

BLOOMBERG US DYNAMIC BALANCE II ER INDEX

Protection **with potential**

Bloomberg US Dynamic Balance II ER Index and the annual point-to-point with a participation rate

We offer index allocation options with a balanced approach: These options, including the Bloomberg US Dynamic Balance II ER Index, are designed to help stabilize risk and volatility within our fixed index universal life (FIUL) insurance policies over time and are only available through Allianz Life Insurance Company of North America (Allianz).

WHAT IS THE BLOOMBERG US DYNAMIC BALANCE II ER INDEX? (TICKER: BTSIDB2E)

The Bloomberg US Dynamic Balance II ER Index comprises two custom indexes:

- **Bloomberg US Equity Custom Futures ER Index**, a custom index that tracks futures on large-cap equities, similar to the S&P 500®.
- **Bloomberg US Aggregate Custom RBI Unfunded Index**, which is designed to track futures prices on the Bloomberg US Aggregate Bond Index, a well-established benchmark for the U.S. bond markets.

What is realized volatility?

- Realized volatility is defined as the amount of variation in one index from the average of the index over a period of time.
- For the Bloomberg US Equity Custom Futures ER Index, the greater of the 20- or 40-day realized volatility is used to determine the weighting.
- Realized volatility for the Bloomberg US Aggregate Custom RBI Unfunded Index is calculated based on historical returns over the corresponding period of 20 or 40 days.
- These realized volatilities are used to determine the final weight allocation daily.¹

How does this index seek to address risk?

- Every day, the Bloomberg US Dynamic Balance II ER Index dynamically allocates between the Bloomberg US Equity Custom Futures ER Index and the Bloomberg US Aggregate Custom RBI Unfunded Index based on historic realized volatility (a measurement of daily movements, regardless of direction, of an index).
- In general, when the Bloomberg US Equity Custom Futures ER Index volatility is low, the balance shifts more toward the Bloomberg US Equity Custom Futures ER Index. And visa versa: When volatility is high, the balance shifts toward the Bloomberg US Aggregate Custom RBI Unfunded Index.
- If volatility is high in both the equity and bond components, the index may decrease index weights in both so they add up to less than 100%. This balances the risk on a daily basis and seeks to bring a level of stability to the index performance.

Must be accompanied by the Allianz Life Pro+® Advantage Fixed Index Universal Life Insurance Policy consumer brochure (M-7183).

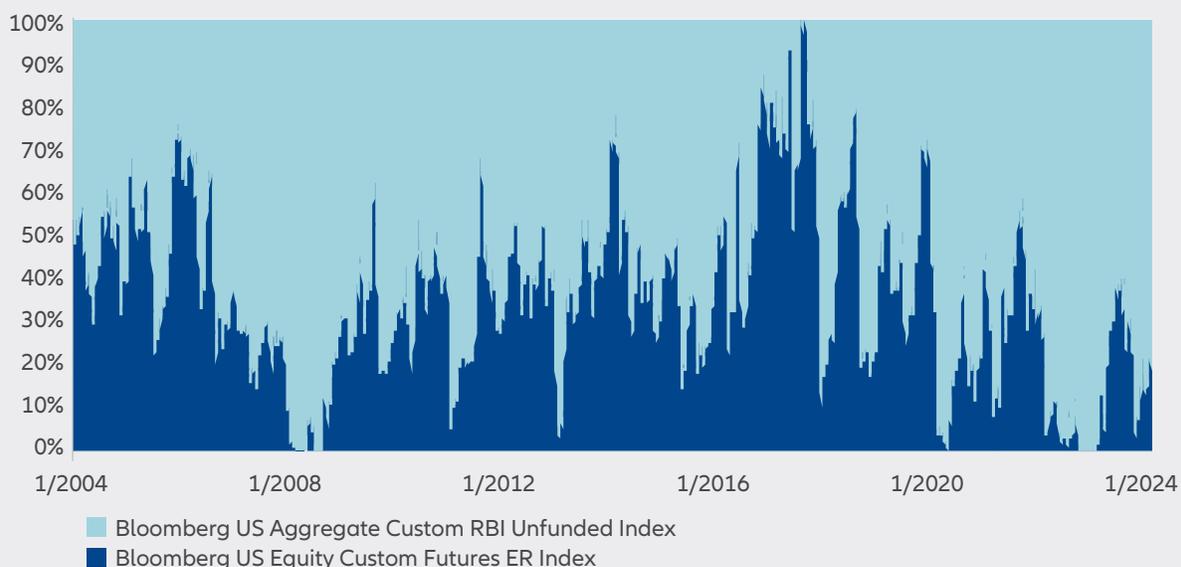
¹Weighting allocation can change up to 5% daily.

