



## News Release

### Athene Enhances Its Fixed Indexed Annuity Lineup

*Adds exclusive new indices featuring groundbreaking technology*

**West Des Moines, Iowa** – February 3, 2020 – Athene USA (“Athene”), a leading provider of retirement savings products, has added the Nasdaq FC Index, sponsored by Bank of America, and the AI Powered US Equity Index, sponsored by HSBC, to its suite of fixed indexed annuities. The annuities are issued by Athene Annuity and Life Company, a subsidiary of Athene.

“By bringing these two innovative index options to our fixed indexed annuity platform, Athene builds on its reputation as a leading provider of unique, value-driven retirement solutions for the retail market,” said Grant Kvalheim, CEO and President of Athene USA. “Technology-forward index designs are leading the next wave of innovation in fixed indexed annuities.”

The Nasdaq FC Index is built around patent-pending technology that employs intra-day rebalancing to aim for increased efficiency and performance. With the AI Powered US Equity Index, clients can take advantage of a first-to-market large-cap equity strategy that utilizes IBM Watson® and EquBot artificial intelligence to identify stocks poised for growth.

Fixed indexed annuities (FIAs) are tax-deferred, long-term retirement savings products that combine protection from loss due to market downturns with the opportunity for growth based in part on the performance of a market index. When the index rises in value, customers participate in a portion of those gains in the form of an interest credit. They are protected on the downside because the interest rate will never fall below zero.

Fixed indexed annuities are not stock market investments and do not directly participate in any stock or equity investments. Clients who purchase indexed annuities are not directly investing in a stock market index.

The first generation of FIAs typically used the performance of the S&P 500® index to calculate interest credits. Today’s crediting strategies are increasingly likely to track rules-driven alternative indices that are designed to provide more consistent returns and allow higher participation rates in fixed indexed annuities.

**The Nasdaq Fast Convergence Index** (Nasdaq FC Index, Ticker: BOFANFCC) is powered by Fast Convergence technology (patent-pending), which aims to reduce risk and improve performance by adapting faster to changing market conditions. The Nasdaq FC Index applies this groundbreaking technology to the stocks in the Nasdaq-100, home to world-class innovators like Apple, Amazon, Google and Netflix, and employs an innovative performance

control mechanism that seeks enhanced participation in index returns.<sup>1,2</sup> The index is sponsored by Bank of America.

Fast Convergence technology is designed to adapt to changing economic conditions more quickly and efficiently. By systematically monitoring market moves and rebalancing throughout the trading day, FC technology more efficiently controls the realized volatility of an index with the goal of higher participation rates in fixed indexed annuities.

**The AI Powered US Equity Index** (AiPEX, Ticker: AIPEX), sponsored by HSBC, is the first and only rules-based equity strategy to use IBM Watson® to turn data into investment insight. Developed by artificial intelligence (AI) experts at EquBot, AiPEX works around the clock to keep up with the increasing volume of direct and indirect market data created every day. It uses AI to objectively evaluate and score each of the 1,000 largest U.S. publicly traded companies on a monthly basis, seeking those whose stock prices are poised for growth. It then rebalances its portfolio monthly by following a 3-step equity selection process. AiPEX reduces the impact of short-term volatility in the equity markets through daily re-allocations between the chosen equities and a cash component.<sup>2</sup>

AiPEX can identify and quantify relationships that are not readily apparent to humans. Rather than one analyst's opinion, AiPEX selects stocks based on the insights uncovered by an army of simulated research analysts and traders in complete coordination, allowing for information learned by one to be instantly known by all.

### **Athene USA**

Athene USA is a subsidiary of Athene Holding Ltd, a leading retirement services company that had total assets of \$144.2 billion as of September 30, 2019. Athene USA is an Iowa-domiciled corporation that serves as the U.S. holding company for Athene's annuity operations in the United States. Headquartered in West Des Moines, Iowa, Athene USA serves customers in all 50 states, and through its predecessor companies, has been serving American consumers for more than 100 years.

### **Nasdaq**

Nasdaq (Nasdaq: NDAQ) is a global technology company serving the capital markets and other industries. Our diverse offering of data, analytics, software and services enables clients to optimize and execute their business vision with confidence. To learn more about the company, technology solutions and career opportunities, visit us on [LinkedIn](#), on Twitter [@Nasdaq](#), or at [www.nasdaq.com](http://www.nasdaq.com).

