

# **American Equity Advisors, Inc.**

**6000 Westown Parkway  
West Des Moines, Iowa 50266  
Telephone: 515-457-1965**

**Website: N/A**

**March 9, 2012**

**This brochure provides information about the qualifications and business practices of American Equity Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 515-457-1965. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about American Equity Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### **Summary of Material Changes**

There have been no material changes since the March 31, 2011 Form ADV.

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#### ITEM 4 Advisory Business

American Equity Advisors, Inc. (the "Adviser") has been operating as an investment adviser since 2009. Since inception American Equity Investment Life Holding Company has been the owner. Jeff Lorenzen and Marla Lacey are the principals of the Adviser and have been active in the industry since 1992 and 1997, respectively. The Adviser is an SEC registered investment adviser providing investment management services primarily to insurance companies. The Adviser offers its services for a fee based upon assets under management. Prior to engaging the Adviser to provide any investment advisory services, the client will be required to enter into one or more written agreements with the Adviser setting forth the terms and conditions under which the Adviser shall render its services (collectively the "Agreement"). The Adviser's investment advisory services are currently limited to the discretionary management of investment portfolios in accordance with the investment objective(s) of the client.

##### Types of Investments

Adviser primarily advises on exchange-listed preferred stocks, corporate, municipal, mortgage-backed, asset-backed securities, commercial paper, mutual funds and United States government securities. Adviser employs a liability focused investment process. It's our approach to utilize the client's liabilities as our benchmark and construct asset portfolios that specifically meet the liability needs of each of our clients. Our mission is to provide superior risk-adjusted investment returns relative to liabilities or liability benchmark. This is accomplished by adhering to four investment principles:

1. Focus of investing is to meet liabilities rather than beat a market benchmark. Adviser understands each account has circumstances that are unique and market benchmarks or peer portfolios can become distractions to achieving the ultimate investment objective.
2. Preservation of capital. Preserving investment value relative to liabilities is imperative to meeting liability obligations.
3. Long-term view toward investing. It is important with liability focused investing that one needs to filter through the daily noise and focus on long-term relative value.
4. Risk managed portfolio construction. Active risk budgeting provides a strong framework for the allocation of risk and return in a portfolio.

Client portfolios are constructed specifically to policies and guidelines established at the onset of our engagement. Policies and objectives are reviewed on a regular basis to meet the changing needs of client portfolios.

##### General Information

All investment management services may be provided on a discretionary or non-discretionary basis by the Adviser. Discretion means the trading activity within the Client's account(s) may be entered by the Adviser without receiving prior authorization for each trade. This discretion is authorized by the Client in writing (upon signing the Agreement) and may be revoked at any time by submitting a written request to the Adviser. In most cases, discretion will be utilized. As of December 31, 2011, all of the Adviser's clients are managed on a discretionary basis with assets that total \$24,258,594,647. The Client will receive confirmations and statements showing all trading activity in the account(s).

#### ITEM 5 Fees and Compensation

The Adviser shall charge an annual fee based upon a percentage of the market value of the assets being managed by the Adviser. The Adviser's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses that shall be incurred by the client. However, the Adviser shall not receive any portion of these commissions, fees, and costs. The Adviser's annual fee shall be prorated and charged quarterly, in arrears, based upon the market value of the assets on the last day of the previous quarter. Any additions or withdrawals made in the account during the quarter will be prorated. The current annual fee is as follows:

ASSETS UNDER MANAGEMENT	ANNUAL FEE
First \$20 Million	.25%
Over \$20 Million	.20%

The current account minimum is \$50,000. The Adviser, in its sole discretion, may negotiate to waive its stated account minimum or to reduce/increase any fee. The Adviser generally imposes a minimum portfolio value for its investment management services of \$10,000,000.

The Adviser does not recommend a specific broker-dealer for investment management accounts. The Adviser will maintain an approved broker list. This list will be reviewed annually, or as necessary, for best execution. A minimum of three brokers will be contacted prior to a fixed income purchase. An annual due diligence review will also be performed on each approved broker.

The Adviser may only implement its investment management recommendations after the client has arranged for and furnished the Adviser with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, any broker-dealer directed by the client, trust companies, banks, etc. (Collectively referred to herein as the "Financial Institution(s)").

