

An allocation with an innovative approach to **managing volatility**

A closer look at the PIMCO Tactical Balanced Index allocation with Allianz Life Pro+ EliteSM Fixed Index Universal Life Insurance Policy

As you approach retirement, you may need a retirement strategy to help protect a portion of your assets from market volatility.

Fixed index universal life insurance provides your beneficiaries with a death benefit that's generally income-tax-free, which can help address financial concerns such as income replacement, mortgage and other debt, final expenses, and more. In addition, FIUL insurance offers you the potential for cash value accumulation based on positive changes in an external market index and/or a fixed interest allocation. While Allianz Life Insurance Company of North America (Allianz) offers a unique selection of index allocations to choose from, let's take a closer look at one particular index that may help you combat market volatility – the PIMCO Tactical Balanced Index.

Every day, the PIMCO Tactical Balanced Index dynamically allocates between the equity component, the bond component, and cash based on historical realized volatility (a measure of the magnitude of daily movements, regardless of direction, of an index). In general, when the S&P 500[®] Index volatility is low, the balance shifts more toward the S&P 500[®] Index. And vice versa: When the S&P 500[®] Index volatility is high, the balance shifts toward the bond component. And if the volatility is high in both the S&P 500[®] and the bond component, the balance will shift a portion toward cash. This balancing of risk every day seeks to stabilize index performance over time.

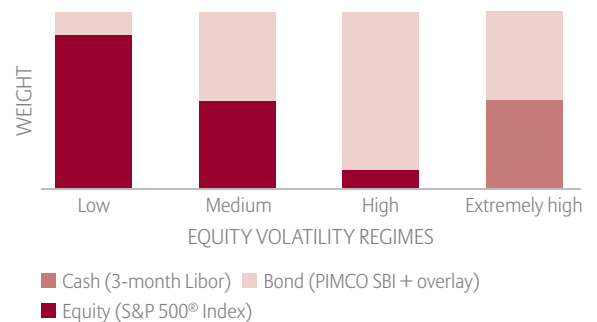
Index overview

An exclusive allocation option that's available **ONLY WITH ALLIANZ**

The PIMCO Tactical Balanced Index reflects the performance of an allocation strategy that shifts between the S&P 500[®], a bond component comprised of the PIMCO Synthetic Bond Index and a duration overlay, and cash.

The PIMCO Synthetic Bond Index is a unique PIMCO-developed custom index comprised of a small number of derivative instruments designed to provide exposure to U.S. investment-grade equities and Treasury bond markets. The duration overlay adjusts the interest rate exposure in response to changes in market trends.

Tactical allocation during different volatility regimes



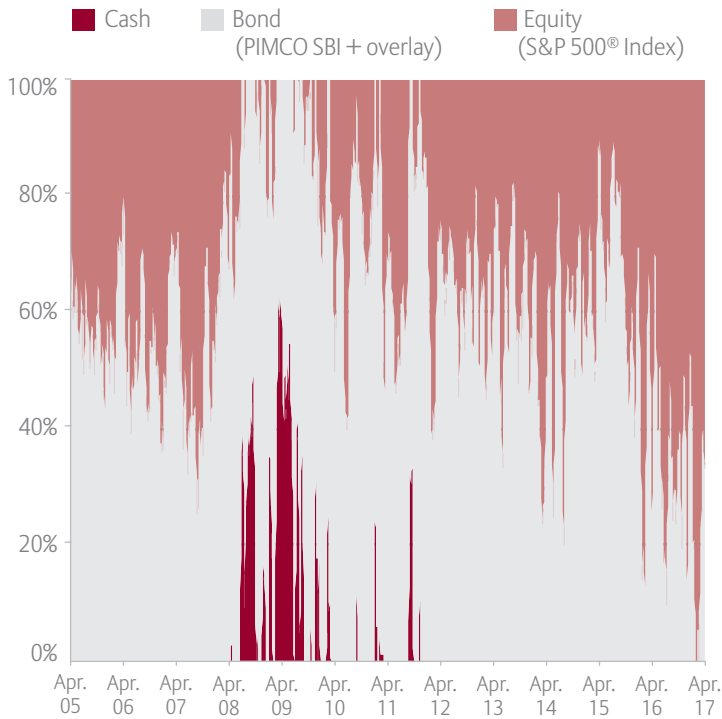
For all that's ahead.®



Historical weighting

The 13-year chart below shows the hypothetical weighting between asset classes, had the PIMCO Tactical Balance Index existed – which it did not. The index came into existence on December 7, 2015. As you can see, in periods like 2008, when market volatility was high, the index would have shifted heavily to the bond component as well as cash.

PIMCO Tactical Balanced Index allocations



This hypothetical chart is provided to show how the allocations would have been weighted during the period shown. It is not a guarantee of future results.

Interest rate exposure

The PIMCO Tactical Balanced Index also adjusts the sensitivity to interest rates based on underlying trends in bond markets. This feature can potentially benefit the bond component during different interest rate trends.