**HSBC Bank USA, National Association (HSBC Bank USA, N.A.)** serves customers through retail banking and wealth management, commercial banking, private banking, and global banking and markets segments. It operates bank branches in: California; Connecticut; Washington, D.C.; Florida; Maryland; New Jersey; New York; Pennsylvania; Virginia; and Washington. HSBC Bank USA, N.A. is the principal subsidiary of HSBC USA Inc., a wholly-owned subsidiary of HSBC North America Holdings Inc. HSBC Bank USA, N.A. is a Member of FDIC. Investment and brokerage services are provided through HSBC Securities (USA) Inc., (Member NYSE/FINRA/SIPC) and insurance products are provided through HSBC Insurance Agency (USA) Inc.

**HSBC Holdings plc**, the parent company of the HSBC Group, is headquartered in London. HSBC serves customers worldwide from offices in 65 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North

Africa. With assets of US\$2.728bn at 30 September 2019, HSBC is one of the world's largest banking and financial services organizations.

**EquBot, Inc.** ("EquBot"), a San Francisco based Asset Manager, is a member of the IBM Global Entrepreneur Program and developed the AI Powered US Equity Index ("AiPEX") to provide investors access to the opportunities that AI can uncover. EquBot was co-founded by the former Director of Engineering at Intel, was the first Manager to develop an AI based ETF, and currently manages several ETFs and Separate Accounts for Institutional Investors.

### **Important Information**

These annuities have limitations and charges. For costs and complete details of a specific Athene annuity, please request a Certificate of Disclosure.

Any interest earned is subject to certain limitations such as an Annual Spread, a Cap Rate, and Participation Rate. These limitations are declared by the Company before the beginning of each Index Term Period. Please note that the while the interest you earn may be zero it will never be less than zero.

Athene Annuity and Life Company's Product ("Product") is not sponsored, endorsed, sold or promoted by BofA Securities, Inc. or its affiliates ("BofAS"). BofAS has not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Product, nor makes any representation or warranty, express or implied, to the owners of the Product or any member of the public regarding the Product or the advisability of purchasing the Product, particularly the ability of the NASDAQ FC Index ("Index") to track performance of any market or strategy. BofAS's only relationship to Athene Annuity and Life Company ("Licensee") is the licensing of certain trademarks and trade names and the Index or components thereof. The Index is determined, composed and calculated by BofAS without regard to the Licensee or the Product or its holders. BofAS has no obligation to take the needs of the Licensee or the holders of the Product into consideration in determining, composing or calculating the Index. BofAS is not responsible for and has not participated in the determination of the timing of, prices of, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be priced, sold, or purchased, or redeemed. BofAS has no obligation or liability in connection with the administration or marketing of the Product.

**BOFAS DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN AND BOFAS SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, UNAVAILABILITY, OR INTERRUPTIONS THEREIN. BOFAS MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, HOLDERS OF THE PRODUCT OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. BOFAS MAKES NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL BOFAS HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL, CONSEQUENTIAL DAMAGES, OR LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.**

The Product is not sponsored, endorsed, sold or promoted by Nasdaq, Inc. or its affiliates (Nasdaq, with its affiliates, are referred to as the "Corporations"). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Product. The Corporations make no representation or warranty,

express or implied to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly, or the ability of the NASDAQ-100 Index and NASDAQ FC Index to track general stock market performance. The Corporations' only relationship to BofA Securities, Inc. ("BofAS") is in the licensing of Nasdaq® and certain trade names of the Corporations and the use of the NASDAQ-100 Index which is determined, composed and calculated by Nasdaq without regard to BofAS or the Product. Nasdaq has no obligation to take the needs of BofAS or the owners of the Product into consideration in determining, composing or calculating the NASDAQ-100 Index. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Product.

**THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE NASDAQ-100 INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY BOFAS, OWNERS OF THE PRODUCT, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE NASDAQ-100 INDEX AND NASDAQ FC INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE NASDAQ-100 INDEX AND NASDAQ FC INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE CORPORATIONS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.**

IBM and IBM Watson are registered trademarks of International Business Machines Corporation, registered in many jurisdictions worldwide.

