

# BalancedChoice<sup>®</sup> Annuity

**Athene Annuity and Life Company**

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West Des Moines, IA 50266-3862

**BROCHURE** • OVERVIEW • RATE SHEET • OPTIONAL RIDER





# Finding a Balance

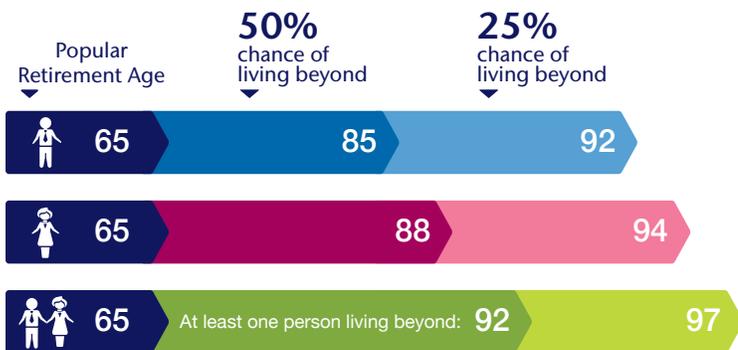
## There was a time when retirement planning was fairly straightforward.

A generation ago, Americans that were able to retire generally relied upon a pension, Social Security and personal savings to make it through a retirement that may have lasted only about 10 years.

Since then, retirement planning has become more complicated. Americans have been forced to become increasingly responsible for their own retirement income as pensions and lifetime health care coverage have, in many instances, become things of the past. Further, living longer has become a significant factor. Medical advances and healthier lifestyles mean that Americans are living longer than ever before.

The Census Bureau reports that the population of Americans living to 90 and above has almost tripled over the last three decades, which means that many people are having to take a closer look at how to allocate retirement dollars<sup>1</sup>.

### Life Expectancy<sup>2</sup>



For an explanation of capitalized terms found in this brochure, as well as Withdrawal Charges and any applicable Premium Bonus Recapture Charges, please see the BalancedChoice<sup>®</sup> Annuity Disclosure Summary and the applicable Rate Sheet that must accompany this brochure.

<sup>1</sup> U.S. Census Bureau report released November 17, 2011  
<sup>2</sup> Based on information provided in the U.S. 2000 Actuarial Male and Female Tables

To compound matters, rising costs of living, health care costs, taxes, inflation and market volatility all work to reduce the amount of income available to live on during retirement. One way to overcome these challenges is to keep retirement savings secure while maximizing the amount of income generated from them.

## There are opportunities available today that can reduce the guesswork and address these retirement issues more effectively than ever before.





## The Balanced**Choice**<sup>®</sup> Annuity

The Balanced**Choice**<sup>®</sup> Annuity is a single premium indexed deferred annuity that has been developed specifically to be an integral part of a sound, long-term retirement plan and to help turn your vision of retirement into a reality by offering:

- The guarantees and security you need for your retirement savings
- The opportunity for long-term accumulation of your principal
- Flexibility to access your retirement savings
- The opportunity to create a guaranteed lifetime income
- Tax deferral

## Strong Features and Tax Deferral

You can have confidence in knowing the retirement savings allocated to the **BalancedChoice**<sup>®</sup> Annuity are safe and secure.

Fixed indexed annuity products like the **BalancedChoice**<sup>®</sup> Annuity can be an excellent choice to meet this goal because fixed indexed annuities, by design, offer a level of safety, security and guarantees that can make them a cornerstone of a comprehensive financial plan. To that end, the **BalancedChoice**<sup>®</sup> Annuity offers you a series of guarantees to help you meet your long-term retirement goals and objectives.

### Premium Protection

With the **BalancedChoice**<sup>®</sup> Annuity, the premium protection feature (referred to as Return of Premium Guarantee Amount in the contract) ensures that any strategy and optional rider charges will never result in you getting back less than the premium paid plus any applicable premium bonus, adjusted for withdrawals, provided the contract is not surrendered during the withdrawal charge period. Withdrawals in excess of

the free withdrawal amount will incur a Withdrawal Charge and Premium Bonus Recapture Charge and Market Value Adjustment, if applicable, which could cause you to receive less than your original premium.

