

## INDEXED UNIVERSAL LIFE INSURANCE

# Six diversified strategies for your IUL

With the indexing experience and dynamic hedging capabilities of our affiliate AIM U.S.,<sup>1</sup> 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 benefit<sup>2</sup> 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.<sup>3</sup>

## 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.**

<sup>1</sup> 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.

<sup>2</sup> The death benefit is generally income-tax-free when left to beneficiaries.

<sup>3</sup> 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 75% participation rate, Blended Futures Index APP 115% participation rate and with a 1% bonus rate.

Policy year	Allocation option return (including bonus)
2012	12.14%
2013	21.42%
2014	8.07%
2015	1.16%
2016	10.09%
2017	20.06%
2018	1.00%
2019	20.31%
2020	12.19%
2021	17.01%
2022	1.00%
2023	11.80%
2024	9.91%
Average annual interest credit	
11.24%	

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 75% participation rate, Blended Futures Index APP 115% participation rate and with a 15% bonus rate.

Policy year	Allocation option return (including bonus)
2012	12.65%
2013	23.19%
2014	8.05%
2015	0.19%
2016	10.31%
2017	21.55%
2018	0.00%
2019	21.93%
2020	12.74%
2021	18.18%
2022	0.00%
2023	12.28%
2024	10.11%
Average annual interest credit	
11.63%	

Three years with returns **above 20%**, with 2 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 70% participation rate, Blended Futures Index APP 110% participation rate and with a 40% interest bonus and 1% annual asset charge.

Policy year	Allocation option return (including bonus)
2012	13.68%
2013	25.81%
2014	8.28%
2015	-0.79%
2016	10.97%
2017	24.04%
2018	-1.00%
2019	24.40%
2020	13.73%
2021	20.04%
2022	-1.00%
2023	13.16%
2024	10.68%
Average annual interest credit	
12.46%	

Has the **highest average return out of all the strategies at 12.46%**, 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, 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	10.79%	11.20%	12.03%
2013	18.21%	19.63%	21.73%
2014	7.54%	7.52%	7.71%
2015	2.01%	1.23%	0.45%
2016	9.15%	9.33%	9.85%
2017	17.13%	18.32%	20.31%
2018	1.88%	1.08%	0.28%
2019	17.33%	18.62%	20.60%
2020	10.83%	11.27%	12.07%
2021	14.69%	15.62%	17.11%
2022	1.88%	1.08%	0.28%
2023	10.52%	10.90%	11.61%
2024	9.01%	9.17%	9.62%
Average annual interest credit	10.07%	10.38%	11.05%

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 75% participation rate, Blended Futures Index APP 115% participation rate all with a 1% bonus rate, and 5.40% 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 75% participation rate, Blended Futures Index APP 115% participation rate all with a 15% bonus rate, and 5.40% 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 70% participation rate, Blended Futures Index APP 110% participation rate and all with a 40% bonus and 1% annual asset charge, and 5.40% 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.

The "PIMCO Tactical Balanced ER Index" (the "Index") is a rules-based index that tactically allocates across U.S. equity and fixed income markets using quantitative signals. The Index is a trademark of Pacific Investment Management Company LLC ("PIMCO") and has been licensed for use for certain purposes by Allianz Life Insurance Company of North America (the "Company" or "Allianz") with respect to this Allianz product (the "Product"). The Index is the exclusive property of PIMCO and is made and compiled without regard to the needs, including, but not limited to, the suitability or appropriateness needs, as applicable, of the Company, the Product, or any Product owners. The Product is not sold, sponsored, endorsed or promoted by PIMCO or any other party involved in, or related to, making or compiling the Index. PIMCO Tactical Balanced Excess Return Index performance contains back-tested performance beginning 22 April 2004, which is prior to the actual launch of the index: The PIMCO Tactical Balanced Excess Return Index launched on 2 August 2018.

Neither PIMCO nor any other party involved in, or related to, making or compiling the Index has any obligation to continue to provide the Index to the Company with respect to the Product. In the event that the Index is no longer available to the Product or Product owners, the Company may seek to replace the Index with another suitable index, although there can be no assurance that one will be available.

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.

The "S&P 500® Futures Index ER" is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI"), and has been licensed for use by Allianz Life Insurance Company of North America ("Allianz"). S&P®, S&P 500®, US 500, and The 500 are trademarks of S&P Global, Inc. or its affiliates ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Allianz. It is not possible to invest directly in an index. Allianz products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, "S&P Dow Jones Indices"). Neither S&P Dow Jones Indices nor any third party licensors make any representation or warranty, express or implied, to the owners of the Allianz products or any member of the public regarding the advisability of investing in securities generally or in Allianz products particularly or the ability of the S&P 500® Futures Index ER to track general market performance. Past performance of an index is not an indication or guarantee of future results. S&P Dow Jones Indices' only relationship to Allianz with respect to the S&P 500® Futures Index ER is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The S&P 500® Futures Index ER is determined, composed and calculated by S&P Dow Jones Indices without regard to Allianz or the Allianz products. S&P Dow Jones Indices have no obligation to take the needs of Allianz or the owners of Allianz products into consideration in determining, composing or calculating the S&P 500® Futures Index ER. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of Allianz products. There is no assurance that investment products based on the S&P 500® Futures Index ER will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment adviser, commodity trading advisory, commodity pool operator, broker dealer, fiduciary, promoter" (as defined in the Investment Company Act of 1940, as amended), "expert" as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security,

commodity, crypto currency or other asset within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice.

NEITHER S&P DOW JONES INDICES NOR THIRD PARTY LICENSOR GUARANTEES THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE S&P 500® FUTURES INDEX ER OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY ALLIANZ, OWNERS OF THE ALLIANZ PRODUCTS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500® FUTURES INDEX ER OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. S&P DOW JONES INDICES HAS NOT REVIEWED, PREPARED AND/OR CERTIFIED ANY PORTION OF, NOR DOES S&P DOW JONES INDICES HAVE ANY CONTROL OVER, THE LICENSEE PRODUCT REGISTRATION STATEMENT, PROSPECTUS OR OTHER OFFERING MATERIALS. THERE ARE NO THIRD-PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND ALLIANZ, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

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.

"Bloomberg®", and Bloomberg US Dynamic Balance III ER Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the Index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Allianz Life Insurance Company of North America ("Allianz"). Bloomberg is not affiliated with Allianz Life Insurance Company of North America ("Allianz"), and Bloomberg does not approve, endorse, review, or recommend the Allianz product. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Allianz product.

The Blended Futures Index is comprised of four sub-indexes: S&P 500® Futures Index ER, Bloomberg International Equity Custom Futures ER Index, Bloomberg US 10yr Note Custom Futures ER Index, and Bloomberg US Small Cap Custom Futures ER Index.

"Bloomberg®" and the Bloomberg indices referenced herein (the "Indices", and each such index, an "Index") are trademarks or service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the Index (collectively, "Bloomberg") and/or one or more third-party providers (each such provider, a "Third-Party Provider,") and have been licensed for use for certain purposes to Allianz Life Insurance Company of North America (the "Licensee"). To the extent a Third-Party Provider contributes intellectual property in connection with the Index, such third-party products, company names and logos are trademarks or service marks, and remain the property, of such Third-Party Provider. Bloomberg is not affiliated with the Licensee or a Third-Party Provider, and Bloomberg does not approve, endorse, review, or recommend the financial products referenced herein (the "Financial Products"). Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Indices or the Financial Products.

Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297.

This content does not apply in the state of New York.

Product and feature availability may vary by state and broker/dealer.

- Not FDIC insured • May lose value • No bank or credit union guarantee
- Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF