

INDEXED UNIVERSAL LIFE INSURANCE

Six diversified strategies for your IUL

With the indexing experience and dynamic hedging capabilities of our affiliate AIM US,¹ we're able to offer an array of allocation options – plus other innovative features, such as Index Lock and multiple bonus opportunities.

In addition to offering death benefit² protection, indexed universal life (IUL) insurance policies also have the **potential to build tax-deferred accumulation value** based on interest received.

No one can predict how an allocation option will perform in the future – but regardless which you choose, in an IUL policy, your accumulation value is always protected from negative index performance. However, fees and charges may reduce policy values.

And by using Index Lock, you can lock in an index value you're comfortable with once during the current crediting period, as long as the index change is positive. By locking in an index value, you are assured a positive index credit at the end of your policy year – no matter what happens during the remainder of the year.³

Diversification may help you better align your financial goals and risk tolerance

But with so many allocation options to choose from, it can be tough to know what may be suitable for your situation, since each option will react differently in any given economic environment. **To help you decide, we'll look at six diversified strategies on the following pages.**

¹ Allianz Investment Management U.S. LLC (AIM US), a wholly owned subsidiary of Allianz Life Insurance Company of North America, provides investment management and hedging services to the broader Allianz Group.

² The death benefit is generally income-tax-free when left to beneficiaries.

³ Exercising an Index Lock may result in a credit higher or lower than if the Index Lock had not been exercised. We will not provide advice or notify you regarding whether you should exercise an Index Lock or the optimal time for doing so. Because the index value locks at the end of the day, the value used to determine your index credit may be higher or lower than at the time of the request.

Keep in mind that a diversified allocation within an IUL policy does not ensure you will earn an interest credit in any given year.

Must be accompanied by the appropriate IUL consumer brochure.

6 potential strategies for a diversified approach

Each strategy highlights how our various bonus opportunities could impact potential interest returns. All of the allocation options used in our dynamic strategies are available with our Index Lock feature.

CONSERVATIVE STRATEGY

The **conservative strategy** seeks to **eliminate a zero credit** by leveraging the Classic bonus that has the guaranteed 1% bonus credited to the policy's accumulation value. It focuses on avoiding a zero credit, but has lower interest potential.

→ Allocation diversification: 25% Bloomberg US Dynamic Balance III ER Index / 25% PIMCO Tactical Balanced ER Index / 25% S&P 500® Futures Index ER / 25% Blended Futures Index / Classic allocation options

These charts represent past hypothetical results only and are based on current rates: PIMCO Tactical Balanced ER Index APP 185% participation rate, Bloomberg US Dynamic Balance III ER Index APP 190% participation rate, S&P 500 Futures Index ER APP 70% participation rate, Blended Futures Index APP 105% participation rate and with a 1% bonus rate.

Policy year	Allocation option return (including bonus)
2012	11.67%
2013	20.58%
2014	7.74%
2015	1.15%
2016	9.75%
2017	19.53%
2018	1.00%
2019	19.54%
2020	11.64%
2021	16.38%
2022	1.00%
2023	11.33%
2024	9.59%
Average annual interest credit	
10.84%	

2018 and 2022 were able to **avoid a 0% interest credit** thanks to the 1% bonus.

MODERATE STRATEGY

The **moderate strategy** helps **limit zero credits** in a given year; you need to be comfortable that you may have a zero return year, but are able to capture the 15% multiplier Bonused opportunity.

→ Allocation diversification: 25% Bloomberg US Dynamic Balance III ER Index / 25% PIMCO Tactical Balanced ER Index / 25% S&P 500® Futures Index ER / 25% Blended Futures Index / Bonused allocation options

These charts represent past hypothetical results only and are based on current rates: PIMCO Tactical Balanced ER Index APP 180% participation rate, Bloomberg US Dynamic Balance III ER Index APP 185% participation rate, S&P 500® Futures Index ER APP 70% participation rate, Blended Futures Index APP 105% participation rate and with a 1% bonus rate.