The Adviser's Agreement and/or the separate agreement with the Financial Institution(s) may authorize the Adviser through the Financial Institution(s) to debit the client's account for the amount of the Adviser's fee and to directly remit that management fee to the Adviser in accordance with applicable custody rules. The Financial Institution(s) recommended by the Adviser have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of the management fees paid directly to the Adviser.

Clients may, in writing, place reasonable limitations upon the Adviser's discretionary authority. The investment strategy may involve an above-average portfolio turnover that could negatively impact the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications.

Certain investment opportunities that become available to the Adviser's clients may be limited. In order to meet its fiduciary duties to all of its clients, the Adviser will endeavor to allocate investment opportunities among its clients on a fair and equitable basis.

The client may make additions to and withdrawals from the account at any time, subject to the Adviser's right to terminate an account. Clients may withdraw account assets on notice to the Adviser, subject to the usual and customary securities settlement procedures. However, the Adviser designs its portfolios as long-term investments and asset withdrawals may impair the achievement of a client's investment objectives.

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a pro rata basis. The Agreement between the Adviser and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. The Adviser's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate in a timely manner.

Additions may be in cash or securities provided that the Adviser reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. The Adviser may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

The Adviser's clients are advised to promptly notify the Adviser if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Adviser's management services.

Neither the Adviser nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of the Adviser shall not be considered an assignment.

No Adviser employee accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

#### **ITEM 6 Performance-Based Fees and Side-By-Side Management**

No Adviser employee receives Performance-Based fees. Advice offered may involve investments in mutual funds. Clients are hereby advised that all fees paid for asset management services are separate and distinct from the fees and expenses charged by mutual funds (described in each mutual fund's prospectus) to their shareholders. Clients whose assets are invested in the shares of mutual funds pay with a direct management fee to the investment adviser and an indirect management fee through the mutual fund.

#### **ITEM 7 Types of Clients**

The Adviser primarily provides investment advice to clients that are insurance companies. The Adviser may also provide advice about any type of investment held in a client's portfolio at the beginning of the advisory relationship.

As a condition for starting and maintaining an investment management relationship, the Adviser shall generally impose a minimum portfolio size of \$10,000,000. The Adviser, in its sole discretion, may accept clients with smaller portfolios. The Adviser shall only accept clients with less than the minimum portfolio size if, in the sole opinion of the Adviser, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance.

**ITEM 8 Methods of Analysis, Investment Strategies, and Risk of Loss**

Adviser relies predominantly on internal research to make investment decisions. It is our process to utilize third party research to help facilitate idea generation and provide an independent perspective. The additional insight on a specific issue is imperative; however, the synthesis of this information into a formal thesis is the responsibility of our research team. Internal credit research is provided by a team of five credit analysts in conjunction with four experienced portfolio managers. The firm maintains a proprietary analysis database for credit investments and another for residential mortgage investments. We subscribe to Standard & Poors, The Markets.com, CreditSights and numerous Wall Street firm research portals.

We utilize a team approach where portfolio managers meet monthly to review and discuss portfolio structure and performance. Our investment decision process begins with a top down perspective in regard to our economic outlook, interest rate, sector and equity market valuations and expectations for future performance. We then incorporate our performance expectations into how they may impact the value of the liabilities and more importantly the value of the assets. Portfolio managers share their insights in regard to each of their specific asset classes. Allocation biases are established based on internal valuation analysis among available asset classes. Individual security decisions are recommended by one of the research analysts in conjunction with the specified portfolio manager.

Risk analysis and budgeting is an important step in the investment process. Risk analysis is accomplished at both the security and portfolio level. At the security level, each portfolio holding is evaluated and monitored as to its creditworthiness, option sensitivity, and relative pricing. For a security to be included in the portfolio, it must possess a strong balance sheet, consistent cash flow generation capabilities, stable prepayment parameters, and strong levels of subordination. Corporate earnings and announcements are continually evaluated to limit downside credit risk.

The company uses Factset portfolio management software that allows for advanced portfolio level risk oversight. Factset is the analytical platform that allows the team to evaluate a multitude of risks including asset distribution, credit quality, duration, convexity, and dynamic asset cash flows. Also the team uses Bloomberg to provide up-to-the-minute security surveillance as to corporate earnings announcements, credit rating changes, economic releases, option pricing analysis, and security trading levels.

