

AMERICAN EQUITY INVESTMENT LIFE HOLDING CO
Form SC 13G/A
February 06, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 1)*

AMERICAN EQUITY INVT LIFE HL

(Name of Issuer)

Common Stock

(Title of Class of Securities)

025676206

(CUSIP Number)

December 31, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

☒ Rule 13d-1(b)

☐ Rule 13d-1(c)

☐ Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 025676206

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

Dimensional Fund Advisors LP (Tax ID: 30-0447847)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ☐

(b) ☒

3. SEC Use Only

4. Citizenship or Place of Organization

Delaware Limited Partnership

5. Sole Voting Power

Number of

Shares

Beneficially 4816578 **see Note 1**

6. Shared Voting Power

Owned by

Each

Reporting

0

Person

7. Sole Dispositive Power

With

4816578 **see Note 1**

8. Shared Dispositive Power

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

4816578 **see Note 1**

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

N/A

11. Percent of Class Represented by Amount in Row (9)

8.47%

12. Type of Reporting Person (See Instructions)

IA

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Item 1.

- (a) Name of Issuer

AMERICAN EQUITY INVT LIFE HL

- (b) Address of Issuer's Principal Executive Offices

5000 Westown Pkwy Ste 440, West Des Moines, IA 50266-5921

Item 2.

- (a) Name of Person Filing

Dimensional Fund Advisors LP

- (b) Address of Principal Business Office or, if none, Residence

1299 Ocean Avenue, Santa Monica, CA 90401

- (c) Citizenship

Delaware Limited Partnership

- (d) Title of Class of Securities

Common Stock

- (e) CUSIP Number

025676206

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) ☐ Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) ☐ Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) ☐ Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) ☐ Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) ☒ An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) ☐ An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) ☐ A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) ☐ A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) ☐ A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) ☐ Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

4816578 **see Note 1**

(b) Percent of class:

8.47%

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(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote:

4816578 **see Note 1**

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

4816578 **see Note 1**

(iv) Shared power to dispose or to direct the disposition of:

0

**** Note 1 **** Dimensional Fund Advisors LP (formerly, Dimensional Fund Advisors Inc.) (Dimensional), an investment advisor registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts. These investment companies, trusts and accounts are the Funds. In its role as investment advisor or manager, Dimensional possesses investment and/or voting power over the securities of the Issuer described in this schedule that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Funds. However, all securities reported in this schedule are owned by the Funds. Dimensional disclaims beneficial ownership of such securities. In addition, the filing of this Schedule 13G shall not be construed as an admission that the reporting person or any of its affiliates is the beneficial owner of any securities covered by this Schedule 13G for any other purposes than Section 13(d) of the Securities Exchange Act of 1934.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [].

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

The Funds described in Note 1 above have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities held in their respective accounts. To the knowledge of Dimensional, the interest of any one such Fund does not exceed 5% of the class of securities. Dimensional disclaims beneficial ownership of all such securities.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.

N/A

Item 8. Identification and Classification of Members of the Group

N/A

Item 9. Notice of Dissolution of Group

N/A

Item 10. Certification

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By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DIMENSIONAL FUND ADVISORS LP

February 6, 2008

Date

By: Dimensional Holdings Inc., General Partner

/s/ Christopher Crossan

Signature

Global Chief Compliance Officer

Title

-LEFT: 0pt; TEXT-INDENT: 0pt; MARGIN-RIGHT: 0pt" align="right">22,853

45,157
126,544
118,180
125,530

Unallocated surplus of with-profits funds (reflecting application of 'realistic' basis provisions for UK regulated with-profits funds) (note Z and (vi))

-
8,899
1,912
10,811

-
-
-
10,811
10,014
10,187

Total

9,406
68,731
14,061
82,792

22,304
22,853
45,157
137,355

	128,194
	135,717
Operational borrowings attributable to shareholder financed operations	
	-
	-
	-
	-
	-
	102
	102
	102
	159
	162
Borrowings attributable to with-profits funds	
	124
	1,316
	-
	1,316
	-
	-
	-
	1,440
	1,313
	1,522
Deferred tax liabilities	
	61
	894
	211
	1,105
	-
	460
	460
	1,626
	1,283
	1,738
Other non-insurance liabilities	
	493
	3,931
	608
	4,539
	615
	2,594
	3,209
	8,241
	8,417
	8,341
Total liabilities	

	10,084
	74,872
	14,880
	89,752
	22,919
	26,009
	48,928
	148,764
	139,366
	147,480
Total equity and liabilities	
	10,084
	74,910
	14,880
	89,790
	22,919
	28,351
	51,270
	151,144
	141,335
	149,663

Notes

(i) For the purposes of this table and subsequent explanation, references to the WPSF also include, for convenience, the amounts attaching to the Defined Charges Participating Sub-fund which comprises 3.5 per cent of the total assets of the WPSF and includes the with-profits annuity business transferred to Prudential from the Equitable Life Assurance Society on 1 December 2007 (with assets of approximately £1.7 billion). Profits to shareholders on this with-profits annuity business emerge on a 'charges less expenses' basis and policyholders are entitled to 100 per cent of the investment earnings.

