

# Finding balance in any market

Allianz Index Advantage Variable Annuity can help provide the performance potential you want with a level of protection you need.

Generally speaking, variable annuities can help you reach your long-term financial goals by providing tax deferral,<sup>1</sup> investment options, a death benefit during the accumulation phase, and guaranteed lifetime income.

But with Allianz Index Advantage, along with three traditional variable options, you also have multiple innovative crediting methods, also called index strategies. By using one or more of these crediting methods, you can help create a balance between risk and return that's appropriate for you, one that helps smooth out the impact of future market volatility.

Variable annuities are subject to investment risk, including the loss of principal, and contract values fluctuate daily. Investment returns and principal value will fluctuate with market conditions so that units, upon distribution, may be worth more or less than the original cost.

Index variable annuities credit your contract value based on the positive performance of one or more external market indexes (though at no time is your money actually invested in the market). Each index tracks the overall performance of a specified group of investments. The annuity's contract value fluctuates based on changes in the index option values and the value of the variable options.

Here, we'll focus on how one of the index strategies, the Index Performance Strategy, can help you understand possible outcomes, no matter the market.

In the current financial environment, setting annual expectations for a diversified portfolio can be challenging. The Index Performance Strategy may be a good choice if you are looking for a level of protection, while maintaining the potential for growth opportunities.

**IF THE ANNUAL INDEX RETURN IS POSITIVE**, you'll receive an annual performance credit equal to that return, up to a limit called the cap.

**IF THE ANNUAL INDEX RETURN IS NEGATIVE**, you may receive an annual negative performance credit – but only when the loss is greater than a specified percentage called the buffer. This helps provide a level of protection by absorbing the first 10% of negative index return in any given year.

That means, in any given year, the Index Performance Strategy's result will be one of four possible scenarios. **See inside for each of these outcomes.**

For all that's ahead.®

Allianz 

<sup>1</sup> Withdrawals will reduce the contract value and the value of any protection benefits. Additional withdrawals taken within the contract withdrawal charge schedule will be subject to a withdrawal charge. All withdrawals are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal additional tax.

Must be preceded or accompanied by a current client brochure (IXA-002) and a current prospectus (IXA-003) for Allianz Index Advantage Variable Annuity.

For more complete information about Allianz Index Advantage variable options, call your financial professional or Allianz Life Financial Services, LLC at 800.624.0197 for a variable options prospectus. The prospectuses contain details on investment objectives, risks, fees, and expenses, as well as other information about the variable and index-linked annuity and variable options which you should carefully consider. Please read the prospectuses thoroughly before sending money.

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

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# Only **four possible annual outcomes** of Allianz Index

These hypothetical examples show how the Allianz Index Advantage® Variable Annuity with Index Performance Strategy could react to a hypothetical single year external index return using an assumed 12.00% cap and a 10% current buffer. The results are hypothetical and are not intended to represent any recommended allocation or actual index performance or predict future results. The annual product fee of 1.25%, withdrawal charges, contract maintenance charges and, if applicable, the rider fee are not reflected and, if deducted, would lower the results shown.

Caps are declared on the Index Effective Date, which is the first date your money has the opportunity to be allocated to an index option, and on each Index Anniversary thereafter. Caps are subject to significant change annually on the Index Anniversary, and will never be less than 1.50%. The buffer does not change after a contract is issued. The buffer for newly issued contracts is currently 10%. Caps can be different between newly issued contracts and in-force contracts, and they can be different between in-force contracts issued on different days and in different years. Caps and buffers can also be different for each index.

You can lose money investing in an index option and those losses may be significant. In a rising interest rate environment, increases in cap rates, if any, may be substantially slower than increases in interest rates.

## 1. External index return **CAP OR GREATER**

**OUTCOME:** Strong up market. You earn the cap.

If the annual index return exceeds the declared annual cap, then a performance credit equal to the cap would be applied.



### HYPOTHETICAL EXAMPLE:

- External index 15%
- Performance credit 12%

## 2. External index return **+0% TO CAP**

**OUTCOME:** Average up market. You earn 100% of the market index return.

If the annual index return is positive, but less than the declared cap, then the annual performance credit would be equal to the index return.