### Annuity Payment Options

The **BalancedChoice**<sup>®</sup> Annuity provides annuitization options on the annuity date that offer you the ability to create guaranteed lifetime income, ensuring that your retirement savings will last as long as you need it. The amount of the payments will be based on the annuitization option you choose and the current annuitization interest rates at the time of your selection.

### Additional Feature

The **BalancedChoice**<sup>®</sup> Annuity provides you with a Minimum Guaranteed Contract Value (MGCV) that ensures you will receive a minimum interest crediting rate on a percentage of your premium adjusted for withdrawals and optional rider charges<sup>3</sup> while the contract is in effect regardless of market conditions.



<sup>3</sup> Optional rider charges are not deducted from the MGCV in NV, NC, OH, WA, AK and UT.

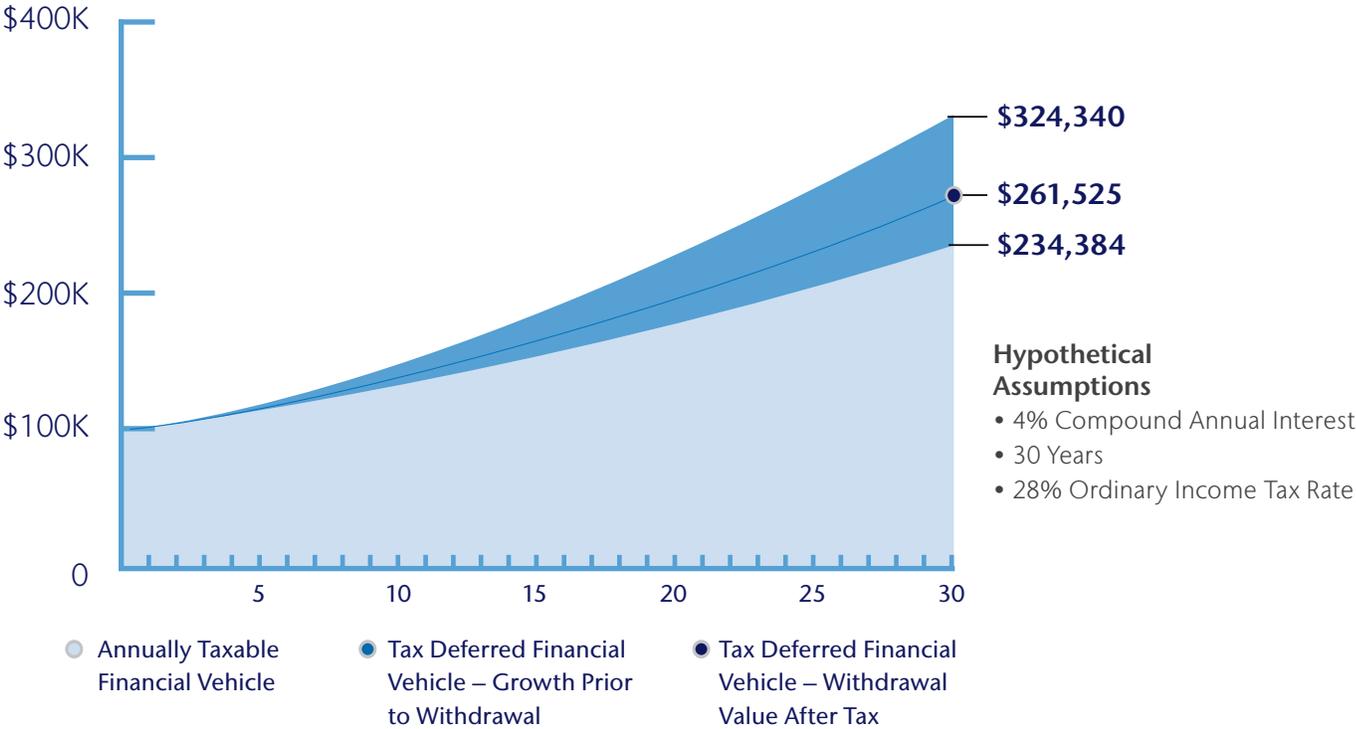
# Benefits of Tax Deferral

The **BalancedChoice®** Annuity is a single premium indexed deferred annuity that enables your money to grow on a tax-deferred basis.