(ii) SAIF is a separate sub-fund within the PAC long-term business fund.

(iii) Wholly-owned subsidiary of the PAC WPSF that writes annuity business.

(iv) Excluding policyholder liabilities of the Hong Kong branch of PAC.

(v) Other investments comprise:

	30 Jun 2011 £m	30 Jun 2010 £m	31 Dec 2010 £m
Derivative assets*	841	1,370	926
Partnerships in investment pools and other**	3,205	2,953	3,072
	4,046	4,323	3,998

*In the UK, Prudential uses derivatives to reduce equity and credit risk, interest rate and currency exposures, and to facilitate efficient portfolio management. After derivative liabilities of £909 million (30 June 2010: £868 million; 31 December 2010: £792 million), which are also included in the statement of financial position, the overall derivative position was a net liability of £68 million (30 June 2010: net asset of £502 million; 31 December 2010: net asset of £134 million).

**Partnerships in investment pools and other comprise mainly investments held by the PAC with-profits fund. These investments are primarily investments in limited partnerships and additionally, investments in property funds.

(vi) Unallocated surplus of with-profits funds

Prudential's long-term business written in the UK comprises predominantly life insurance policies under which the policyholders are entitled to participate in the returns of the funds supporting these policies. Business similar to this type is also written in certain of the Group's Asian operations, subject to local market and regulatory conditions. Such policies are called with-profits policies. Prudential maintains with-profits funds within the Group's long-term business funds, which segregate the assets and liabilities and accumulate the returns related to that with-profits business. The amounts accumulated in these with-profits funds are available to provide for future policyholder benefit provisions and for bonuses to be distributed to with-profits policyholders. The bonuses, both annual and final, reflect the right of the with-profits policyholders to participate in the financial performance of the with-profits funds. Shareholders' profits with respect to bonuses declared on with-profits business correspond to the shareholders' share of the cost of bonuses as declared by the Board of Directors. The shareholders' share currently represents one-ninth of the cost of bonuses declared for with-profits policies.

The unallocated surplus represents the excess of assets over policyholder liabilities for the Group's with-profits funds. As allowed under IFRS 4, the Group has opted to continue to record unallocated surplus of with-profits funds wholly as a liability. The annual excess (shortfall) of income over expenditure of the with-profits funds, after declaration and attribution of the cost of bonuses to policyholders and shareholders, is transferred to (from) the unallocated surplus each year through a (charge) credit to the income statement. The balance retained in the unallocated surplus represents cumulative income arising on the with-profits business that has not been allocated to policyholders or shareholders. The balance of the unallocated surplus is determined after full provision for deferred tax on unrealised appreciation of investments.

(ii) US insurance operations

	30 Jun 2011		30 Jun 2010	31 Dec 2010
	Variable annuity separate account assets and liabilities (note (i)) £m	Fixed annuity, GIC and other business (note (i)) £m	Total £m	Total £m
Assets				
Intangible assets attributable to shareholders:				
Deferred acquisition costs	-	3,639	3,639	2,950
Total	-	3,639	3,639	2,950
Deferred tax assets	-	1,346	1,346	1,828
Other non-investment and non-cash assets	-	1,168	1,168	1,409
Investments of long-term business and other operations:				
Investment properties	-	25	25	27
Financial investments:				
Loans(note T)	-	4,062	4,062	4,537
Equity securities and portfolio holdings in unit trusts(note (iv))	36,005	258	36,263	24,629
Debt securities(note U and V)	-	25,286	25,286	27,371
Other investments(note (ii))	-	1,352	1,352	1,684
Deposits	-	182	182	359

