

Measuring retirement income outcomes

Executive Summary

This new report from the Allianz Center for the Future of Retirement™ examines the role of annuities in employer-sponsored plans to effectively manage risks, enhance portfolio sustainability, and improve participant outcomes.

The report examines the impact of three different annuity types on the outcomes of three hypothetical participants. It evaluates the Allianz Lifetime Income+® Annuity (fixed index annuity), a hypothetical fixed annuity, and a hypothetical variable annuity, comparing each to a portfolio without any annuity to highlight the potential improvements in participant outcomes.

Each hypothetical annuity product described in the white paper is intended to serve as a representation of annuity offerings available in the defined contribution market. These hypothetical products do not correspond to any specific annuity offered by any particular provider. The details provided should not be construed as a definitive guide to any single annuity product, and potential buyers are encouraged to consult with a financial advisor or insurance professional to explore specific options that best suit the needs and circumstances of a particular retirement plan.

KEY FINDINGS

Scenarios are run using the Portfolio Impact Report engine (PIR) developed by Allianz Investment Management U.S. LLC (AIM US) to **demonstrate the probability of achieving retirement goals** by using model hypothetical portfolios and 5,000 Monte Carlo simulations.

These findings highlight just a few of the significant improvements detailed in the full white paper. **For additional case studies as well as the methodology and assumptions used, download the full report using the link below.**



One hypothetical participant, Dana, would experience the following outcome improvements:

- 11 percentage point** increase in the probability of success with Allianz Lifetime Income+® and a 10 percentage point increase with the hypothetical fixed annuity over the non-annuity portfolio.
- 36 percentage point** increase in the probability of success in a one-time market shock scenario¹ at age 65 with Allianz Lifetime Income+® over the non-annuity portfolio.
- 47% ↑** increase over median legacy value with Allianz Lifetime Income+® over the non-annuity portfolio and a 23% increase with the hypothetical fixed annuity.

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¹One-time market shock at age 65 (at retirement): -40% US Large Cap; -50% Global Equity; -60% EM Equity; -10% US Bond; 200% Volatility Shock.

The PIR tool is used to show how adding an annuity to a portfolio may quantitatively improve the likelihood of portfolio success. The PIR tool is not intended as an individualized financial planning tool.

It's time to take action

Transform insights into actionable strategies to improve participant outcomes

At Allianz Life Insurance Company of North America (Allianz), our commitment goes beyond simply establishing a lifelong income stream for plan participants. Our fixed index annuity, designed specifically for employer-sponsored plans, is a dynamic solution that adjusts to the constant changes in life. Get in touch with our dedicated Employer Markets team to discover more about our innovative approach.



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CALL 866.604.7516, OPTION 2

Deepen your lifetime income knowledge

The Allianz Center for the Future of Retirement™ maintains a dynamic research agenda to ensure we remain at the forefront of evolving retirement challenges like the growing need for guaranteed lifetime income solutions within employer-sponsored plans.



VISIT www.allianzlife.com/dcplanresearch for Defined Contribution insights.

This executive summary is designed to accompany the white paper, "Measuring Retirement Income Outcomes" (LIA-381), which provides all underlying assumptions used.

Fixed index annuities are designed to meet long-term needs for retirement income. They provide guarantees against the loss of principal and credited interest as well as the reassurance of a death benefit for beneficiaries except after annuitization, if selected.

The views expressed reflect the views of the Allianz Center for the Future of Retirement™ and Allianz Life Insurance Company of North America as of the date of publication. These views may change as market or other conditions change. This information is not intended and should not be used as a product recommendation or to provide financial advice and does not address or account for an individual's circumstances. Past performance does not guarantee future results, and no forecast should be considered a guarantee either.

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All information provided from the Portfolio Impact Report is for informational purposes only and does not constitute investment advice or an offer to buy an insurance product. Plan participants should seek investment advice from their investment advisor that is specific to their needs and circumstances.

Allianz Life Insurance Company of North America does not provide financial planning services.

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Information and interactive calculators are hypothetical and for illustrative use only. Allianz Life Insurance Company of North America cannot and does not guarantee their applicability to any individual circumstances.

Annuity guarantees are backed solely by the financial strength and claims-paying ability of the issuing insurance company. Variable annuity guarantees do not apply to the performance of the variable subaccount(s), which will fluctuate with market conditions.

Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. (C64712-MVA)

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