This can be beneficial because you do not have to pay taxes on the interest credited to an annuity until it is actually withdrawn or distributed to you. That means your money may grow faster in an annuity than it would in many other retirement savings products<sup>4</sup>. See for yourself the benefit that tax-deferred growth provides in the chart below<sup>5</sup>.



## Hypothetical Example of Tax Deferral



<sup>4</sup> Under current tax law, the Internal Revenue Code already provides tax deferral to IRAs, so there is no additional tax benefit obtained by funding an IRA with an annuity; consider the other benefits provided by an annuity, such as lifetime income and a Death Benefit.

<sup>5</sup> This hypothetical example is for informational purposes only and is not indicative of past, nor intended to predict future performance of any specific product including an annuity; nor is it intended to represent any particular product or interest crediting method.

## A Balanced Approach to Crediting Interest

The **BalancedChoice**<sup>®</sup> Annuity is a fixed indexed annuity that allows you to choose how the interest credited to your annuity is determined.

The patented **BalancedAllocation** Strategy<sup>®6</sup> allows you to choose from different options. These options determine your interest using a formula combining an index allocation and a declared rate allocation.

The index element is linked to the performance of a market index or blend of indices<sup>7</sup>. The declared rate is based on an interest rate set by Athene. The appreciation, if any, from the declared rate and index allocations are combined to determine the amount of interest earnings under the strategy. This patented **BalancedAllocation** Strategy<sup>®</sup> offers you the potential for better long-term accumulation, particularly in periods of low interest rates.

**BalancedAllocation** Strategy<sup>®</sup>  
The appreciation from a predetermined blend



It's important to note that your contract may apply an annual strategy rider charge which is calculated by multiplying the Accumulation Value and a strategy charge rate on every contract anniversary. A portion of that charge (1/12th) is deducted from the contract's Accumulation Value at the beginning of every month. Strategy charge rates are set at contract issue and can change for each renewal term.

A more detailed description of the specific index allocations available and the formula used to calculate interest is available in the **BalancedChoice**<sup>®</sup> Annuity Disclosure Summary provided by your insurance producer or financial advisor.

The **BalancedAllocation** Strategy<sup>®</sup> provides your retirement savings the opportunity for long-term accumulation without the downside risks associated with investing directly in the stock market.

See the **BalancedChoice**<sup>®</sup> Annuity Allocation Rate Sheet for information regarding the allocations, charges and rates.

<sup>6</sup> U.S. Patent #7,590,581, #8,374,941 and other patent pending.

<sup>7</sup> Fixed indexed annuities are not stock market investments and do not directly participate in any stock or equity investments. Market indices may not include dividends paid on the underlying stocks, and therefore may not reflect the total return of the underlying stocks; neither an Index nor any indexed annuity is comparable to a direct investment in the financial markets. Clients who purchase indexed annuities are not directly investing in a stock market index.

<sup>8</sup> Interest earned, if any, is credited on a Term End Date. Charges may include Withdrawal Charges, Premium Bonus Recapture Charges, and Market Value Adjustments, if applicable. Annual Strategy Rider Charges are taken out of the Accumulation Value monthly, if applicable. Other optional rider charges are taken monthly from the Accumulation Value and MGCV, in applicable states.

## Advantages of a Balanced & Uncapped Approach

The Balanced**Choice**® Annuity keeps your retirement savings secure by guaranteeing that your premium and the interest that is credited to your contract can never be lost to market downturns.

