



**MasterDex 5™ Annuity**

A flexible premium, equity indexed annuity offering a 5% premium bonus

*Safety. Growth. Control.*  
**Safety. Growth. Control.**

MasterDex 5 Annuity from Allianz Life®

It's that simple.

Allianz Life Insurance Company of North America

**Allianz Life**  
The best at next.™



## Presenting the MasterDex 5™ Annuity from Allianz Life®.

MasterDex 5 can be a powerful tool to help you reach your financial goals. With MasterDex 5:

- **You earn a 5% bonus** on premium received for five years.
- **Your premium and bonus are guaranteed** safe from market index risk.
- **Participate in market index returns** each month of the year, subject to a cap.
- **Index gains are locked in** once a year, eliminating risk due to market index losses.
- **You can access 10% of your premium** per year (up to 50% total), free.
- **After just 10 years** you can take your annuity's full value.<sup>1</sup>

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<sup>1</sup>Surrender charges and Market Value Adjustment will be applied if the policy is annuitized prior to the sixth year, if annuity payments are taken for less than 10 years, or if the policy is surrendered for cash during the surrender charge period. 10-year decreasing surrender charges start at 15% on the date of policy issue and decrease monthly starting policy year four.

Index adjustments are made to your accumulation value at the end of each year. Positive index adjustments may be limited by a monthly maximum. After the first year, current interest may fluctuate but will never fall below 1.5% for the Interim Interest Account and the interest allocation while in deferral. Past performance does not guarantee future results. The accumulation value is available at the end of 10 years in a lump sum. To receive the accumulation value in a payout, annuity payments may not begin prior to the sixth policy year and must be taken over a minimum of 10 years. The minimum guaranteed interest rate in payout is 1%. The payout rate depends on age of policy and payout option selected. The MasterDex 5 Annuity issued by Allianz Life Insurance Company of North America (P50614 (with P50614-10) and state variations if applicable).

## Safety

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### **MasterDex 5 protects your premium and bonus.**

You purchase your annuity with an initial premium of \$25,000 or more. Your premium and bonus are never subject to market index risk. A downturn in the index(es) cannot have a negative impact on your policy values. We guarantee it.

### **MasterDex 5 locks in any annual index gains automatically.**

Once annual index gains are credited to your annuity's values, they can never be lost due to market volatility.

## Growth

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### **MasterDex 5 gives you an immediate gain with a 5% premium bonus.**

You receive the bonus on your initial premium and any additional premium you submit for the first five years.

### **MasterDex 5 has a real difference. This sums it up.**

The MasterDex 5 tracks point-to-point monthly changes (subject to a cap) in the market index(es). Once a year, those twelve months' values are automatically added up and credited if positive. The sum helps determine the current value of your annuity.

### **MasterDex 5 can deliver 100% of market index growth.**

When the market is headed up, the value of your MasterDex 5 can increase right along with it. That's because at the end of each year, you get full 100% participation in potential monthly gains subject, however, to an established maximum, or cap. For more on how gains are captured and credited, see the charts later in this brochure.

## Control

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### **Need cash? MasterDex 5 really lets you have it!**

Beginning 12 months after your last premium is received, you may annually withdraw up to 10% of the total premiums paid – without a penalty – until 50% of your total premium has been withdrawn.

### **After 10 years it's your choice: take the money and walk, or stay.**

Any time after your 10th policy year, you can walk away with your annuity's full value (minus any loans or withdrawals, of course). Learn more about accessing your money later in this brochure.

### **MasterDex 5 lets you diversify within a single annuity.**

You can allocate premium to two major market indexes. Or you can designate a fixed interest allocation for your money. And if you wish, you can pick and choose among these three alternatives in 25% increments.

## MasterDex 5 puts you ahead right from the start, then tracks the market index.

### What is the MasterDex 5 Annuity:

The MasterDex 5 Annuity is a flexible premium point-to-point equity indexed annuity that offers a 5% premium bonus, retirement features, and a choice of fixed interest and/or index earnings tied to changes in the S&P 500 and Nasdaq-100 Indexes. The MasterDex 5 Annuity is an insurance product, not an S&P 500 and/or Nasdaq-100 indexed mutual fund or other equity investment.

### Can I open a MasterDex 5 Annuity and then add a little money later?

You can get all the benefits offered by the MasterDex 5 Annuity with an initial premium amount of \$25,000 or more. You can add money at any time during the first five policy years and receive a 5% bonus on it. Additional premium payments made during a policy year are credited to your policy's Interim Interest Account until the following policy anniversary.