The control process is driven by effective and formal communication among the fixed income team members. Securitized investments, such as mortgage-backed and asset-backed securities are reviewed no less frequently than monthly. Corporate issuers are examined no less frequently than quarterly, as quarterly earnings announcements are thoroughly reviewed. Portfolio risk measurement is shared throughout the team with reports that illustrate current portfolio positioning. The portfolio reports, compiled no less frequently than monthly, display risk measures including duration, convexity, yield, sector allocations, credit quality and individual security weights.

The formal discussion of security specific and portfolio level risks provides several key benefits. First, the collective experience of the entire fixed income team is used to review portfolio positioning, security selection, and challenge conclusions. Second, each portfolio strategy is clearly defined and articulated. Third, compliance with stated investment guidelines and risk measures are shared for peer and Chief Investment Officer oversight. Specific risks are discussed with each client throughout the relationship.

Adviser shall never have custody of any client funds or securities, as the services of a qualified and independent custodian will be utilized for these asset management services. Adviser does not represent, warranty, or imply that the services or methods of analysis employed by the Adviser can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Investing in securities involves a risk of loss that clients should be prepared to bear.

**ITEM 9 Disciplinary Information**

There are no legal or disciplinary events that are related to the Adviser's business or the integrity of Adviser's management.

**ITEM 10 Other Financial Industry Activities and Affiliations**

The Adviser is a related person to American Equity Capital, Inc., a registered broker dealer. The Adviser is also a related person to American Equity Investment Life Holding Company, an Iowa domiciled corporation.

No Adviser employee has a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser. The Adviser does not have a pending application to register as a broker-dealer, a futures commission merchant, a commodity pool operator, or a commodity trading adviser. Individuals associated with Adviser will provide its investment advisory services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of Adviser. Such individuals are known as investment adviser representatives.

Representatives of American Equity Capital, Inc. may refer advisory clients to Adviser. In these instances, a portion of the fee charged by the Adviser will be paid to the representative for introducing the client to Adviser and to American Equity Capital, Inc.

#### **ITEM 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Adviser and persons associated with the Adviser ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with the Adviser's policies and procedures. The Adviser has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A-1 of the Advisers Act, its Code of Ethics and Policies and Procedures Manual contain written policies reasonably designed to prevent the unlawful use of material non-public information by the Adviser or any of its associated persons. The Code of Ethics also requires that certain of the Adviser's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings or private placements. Clients may contact the Adviser, 515-457-1965, to request a copy of its Code of Ethics.

If in accordance with the policies and procedures stated within the Adviser's Code of Ethics, the Adviser's Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Persons) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of the Adviser's clients.

When the Adviser is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when the Adviser is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

#### **ITEM 12 Brokerage Practices**

The brokerage commissions, mark-ups, transaction fees, and other related costs and expenses charged by any designated broker-dealer are included in the purchase price and are exclusive of and in addition to the Adviser's fee. However, the Adviser shall not receive any portion of these commissions, fees, and costs.

Factors which the Adviser considers when reviewing each approved broker-dealer include their respective financial strength, reputation, execution, pricing, research, and service. Along with the initial costs, any associated charges that apply to the process of acquiring a bond, and what types of terms and conditions are associated with realizing the promised return on a bond are also important.

Any transaction costs paid by the Adviser's clients shall comply with the Adviser's duty to obtain "best execution." However, a client may pay a commission or mark-up that is higher than another qualified broker-dealer might charge to effect the same transaction where the Adviser determines, in good faith, that the commission or mark-up is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Adviser will seek competitive rates, it may not necessarily obtain the lowest possible commission rates or mark-ups for client transactions.

If the client requests the Adviser to arrange for the execution of securities brokerage transactions for the client's account, the Adviser shall direct such transactions through broker-dealers that the Adviser reasonably believes will provide best execution. The Adviser shall periodically and systematically review its policies and procedures regarding the selection of broker-dealers to perform its transactions in light of its duty to obtain best execution.

The client may direct the Adviser in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Adviser will not seek better execution services or prices from other broker-dealer or be able to aggregate client transactions for execution through other broker-dealers with orders for other accounts managed by the Adviser (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Adviser may decline a client's request to direct brokerage if, in the Adviser's sole discretion, such directed brokerage arrangements

would result in additional operational difficulties.

