

**ALLIANZ LIFETIME INCOME+[®] ANNUITY
AND LIFETIME INCOME BENEFIT**

Growth + Sequence of Returns

Compounding the complexity of retirement income



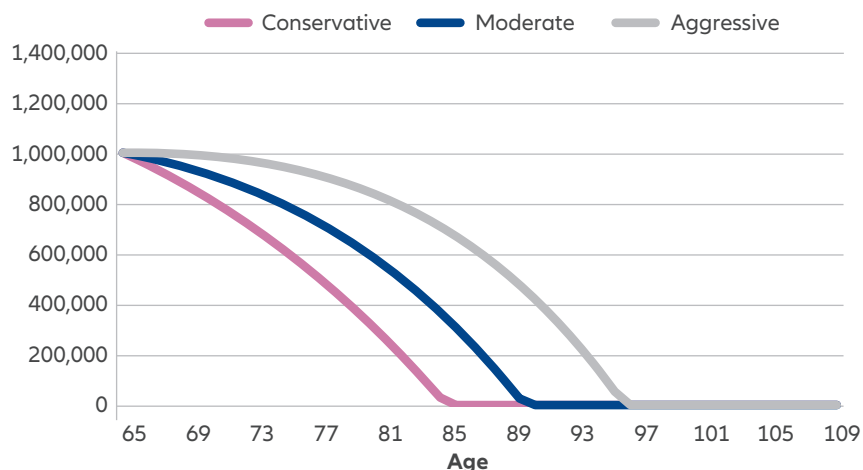
THERE ARE MANY FACTORS that can affect retirement portfolios and make retirement income planning complex. Individually, each area of risk can be difficult to manage, but when combined, the complexity is compounded.

Let's take a look at the impact of inadequate growth and sequence of returns, and see how adding guaranteed lifetime income to any retirement portfolio can help reduce these risks and improve the outcome.

Growth

Portfolios that deliver higher growth correlate to a higher likelihood that an individual's income will last throughout their retirement.

Investment balance



Higher vs. lower growth:

Because bonds have lower expected growth rates, a conservative portfolio has a greater likelihood of running out of money during retirement.

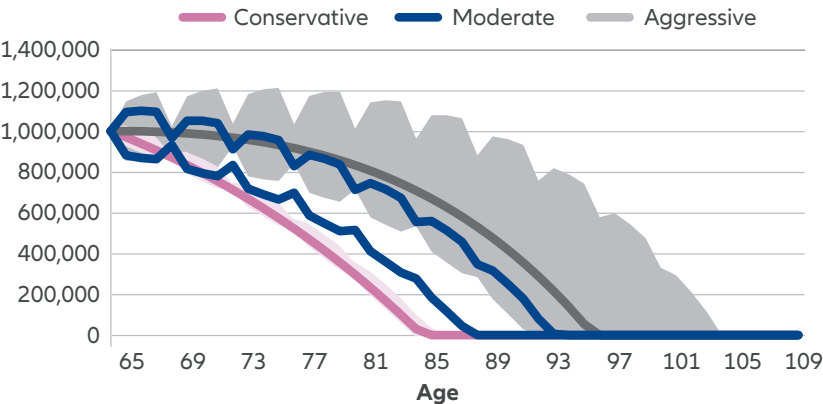
Hypothetical example assumes \$1 million starting balance, 2% inflation, \$50,000 annual withdrawal from balance, and retirement age 65. The conservative retirement portfolio represents 0% equity, 100% bonds. The moderate portfolio represents 35% equity, 65% bonds. The aggressive portfolio represents 60% equity, 40% bonds.

Portfolio allocations	Conservative	Moderate	Aggressive
Chance of outliving income	37%	17%	3%

Sequence of returns

Retirement savings that have a higher expected growth rate also have a higher sequence of returns risk. This is the risk where low or negative returns early in retirement could cause savings to run out too soon, even if higher returns came later.

Investment balance



This chart shows a wider range of outcomes for more aggressive portfolios when compared to conservative portfolios (made up of bonds). Higher growth comes at a cost, however, because lower returns in the earlier years of retirement can impact retirement outcomes in more aggressive portfolios.

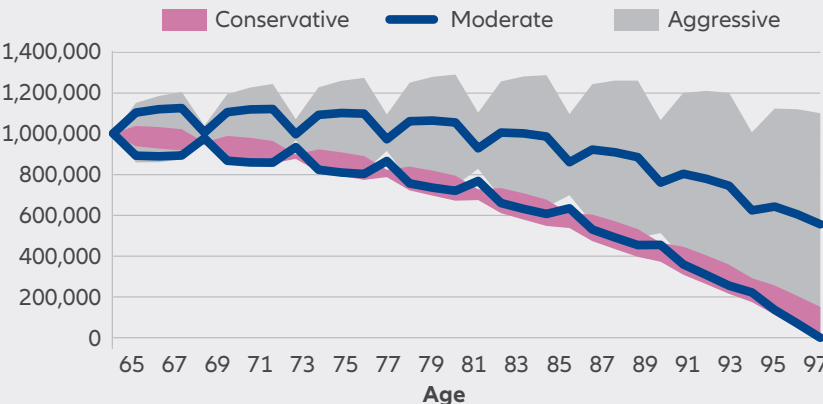
Hypothetical example assumes \$1 million retirement balance, 2% inflation, \$50,000 annual withdrawal from balance, and retirement age 65. The conservative portfolio returns: 7%, 3%, 2%, -3%. Moderate portfolio returns: 14%, 5%, 4%, -7%. Aggressive portfolio returns: 20%, 7%, 6%, -10%. Ordering of market returns is reversed to represent an up- and down-market.

Portfolio allocations	Conservative	Moderate	Aggressive
Chance of outliving income	33% - 37%	25% - 6%	11% - <1%

Battling the tension – the compounding effects of growth and sequence of returns

Balanced portfolios seek a middle ground between these two risks, but they cannot fully address both risks. Adding guaranteed lifetime income with increasing income potential to any retirement portfolio can both reduce the sequence of returns risk and increase the income that can be generated from each of these portfolios.

Investment balance



First year retirement income	First year retirement with guaranteed lifetime income
\$46,295	\$48,552 \$45,147 with 0% growth
\$40,651	\$45,730 \$42,325 with 0% growth
\$32,542	\$41,675 \$38,270 with 0% growth

Hypothetical example assumes \$1 million retirement balance, 2% inflation, and retirement age 65. Retirement income solved for an investment balance of zero at age 96 in a down market. There is only a 5% chance of living longer than age 96.

Assumes 50% of the starting retirement balance is allocated to the annuity with 10-year deferral, 2% indexed interest credits, and 4.25% payment percentage.



Innovation:

The way forward with Allianz Lifetime Income+® Annuity

Allianz Lifetime Income+® and its Lifetime Income Benefit is a fixed index annuity that can be added to a defined contribution retirement plan. In addition to providing tax deferral, accumulation potential, and a death benefit for beneficiaries, contributions to Allianz Lifetime Income+® can help manage the combined risks of longevity and inflation through its innovative Lifetime Income Benefit, which has an increasing lifetime income design.



Visit www.allianzlife.com/dcplan or email retirement-income@allianzlife.com to find out how you can take advantage of this option in your plan.

Increasing income potential is provided through an automatically included income rider at no additional cost.

Withdrawals are subject to ordinary income tax and, if taken prior to age 59½, a 10% federal additional tax.

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