Allianz Life Insurance Company of North America

How efficient is your retirement portfolio?

Discover a new approach to help manage the effects of market volatility.

Negative market environments can have a significant impact on your portfolio, especially when you're accessing money in retirement.

This can put greater pressure on your portfolio to meet these financial objectives:

- **Risk management**
- **Diversification**
- **Asset protection**

How could market volatility impact your portfolio while you're taking retirement income? Let's look at two examples.

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Meet Mark.
Hypothetical client, male, 65 years old.

Financial objectives:

- Protect his family with a life insurance death benefit
- Access $125,000 per year (before tax) in retirement to maintain his standard of living

Income sources:

- Traditional IRA (fixed annuity) – $30,000 a year
- Social Security – $20,000 a year
- Personal retirement account (made up of various investments) – $75,000 per year

Potential supplemental source for retirement income:

- Fixed index universal life (FIUL) insurance policy

In addition to the death benefit, FIUL offers Mark the potential to build accumulation value tax-deferred that he can access later for a variety of needs through policy loans or withdrawals.[1]

[1] The death benefit is generally paid to beneficiaries income-tax-free. Policy loans and withdrawals will reduce the available cash value and death benefit and may cause unintended consequences, including lapse or taxable events. Please see full loan and withdrawal disclosure within this material for details.

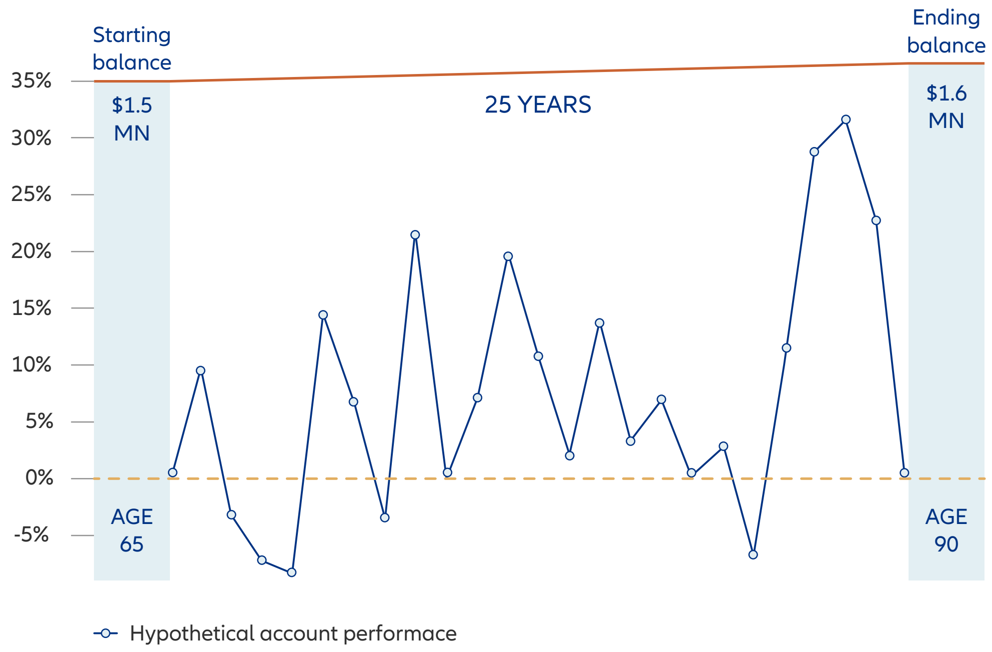
Comparing the effect of market vo

1 Retirement account only

With this strategy:

- Mark saves $1.5 million in his personal retirement account to supplement Social Security and IRA disbursements from a fixed annuity.
- He would withdraw $75,000 per year with a 1% annual increase for inflation.
- Mark is concerned about the impact that taking annual withdrawals and market losses could have on his retirement account.

Hypothetical personal retirement account withdrawing $75K each year



Account would have stayed relatively flat, **only increasing** by **8%.**

This hypothetical example is provided for illustrative purposes only and is not intended to predict or project actual results. Clients should discuss their financial objectives with a financial professional to determine what may be appropriate for their situation. In addition, it's important to note that different financial products may be taxed at different rates, and this example does not reflect the deduction of fees..