The Adviser may receive from any approved broker-dealer, without cost to the Adviser, computer software and related systems support, which allow the Adviser to better monitor client accounts. The Adviser may receive the software and related support without cost because the Adviser renders investment management services to clients that maintain assets at a specific broker-dealer. The software and related systems support may benefit the Adviser, but not its clients directly. In fulfilling its duties to its clients, the Adviser endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Adviser's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Adviser's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, the Adviser may receive the following benefits from any approved broker-dealer: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate share to client accounts; and access to an electronic communication network for client order entry and account information.

In the event of trading errors caused by Adviser employees, it is Adviser's policy to make its clients whole, communicate errors to its clients, and to document errors in its trade error file. Gains arising out of errors will be credited to client accounts while losses will be reimbursed by Adviser to the client. Losses to non-qualified accounts are reimbursed immediately upon discovery via a transfer from Adviser account to the client, while losses to qualified accounts are reimbursed through an offset of management fees at the next due date for payment of such fees.

Typically, when the Adviser deems the purchase and sale of a security to be in the best interests of more than one of its clients, the Adviser may aggregate multiple contemporaneous client purchases or sell orders into a block order for execution. Executed orders are allocated among participating accounts according to each account's pre-determined participation in the transaction. Clients' accounts for which orders are aggregated receive the averaged price of such transaction, which could be higher or lower than the price that would otherwise be paid by a client absent the aggregation. Any transaction costs incurred in the transaction will be shared pro rata based on each client's level of participation in the transaction. If it is not possible to aggregate a trade, a client may receive a different price on a security transaction and may not be able to purchase or sell the same quantity of a security. In addition, clients that elect the services of broker/dealers other than those recommended may not be able to participate in aggregate trading practices.

The Adviser does not regularly purchase initial public offerings for its clients and does not intend to change that practice. However, the Adviser may purchase an initial corporate bond issue of a new company or a new corporate bond issue of an existing company.

#### **ITEM 13 Review of Accounts**

For those clients to whom the Adviser provides investment management services, the Adviser monitors those portfolios as part of an ongoing process and a quarterly fund performance is prepared. Such performance reports are completed by the President and Chief Investment Officer of the Adviser, Jeffrey D. Lorenzen as well as staff under his supervision. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Adviser and to keep the Adviser informed of any changes thereto. The Adviser shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom the Adviser provides investment advisory services will also receive a written report from the Adviser that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis.

#### **ITEM 14 Client Referrals and Other Compensation**

The Adviser is a related person to American Equity Capital, Inc., a registered broker dealer. The Adviser is also a related person to American Equity Investment Life Holding Company, an Iowa domiciled corporation.

See Item 10 for addition information on a related person. In performing its services, the Adviser shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. The Adviser may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if the Adviser recommends its own services. The client is under no obligation to act upon any of the recommendations made by the Adviser under a consulting engagement and/or engage the services of any such recommend professional, including the Adviser itself. The client



retains absolute discretion over all such implementation decisions and is free to accept or reject any of the Adviser's recommendations. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Adviser if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Adviser's previous recommendations and/or services.

**ITEM 15 Custody**

Adviser does **not** have custody of any client funds. Adviser does send account statements to its clients and urges its clients to compare the account statements they receive from the qualified custodian with those that they receive from the adviser.

**ITEM 16 Investment Discretion**

The Adviser's investment advisory services are currently limited to the discretionary management of investment portfolios in accordance with the investment objective(s) of the client. (See Advisory Business, Page 4)

Clients may, in writing, place reasonable limitations upon the Adviser's discretionary authority. The investment strategy may involve an above-average portfolio turnover that could negatively impact the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications.

**ITEM 17 Voting Client Securities**

The Adviser does not currently vote proxies on behalf of clients. If the client requests information regarding the voting of proxies or wants a copy of the proxy voting policy and guidelines, the client should contact the Adviser at 515-457-1965.

**ITEM 18 Financial Information**

Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Adviser has not been subject of a bankruptcy petition at any time.

A copy of the Adviser's privacy policy notice and a written disclosure statement that meets the requirements of Rule 204-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), shall be provided to each client prior to or contemporaneously with the execution of the Agreement. Any client who has not received a copy of the Adviser's written disclosure statement at least forty-eight (48) hours prior to executing the Agreement shall have five (5) business days subsequent to executing the agreement to terminate the Adviser's services without penalty.

