Guaranteed Surrender Value at the death of the Annuitant or Owner, whichever comes first.

OTHER INFORMATION

- This annuity is designed generally for people who are willing and able to let their assets build over an extended period of time.
- While the values of this contract may be affected by an external index, this annuity does not participate directly in any stocks or equity investments. You aren't buying shares of stock or an index. Dividends paid on the stocks which comprise the indexes don't increase your annuity earnings.
- 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.
- Like any annuity issuer, American Equity incurs expenses to sell and issue its contracts, including the payment of a commission to its agents, and these expenses are taken into consideration when interest rates, caps and participation rates are established and reset. You will receive all benefits as set forth in the contract.
- Your state has a law that gives you a set number of days to look at an annuity after you buy it. If you decide during that time that you don't want it, you can return the annuity and get all your money back. Please review your contract after delivery to confirm the number of days you have.

SURRENDER CHARGES

We apply Surrender Charges on Partial Withdrawals or Surrenders during the Surrender Charge Period as follows:

- At Partial Withdrawal, the amount resulting from your Accrued Premium amount multiplied by the Surrender Charge Percentage; or
- At Surrender, the Accrued Premium amount, plus any Penalty-free Withdrawals from Your Accrued Premium amount in the last 12 months, multiplied by the Surrender Charge Percentage. **Surrender Charges do not apply to Your Accrued Bonus Amount.**

* Form number and availability may vary by state. Owner's Initials

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CHOICES AND FLEXIBILITY

You choose how to allocate your total initial premium. You may make additional premium payments in any amount and frequency within the premium limits. Additional premiums are automatically credited to the Fixed Interest Strategy and may be subject to different rates. The annuity contract offers additional flexibility by allowing you to transfer money in or out of any value on each contract anniversary, subject to these minimums:

- The minimum initial premium is \$5,000.
- The minimum allocation for each value is \$1,000.
- The minimum transfer to select a new value is 10% of the Contract Value.

Seven interest crediting methods offer a variety of choices.

- 1 Traditional Fixed Strategy Interest Rate
- 2 S&P 500 Annual Monthly Average w/Cap
- 3 S&P 500 Annual Monthly Average w/PR
- 4 S&P 500 Annual Pt. to Pt. w/Cap
- 5 S&P 500 Annual Pt. to Pt. w/PR
- 6 S&P 500 Monthly Pt. to Pt. w/Cap
- 7 10-Year U.S. Treasury Bond

TOTAL INITIAL PREMIUM ALLOCATION:
Percentages must be whole numbers. Decimals will NOT be accepted.

- 1 _____ %
- 2 _____ %
- 3 _____ %
- 4 _____ %
- 5 _____ %
- 6 _____ %
- 7 _____ %

100%

(For a detailed description of each crediting method refer to page 4 of attached product guide.)

You will have the benefit of an annual reset of index credits. Your index credits become part of the Contract Value once credited and can never be lost or taken away from your Contract Value due to market volatility. PR=Participation Rate

BONUS VESTING

The Bonus is incrementally vested according to the schedule shown below. Premium Bonus contracts may have higher surrender charges and asset fee rates and/or lower participation, cap, and interest rates.

Surrender Charge and Bonus Vesting Schedule

SC=Surrender Charge; BV=Bonus Vesting

Year	1	2	3	4	5	6	7	8	9	10	11+
SC%*	9.00	8.25	7.25	6.25	5.25	4.25	3.25	2.25	1.00	0.50	0.00
BV%*	0.00	10.00	20.00	30.00	40.00	50.00	60.00	70.00	80.00	90.00	100

Issue Ages 0-80; Surrender Charges may vary by state.

The Minimum Guaranteed Surrender Value equals 87.5% of premiums paid, minus any withdrawals, all accumulated at the Minimum Guaranteed Interest Rate-Minimum Guaranteed Surrender Value (MGIR-MGSV).

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This disclosure is intended to summarize this Annuity. 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.

We apply Index Credit at the Contract Anniversary, therefore any payout occurring during a Contract Year such as Death Benefit, Annuitization, any Withdrawals from or Surrender of your contract will not receive an Index Credit for that Contract Year.

I have read and received a copy of this document.** I understand I am applying for an indexed annuity and that past Interest and Index activity is not intended to predict future activity. I also acknowledge that a full surrender or withdrawal over penalty free amounts taken within the Surrender Charge Period or Bonus Vesting Period will result in Surrender Charges being assessed, a forfeiture of a percentage of my Bonus, and potential loss of Premium.