### HYPOTHETICAL EXAMPLE:

- External index 5%
- Performance credit 5%

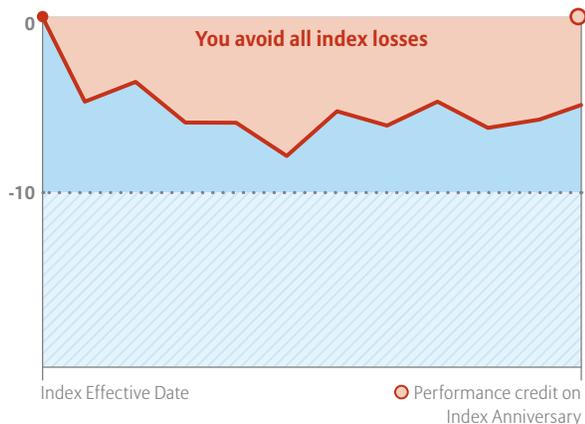
# Advantage with Index Performance Strategy

For information on the caps currently offered, visit [www.allianzlife/indexrates](http://www.allianzlife/indexrates).

## 3. External index return -10% TO 0%

**OUTCOME:** Average down market. You're fully protected against market index losses.

If the annual index return is negative, but within the 10% buffer, there would be no performance credit and no loss due to negative returns (although fees and charges would be deducted).



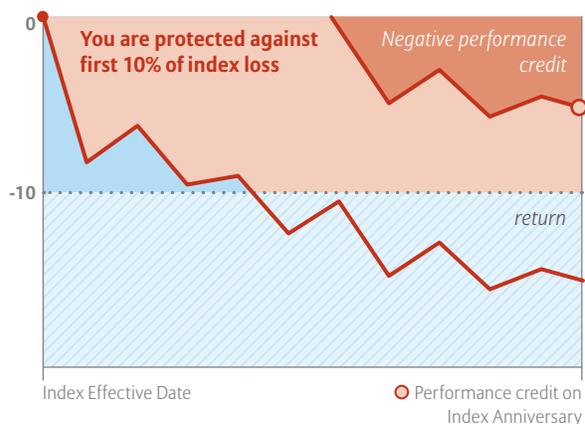
### HYPOTHETICAL EXAMPLE:

- External index -5%
- Performance credit 0%

## 4. External index return LOWER THAN -10%

**OUTCOME:** Significant down market. You're protected against the first 10% of the market index loss due to the 10% buffer.

If the annual index return is negative and less than the buffer, there will be a negative performance credit equal to the amount of negative return in excess of the buffer. There is the potential for significant loss if the annual index return is beyond the 10% buffer, as all losses in excess of the buffer are realized.



### HYPOTHETICAL EXAMPLE:

- External index -15%
- Performance credit -5%

Do you feel these four outcomes offer a risk/return trade-off appropriate for a portion of your retirement savings?

**Talk to your financial professional** about how Allianz Index Advantage® Variable Annuity with the Index Performance Strategy can help you address your retirement savings goals.

• 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

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

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# True to our promises ... so you can be true to yours.®

A leading provider of annuities and life insurance, Allianz Life Insurance Company of North America (Allianz) bases each decision on a philosophy of being true: **True to our strength** as an important part of a leading global financial organization. **True to our passion** for making wise investment decisions. And **true to the people we serve**, each and every day.

Through a line of innovative products and a network of trusted financial professionals, and with over 3.5 million contracts issued, Allianz helps people as they seek to achieve their financial and retirement goals. Founded in 1896, Allianz is proud to play a vital role in the success of our global parent, Allianz SE, one of the world's largest financial services companies.

While we are proud of our financial strength, we are made of much more than our balance sheet. By being true to our commitments and keeping our promises we believe we make a real difference for our clients. It's why so many people rely on Allianz today and count on us for tomorrow – when they need us most.

Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America and do not apply to the performance of the variable subaccounts, which will fluctuate with market conditions.

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

[www.allianzlife.com](http://www.allianzlife.com)

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