

Diversified allocations and your fixed index annuity

Remember, no single index or crediting method is best in all economic situations.

There are many reasons people choose a fixed index annuity (FIA) as part of their overall retirement strategy. One reason is the guarantees of principal and credited interest from market downturns. Another is the potential to earn tax-deferred interest based on changes in one or more external market indexes.

Allianz Life Insurance Company of North America (Allianz) offers a variety of indexes and crediting methods to choose from when deciding how to allocate your FIA contract. When determining which of these indexes and crediting methods to select, it's important to keep diversification in mind.

Regardless of the index chosen, some crediting methods offer the potential for a higher level of interest, but in exchange they generally have more volatility, meaning a greater risk of earning zero interest in a given crediting period. Other crediting methods may not offer the potential to earn the most interest, but they generally have less volatility, meaning a greater chance of consistently earning interest (greater than zero) during the crediting period.

By diversifying the index exposure and crediting methods within your FIA, you are spreading out the interest potential and volatility of your contract over different economic cycles. However, keep in mind that a diversified allocation does not ensure you will earn an interest credit every year.

When creating a diversified allocation within your Allianz FIA, keep in mind the following guidelines:

		More potential (more volatile)	CREDITING METHODS	More consistency (less volatile)
Large-cap index	S&P 500® Index	Monthly sum with a cap	Annual point-to-point with a spread	Annual point-to-point with a cap
	Nasdaq-100® Index			
Small-cap index	Russell 2000® Index			
Volatility-controlled index (stocks and bonds)	Bloomberg US Dynamic Balance Index II	2-year point-to-point with a participation rate	Annual point-to-point with a participation rate	
	PIMCO Tactical Balanced Index			
	BlackRock iBLD Claria® Index			
ER volatility-controlled index (stock and bond futures)	Bloomberg US Dynamic Balance II ER index			
	PIMCO Tactical Balanced ER Index			
	BlackRock iBLD Claria® ER Index			

Please note: Your contract does not directly participate in any stock or equity or bond investments. You are not buying shares of any stock or index fund. If your needs change, you have the flexibility to change your index and crediting method choices at the beginning of each crediting period.

For help in creating a diversified allocation strategy, **contact your financial professional.**

For all that's ahead.®



This piece is not intended to provide investment advice. Consumers are responsible for making their own decisions regarding allocation selections.

For more information on indexes, see "Indexes used to determine interest" (M-5283).

The indexes available within the contract 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.

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Must be accompanied by "Understanding crediting methods" (M-5273).

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