### Is my annuity's growth taxable?

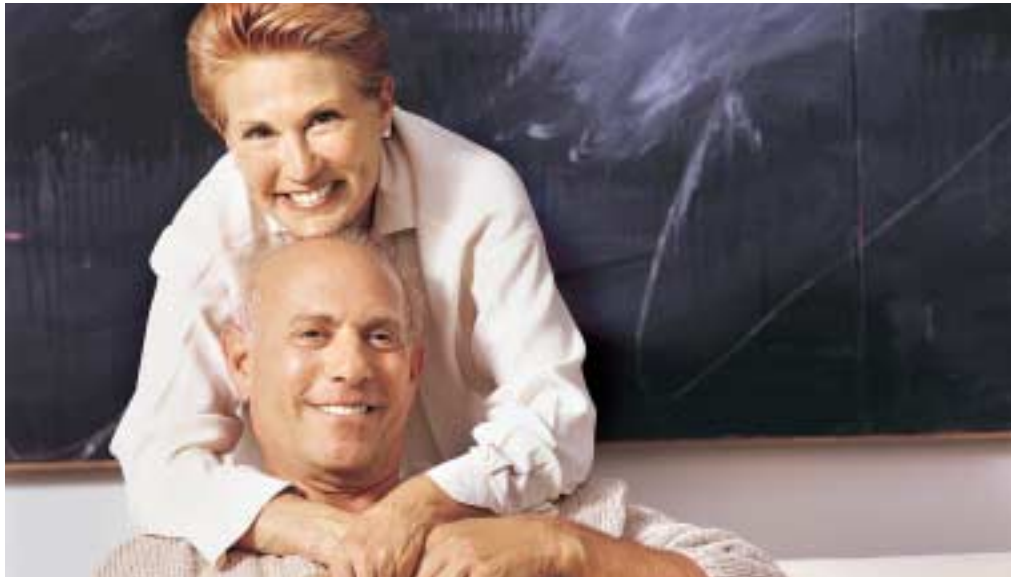
Your policy values grow tax-deferred, and no income taxes are payable until you withdraw from your policy. If you are under the age of 59½ when a withdrawal is made, the IRS may impose an additional 10% penalty tax.

MasterDex 5 gives you an immediate 5% bonus on an initial premium amount of \$25,000 or more (qualified or nonqualified). After that, the value of your annuity reflects the monthly point-to-point fluctuations of two of America's most recognized stock indexes: the S&P 500<sup>1</sup> and the Nasdaq-100<sup>2</sup>.

Once each month, we capture the current value of the index. We compare that value to the index value from the previous month, and record the difference between the two as the monthly return. Monthly returns may be positive or negative.

In any given month, a positive monthly return may exceed your annuity's stated monthly cap percentage. In that case, the capped return will be used in the annual index credit calculation.

*Safety.*  
*Growth.*  
*Control.*



<sup>1</sup> "Standard & Poor's", "S&P", "S&P 500", "Standard & Poor's 500", and "500" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Allianz Life Insurance Company of North America. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing the product.

<sup>2</sup> "Nasdaq", "Nasdaq-100" and "Nasdaq-100 Index" are trademarks of The Nasdaq Stock Market, Inc. and have been licensed for use by Allianz Life Insurance Company of North America. The product has not been passed on by the Corporations as to its legality or suitability. The product is not sponsored, endorsed, sold or promoted by The Nasdaq Stock Market, Inc. **THE NASDAQ STOCK MARKET, INC. MAKES NO REPRESENTATION REGARDING THE ADVISABILITY OF PURCHASING THE PRODUCT.**

Beginning premium: \$100,000  
 Bonus 5%  
 Assumed cap percentage: 3.20%

Month	Hypothetical monthly index return	Capped monthly return
1	<b>5.27</b>	<b>+3.20</b>
2	-2.00	-2.00
3	2.00	+2.00
4	-1.50	-1.50
5	<b>4.61</b>	<b>+3.20</b>
6	2.50	+2.50
7	<b>3.87</b>	<b>+3.20</b>
8	0.25	+0.25
9	-3.00	-3.00
10	-4.00	-4.00
11	<b>4.43</b>	<b>+3.20</b>
12	2.25	+2.25

**Value at end of policy year: \$114,765** **+9.3%**  
 (The sum of capped monthly returns equals the year's index credit.)