At the same time, there are no limits or caps placed on the upside earnings potential of the Balanced**Allocation** Strategy®. Ultimately, this provides you with the opportunity to realize above-average long-term accumulation compared to other common financial products (e.g., savings accounts, bank CDs, etc.), particularly in times of low interest rates. All this plus the peace of mind that comes from knowing your annuity is fully backed by the financial strength of Athene Annuity and Life Company.

### Which Would You Rather Have?

January 1, 1950 – December 31, 2013



<sup>9</sup> Although the Balanced**Allocation** Strategy® was not available during the entire period referenced, approximate movements of the S&P 500® Index were used solely for the purpose of demonstrating comparative values. The values of the referenced products are purely hypothetical, not guaranteed and are not indicative of any annuity's past or future performance. This hypothetical example demonstrates that when the S&P 500® Index has a negative return, the Balanced**Allocation** Strategy® at worst would credit 0% interest at each Term End Date. When applicable, the Annual Strategy Rider Charge will decrease the Accumulation Value. Each Term is currently 2 years.

## Convenience and Flexibility

The Balanced**Choice**® Annuity provides you with the flexibility to track your annuity contract values during the life of your contract.

One key to making important decisions about your long-term retirement savings is having access to important information when you need it. The Balanced**Choice**® Annuity offers significant advantages not commonly found in indexed annuity products.

The patent-pending Balanced**Allocation** Strategy® allows for the tracking of contract values daily in the Balanced Allocation Value (BAV). However, interest earnings, if any, are calculated and credited upon any triggering event. The contract's triggering events include payment of a death benefit, annuitization, satisfaction of terminal illness or confinement waiver provisions, Required Minimum Distribution or free partial withdrawal. Otherwise, interest is calculated and credited to the Accumulation Value at the end of each two-year term.



Balanced Allocation Value (BAV) is the Balanced**Allocation** Strategy® tracked daily.

### How the BAV is calculated:

Your Premium + Interest – Charges<sup>10</sup> – Withdrawals



<sup>10</sup> Charges may include Withdrawal Charges, Premium Bonus Recapture Charges, and Market Value Adjustments, if applicable. Annual Strategy Rider Charges are taken out of the Accumulation Value monthly, if applicable. Other optional rider charges are taken monthly from the Accumulation Value and MGCV, in applicable states.

