Allianz Life Insurance Company of North America

ALLIANZ INDEX ADVANTAGE INCOME ADV®
VARIABLE ANNUITY

Seeking to improve outcomes with increasing lifetime income potential

eMoney Advisor® case study using Index Advantage Income ADV®

MEET BEN AND NATALIE, a hypothetical married couple working with their financial professional to identify their retirement goals and input the details from this timeline into **eMoney®:**[1]

Working years ages 55-65

Household annual income
$200,000 combined/$100,000 each

Retirement account

- **$1,000,000** at age 55
- **60% equities/40% bonds** (assumed 5.50% annual rate of return and 9.86% standard deviation)
- **$34,000** annual additions until 65

Retirement years ages 65+

Income need
$135,000 at age 65 (assumed annual increase of 2.25%, and health care increasing at 5.05%)

Social Security benefit
$34,790 each at age 67 (assumed Full Retirement Age benefit with 1.75% annual cost-of-living adjustment)

Withdraw from retirement account to supplement Social Security to fully fund their income need, and adjust for inflation throughout retirement

eMoney

LET'S EXAMINE THE CURRENT SCENARIO RESULTS produced by eMoney to see if their retirement strategy could help meet their retirement needs. →

[1] Assumptions for life expectancy, rate of return, rate of inflation, and cost-of-living adjustment used in this example are based on the values provided by eMoney.

This material must be preceded or accompanied by the appropriate consumer brochure, product profile, and a current prospectus for the Allianz® registered index-linked annuity. Refer to the product brochure for important information and index disclosures.

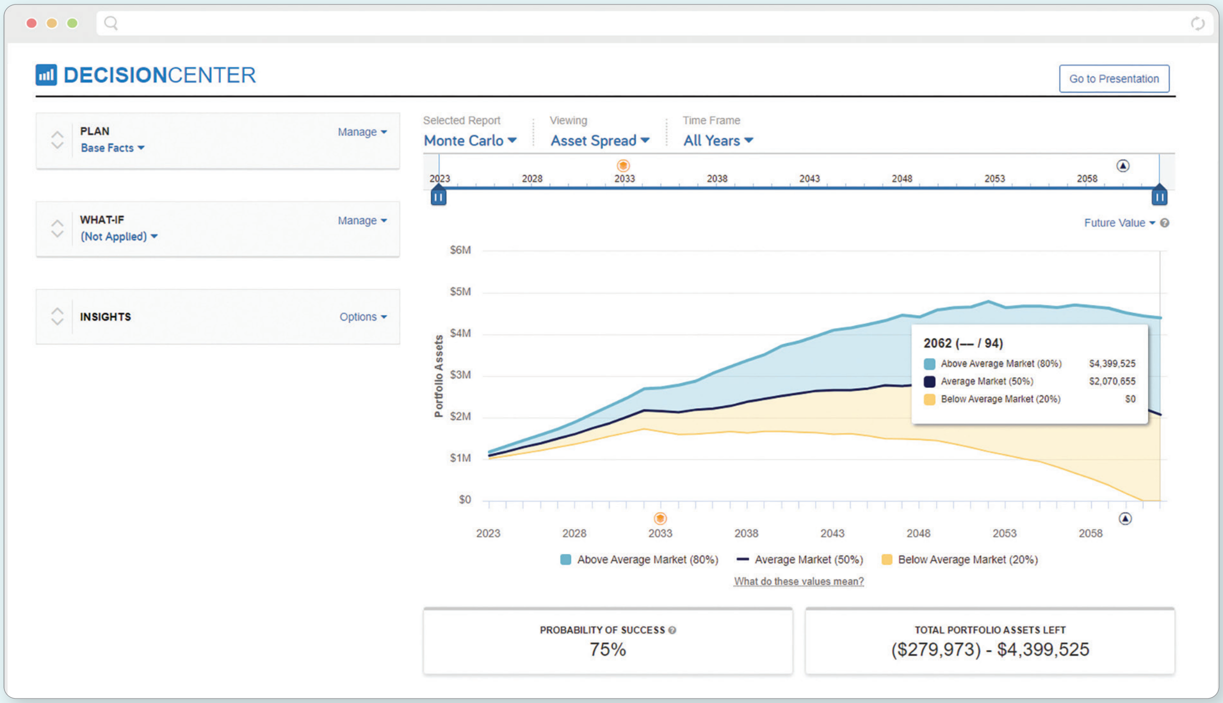
For more complete information about Allianz Index Advantage Income ADV® Variable Annuity and the variable option, contact Allianz Life Financial Services, LLC for a prospectus. The prospectuses contain details on investment objectives, risks, fees, and expenses, as well as other information about the index variable annuity and the variable option, which your clients should carefully consider. Encourage your clients to read the prospectuses thoroughly before sending money.