Here's an illustration showing 12 months of hypothetical market index returns based on a 3.20% cap. The monthly cap is established on every anniversary, and it is guaranteed for the next policy year. Returns impacted by the cap are shown in **bold** type. Although you can allocate premium to either index (or both), for simplicity's sake our example will presume all of the annuity's premium has been allocated to a single index.

To find the annual index credit, simply add up the 12 capped monthly returns.

**It's a good friend in bad times, too.**

How does MasterDex 5 perform when the going gets tough? Simply stated, the market may drop, but the value of your MasterDex 5 won't.

There is no established limit on negative returns in any individual month. However, you have a safety net. So, in the example above, if the sum of the next year's capped monthly returns yields a negative total, the annual index credit will be zero. You will still retain every dime of the annuity's \$114,765 value.

**Put all your eggs in one basket. Or two. Or three.**

When you purchase your MasterDex 5, you can link your annuity's growth exclusively to the S&P 500 or the Nasdaq-100®. You can also allocate your entire premium to a fixed interest option.

If you wish, however, you can divide your allocation (in 25% increments) among all three options. Now THAT'S control!

**Change your mind? No problem!**

Shortly after your policy anniversary each year, we'll notify you that you can change your allocations. Changes to your allocations must be submitted in writing. If we receive your changes within 21 days of your policy anniversary, they will be effective during the coming policy year. Allocation changes received more than 21 days after your policy anniversary won't take effect until your next policy anniversary.



# No matter what the market index does – MasterDex 5 gives you:

- Upside index growth potential.
- No market risk due to index losses.
- All your money (including gains and bonus) after 10 years!

The chart to the right turns back the clock to show the performance MasterDex 5 Annuity might have delivered from 1994 through 2003 if the policy had been offered. Although the 10 years shown reflect a range of extreme values, the chart represents a balanced look at how the product could have performed during that time period. Keep in mind past performance does not guarantee future results.

The values shown are based on the following assumptions:

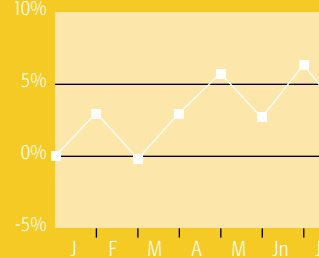
- \$100,000 initial premium and 5% bonus
- 100% participation rate guaranteed for the life of the contract
- 3.2% monthly cap for each year
- The product was available since 1994
- The policy is held for at least 10 years with no withdrawals taken

Under these assumptions, had the MasterDex 5 existed, it would have provided indexed growth, locked-in gains, and **an average yield of 8.2% each year** over the 10-year period shown.

In these three magnified scenarios, we take a closer look at the MasterDex 5 Annuity during three very different years. Note the way month-by-month changes in the index have an impact on the annuity’s annual index credit. Here’s what you would have received with MasterDex 5 under the above assumptions.

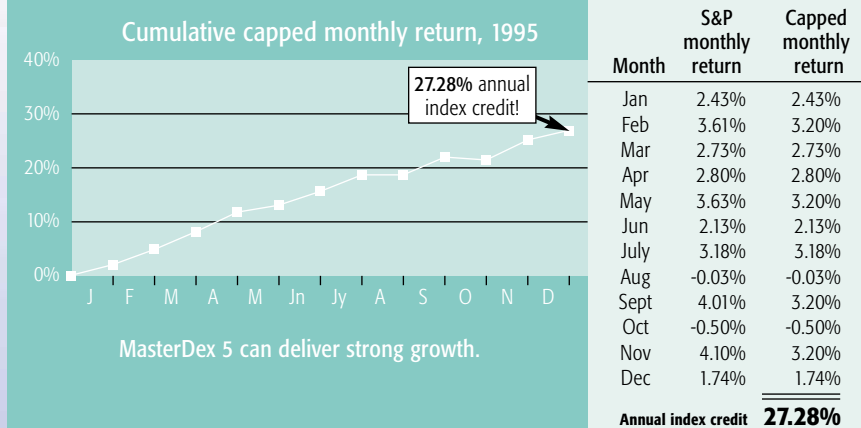
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Cumulative capped mon