Considerations for this strategy

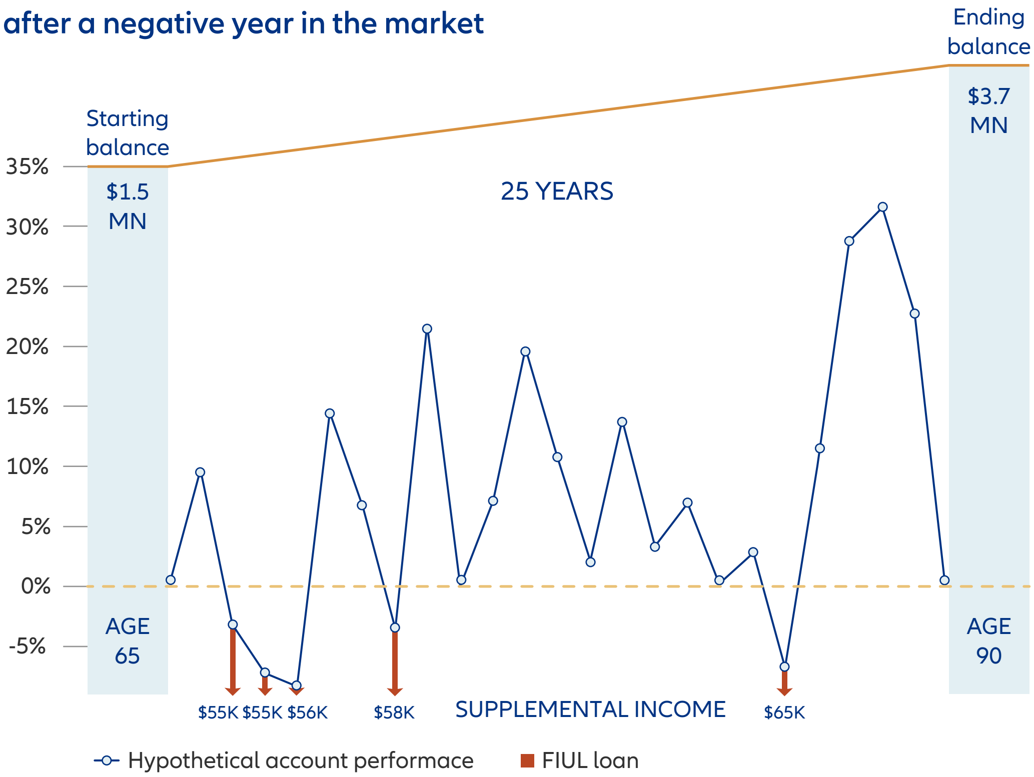
- Mark's retirement account is not protected, so it is exposed to market risk and experiences negative returns in some years.
- If Mark were to access his account after a down year, it could impact his ability to build his account value.
- If Mark were to access this account every year, he could experience a more significant impact to his retirement account than is necessary.

2 Retirement account + FIUL policy

With this strategy:

- Mark can take withdrawals from his retirement account in most years; following a year when the market is negative, he can take a loan[1] against any available cash value in his FIUL policy.
- He has the ability to keep his assets in his retirement account, allowing more time to rebuild from a loss.
- The cash value in his FIUL policy is protected from negative index performance (although fees and charges will reduce policy values).

Hypothetical personal retirement account with policy loans after a negative year in the market



Could **increase retirement account** by **147%.**

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Considerations:

- FIUL requires health and financial underwriting.
- An FIUL policy is subject to market volatility, to a certain extent; negative index performance would result in zero interest earned by the policy. The amount of interest the policy earns impacts the amount of cash value available, and there is no guarantee that there will be sufficient cash value available to keep the policy in force.
- If taking policy loans, you need to be sure you are managing your policy values to ensure that the policy remains in force. Additional premium payments may be required to keep the policy in force or cover the cost of the loan.
- Policy loans will reduce your available cash value, which may cause the policy to lapse. If the policy lapses, outstanding policy loans in excess of the premium paid will be subject to ordinary income tax, which can be a substantial amount of taxable income.
- FIUL is not a source for guaranteed retirement income.
- There is no guarantee that a policy will earn sufficient interest to support a loan strategy.

[1] Policy loans and withdrawals will reduce the available cash value and death benefit and may cause unintended consequences, including lapse or taxable events. Please see full loan and withdrawal disclosure within this material for details.

Adding an FIUL policy can benefit your retirement strategy – in more ways than one.

Adding FIUL to your financial strategy can help create a more efficient portfolio that includes more than just your retirement account, and you could also gain:

- Flexibility to take policy loans after a negative year to help reduce the effects of a down market on your retirement account[1]
- Diversification to help reduce overall portfolio risk and to help ensure your retirement account will last
- Death benefit protection for your beneficiaries in the event of an unexpected death

TALK TO YOUR FINANCIAL PROFESSIONAL to learn how FIUL could be appropriate for your financial strategy.

Diversification does not ensure a profit or protect against loss.

[1] Policy loans and withdrawals will reduce the available cash value and death benefit and may cause the policy to lapse, or affect guarantees against lapse. Withdrawals in excess of premiums paid will be subject to ordinary income tax. Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. If a policy is a modified endowment contract (MEC), policy loans and withdrawals will be taxable as ordinary income to the extent there are earnings in the policy. If any of these features are exercised prior to age 59½ on a MEC, a 10% federal additional tax may be imposed. Tax laws are subject to change and you should consult a tax professional.

FIUL policy: Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy, 45-year-old male, Preferred Nontobacco risk class, $1 million death benefit, $22,534 planned premium for 20 years, 6% nonguaranteed fixed illustrated rate to age 65. The illustrated rates shown from age 66 to 90 are based on the hypothetical historical blended index performance with the annual point-to-point crediting method and a 10.25% current cap, if the FIUL policy and the index had been available during this entire time period (which they were not). The cap is subject to change on an annual basis but will never be less than the minimum guaranteed cap of 0.25%. Assuming the minimum guaranteed rate of 0.10% and maximum charges, the policy would lapse at age 70 and would not be able to support the loan strategy.