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Total investments	36,005	31,165	67,170	58,607	63,505
Properties held for sale	-	3	3	3	3
Cash and cash equivalents	-	214	214	153	232
Total assets	36,005	37,535	73,540	64,950	69,915
Equity and liabilities					
Equity					
Shareholders' equity (note (iii))	-	3,764	3,764	3,905	3,815
Total equity	-	3,764	3,764	3,905	3,815
Liabilities					
Policyholder:					
Contract liabilities (including amounts in respect of contracts classified as investment contracts under IFRS 4) (note Z)	36,005	28,702	64,707	55,253	60,523
Total	36,005	28,702	64,707	55,253	60,523
Core structural borrowings of shareholder-financed operations	-	155	155	166	159
Operational borrowings attributable to shareholder-financed operations	-	34	34	171	90
Deferred tax liabilities	-	1,805	1,805	2,254	1,776
Other non-insurance liabilities	-	3,075	3,075	3,201	3,552
Total liabilities	36,005	33,771	69,776	61,045	66,100
Total equity and liabilities	36,005	37,535	73,540	64,950	69,915

Notes

- (i) Assets and liabilities attaching to variable annuity business that are not held in the separate account are shown within other business.
- (ii) Other investments comprise:

	30 Jun 2011	30 Jun 2010	31 Dec 2010
	£m	£m	£m
Derivative assets*	749	1,162	645
Partnerships in investment pools and other**	603	522	554
	1,352	1,684	1,199

* In the US, Prudential uses derivatives to reduce interest rate risk, to facilitate efficient portfolio management to match liabilities under annuity policies, and for certain equity-based product management activities. After taking account of the derivative liability of £718 million (30 June 2010: £618 million; 31 December 2010: £799 million), which is also included in the statement of financial position, the derivative position for US operations is a net asset of £31 million (30 June 2010: net asset of £544 million; 31 December 2010: net liability of £154 million).

** Partnerships in investment pools and other comprise primarily investments in limited partnerships. These include interests in the PPM America Private Equity Fund and diversified investments in other partnerships by independent money managers that generally invest in various equities and fixed income loans and securities.

(iii) Changes in shareholders' equity	30 Jun 2011	30 Jun* 2010	31 Dec 2010
	£m	£m	£m
Operating profits based on longer-term investment returns (note C)	368	327	833

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Short-term fluctuations in investment returns (note F)	27	3	(378)
Profit before shareholder tax	395	330	455
Tax (note L)	(119)	(94)	(117)
Profit for the period	276	236	338
	30 Jun	30 Jun	31 Dec
	2011	2010	2010
	£m	£m	£m
Profit for the period (as above)	276	236	338
Items recognised in other comprehensive income:			
Exchange movements	(92)	252	85
Unrealised valuation movements on securities classified as available-for sale:			
Unrealised holding gains arising during the period	287	1,123	1,170
Deduct net (gains) / add back net losses included in income statement	(50)	21	51
Total unrealised valuation movements	237	1,144	1,221
Related change in amortisation of deferred income and acquisition costs (note R)	(97)	(510)	(496)
Related tax	(49)	(215)	(247)
Total other comprehensive (loss) income	(1)	671	563
Total comprehensive income for the period	275	907	901
Dividends, interest payments to central companies and other movements	(326)	(13)	(97)
Net (decrease) increase in equity	(51)	894	804
Shareholders' equity at beginning of period	3,815	3,011	3,011
Shareholders' equity at end of period	3,764	3,905	3,815

*In the second half of 2010 the Company amended the presentation of IFRS operating profit for its US operations to remove the net equity hedge accounting effect (incorporating related amortisation of deferred acquisition costs) and include it in short-term fluctuations in investment returns. Accordingly, the half year 2010 operating profit has been amended to remove the positive £123 million effect. Note C explains the effect of this change.

(iv)Equity securities and portfolio holdings in unit trusts includes investments in mutual funds, the majority of which are equity based.

(iii) Asian insurance operations

		30 Jun				30 Jun	31 Dec
		2011				2010	2010
	With-profits business (note (i))	Unit-linked assets and liabilities	Other	Total		Total	Total
	£m	£m	£m	£m		£m	£m
Assets							
Intangible assets attributable to shareholders:							
Goodwill	-	-	239	239		235	236
Deferred acquisition costs and other intangible assets	-	-	1,008	1,008		942	939