IAI-175-ADV (R-10/2023) **For investment professional use only – not for use with the public.**

Examining current scenario results

Using eMoney, out of 1,000 trials, 750 could have been successful and 250 could have resulted in Ben and Natalie running out of money (or 75% probability of success). Unfortunately, they are on the low end of the Confidence Zone of 70-90%.

Since the income from their retirement account is unprotected and exposed to risks, including market/sequence of returns and longevity, Ben and Natalie face the prospect of **depleting their assets 25% of the time.**



75% probability of success

Time to set realistic expectations and adjust what's in their control by:

Working longer. For example, retiring at 67 instead of 65 increases the probability of success to **88%**.

Saving more. For example, saving 25% more ($42,500 in annual additions) increases the probability of success to **80%.**

Spending less. For example, spending 25% less ($102,250 at age 65) increases the probability of success to **99%**.

Taking more risk in hopes of greater return. For example, a portfolio mix of 80% equities/20% bonds instead of 60/40 increases the probability of success to **80%**.

POTENTIAL ALTERNATIVE:

Constructing a risk-advantaged portfolio with an annuity such as Allianz Index Advantage Income ADV® Variable Annuity and the Income Benefit rider. A risk-advantaged portfolio combines a traditional investment portfolio with an annuity. The annuity provides income that is free from market risk, as well as tax advantages that can reduce the overall risk of the portfolio.

Index Advantage Income ADV® provides indexed return potential with the opportunity for a level of protection through multiple index strategies (also called crediting methods) available prior to receiving income, tax-deferred growth, a variety of lifetime annuity payout options, and a death benefit during the accumulation phase.

Index Advantage Income ADV® includes a product fee of 0.25%. Automatically included with the contract at issue, the Income Benefit Rider includes a rider fee of 0.70%. Both fees are accrued daily and deducted on each quarterly contract anniversary.

Withdrawals will reduce the contract value and the value of any potential protection benefits. Withdrawals taken within the contract withdrawal charge schedule will be subject to a Market Value Adjustment (MVA). All withdrawals are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal additional tax.

As with any investment vehicle, index variable annuities are subject to risk – including possible loss of principal. Investment returns and principal will fluctuate with market conditions so that contract values, upon distribution, may be worth more or less than the original cost.

Incorporating Index Advantage Income ADV® and the Income Benefit in a portfolio

To get started, Ben and Natalie's financial professional generated an Allianz® product illustration to show the projected values for Allianz Index Advantage Income ADV® Variable Annuity, based on their goals. TIP: Use the Income Calculator for Index Advantage Income ADV® (www.allianzlife.com/iaiadvincomecalculator) to estimate how much initial annual income could be generated.

Using the Advanced Planning module, Ben and Natalie can visualize how Index Advantage Income ADV® can help reduce the pressure on their portfolio to generate income, leading to the probability of improved outcomes. Here is how Index Advantage Income ADV® could be incorporated into their retirement timeline:

Working years

At age 55, they could purchase the annuity for $325,000, while the remaining $675,000 would continue to be invested in their retirement account.

Index Advantage Income ADV® can help them **build stronger income potential while they wait to start income** with guaranteed annual Lifetime Income Percentage increases AND the opportunity to build assets through multiple index strategies.

Ben and Natalie allocate 100% to the Index Performance Strategy with S&P 500® Index for their entire 10 years in deferral.

Start of retirement

At age 65, they could choose joint payments with the Increasing Income payment option because they feel it meets their needs and objectives.

After 10 years of waiting, their Lifetime Income Percentage could increase from 3.90% to 6.90%, a total increase of nearly 77%. This could result in a projected initial annual income payment of $47,781, based on a projected contract value of $692,477 (assuming an annualized return of 9.96%).

Guaranteed income can help reduce withdrawal pressure on their retirement account.

Retirement years

Each index year their annuity earns a Performance Credit through allocating to the Index Protection Strategy with Trigger or Index Protection Strategy with Cap index options, their income will increase by the same amount.

Ben and Natalie allocate 100% to the Index Protection Strategy with Cap, using the S&P 500® Index, and an annual income payment increase of 2% each year.[1]

Increasing income opportunities throughout retirement can help further reduce pressure on their retirement account withdrawals, as they seek to improve their outcomes.

This hypothetical example is for illustrative purposes only and may not be appropriate for all consumers. It does not predict or project the actual results of a specific client. Keep in mind, results could vary depending on how you allocate across the index strategies. All product features and benefits should be considered and discussed with your client to determine what may be appropriate for their specific situation.

The return assumptions in eMoney Advisor® are not reflective of any specific product. The returns and income projections are hypothetical in nature and do not reflect actual investment results and are not guarantees of future results. Clients should not rely on eMoney or its output for an accurate representation of how an annuity could work and should be referred to a full, personalized product illustration for this information.