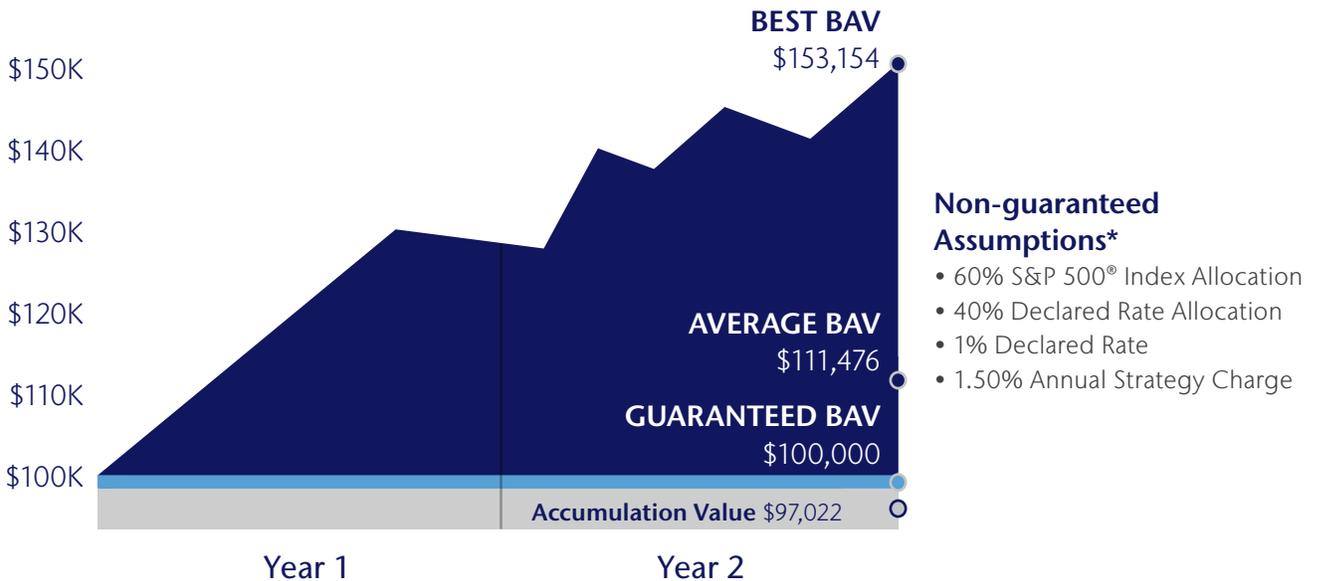
## The Power of Two-year Terms

The chart below depicts the best, average and guaranteed hypothetical Balanced Allocation Values the BalancedChoice® Annuity would have produced during its initial two-year term had it been available with the non-guaranteed assumptions shown below during the 30-year period ending December 31, 2013. Assuming a premium of \$100,000, the Balanced Allocation Value (BAV) of the contract would have grown by an

annualized rate of 23% during the best two-year term. During the worst performing two-year term, the contract would not have received any interest, but the Balanced Allocation Value would have been protected provided the contract is not surrendered during the withdrawal charge period and no withdrawals are taken in excess of your contract's free withdrawal amount<sup>11</sup>.

### BalancedChoice® Annuity

Hypothetical Example of BAV: Guaranteed and Average over the Best Two-year Term (12/31/83 – 12/31/13)



This hypothetical example assumes a BalancedChoice® Annuity 12 contract with no optional riders was issued each day and held for 2 years with no withdrawals or surrender. This hypothetical example also assumes that the stated non-guaranteed assumptions remain the same throughout the period shown. **\*These allocation percentages, rates and charges are not guaranteed, are subject to change during the life of the contract, and may not be representative of the allocation percentages, rates and charges at the time your contract is issued. The use of alternate rate assumptions would produce significantly different results. Although this product was not available for the period of time referenced above, actual historical prices of the S&P 500® Index have been used in this example.** This example, which may vary by state, is intended solely for comparative values and is not an indication of the annuity's past or future performance.

<sup>11</sup> Withdrawals in excess of the free amount may be subject to Withdrawal Charges, Premium Bonus Recapture Charges, and Market Value Adjustments, if applicable.

## Free Withdrawals

Access your money in case of life's emergencies.

If your needs should change unexpectedly, it's reassuring to know that you have access to the money in your annuity.

At the start of your first contract year you may withdraw 5% of your Accumulation Value and 10% of your Accumulation Value at the beginning of each 12-month period thereafter without incurring a Withdrawal Charge, Premium Bonus Recapture Charge, and MVA<sup>12</sup>.

In the event you need access to more than the free withdrawal amount, you are always entitled to access any amount you deem necessary up to the full surrender value.

Any amount taken out in excess of the free withdrawal is subject to a Withdrawal Charge, and Premium Bonus Recapture Charge and MVA if applicable. The MVA may adjust the withdrawal amount payable, up or down, depending upon the interest rate conditions at the time of distribution. **Please refer to the BalancedChoice® Annuity applicable Additional Product Information Sheet that must accompany this brochure for more information about Withdrawal Charges and Premium Bonus Recapture Charges, and specific rules and formulas relating to the MVA.**

Should the need arise, the BalancedChoice® Annuity provides a number of ways to access your money.

## Accessing Your Money

### Systematic Withdrawals

You also have the ability to have withdrawals automatically deposited into your bank account on a monthly, quarterly, semiannual or annual basis.

### Required Minimum Distributions

If your contract is covered under the Internal Revenue Code Sections regarding Required Minimum Distribution (RMD), the IRS requires that you withdraw a minimum amount each year after turning age 70½. The RMD attributable to your BalancedChoice® Annuity contract will never be subject to a Withdrawal Charge, Premium Bonus Recapture Charge, and Market Value Adjustment, even if it is more than the free withdrawal amount in your contract.