**Jeffrey D. Lorenzen**  
**American Equity Advisors, Inc.**  
**6000 Westown Parkway**  
**West Des Moines, IA 50266**  
**Telephone: 515-221-0002**

**Website: N/A**

**March 31, 2011**

**This brochure supplement provides information about Jeffrey D. Lorenzen that supplements the American Equity Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Jeffrey D. Lorenzen, Chief Compliance Officer, at 515-457-1965 if you did not receive American Equity Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about American Equity Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**ITEM 2 Educational Background and Business Experience****Jeffrey D. Lorenzen, CFA**

Born 1965

Post-Secondary Education:

Drake University-1989, MBA

University of Iowa- 1987 BBA

Recent Business Background:

American Equity Advisors, Inc., President &amp; Chief Compliance Officer, 01/2009 - Present

WB Capital Management, Inc., President &amp; Chief Investment Officer, 07/1992 - 01/2009

Mr. Lorenzen earned the Chartered Financial Analyst (CFA) designation in 1993. According to the CFA Institute, to be awarded the CFA charter one must have four years of qualified investment experience, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. The disciplines of study include accounting, economics, ethics, equity analysis, fixed income analysis, portfolio management, derivatives, and statistics. The CFA Institute describes the CFA designation as follows: "First introduced in 1963, the Chartered Financial Analyst designation, or CFA charter, has become the most respected and recognized investment credential in the world."

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Jeff Lorenzen, Chief Compliance Officer, President, and Chief Investment Officer, is responsible for monitoring the activities of the Adviser's supervised persons. Mr. Lorenzen's telephone number is 515-457-1965. Mr. Lorenzen reviews all written client performance materials and newsletters prior to use. On a daily basis, Mr. Lorenzen reviews all trades, emails, and correspondence of the supervised persons actively involved in client accounts. On a monthly basis, Mr. Lorenzen discusses investment strategies and market conditions with supervised persons. All of the Adviser's supervised persons receive the Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Marla Lacey**  
**American Equity Advisors, Inc.**  
**6000 Westown Parkway**  
**West Des Moines, IA 50266**  
**Telephone: 515-221-0002**

**Website: N/A**

**March 31, 2011**

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**Additional information about American Equity Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**ITEM 2 Educational Background and Business Experience**

**Marla Lacey, JD ChFC CLU**

Born 1957

Post-Secondary Education:

University of Iowa College of Law – 1983 JD

Drake University – 1977 BA

Chartered Financial Consultant, 2005 ChFC

Chartered Life Underwriter, 2004 CLU

Recent Business Background:

American Equity Advisors, Inc., Vice President, 01/2009 - Present

American Equity Investment Life Insurance Company, Vice President, Associate General Counsel, Chief Compliance Officer, 07/2008 – Present

Aviva USA, Senior Vice President, Assistant General Counsel, 03/2003 – 07/2008

A Chartered Financial Consultant (ChFC) is the financial planning designation for the insurance industry awarded by the American College of Bryn Mawr. ChFCs must meet experience requirements and pass exams covering finance and investing. They must have at least three years of experience in the financial industry, and have studied and passed an examination on the fundamentals of financial planning, including income tax, insurance, investment and estate planning. The ChFC designation must be renewed every two years and complete a minimum of 30 hours of continuing education. For more information on the ChFC designation and a ChFC informational brochure, go to [www.ChFCHighestStandard.com](http://www.ChFCHighestStandard.com) or [www.TheAmericanCollege.edu/chfc](http://www.TheAmericanCollege.edu/chfc).

A Chartered Life Underwriter (CLU) is a designation granted by the American College in Bryn Mawr, Pennsylvania to individuals who have completed training in life insurance and personal insurance planning. To obtain the designation, individuals have to complete advanced courses and exams in several topics including insurance, investments, taxation, employee benefits, estate planning, accounting, management and economics. The CLU designation must be renewed every two years and complete a minimum of 30 hours of continuing education. For more information on the CLU designation and a CLU informational brochure, go to [www.CLUHighestStandard.com](http://www.CLUHighestStandard.com) or [www.TheAmericanCollege.edu/clu](http://www.TheAmericanCollege.edu/clu).

