Understanding the Market Value Adjustment

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Fixed annuity products typically contain a Market Value Adjustment (MVA) feature. The MVA may significantly affect the value you receive from any surrender and/or withdrawal in excess of the free amount taken from your annuity before the end of your withdrawal charge period. Therefore, it is important for you to understand how the MVA works and how it may affect your contract values.

What is an MVA?

Generally speaking, an MVA is a mathematical calculation that is used to adjust, up or down, the amount of any surrender or withdrawal taken from a fixed or fixed indexed annuity.

This calculation is based on a comparison of the interest rate conditions at the time of the surrender or withdrawal to the interest rate conditions at the time the premium was originally credited.

The MVA increases or decreases the annuity's Surrender Value based on changes in the 10-Year Point on the A Rated US Bloomberg Fair Value Curve.

The MVA is applied to help insurance companies prudently manage changing conditions so we can offer our customers more competitive products. You will not be affected if you keep your contract through the withdrawal charge schedule and only take free withdrawals. The MVA is not applicable in all states

How does the MVA work?

A Market Value Adjustment applies to withdrawals in excess of the free withdrawal amount and full surrenders during the withdrawal charge period. If you take a withdrawal before the end of your withdrawal charge period, an MVA will be applied to that withdrawal. If interest rates in the market are higher than when you purchased your annuity, the MVA is negative, meaning an additional amount is deducted from your contract value. The MVA may increase or decrease the amount of the Withdrawal or Cash Surrender Value of your Contract depending on the change in interest rates. If interest rates have increased, stayed the same, or decreased by less than 0.25%,[1] the MVA will be negative. If interest rates have decreased by more than 0.25%, the MVA will be positive.[2]

When is the MVA applied?

Athene's MVA is calculated whenever a surrender or withdrawal is requested that is subject to a withdrawal charge. The MVA will be calculated as a separate adjustment that is in addition to any applicable withdrawal charge.

When is the MVA not applied?

The MVA does not apply to:

- Any free withdrawal amount that is not subject to a withdrawal charge
- Any death benefit paid to the beneficiary
- Required Minimum Distributions
- Terminal Illness and Confinement Waiver
- Income Rider provisions

More you should know about the MVA

You should carefully consider your financial situation prior to purchasing a fixed or fixed indexed annuity. Annuities are a long-term planning tools that may or may not be appropriate for you. It is important to understand the MVA feature and the impact in the event that you will need to withdraw more than the free withdrawal amount or surrender the contract before expiration of the contract's withdrawal charge period.

If you do not withdraw more than the free withdrawal amount and the contract is not surrendered before the withdrawal charge period has expired, the amounts you receive from your annuity will not be affected by the MVA.

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[1] 0.25% limit not applicable in all states.

[2] Please see Certificate of Disclosure for more information , including the formula for calculating the MVA. Withdrawals are not credited with index interest for the term in which the withdrawal was taken. Withdrawals in excess of the free amount are subject to withdrawal charges and may also be subject to a market value adjustment. Any RMD is considered part of the free withdrawal for that year.

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We recommend learning about all product options available to you to find ones that best suit your long-term needs.

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