Owner's Signature _____

Date _____

Joint Owner's Signature _____

Date _____

Agents 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 _____

**NAIC Buyer's Guide should be given at the time of application.

AMOUNT OF PREMIUM RECEIVED

\$ _____
Amount Received From

Owner's Name _____

Date _____

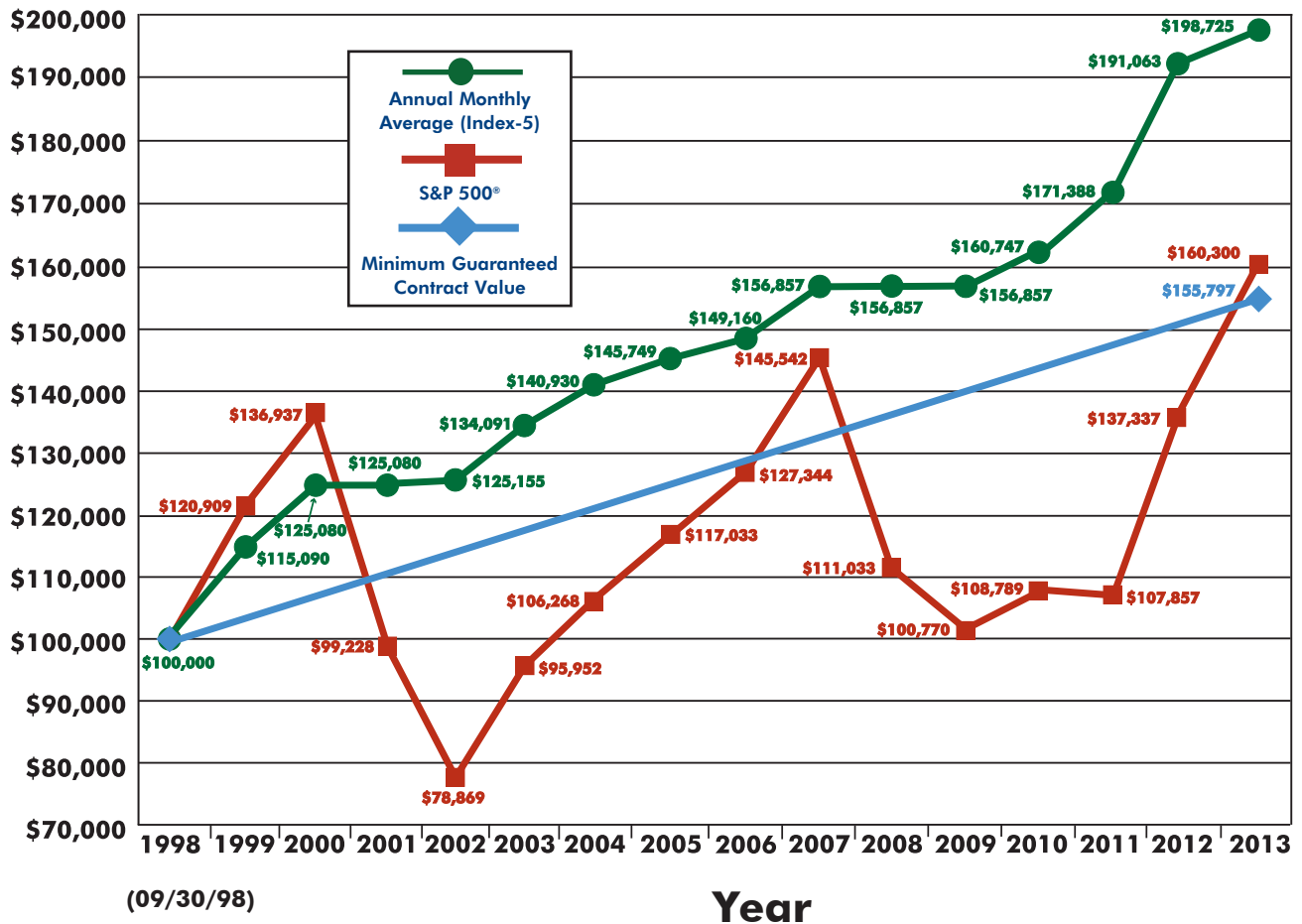
Agent's Name - Please Print _____

Agent's Signature _____

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888-221-1234



Real Benefits of Indexed Annuities



*This graph is based on actual credited rates for the period shown on the Index-5 product, which is no longer available for sale.

Past performance not an indication of future results. Please call our Marketing Department for new product information.

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A HISTORY OF AMERICAN EQUITY'S INDEX-5* (9/30/98 - 9/30/13)

This history of American Equity's Index-5 Indexed Annuity demonstrates the powerful benefits of Indexed Annuities with the annual reset interest crediting design. All of our current products offer annual reset design as well. The Index-5 did exactly what it was supposed to do—give the contract owner the opportunity to accumulate value based on the appreciation of the S&P 500® Index, without the risk of loss of premium in years when the S&P 500® was negative. All of this supported by a Minimum Guarantee.

This is not an illustration.

These results should not be an indication that Indexed Annuities will outperform the S&P 500®. This simply demonstrates the powerful benefits of Indexed Annuities with the annual reset interest crediting design. All of American Equity's current products offer annual reset design.

American Equity's Gold standard for a secure Retirement

Foundation Gold (ICC11 IDX3)*



It is the American Equity dream to help Americans enjoy their retirement years with financial security. We care about providing products that protect you and your family. Our employee/owners are committed to ensuring peace of mind for your retirement future. Our commitment to unsurpassed service and strong contract owner benefits has allowed American Equity to experience consistent, record growth in our industry. In fact, we're the number 3 producer of indexed annuities.+

When you buy an American Equity annuity, you are buying a promise, a promise that we will always be there when you need us. If you want an annuity that can offer you safety of premium, flexibility, tax advantages, accessibility when you need it and a chance to have a lifetime income, we have it. "We're the One" to offer you diverse financial planning choices for your retirement dollars.

- * Form number and availability may vary by state.
- + Source: Wink's Sales & Market Report, [2Q2013].

D.J. Noble, Executive Chairman



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A.M. Best uses 15 rating categories ranging from A++ to F and measures performance in the areas of Investment Quality, Capital Adequacy, Policy Reserves, Cost Control and Management Experience. An A- rating from A.M. Best is its fourth highest rating. For the latest rating, access www.ambest.com.

We're the One!
People Service Future