

Available with
select Allianz fixed
index annuities



Gain flexibility and control

Using Auto Lock and laddering
with 2-year point-to-point
crediting methods

Discover a strategy that may offer more performance potential, more flexibility, and an opportunity for interest credits every year.

Some FIAs offer additional features to help you **target specific financial goals**.



Fixed index annuities (FIAs) offer principal and credited interest protection from market downturns, tax deferral, and the potential to earn interest based on changes in an external market index.



Some FIAs also have other features and benefits that can help you address specific goals. Here, we'll explore how a strategy called "laddering" and a feature called Auto Lock may help you **enhance accumulation potential** as you prepare for retirement.

Allianz 

Must be accompanied by the applicable fixed index annuity consumer brochure, insert, and Index Allocation Options guide.

Although an external index may affect your interest credited, the contract does not directly participate in any equity or fixed income investments. You are not buying shares in an index. No single crediting method delivers the most interest in all market conditions.

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

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HYPOTHETICAL EXAMPLE:

Meet Erica

Erica, a hypothetical client, is 50 years old and is planning to retire soon after she turns 60.

As part of her overall retirement strategy, her financial professional recommends an Allianz fixed index annuity (FIA) that offers a variety of index allocation options to choose from.

Erica likes the opportunity that 2-year point-to-point with a participation rate crediting methods offer – because they generally have higher participation rates than their one-year counterparts, which give her more potential for growth.¹

But potential index credits are only applied every two contract years, and there's a chance the index value may not be at its highest point when the two-year crediting period ends. Plus, 2-year point-to-point crediting methods don't offer the flexibility to reallocate on an annual basis like some other crediting methods.

After discussing the pros and cons with her financial professional, Erica decides to offset – or “ladder” – two 2-year point-to-point crediting methods so that they alternate crediting each year.



HOW ERICA APPLIES THE LADDERING STRATEGY

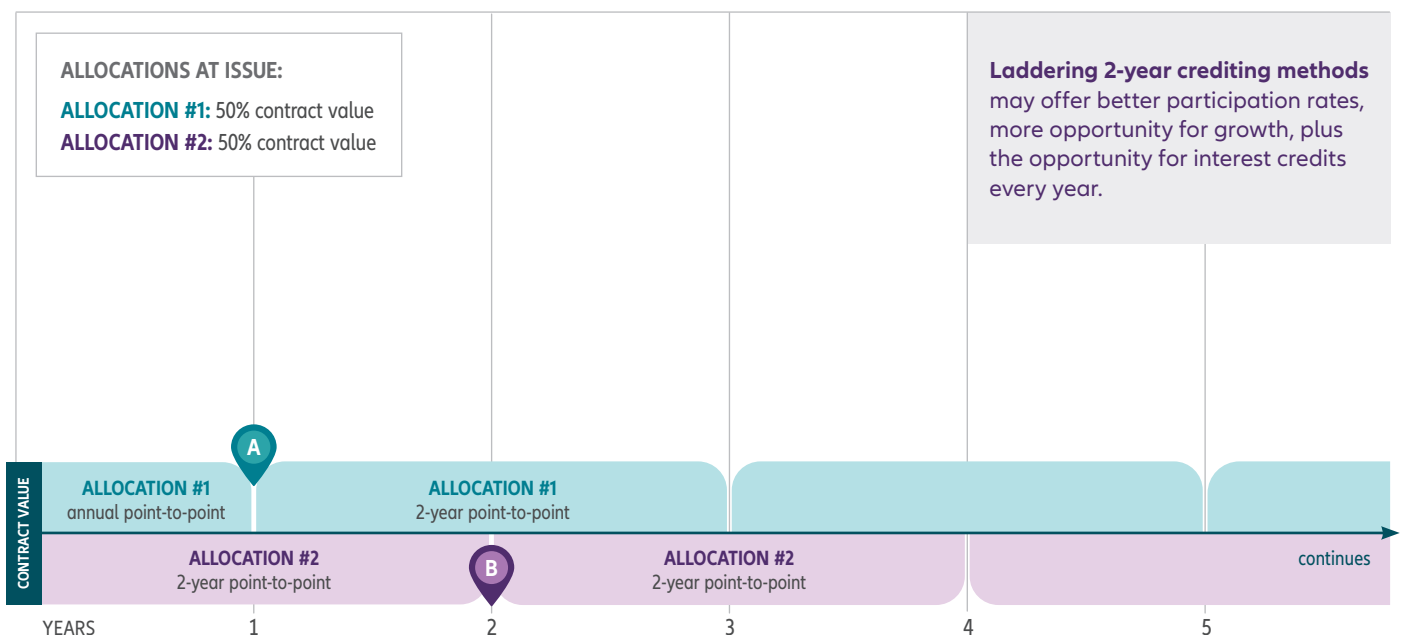
Initially she allocates 50% of her contract value to an annual point-to-point allocation option (**Allocation #1**) and the remainder to a 2-year point-to-point with a participation rate allocation option. (**Allocation #2**)