<sup>12</sup> Taxable amounts withdrawn prior to age 59½ may be subject to a 10% IRS penalty in addition to ordinary income tax.

When life creates emergencies,  
we provide you flexibility and  
peace of mind.

### **Annuitization Feature**

You have the opportunity on the contract's Annuity Date to elect a guaranteed stream of income that will last as long as your retirement. There are a variety of payout options to meet your needs.

### **Confinement and Terminal Illness Waivers<sup>13</sup>**

After your contract has been in effect for one year and you, as the annuitant, are diagnosed with a terminal illness, or in the event an illness or serious injury necessitates a stay in a qualified care facility for a minimum of 60 consecutive days, you can withdraw up to 100% of your annuity's value free of any Withdrawal Charge, Premium Bonus Recapture Charge, and MVA, if applicable. Additional limitations apply, see the Disclosure Summary for more information.

### **Access Your Information Online**

For your added convenience, you have 24-hour online access to valuable information about your annuity contract.

To register, go to **www.athene.com** and access the Annuities page. Then go to the Access Your Account page, where you will be able to login and gain access to this information 365 days a year. In addition, you will receive an annual statement providing detailed information that will include the current value of your annuity contract.

<sup>13</sup> Not available in all states. In MA, the Terminal Illness and Confinement Waivers are not available. In TX and CT, the Terminal Illness Waiver does not require a one-year exclusion period, and for the Confinement Waiver, confinement can begin any time after the Contract Date.



## Guarantee and Protect Your Legacy

Should you, as the annuitant, pass away before you begin receiving annuity payments, the full value of your annuity will be payable to your named beneficiary(ies). The Death Benefit will be equal to the greater of your contract's Cash Surrender Value or the Balanced Allocation Value. A Withdrawal Charge, and Premium Bonus Recapture Charge and MVA, if applicable, will not be applied to the Death Benefit paid.

Furthermore, this direct payment to your beneficiary(ies) generally avoids the expense and delays of probate. Under certain circumstances, spousal beneficiaries may be able to continue the contract as their own and continue to benefit from tax-deferred accumulation.



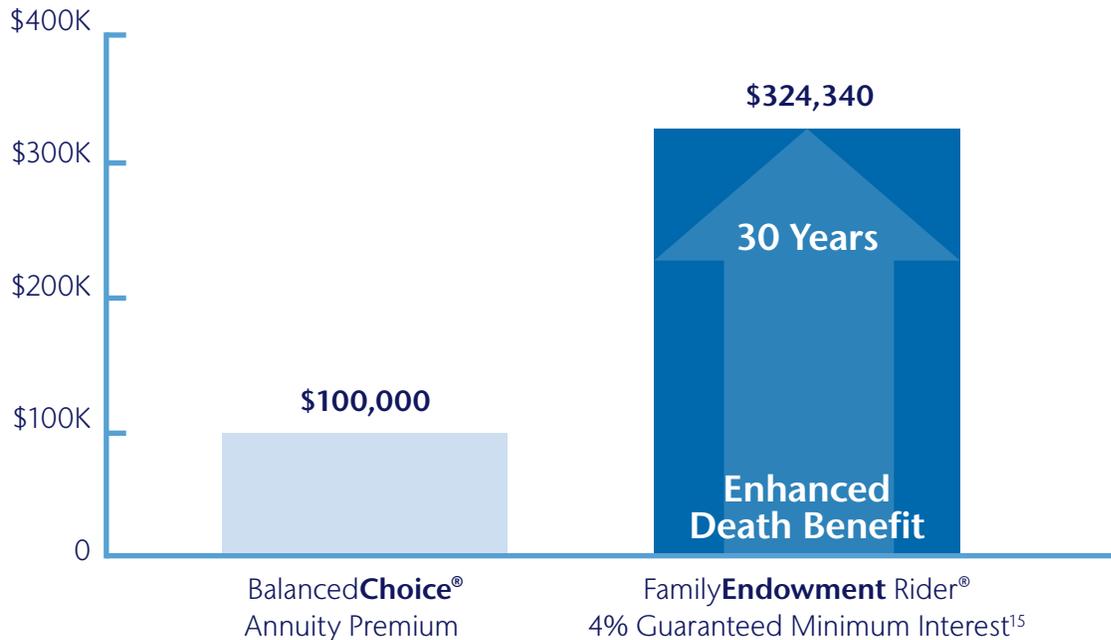
## FamilyEndowment Rider®

The FamilyEndowment Rider® can help you leave a legacy to your loved ones.