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Jeff Lorenzen, Chief Compliance Officer, President, and Chief Investment Officer, is responsible for monitoring the activities of the Adviser's supervised persons. Mr. Lorenzen's telephone number is 515-457-1965. Mr. Lorenzen reviews all written client performance materials and newsletters prior to use. On a daily basis, Mr. Lorenzen reviews all trades, emails, and correspondence of the supervised persons actively involved in client accounts. On a monthly basis, Mr. Lorenzen discusses investment strategies and market conditions with supervised persons. All of the Adviser's supervised persons receive the Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Jeff Fossell**  
**American Equity Advisors, Inc.**  
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**West Des Moines, IA 50266**  
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**March 31, 2011**

**This brochure supplement provides information about Jeff Fossell that supplements the American Equity Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Jeffrey D. Lorenzen, Chief Compliance Officer, at 515-457-1965 if you did not receive American Equity Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about American Equity Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**ITEM 2 Educational Background and Business Experience****Jeff Fossell, CFA**

Born 1963

Post-Secondary Education:

University of Minnesota -1988, MBA

Gustavus Adolphus College-1985, BSBA

Recent Business Background:

American Equity Advisors, Inc., Private Placement Analyst, Portfolio Manager, 2010-Present

True Compass Advisors, Managing Partner and Founder, 2008-2010

Principal Global Investors, Managing Director, 1992-2008

NA Corporation, Director, 2000-2009

Mr. Fossell earned the Chartered Financial Analyst (CFA) designation in 1997. According to the CFA Institute, to be awarded the CFA charter one must have four years of qualified investment experience, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. The disciplines of study include accounting, economics, ethics, equity analysis, fixed income analysis, portfolio management, derivatives, and statistics. The CFA Institute describes the CFA designation as follows: "First introduced in 1963, the Chartered Financial Analyst designation, or CFA charter, has become the most respected and recognized investment credential in the world."

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Jeff Lorenzen, Chief Compliance Officer, President, and Chief Investment Officer, is responsible for monitoring the activities of the Adviser's supervised persons. Mr. Lorenzen's telephone number is 515-457-1965. Mr. Lorenzen reviews all written client performance materials and newsletters prior to use. On a daily basis, Mr. Lorenzen reviews all trades, emails, and correspondence of the supervised persons actively involved in client accounts. On a monthly basis, Mr. Lorenzen discusses investment strategies and market conditions with supervised persons. All of the Adviser's supervised persons receive the Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Greg Carstensen**  
**American Equity Advisors, Inc.**  
**6000 Westown Parkway**  
**West Des Moines, IA 50266**  
**Telephone: 515-221-0002**

**Website: N/A**

**March 31, 2011**

**This brochure supplement provides information about Greg Carstensen that supplements the American Equity Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Jeffrey D. Lorenzen, Chief Compliance Officer, at 515-457-1965 if you did not receive American Equity Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.**

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**ITEM 2 Educational Background and Business Experience****Greg Carstensen, CFA**

Born 1970

Post-Secondary Education:

University of Iowa - 1996, MBA

St. Olaf College - 1992, BA

Recent Business Background:

American Equity Advisors, Inc., Vice President-Public Corporate Bonds, 01/2005-Present

Wells Fargo Financial, Fixed Income Portfolio Manager and Credit Analyst, 3/2000-1/2005

Mr. Carstensen earned the Chartered Financial Analyst (CFA) designation in 1999. According to the CFA Institute, to be awarded the CFA charter one must have four years of qualified investment experience, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. The disciplines of study include accounting, economics, ethics, equity analysis, fixed income analysis, portfolio management, derivatives, and statistics. The CFA Institute describes the CFA designation as follows: "First introduced in 1963, the Chartered Financial Analyst designation, or CFA charter, has become the most respected and recognized investment credential in the world."