A End of Allocation #1 crediting period: Time to reallocate! On her first contract anniversary, Erica reallocates the value in Allocation #1 to a 2-year point-to-point with a participation rate allocation option.

B End of Allocation #2 crediting period: Erica can choose to reallocate to a different 2-year point-to-point allocation option, or leave it where it is for the next two years.

Now she is allocated to two 2-year point-to-point with participation rate allocation options (which generally offer higher participation rates than annual crediting methods) that have alternating crediting each contract year.

Erica also likes having a level of control over a portion of her allocations every year, and appreciates knowing that in any given year she only has to make decisions about 50% of her allocations.



¹ Although we generally expect the 2-year crediting method will have higher rates than its 1-year counterpart, that may not always be the case. Rates can and will vary. The strategy shown provides the potential for annual interest credits using a 2-year crediting strategy. However, there is no guarantee credits will be received in any given contract year.



HOW ERICA LOCKS IN AN INTEREST CREDIT

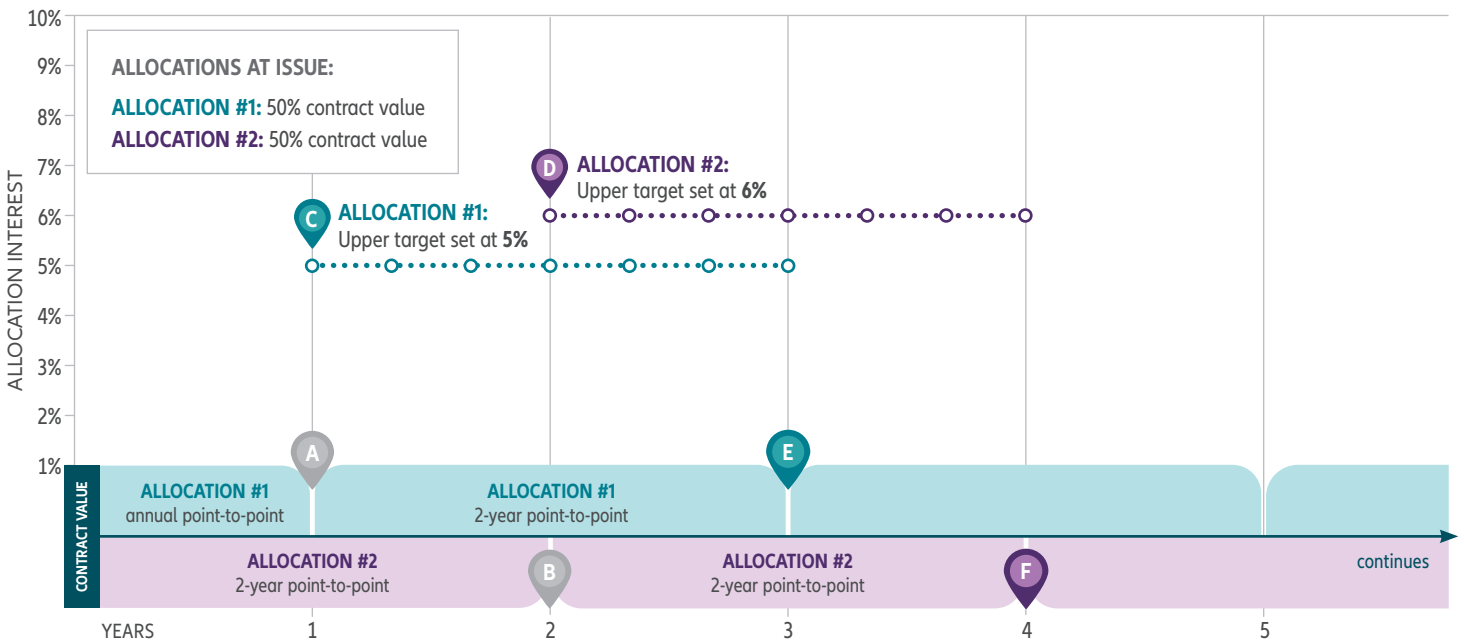
Erica would like to further take advantage of the index credit opportunity that comes with 2-year point-to-point allocations by using two features called Auto Lock and Index Lock.