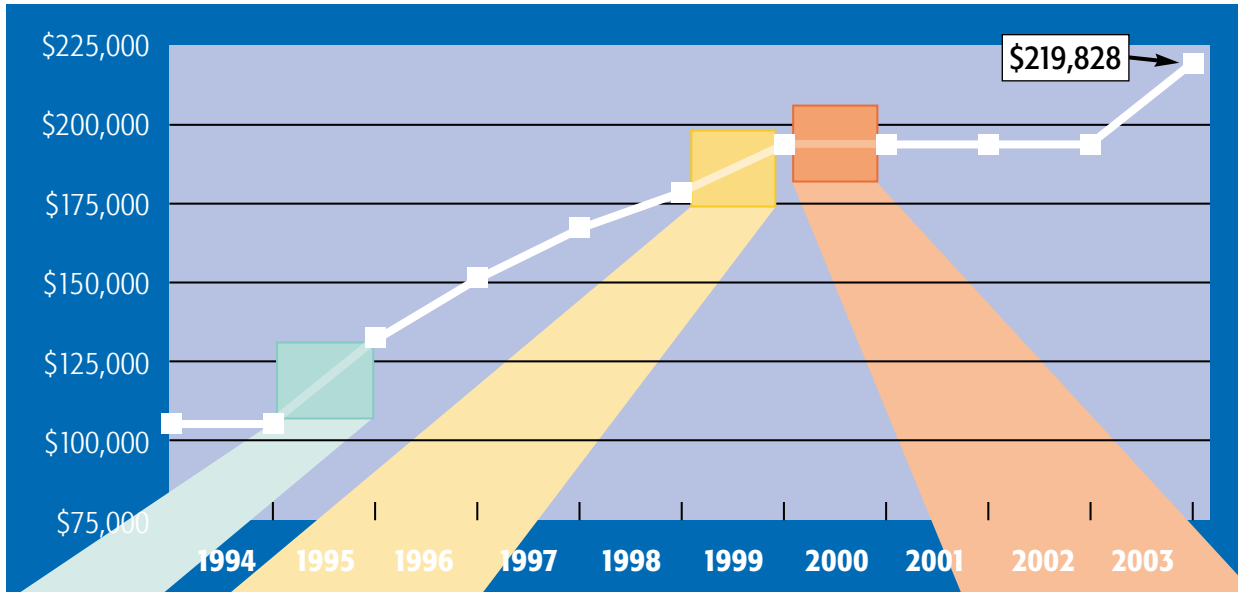


Earn an attractive yield even

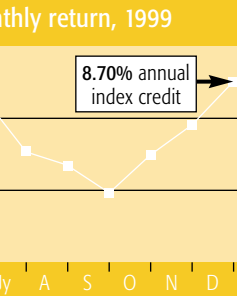
## DOUBLE-DIGIT GROWTH during the BEST year



# MasterDex 5 Performance: 1994-2003



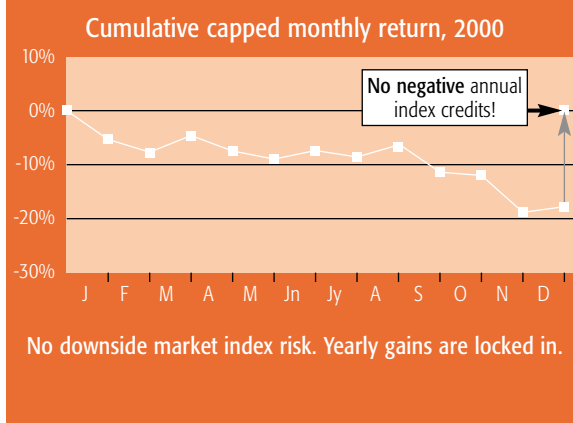
## PERFORMANCE



### during an AVERAGE year

Month	S&P monthly return	Capped monthly return
Jan	4.10%	3.20%
Feb	-3.23%	-3.23%
Mar	3.88%	3.20%
Apr	3.79%	3.20%
May	-2.50%	-2.50%
Jun	5.44%	3.20%
July	-3.20%	-3.20%
Aug	-0.63%	-0.63%
Sept	-2.86%	-2.86%
Oct	6.25%	3.20%
Nov	1.91%	1.91%
Dec	5.78%	3.20%
<b>Annual index credit</b>	<b>8.70%</b>	