If one of your goals is to leave a legacy for your loved ones, you may elect to add the patent-pending FamilyEndowment Rider®<sup>14</sup> (FER™) to your contract. The FER™ is referred to in your contract as the Enhanced Death Benefit Rider. The FER™ can potentially increase the overall value of the annuity for your beneficiary(ies). The FER™ guarantees an Enhanced

Death Benefit for your contract. If you purchase the rider, the death benefit paid to your beneficiary(ies) will be the higher of the contract's Death Benefit or the Enhanced Death Benefit amount. The Enhanced Death Benefit is equal to your premium accumulated at a declared effective annual interest rate until the Rider Charge Stop Date. After the Rider Charge Stop Date, the Enhanced Death Benefit will not continue to grow but will remain a benefit of your contract. There is a charge for the FER™. The FER™ is not available in all states. See the FER™ Disclosure Summary for details on features, limitations and charges.

### Leave a Legacy for Your Loved Ones



This example is hypothetical and assumes a contract is issued prior to age 50 and that no withdrawals are taken during the time period indicated. This example is intended to show how the Enhanced Death Benefit operates. These values are not intended to be a projection or prediction of current or future performance.

<sup>14</sup> The FER™ is not life insurance and any benefit payable under the rider will be taxable. Once the rider has been issued, the owner may not elect to terminate the rider for any reason. This rider is not available in all states.

<sup>15</sup> 2% Guaranteed Minimum Interest if BalancedAllocation Lifetime Income Rider® is purchased. See the BALIR Optional Rider Rate Sheet for more details.

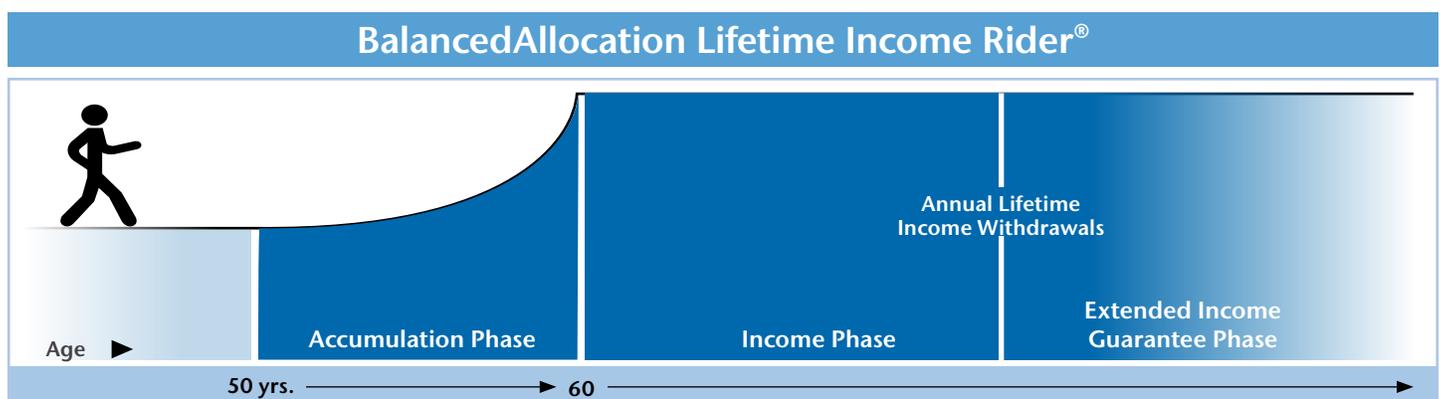
## BalancedAllocation Lifetime Income Rider® (BALIR®)

