

An allocation option with a **balanced approach**

A closer look at the Barclays US Dynamic Balance Index allocation option

(R-3/2014)

As you approach retirement, you will need a retirement strategy to help protect yourself from market volatility. In addition to other fixed index annuity (FIA) benefits such as tax deferral and guarantees to principal and credited interest, our new Barclays US Dynamic Balance Index allocation may help.

How the index works

The Barclays US Dynamic Balance Index reflects the performance of an allocation strategy that utilizes the S&P 500® Index and the Barclays Capital U.S. Aggregate Bond Index (Barclays Capital), both well-established benchmark indexes for the U.S. equities and U.S. bond markets, respectively. In general, when the S&P 500® volatility is low, the balance shifts more toward the S&P 500®. But when volatility is high, the balance shifts towards the Barclays Capital bond index. The Barclays US Dynamic Balance Index dynamically allocates daily between the two indexes, based on their historical realized volatility.¹

Uncapped with a spread crediting method

The Barclays US Dynamic Balance Index allocation is available on select Allianz Life Insurance Company of North America (Allianz) FIAs with an annual point-to-point crediting method that has a spread and no caps. And it resets annually, which provides you with the opportunity to receive interest every year the index rises.

The chart on the right highlights the last 10 years of hypothetical historical returns in the Barclays US Dynamic Balance Index and the interest that Allianz would have credited after deducting the spread. This chart is intended to show how the index and crediting method would have worked together, had the index been available during the time periods shown. It assumes the Allianz FIA was issued on 1/1/2004 and was available during this time period. The Barclays US Dynamic Balance Index return reflects hypothetical historical data from 12/31/2003 to 12/31/2013. Remember, this chart represents past hypothetical results only. Actual results will vary depending on market conditions, index allocation choice, and caps and spreads. No single crediting method consistently delivers the most interest under all market conditions.

YEAR	BARCLAYS US DYNAMIC BALANCE INDEX RETURN	ALLOCATION INDEXED INTEREST AT 2.90% SPREAD
2004	5.02%	2.12%
2005	1.11%	0.00%
2006	11.06%	8.16%
2007	4.07%	1.17%
2008	-1.61%	0.00%
2009	10.00%	7.10%
2010	9.12%	6.22%
2011	4.15%	1.25%
2012	6.13%	3.23%
2013	10.78%	7.88%

In the case of an index scenario with flat or negative results, the **LOWEST** possible indexed interest rate is 0%. This is not intended to project or predict future results.

For all that's ahead.®



¹ Up to 5% per day.

Must be accompanied by an appropriate FIA consumer brochure or product profile.

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

Hypothetical historical performance

To further help understand how the index and crediting method work together, let's see how the Barclays US Dynamic Balance Index would have looked over multiple 10-year time periods. The table below assumes we issued a contract daily from March 2, 1989 to January 1, 2004 using hypothetical historical index results from March 1, 1989 to December 31, 2003. This represents the period when historical data was available for each of the indexes. The table also assumes we calculated the average annual interest over all possible 10-year periods.

The lowest represents the lowest average annual interest credit of any 10-year period while the highest represents the highest average annual interest credit of any 10-year period. We also show the low, median, and high average annual interest credits over any 10-year period. Low is the 25th percentile of interest credits for the period (75% of the interest credits were higher and 25% of the interest credits were lower). Median is the 50th percentile of interest credits for the period (half of the interest credits were higher and half the interest credits were lower). High is the 75th percentile of interest credits for the period (25% of the interest credits were higher and 75% were lower).

Remember, this represents past hypothetical results only and shouldn't be used to predict or project future results. Actual results will vary by crediting method and index allocation choice, caps, and spreads, as well as market conditions. No single crediting method consistently delivers the most interest under all market conditions and any fixed index annuity has the potential to not credit interest in a down market.

10-year rolling average indexed interest

Barclays US Dynamic Balance Index annual point-to-point with 2.90% spread

LOWEST	LOW (25 th percentile)	MEDIAN (50 th percentile)	HIGH (75 th percentile)	HIGHEST
1.72%	3.37%	4.08%	5.88%	8.30%

To learn more about the Barclays US Dynamic Balance Index allocation, and the Allianz annuities that have this allocation choice, contact your financial professional.

Guarantees are backed by the financial strength and claims-paying ability of the issuing company.

Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297.

The Barclays US Dynamic Balance Index is comprised of the Barclays Capital U.S. Aggregate Bond Index and the S&P 500[®] Index and shifts weighting daily between them based on realized market volatility.

Although changes in the Barclays US Dynamic Balance Index may affect contract values, the contract does not directly participate in any stocks, bonds, or other investments. A contract owner does not own any shares of the Index or any equity or bond investments.

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