It is a common misperception that treasury bonds are a risk-free investment. This is not true. One of the risks bonds are subject to is interest rate risk. In general, falling interest rates mean rising bond prices and rising interest rates mean falling bond prices. Duration is a common indicator of a bond price's sensitivity to these interest rate fluctuations. A larger duration number indicates more interest rate risk is present.

Reaction to underlying market trends

Bond prices	Interest rates	Duration overlay
↓	↑	Decrease interest rate exposure toward minimum
↑	↓	Increase interest rate exposure toward normal

The PIMCO Tactical Balanced Index reacts to changes in the short-term and long-term averages of interest rates to potentially help address the risk of rising rates. If the 5-day average of interest rates is higher in relationship to the 40-day average, the index will generally adjust to lower the duration of the underlying bond portfolio. The relationship between the 5-day average and the 40-day average could be a leading indicator of a trend in the interest rate environment. On the other hand, if the 5-day average of interest rates is lower in comparison to the 40-day average, the index would generally adjust back toward the target duration for the index.

How could PIMCO Tactical Balanced Index work within Allianz Life Pro+ EliteSM Fixed Index Universal Life Insurance Policy?

The PIMCO Tactical Balanced Index allocation is available on Allianz Life Pro+ Elite with an annual point-to-point crediting method. It resets annually, which provides you with the opportunity to receive interest every year the index rises. The following chart highlights the last 13 years of hypothetical historical returns of the PIMCO Tactical Balanced index, and the interest that Allianz would have credited after the participation rate was applied.

This hypothetical historical chart is intended to show how the index and crediting method could have worked together, had the index and product been available during the time periods shown.

With Allianz Life Pro+ Elite, if you choose the PIMCO Tactical Balanced Index, your policy has the opportunity to receive an interest bonus in each year the policy earns interest, starting in year 1. The interest bonus is equal to 15% of any indexed interest credited in that policy year. The chart at right does not include the interest bonus; however, each year that the policy is credited with indexed interest, the bonus would be applied.

The PIMCO Tactical Balanced Index return reflects hypothetical historical data from 12/31/2004 to 12/31/2017. The 13-year period shown reflects the longest common period of historical data available for the components that make up the PIMCO Tactical Balanced Index. Remember, this chart represents past hypothetical results only and assumes current rates. Actual caps that could have been applied over this time frame would have been different from the figures shown in this example and, in some cases, significantly higher or lower depending on a number of factors, including market conditions. No single crediting method consistently delivers the most interest under all market conditions. This is not intended to project or predict future results.

Policy year	PIMCO Tactical Balanced Index	Bonused index allocation option with a current 125% participation rate	Index allocation at minimum guaranteed 5% participation rate
2005	0.44%	0.55%	0.02%
2006	9.59%	11.99%	0.48%
2007	7.75%	9.69%	0.39%
2008	8.68%	10.85%	0.43%
2009	4.57%	5.71%	0.23%
2010	11.09%	13.86%	0.55%
2011	3.53%	4.41%	0.18%
2012	6.28%	7.85%	0.31%
2013	7.41%	9.26%	0.37%
2014	1.00%	1.26%	0.05%
2015	-2.60%	0.00%	0.00%
2016	5.26%	6.58%	0.26%
2017	14.08%	17.60%	0.70%

To learn more about the PIMCO Tactical Balanced Index and Allianz Life Pro+ Elite, contact your financial professional.

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. There is no guarantee that a policy will be credited with an interest bonus every year as it is based on the growth of an index.

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 index value does not include the dividends paid on the equity investments underlying any equity index and dividends are not reflected in the interest credited to your policy. Interest paid on the fixed income investments underlying any bond index, however, are reflected in the index value which impacts the interest credited to your policy.

The PIMCO Tactical Balanced Index is comprised of the S&P 500[®] Index, a bond component comprised of the PIMCO Synthetic Bond Index and a duration overlay and cash, and shifts weighting between them daily based on historical realized volatility of the components. The PIMCO Synthetic Bond Index is comprised of a small number of derivative instruments designed to provide exposure to U.S. investment-grade and Treasury bond markets.

The "PIMCO Tactical Balanced Index" is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJ") and Pacific Investment Management Company LLC ("PIMCO"), and has been licensed for use by Allianz Life Insurance Company of North America ("Allianz"). Standard & Poor's[®] and S&P[®] are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones[®] is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Allianz. PIMCO's Trademark(s) are trademarks of PIMCO and have been licensed for use by SPDJI and Allianz. Allianz products are not sponsored, endorsed, sold, or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, or PIMCO and none of such parties make any representation regarding the advisability of investing in such product(s), nor do they have any liability for any errors, omissions, or interruptions of the PIMCO Tactical Balanced Index.



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.

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

www.allianzlife.com

Products are issued by:

Allianz Life Insurance Company

of North America

PO Box 59060

Minneapolis, MN 55459-0060

800.950.1962

P64163