Allianz Life Insurance Company of North America and Allianz Life Financial Services, LLC are not affiliated with eMoney Advisor. This material should not be construed as a recommendation or endorsement of any particular product, service, or firm by eMoney.

[1] When modeling increasing income in eMoney, a static increase will be applied each year based on an average of the increases reflected in the illustration (as calculated when completing the Lifetime Income Benefit section). This is not a realistic depiction of how an annuity could work as actual index results would present volatility over time, including years of negative index returns where the annuity income would not receive an increase. There is no guarantee an annuity will earn Performance Credits or earn an increase in any given year. Refer to the annualized return under the "Weighted Return after Credits before Income starts" column on the product illustration as a guideline when setting an annual increase amount. Keep in mind, you can use a lower value than this average to show a more conservative yearly increase if desired.

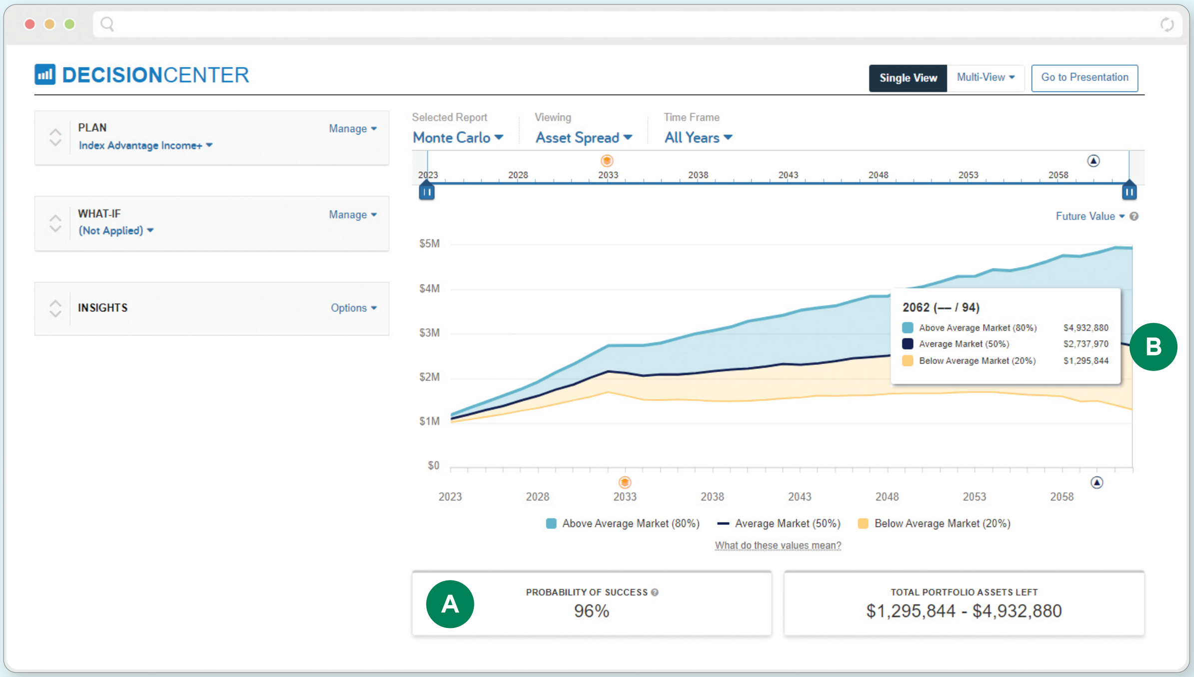
For more details, refer to the eMoney help sheet, "Modeling an Allianz annuity" (ENT-3442).

NOTE: Clients must receive a full, personalized product illustration when modeling an Allianz® annuity.

Beginning at age 45, lifetime income percentages are guaranteed to increase each year clients wait to start income. Lifetime income payments can begin on any Index Anniversary once the eligible person reaches age 50, and no later than age 100 after a minimum waiting period of one index year. For joint payments, the age of the younger eligible person will be used to determine income percentages, income percentage increases, and when income payments begin.

Increasing Income option starts out lower than the Level Income option, but has the potential to increase over their lifetimes. The opportunity for increases is available through an additional-cost rider.

Seeking to improve outcomes with Index Advantage Income ADV® in a portfolio



Based on the assumptions entered, eMoney projects that constructing a risk-advantaged portfolio with Allianz Index Advantage Income ADV® Variable Annuity:

- **A** **Increased the probability** of success to meet retirement needs from 75% to 96%.
- **B** **Provides a level of downside protection** by increasing portfolio projections when introduced to a below-average market environment.

CONTACT YOUR DEDICATED ALLIANZ REPRESENTATIVE to help you integrate Index Advantage Income ADV® into eMoney.

For use in Idaho only: L40538-IADV-ID, L40538-01-IADV
For use in all other states: L40538-IADV, L40538-01-IADV