Index Lock lets Erica manually lock in an index value on an indexed interest allocation at any point during the crediting period by logging into her account and activating it. By locking in her index value, Erica is assured a positive index credit – no matter what happens in the market during the remainder of the crediting period.

Auto Lock lets Erica activate an Index Lock automatically – so she doesn't have to monitor the index. Erica simply sets the index interest rate percentage she wants to target. She can set both upper and lower targets, as long as she sets them above (upper) or below (lower) the current index interest rate percentage. If her allocation option's index value reaches or exceeds Erica's target, based on its value at the end of a business day, Auto Lock will automatically lock in the index value until the end of the crediting period.^{1,2}

Note: Although Erica is setting targets for her 2-year point-to-point allocation options, she can also set targets for any available annual point-to-point allocation options. Either way, any indexed interest Erica earns will be credited at the end of the crediting period.

- C** After she reallocates Allocation #1 from the annual crediting to the 2-year point-to-point allocation option, Erica and her financial professional decide to set a 5% upper target. The target they set is equal to the increase in her chosen index allocation multiplied by the current allocation participation rate.
- D** At the start of a new crediting period for Allocation #2, Erica and her financial professional decide to set a 6% upper target for this index. Along the way Erica and her financial professional can adjust her Auto Lock targets as often as they choose to meet her needs, as long as an Index Lock has not been activated. They can even set lower targets as her chosen index increases.
- E** Erica doesn't have to wait long for her next interest-crediting opportunity as Allocation #1's crediting period ends on her third contract anniversary. She would receive any index credits from Allocation #1 on half of her contract value at this time. This also gives her and her financial professional the flexibility and opportunity to make any index changes and set a new Auto Lock target.
- F** As Allocation #2 reaches the end of its crediting period, Erica again has the flexibility and opportunity to make changes and set new targets.



¹ Setting targets authorizes Allianz to automatically activate an Index Lock once the target is reached based on the index interest rate percentage at the end of the business day. Because of this, your index interest rate percentage may be higher or lower than your target. This service may be discontinued at any time.

² You may activate an Index Lock manually online at any time, as long as an Auto Lock hasn't already been activated. Activating Index Lock manually will cancel any current targets you have set for the current crediting period. If you decide to activate Index Lock manually – or if neither target has been reached at the end of your current crediting period – you will need to set new targets for the next crediting period.

The interest rates shown are hypothetical and for illustrative purposes only. They are not a guarantee of return or future performance, and do not depict the actual performance of a specific product.



WHY ERICA LIKES LADDERING

By laddering her allocations and setting Auto Lock targets, Erica receives the additional opportunity a 2-year allocation option provides (potentially higher participation rates) with annual opportunities to earn interest credits.

She also gains the flexibility to keep her options open, making decisions on half of her contract's accumulation value at a time on each contract anniversary. And by setting Auto Lock targets, Erica gets a level of control over her index allocations and doesn't have to track the movements of the index on a daily basis.

The opportunities to earn annual interest credits from her 2-year allocation options will continue as she accumulates for retirement – and even as she receives lifetime income withdrawals from her Allianz FIA.



**Talk to your
financial professional.**

**Ask how a laddering allocation
strategy and Auto Lock may
work for you.**



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

Distributions are subject to ordinary income tax and, if taken before 59½, a 10% federal additional tax may apply.

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