Policy year	Allocation option return (including bonus)
2012	12.11%
2013	22.23%
2014	7.67%
2015	0.17%
2016	9.92%
2017	20.94%
2018	0.00%
2019	21.04%
2020	12.11%
2021	17.46%
2022	0.00%
2023	11.74%
2024	9.74%
Average annual interest credit	
11.16%	

Three years with returns **above 20%**, with two years returning 0%.

AGGRESSIVE STRATEGY

The **aggressive mix** is designed to help provide the **potential for higher interest credits with the Select bonus opportunity, but may have higher potential for down years**. You take the added risk with the 1% annual asset charge; however, you have greater accumulation potential with a 40% annual interest bonus. You need to be comfortable with the possibility of more zeros, but you have the opportunity for higher annual returns.

→ Allocation diversification: 25% Bloomberg US Dynamic Balance III ER Index / 25% PIMCO Tactical Balanced ER Index / 25% S&P 500® Futures Index ER / 25% Blended Futures Index / Select allocation options

These charts represent past hypothetical results only and are based on current rates: PIMCO Tactical Balanced ER Index APP 175% participation rate, Bloomberg US Dynamic Balance III ER Index APP 175% participation rate, S&P 500® Futures Index ER APP 65% participation rate, Blended Futures Index APP 100% participation rate and with a 40% interest bonus and 1% annual asset charge.

Policy year	Allocation option return (including bonus)
2012	13.02%
2013	24.63%
2014	7.82%
2015	-0.80%
2016	10.49%
2017	23.30%
2018	-1.00%
2019	23.32%
2020	12.97%
2021	19.16%
2022	-1.00%
2023	12.50%
2024	10.22%
Average annual interest credit	
11.89%	

Has the **highest average return out of all the strategies at 11.89%**, however, also three negative years if you take the 1% annual asset charge into consideration.

FOR ADDED PROTECTION, DIVERSIFY WITH THE FIXED ALLOCATION

You also have the option to allocate to a fixed allocation that provides a predictable interest credit each year – even in volatile or down markets. The fixed rate on Allianz Life Accumulator® Indexed Universal Life Insurance Policy is currently one of the most competitive in the industry.

You could also consider adding in the fixed allocation to any of the strategies – Conservative, Moderate, or Aggressive – which will provide you with a guaranteed return each year and would help you avoid receiving a zero credit in any year.

→ Allocation diversification: 20% Bloomberg US Dynamic Balance III ER Index / 20% PIMCO Tactical Balanced ER Index / 20% S&P 500® Futures Index ER / 20% Blended Futures Index / 20% fixed allocation

Policy year	Conservative strategy + fixed allocation return	Moderate strategy + fixed allocation return	Aggressive strategy + fixed allocation return
2012	10.43%	10.79%	11.52%
2013	17.56%	18.88%	20.81%
2014	7.29%	7.24%	7.35%
2015	2.02%	1.24%	0.46%
2016	8.90%	9.03%	9.49%
2017	16.73%	17.85%	19.74%
2018	1.90%	1.10%	0.30%
2019	16.73%	17.93%	19.76%
2020	10.41%	10.79%	11.48%
2021	14.21%	15.07%	16.43%
2022	1.90%	1.10%	0.30%
2023	10.16%	10.49%	11.10%
2024	8.77%	8.89%	9.28%
Average annual interest credit	9.77%	10.03%	10.68%

The conservative data represent past hypothetical results only and are based on current rates: PIMCO Tactical Balanced ER Index APP 185% participation rate, Bloomberg US Dynamic Balance III ER Index APP 190% participation rate, S&P 500® Futures Index ER APP 70% participation rate, Blended Futures Index APP 105% participation rate all with a 1% bonus rate, and 5.50% fixed allocation interest rate.

The moderate data represent past hypothetical results only and are based on current rates: PIMCO Tactical Balanced ER Index APP 180% participation rate, Bloomberg US Dynamic Balance III ER Index APP 185% participation rate, S&P 500® Futures Index ER APP 70% participation rate, Blended Futures Index APP 105% participation rate all with a 15% bonus rate, and 5.50% fixed allocation interest rate.