The Balanced**Allocation** Lifetime Income Rider® (BALIR®)<sup>16</sup> is an optional living benefit rider designed to enhance the Balanced**Choice**® Annuity. Payments from the rider, called Lifetime Income Withdrawals, may be utilized in place of the annuity payments under the base annuity contract. The benefit of doing this is that you retain control over when and how much income is distributed from your base annuity contract while guaranteeing a lifetime “retirement paycheck.”<sup>17</sup>

The BALIR® provides the security of a minimum guaranteed Income Base that is protected from market volatility and grows during the Accumulation Years based on the Income Base Crediting Option you elect. It is used to determine your Lifetime Income Withdrawals. It is not an amount that has a cash value, or surrender value that can be paid out to you in a lump sum. As the Income Base grows, it is protected from market decline. Assuming you keep the BALIR® in effect, the Accumulation Years stop at the earlier of 18 years (if you elect an 8-year extension) or when Lifetime Income Withdrawals begin. Additionally, depending on the Income Base Crediting Option you elect, the Income Base will be reduced by the Annual Strategy Rider Charge.

BALIR® offers an income stream with flexibility that allows you to control when it starts and stops. The Income Phase of the rider starts when you begin your Lifetime Income Withdrawals. You can elect to have a stream of Lifetime Income Withdrawals based on your life alone or to include your spouse in a joint income that will continue as long as one of you survives. Lifetime Income Withdrawals will continue even if they ultimately reduce your Balanced**Choice**® Annuity’s Accumulation Value to zero<sup>17</sup>. This is called the Extended Income Guarantee Phase of the rider.

Your Lifetime Income Withdrawals are determined by your age and the income option (Level or Inflation-Indexed) you elect. Generally, the longer you wait to take income, the greater your initial Lifetime Income Withdrawals will be. In addition, you will get Lifetime Income Withdrawals based on the greater of your Income Base or the Accumulation Value of your base annuity contract. Whether you need income now or later, BALIR® can provide guaranteed income. There is a charge for this rider. See the BALIR® Disclosure Summary for details on features, limitations and charges.



<sup>16</sup> U.S. patent number 7,590,583 and patent number 8,275,689

<sup>17</sup> Subject to terms, conditions and limitations of the Balanced**Allocation** Lifetime Income Rider®. See the rider and base annuity contract Disclosure Summaries for a more detailed explanation.

You've followed your own path.



**With Athene, you are in control  
of your future.**

# Balanced**Choice**<sup>®</sup> Annuity

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Guarantees provided by annuities are subject to the financial strength of the issuing insurance company and not guaranteed by any bank or the FDIC.

Market indices may not include dividends paid on the underlying stocks and therefore may not reflect the total return of the underlying stocks; neither a market index nor any indexed annuity is comparable to a direct investment in the financial markets. Indexed annuities do not directly participate in any stock or equity investments. Clients who purchase Balanced**Choice**<sup>®</sup> Annuities are not directly investing in the financial market.

The information contained herein is based on our understanding of current tax law. The tax and legislative information may be subject to change and different interpretations. We recommend that you seek professional legal advice for applicability to your personal situation.

The Balanced**Choice**<sup>®</sup> Annuity BAABAS (02/13), BAA12 (09/09), BAA10 (07/12), BAA8 (09/09) or state variation, the Family**Endowment** Rider<sup>®</sup> DBR (02/13) or state variation and the Balanced**Allocation** Lifetime Income Rider<sup>®</sup> (BALIR<sup>®</sup>) BAAIR2 (02/13) or state variation are issued by Athene Annuity and Life Company, which was formerly known as Aviva Life and Annuity Company, which is headquartered in West Des Moines, IA. Aviva Life and Annuity Company is in the process of a name change in every state except New York to Athene Annuity and Life Company, with a planned effective date of March 3, 2014.

This brochure must be accompanied by the applicable Rate Sheet for the product being purchased.



**Products issued by**  
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