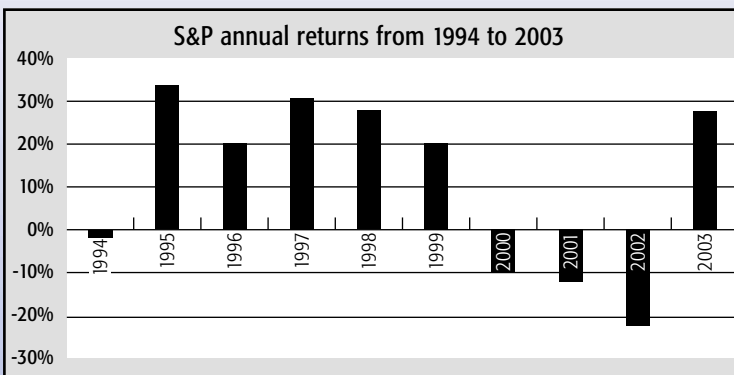
## PRINCIPAL PROTECTION during a NEGATIVE year



Month	S&P monthly return	Capped monthly return
Jan	-5.09%	-5.09%
Feb	-2.01%	-2.01%
Mar	9.67%	3.20%
Apr	-3.08%	-3.08%
May	-2.19%	-2.19%
Jun	2.39%	2.39%
July	-1.63%	-1.63%
Aug	6.07%	3.20%
Sept	-5.35%	-5.35%
Oct	-0.49%	-0.49%
Nov	-8.01%	-8.01%
Dec	0.41%	0.41%
<b>Annual index credit</b>	<b>0.00%</b>	

No downside market index risk. Yearly gains are locked in.

With MasterDex 5, you would have received smooth, steady growth from 1994 to 2003, not the S&P Index's wild ride.



This chart gives you a glimpse of how the S&P 500 Index rose and fell over a recent decade. As you can see:

- 1995-1999 provided a great opportunity to grow wealth.
- 2000-2002 saw the market index tumble.
- 2003 brought a rebound, but not enough to offset recent losses.



## MasterDex 5 gives you the freedom to access your money in several ways.

### Take penalty-free withdrawals.

You may take one penalty-free withdrawal of up to 10% of premiums every 12 months as long as:

- It occurs 12 months after the last premium is received.
- No more than one partial surrender is taken within a 12 month period.
- Cumulative withdrawals do not exceed 50% of the sum of the premium received.

If, within 12 months of a penalty-free withdrawal, the policy is annuitized, another withdrawal is taken, or additional premium is added, the penalty-free withdrawal will be treated retroactively as a partial surrender.<sup>1</sup>

### Schedule Systematic Withdrawal of Credits.

Systematic Withdrawal of Credits allows you to keep your policy in deferral and receive payment of accumulation value credits. You can select to receive payments after your fifth policy year. Payments will be based on credits applied to your policy after the request is received. To qualify for this option, your policy must be held at least five policy years and still be in deferral.

### Take a policy loan.

A policy loan may be taken for up to 50% of the cash surrender value (maximum of \$50,000). The loan interest rate is 7.4% annually in advance. Loans are not available with IRA, SEP, or some other qualified plans. Unpaid loans will be treated as a partial surrender.

### Receive required minimum distributions.

Required minimum distributions from a tax-qualified plan (IRA, SEP, etc.) are available. The distributions are offered as penalty-free withdrawals if taken annually in December or monthly throughout the year. Policy values will be reduced by the distribution amount withdrawn.

### Surrender with lump-sum payout.

Walk away with your annuity's full accumulation value at any time after 10 policy years. If you decide to terminate your policy before its 10th policy anniversary, the amount you receive will be reduced by a surrender charge, as shown in the chart on the right.

The Market Value Adjustment will also affect the amount you receive if you partially or fully surrender your policy during the surrender charge period.

Due to interest rate fluctuation, your policy's cash surrender value may vary based on the amount interest rates rise or fall. If interest rates rise during the first 10 policy years, your policy's cash surrender value will be lower. If, on the other hand, interest rates fall, your policy's cash surrender value will be higher. There are weighted Market Value Adjustment factors for your initial premium plus any additional premium payments you make. For a detailed description and an example of a Market Value Adjustment and the limits associated with it, see your Statement of Understanding/Disclosure Form.

Surrender charge percentages

End of policy year	Surrender charge %
1	15.00%
2	15.00%
3	15.00%
4	13.04%
5	10.89%
6	8.75%
7	6.61%
8	4.46%
9	2.32%
10	0.00%

The surrender charge percentage will start at 15% on the date of policy issue. Beginning in policy year four, the surrender charge percentage will decrease by 0.1786% on each monthly anniversary.

<sup>1</sup> Surrender charges and Market Value Adjustment might apply retroactively.