The death benefit is generally income-tax-free when passed on to beneficiaries. Please consult your financial professional for a specific recommendation about purchasing this product.

• 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

Hypothetical historical weighting

Bloomberg US Dynamic Balance II ER Index hypothetical historical index weights (January 1, 2005 – December 31, 2023)



The 19-year period shown reflects the longest common period of historical data available for each of the indexes that comprise the Bloomberg US Dynamic Balance II ER Index.

This hypothetical chart is provided to show how the underlying indexes would have been balanced during the period shown, had the Bloomberg US Dynamic Balance II ER Index existed. The index came into existence on August 9, 2018. It is no guarantee of performance or of future results.

About hypothetical historical depictions

This index was launched on August 9, 2018. All information presented prior to this launch date is hypothetical (back-tested), and back-tested performance is not actual performance. 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. In an effort to help the index achieve the target volatility, the index was changed as of April 21, 2020 so that the index weights may not add up to 100% in times of extreme volatility; therefore, any historical depictions including index weights and hypothetical returns will not include this change for data prior to April 21, 2020.

How could it work?

The following hypothetical historical examples show how the Bloomberg US Dynamic Balance II ER Index could have worked over the last 19 years with annual point-to-point with a participation rate crediting method, if the policy had been available during the time periods specified (which it was not). The values below include bonuses and charges when applicable.

Policy year	Index return	Select indexed allocation (180% participation rate, 40% bonus, 1% annual asset charge)	Bonused indexed allocation (190% participation rate, 15% bonus)	Classic indexed allocation (195% participation rate, 0.90% bonus)	Standard indexed allocation (218.50% participation rate, no bonus)
2005	-0.83%	-1.00%	0.00%	0.90%	0.00%
2006	6.12%	14.41%	13.36%	12.83%	13.36%
2007	2.86%	6.20%	6.24%	6.47%	6.24%
2008	0.37%	-0.08%	0.80%	1.61%	0.80%
2009	5.81%	13.63%	12.68%	12.22%	12.68%
2010	8.46%	20.33%	18.49%	17.40%	18.49%
2011	5.19%	12.07%	11.33%	11.01%	11.33%
2012	6.92%	16.43%	15.11%	14.39%	15.11%
2013	8.01%	19.19%	17.51%	16.52%	17.51%
2014	6.88%	16.35%	15.04%	14.33%	15.04%
2015	-1.33%	-1.00%	0.00%	0.90%	0.00%
2016	4.93%	11.41%	10.76%	10.51%	10.76%
2017	14.73%	36.13%	32.19%	29.63%	32.19%
2018	-0.66%	-1.00%	0.00%	0.90%	0.00%
2019	12.83%	31.33%	28.03%	25.92%	28.03%
2020	4.45%	10.21%	9.72%	9.57%	9.72%
2021	4.81%	11.12%	10.51%	10.28%	10.51%
2022	-12.26%	-1.00%	0.00%	0.90%	0.00%
2023	2.59%	5.52%	5.65%	5.94%	5.65%

The 19-year period shown reflects the longest common period of historical data available for the components that make up the index. No single crediting method consistently delivers the most interest under all market conditions. Although an external index may affect your interest credited, the policy does not directly participate in any equity or fixed income investments. You are not buying shares in an index.

The least an indexed allocation could return is 0%. However, in the chart above, the Select indexed allocation includes the 1% asset charge in the total, thus resulting in -1.00% in some years.

The guaranteed minimum participation rate is set at issue for the life of the policy and will never be less than 5%.



The Bloomberg US Dynamic Balance II ER Index is one of several index allocation options available in Allianz® FIUL products. **CONTACT YOUR FINANCIAL PROFESSIONAL to discuss which may be appropriate for your situation.**

These illustrations are hypothetical in nature. Because the life insurance product and the Bloomberg US Dynamic Balance II ER Index 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 index 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 indexes available within the policy are constructed to keep track of diverse segments of the U.S. or international markets, or specific market sectors. These indexes are benchmarks only. Indexes can have different constituents and weighting methodologies. Some indexes have multiple versions that can weight components or may track the impact of dividends differently. Although an index may affect your interest credited, you cannot buy, directly participate in, or receive dividend payments from any of them through the policy.

The Bloomberg US Dynamic Balance II ER Index is comprised of the Bloomberg US Aggregate Custom RBI Unfunded Index and the Bloomberg US Equity Custom Futures ER Index and shifts weighting daily between them based on realized market volatility. The Bloomberg US Aggregate Custom RBI Unfunded Index is comprised of a portfolio of derivative instruments that are designed to provide exposure to U.S. investment-grade and Treasury bond markets in excess of a benchmark rate. The Bloomberg US Equity Custom Futures ER Index is designed to provide exposure to large-cap U.S. stocks in excess of a benchmark rate.

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