The aggressive data represent past hypothetical results only and are based on current rates: PIMCO Tactical Balanced ER Index APP 175% participation rate, Bloomberg US Dynamic Balance III ER Index APP 175% participation rate, S&P 500® Futures Index ER APP 65% participation rate, Blended Futures Index APP 100% participation rate and all with a 40% bonus and 1% annual asset charge, and 5.50% fixed allocation interest rate.

Hypothetical example assumes the product and allocation options were available during the following time period: 12/1/2012 – 12/31/2024. The time period represents the longest common period of historical data available for the index. Actual rates over the period shown may have been higher or lower than those illustrated.

About hypothetical historical depictions:

The back-tested performance is based on the methodology and mechanics of the index retroactively applied to historical market data, as if the index had previously existed, to generate hypothetical performance during the periods of time depicted. This back-tested performance for any constituent that makes up the index may have actual performance and history, and it will also have back-tested data for any period prior to its inception. Back-tested performance may not be a reliable indicator of future results. Prospective application of the methodology and mechanics of the index may not result in performance commensurate with the back-tested returns shown.



WORK WITH YOUR FINANCIAL PROFESSIONAL for help in creating a diversified strategy within your IUL policy that helps meet your needs.

No single crediting method or diversification strategy consistently delivers the most interest under all market conditions. These illustrations are hypothetical in nature. Because the life insurance product did not exist during the entire time frame illustrated, this chart represents hypothetical historical information only and reflects current participation and annual floor rates which are not guaranteed. Actual participation rates that could have been applied over this time frame would have been different from the figures shown here, and in some cases could have been dramatically different depending on a number of factors, including market conditions. These figures represent hypothetical historical results only, are not indicative of future results, and may not be used to predict future results.

Bonused products may include higher surrender charges, longer surrender periods, lower caps, or other restrictions that are not included in similar products that don't offer a bonus. The indexed allocations that offer the interest bonus will generally have lower caps and participation rates. Not all bonuses guarantee that a policy will be credited with an interest bonus every year as some are based on the growth of an index.

The PIMCO Tactical Balanced ER Index is comprised of the U.S. Equity Futures Custom Index, a bond component comprised of the PIMCO Synthetic Bond ER Index and a duration overlay, and shifts weighting between them daily based on historical realized volatility of the components. The U.S. Equity Futures Custom Index provides exposure to large cap U.S. stocks in excess of a short-term interest rate. The PIMCO Synthetic Bond ER Index is comprised of a small number of derivative instruments designed to provide exposure to U.S. Investment-grade and Treasury bond markets in excess of a short-term interest rate. The Index is an excess return index, which means that it captures the returns of the underlying constituents which are in excess of a short-term interest rate. All else equal, higher short-term interest rates would result in an excess return index to underperform a non-excess return version of the same index.

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The S&P 500® Futures Index ER is constructed from the front-quarter E-mini futures contract on the S&P 500. It is part of the S&P Factor Series, which measures the inherent risk premium between asset classes and financial markets.

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The Bloomberg US Dynamic Balance III ER Index is comprised of varying exposure to the Bloomberg US Equity Futures Basket ER Index, where the exposure is primarily determined by market implied volatility. The Bloomberg US Equity Futures Basket ER Index is comprised of three sub-indexes: the Bloomberg US Equity Custom Futures ER Index, the Bloomberg US Small Cap Custom Futures ER Index, and the Bloomberg US Tech Custom Futures ER Index, with intended weights of 80%, 10%, and 10%, respectively, rebalanced daily. The Bloomberg US Equity Custom Futures ER Index generally maintains exposure to large cap U.S. stocks via futures in excess of the corresponding benchmark portfolio. The Bloomberg US Small Cap Custom Futures ER Index generally maintains exposure to small cap U.S. stocks via futures in excess of the corresponding benchmark portfolio. The Bloomberg US Tech Custom Futures ER Index generally maintains exposure to technology sector U.S. stocks via futures in excess of the corresponding benchmark portfolio.

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