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Jeff Lorenzen, Chief Compliance Officer, President, and Chief Investment Officer, is responsible for monitoring the activities of the Adviser's supervised persons. Mr. Lorenzen's telephone number is 515-457-1965. Mr. Lorenzen reviews all written client performance materials and newsletters prior to use. On a daily basis, Mr. Lorenzen reviews all trades, emails, and correspondence of the supervised persons actively involved in client accounts. On a monthly basis, Mr. Lorenzen discusses investment strategies and market conditions with supervised persons. All of the Adviser's supervised persons receive the Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Kevin Croft**  
**American Equity Advisors, Inc.**  
**6000 Westown Parkway**  
**West Des Moines, IA 50266**  
**Telephone: 515-221-0002**

**Website: N/A**

**March 31, 2011**

**This brochure supplement provides information about Kevin Croft that supplements the American Equity Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Jeffrey D. Lorenzen, Chief Compliance Officer, at 515-457-1965 if you did not receive American Equity Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.**

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**ITEM 2 Educational Background and Business Experience****Kevin Croft, CFA, ASA**

Born : 1967

Post-Secondary Education:

Drake University-1995, MBA

Drake University-1989, BSBA

Recent Business Background:

American Equity Advisors, Inc., Vice President, Portfolio Manager, 1998-Present

Mr. Croft earned the Chartered Financial Analyst (CFA) designation in 1999. According to the CFA Institute, to be awarded the CFA charter one must have four years of qualified investment experience, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. The disciplines of study include accounting, economics, ethics, equity analysis, fixed income analysis, portfolio management, derivatives, and statistics. The CFA Institute describes the CFA designation as follows: "First introduced in 1963, the Chartered Financial Analyst designation, or CFA charter, has become the most respected and recognized investment credential in the world."

Mr. Croft earned the Associate of the Society of Actuaries (ASA) designation in 1991. An Associate of the Society of Actuaries has demonstrated knowledge of the fundamental concepts and techniques for modeling and managing risk. The Associate has also learned the basic methods of applying those concepts and techniques to common problems involving uncertain future events, especially those with financial implications. Requirements for membership for the SOA include the actuarial exams, a comprehensive series of competitive exams. Topics covered in the exams include mathematics, finance, insurance, economics, interest theory, life models, and actuarial science. The Associate has also completed a professionalism course covering the professional code of conduct and the importance of adherence to recognized standards of practice. Associates who have been members of the SOA for five or more years may also vote in Society of Actuaries elections.

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Jeff Lorenzen, Chief Compliance Officer, President, and Chief Investment Officer, is responsible for monitoring the activities of the Adviser's supervised persons. Mr. Lorenzen's telephone number is 515-457-1965. Mr. Lorenzen reviews all written client performance materials and newsletters prior to use. On a daily basis, Mr. Lorenzen reviews all trades, emails, and correspondence of the supervised persons actively involved in client accounts. On a monthly basis, Mr. Lorenzen discusses investment strategies and market conditions with supervised persons. All of the Adviser's supervised persons receive the Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Joyana Pilquist  
American Equity Advisors, Inc.  
6000 Westown Parkway  
West Des Moines, IA 50266  
Telephone: 515-221-0002**

**Website: N/A**

**March 31, 2011**

**This brochure supplement provides information about Joyana Pilquist that supplements the American Equity Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Jeffrey D. Lorenzen, Chief Compliance Officer, at 515-457-1965 if you did not receive American Equity Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.**

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**ITEM 2 Educational Background and Business Experience****Joyana Pilquist, CFA**

Born 1975

Post-Secondary Education:

University of Iowa-1998, BBA

Recent Business Background:

American Equity Advisors, Inc., Vice President-Investment Operations, 1998-Present

Ms. Pilquist earned the Chartered Financial Analyst (CFA) designation in 2008. According to the CFA Institute, to be awarded the CFA charter one must have four years of qualified investment experience, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. The disciplines of study include accounting, economics, ethics, equity analysis, fixed income analysis, portfolio management, derivatives, and statistics. The CFA Institute describes the CFA designation as follows: "First introduced in 1963, the Chartered Financial Analyst designation, or CFA charter, has become the most respected and recognized investment credential in the world."

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Jeff Lorenzen, Chief Compliance Officer, President, and Chief Investment Officer, is responsible for monitoring the activities of the Adviser's supervised persons. Mr. Lorenzen's telephone number is 515-457-1965. Mr. Lorenzen reviews all written client performance materials and newsletters prior to use. On a daily basis, Mr. Lorenzen reviews all trades, emails, and correspondence of the supervised persons actively involved in client accounts. On a monthly basis, Mr. Lorenzen discusses investment strategies and market conditions with supervised persons. All of the Adviser's supervised persons receive the Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.