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Total	-	-	1,247	1,247	1,177	1,175
Intangible assets attributable to with-profits funds:						
Deferred acquisition costs and other intangible assets	82	-	-	82	102	97
Deferred tax assets	-	-	94	94	96	98
Other non-investment and non-cash assets	273	109	542	924	992	811
Investments of long-term business and other operations:						
Investment properties	-	-	10	10	11	9
Investments accounted for using the equity method	-	-	2	2	5	2
Financial investments:						
Loans (note T)	835	-	448	1,283	1,383	1,340
Equity securities and portfolio holdings in unit trusts	3,863	9,847	449	14,159	12,323	14,464
Debt securities (note U)	7,469	3,013	4,875	15,357	12,425	14,108
Other investments	353	22	129	504	427	382
Deposits	-	493	334	827	952	638
Total investments	12,520	13,375	6,247	32,142	27,526	30,943
Cash and cash equivalents	718	454	903	2,075	1,010	1,601
Total assets	13,593	13,938	9,033	36,564	30,903	34,725
Equity and liabilities						
Equity						
Shareholders' equity	-	-	2,269	2,269	1,992	2,149
Non-controlling interests	-	-	5	5	2	5
Total equity	-	-	2,274	2,274	1,994	2,154
Liabilities						
Policyholder liabilities and unallocated surplus of with-profits funds:						
Contract liabilities (including amounts in respect of contracts classified as investment contracts under IFRS 4)(note Z)	11,469	13,222	5,490	30,181	25,480	28,674
Unallocated surplus of with-profits funds (note Z)	61	-	-	61	52	66
Total	11,530	13,222	5,490	30,242	25,532	28,740
Operational borrowings attributable to shareholders-financed operations	-	-	139	139	195	189
Deferred tax liabilities	368	27	130	525	425	495
Other non-insurance liabilities	1,695	689	1,000	3,384	2,757	3,147
Total liabilities	13,593	13,938	6,759	34,290	28,909	32,571
Total equity and liabilities	13,593	13,938	9,033	36,564	30,903	34,725

Notes

(i) The statement of financial position for with-profits business comprises the with-profits assets and liabilities of the Hong Kong, Malaysia and Singapore with-profits operations. Assets and liabilities of other participating business are included in the column for 'Other business'.

(iv) Asset management operations

	M&G (note (i)) £m	US £m	Asia £m	Total 30 Jun 2011 £m	Total 30 Jun 2010 £m	Total 31 Dec 2010 £m
Assets						
Intangible assets:						
Goodwill	1,153	16	61	1,230	1,230	1,230
Deferred acquisition costs	9	-	-	9	8	9
Total	1,162	16	61	1,239	1,238	1,239
Other non-investment and non-cash assets	858	177	138	1,173	1,017	1,122
Financial investments:						
Loans(note T)	1,271	-	-	1,271	1,453	1,418
Equity securities and portfolio holdings in unit trusts	134	-	11	145	155	151
Debt securities(note U)	1,739	-	13	1,752	1,466	1,574
Other investments(note (iii))	43	1	5	49	195	59
Deposits	42	8	40	90	54	80
Total financial investments	3,229	9	69	3,307	3,323	3,282
Cash and cash equivalents	2,014	39	126	2,179	1,076	1,436
Total assets	7,263	241	394	7,898	6,654	7,079
Equity and liabilities						
Equity						
Shareholders' equity	1,463	124	273	1,860	1,711	1,787
Non-controlling interests	3	-	-	3	3	4
Total equity	1,466	124	273	1,863	1,714	1,791
Liabilities						
Core structural borrowing of shareholder-financed operations	250	-	-	250	-	250
Intra-group debt represented by operational borrowings at Group level (note (ii))	2,633	-	-	2,633	2,564	2,560
Net asset value attributable to external holders of consolidated unit trusts and similar funds (note (iii))	516	-	-	516	398	458
Other non-insurance liabilities(note (iv))	2,398	117	121	2,636	1,978	2,020
Total liabilities	5,797	117	121	6,035	4,940	5,288
Total equity and liabilities	7,263	241	394	7,898	6,654	7,079

Notes

(i) M&G includes those assets and liabilities in respect of Prudential Capital.

(ii) Intra group debt represented by operational borrowings at Group level

Operational borrowings for M&G are in respect of Prudential Capital's short-term fixed income security programme and comprise:

30 Jun 2011 £m	30 Jun 2010 £m	31 Dec 2010 £m
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Commercial paper	2,384	2,312	2,311
Medium-term notes	249	252	249
Total intra-group debt represented by operational borrowings at Group level	2,633	2,564	2,560

(iii) Consolidated investment funds

The M&G statement of financial position shown above includes investment funds which are managed on behalf of third-parties. In respect of these funds, the statement of financial position includes the following, which are non-recourse to M&G and the Group:

30 Jun	30 Jun	31 Dec
2011	2010	2010
£m	£m	£m