The AI Powered US Equity Index (the "AiPEX Index") is the exclusive property of EquBot Inc. ("EquBot") and administered, calculated, and published by Solactive AG. EquBot, AiPEX, and "AI Powered US Equity Index" (collectively, the "AiPEX Marks") are trademarks or service marks of EquBot and have been licensed by HSBC and sub-licensed by Athene Annuity and Life Company (the "Company") for use in a fixed indexed annuity offered by the Company. The fixed indexed annuity is not, in whole or in part, sponsored, structured, priced, endorsed, offered, sold, issued or promoted by EquBot or HSBC or any of their affiliates. EquBot and HSBC's only relationship to the Company is the licensing of the AiPEX Index and AiPEX Marks for certain purposes. EquBot and HSBC shall not have any liability with respect to a fixed indexed annuity in which an interest crediting option is based on the AiPEX Index and are not liable for any loss relating to the fixed indexed annuity, whether arising directly or indirectly from the use of the AiPEX Index, its methodology, any AiPEX Mark or otherwise. Neither EquBot nor HSBC has any obligation to take into consideration any of the needs of the Company or any of the owners, annuitants or beneficiaries of the fixed indexed annuity, in designing, calculating, administering or licensing the AiPEX Index.

NEITHER EQUBOT, HSBC, SOLACTIVE AG, OR THEIR SUPPLIERS GUARANTEES THE ACCURACY, ADEQUACY, TIMELINESS, COMPLETENESS OR AVAILABILITY OF THE AIPEX INDEX OR ANY COMPONENT THEREOF OR DATA INCLUDED THEREIN, OR THAT NO ERROR, OMISSION, DELAY OR INTERRUPTION WILL EXIST THEREIN. NEITHER HSBC NOR EQUBOT OR THEIR SUPPLIERS, MAKES ANY REPRESENTATION OR

WARRANTY, AND EACH OF HSBC AND EQUBOT AND THEIR SUPPLIERS EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THOSE REGARDING (I) MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, OR (II) THE ADVISABILITY OF ANY PERSON INVESTING IN THE FIXED INDEXED ANNUITY.

No purchaser, seller or holder of the fixed indexed annuity, or any other person or entity, should use or refer to any AiPEX Mark or other EquBot trade name to sponsor, endorse, market or promote the fixed indexed annuity without a license from EquBot and HSBC. Under no circumstances may any person or entity claim any affiliation or association with EquBot or HSBC without the prior written permission of EquBot or HSBC.

In calculating the performance of the AiPEX Index, EquBot deducts a servicing cost of 0.50% per annum, calculated on a daily basis. Such costs may vary over time with market conditions. These costs reduce the potential positive change in the AiPEX Index and thus the amount of interest that will be credited to the fixed indexed annuity option based on the AiPEX Index. The volatility control applied by EquBot may reduce the potential positive or negative change in the AiPEX Index and thus the amount of interest that will be credited to the fixed indexed annuity option that is based on the AiPEX Index.

Nothing provided herein should be construed as HSBC or EquBot or their suppliers providing tax, legal, or investment advice nor is HSBC or its suppliers recommending engaging in any investment strategy or transaction.

This material is a general description intended for general public use. Athene Annuity and Life Company (61689), headquartered in West Des Moines, Iowa, and issuing annuities in 49 states (excluding NY) and D.C., and Athene Annuity & Life Assurance Company of New York (68039), headquartered in Pearl River, New York, and issuing annuities in New York, are not undertaking to provide investment advice for any individual or in any individual situation, and therefore nothing in this should be read as investment advice. Please reach out to your financial professional if you have any questions about Athene products or their features.

ATHENE ANNUITIES ARE PRODUCTS OF THE INSURANCE INDUSTRY AND NOT GUARANTEED BY ANY BANK NOR INSURED BY FDIC OR NCUA/NCUSIF. MAY LOSE VALUE. NO BANK/CREDIT UNION GUARANTEE. NOT A DEPOSIT. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. MAY ONLY BE OFFERED BY A LICENSED INSURANCE AGENT.

<sup>1</sup>The Index features a performance control mechanism that limits its maximum growth potential within any given month. Consumers may therefore forego part of the growth of the Index if it rises beyond this limit within a month.

<sup>2</sup>Because the index applies a volatility control mechanism, the range of both the positive and negative performance of the index is limited. The index is managed to create stabilized performance and avoid very high positive returns and very low negative returns.

# # #

**Contacts:**

**Media**

Karen Lynn

+1 441 279 8460

+1 515 342 3910

[klynn@athene.com](mailto:klynn@athene.com)

**Investors**

Noah Gunn

+1 441 279 8534

+1 646 768 7309

[ngunn@athene.com](mailto:ngunn@athene.com)