## Choose from a variety of options to fund your retirement years.

### What if I die while my policy is still in force?

The MasterDex 5 Annuity provides a death benefit payable to your named beneficiary. The annuity payments will be based on the policy's accumulation value if taken over a minimum of five years. If taken either as a lump sum or over a period of less than five years, the death benefit will equal the greater of the cash surrender value, or the sum of premiums paid less any withdrawals. The death benefits paid to a properly designated beneficiary (except for the estate) will pass without the costs and delays of probate.

### I don't want my annuity proceeds to be a tax burden for my beneficiary.

#### What can I do?

The Death Benefit Rider<sup>1</sup> enables the beneficiary to receive a tax-free death benefit up to 28% of taxable gain. It allows you to pass on more of your annuity's value to your beneficiaries and reduces a possible tax obstacle for them. Although the rate at which your beneficiaries will pay income tax at some future date is unknown, the Death Benefit Rider can offset a substantial portion – or all – of the income taxes due at the time of your death. Please note: A Death Benefit Rider charge will apply; benefit only applies to nonqualified contracts where owner/annuitant are the same.

### Receive guaranteed income for the life of the annuitant.

Anytime after five policy years, you can receive an income stream guaranteed to continue as long as the annuitant is alive, or select a distribution of the accumulation value over a period as short as 10 years.

### Index your income to enhance your retirement.<sup>1</sup>

You can even index your income payments to the S&P 500, which can help offset rising medical costs and inflation. When you select a qualifying settlement option, you can choose to index the full value of your distribution based on the performance of the S&P 500 Index. Note that the indexing method during payout differs from the method used during the accumulation period. At the end of each year, you have the option to choose an indexed or fixed distribution for the coming year. Your Allianz Life agent can give you all the details.

### Access your money sooner to help pay for nursing home care.<sup>1</sup>

After the first policy year if you, as the policyowner, should enter a nursing home, long-term care facility, or hospital for at least 30 days out of a 35 consecutive day period, you may take an accelerated distribution of your accumulation value over a period as short as five years. Payments under the Nursing Home Benefit will be based on your policy's accumulation value.

### Receive additional income if the annuitant is disabled.<sup>1</sup>

The **idea**® Benefit will increase future payments if the annuitant is disabled and any form of lifetime annuity payment has been taken for a period of at least two full years. The annuity payments must have begun prior to the annuitant's 85th birthday.

The increased payments of 30% for partial disability or 60% for total disability will continue for as long as the disability persists. Total disability is defined as the annuitant's inability to perform at least five Activities of Daily Living (ADLs) from all three clusters. Partial disability is defined as the inability to perform at least two ADLs from two clusters.

Cluster 1	Cluster 2	Cluster 3
Toenails	Stairs	Medicating
Bathing	Outside	Transference
Dressing	Ambulation	Eating

*Safety.*  
*Growth.*  
*Control.*

<sup>1</sup> Not available in all states

# Is the MasterDex 5™ Annuity the right choice for your retirement plans?

The MasterDex 5 Annuity offers a combination of benefits you may not find in another financial product. It merits your careful consideration if:

- **You would appreciate** receiving an up-front bonus to help regain market losses or recoup surrender charges (or if you just plain enjoy getting a bonus!)
- **You want to avoid losing** any of your initial principal and bonus if the market index declines.
- **You wish to share** in potential gains in the S&P 500 Index or Nasdaq-100®.
- **You want your money to benefit** from tax-deferred growth.
- **You anticipate leaving your money** in the annuity long enough to avoid any surrender charges and Market Value Adjustment.
- **You want flexible** income options.
- **You want a death benefit** for your heirs.



The MasterDex 5 Annuity is a powerful financial tool from Allianz Life®. It can deliver strong performance no matter which way the market is heading.

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**Make it part of your retirement portfolio.**

# Our top priority is the safety of your money

All policies are issued by Allianz Life Insurance Company of North America, a member of the Allianz Group. With over 700 subsidiaries in more than 70 countries, the Allianz Group is one of the world's leading providers of integrated financial services.

Our goal is to provide policyholders with wealth management products that can help meet today's needs and financial objectives, with a product philosophy of offering fair and equitable values on each policy we issue. Foremost in our minds is the safety of the money you entrust to our care.

Allianz Life® has consistently been assigned financial strength ratings by Standard & Poor's and A.M. Best that are among the highest available. It is one of a select group of major insurance companies to receive such high ratings.

These independent agency ratings are based on an analysis of financial results and evaluation of management objectives and strategies. The ratings do not indicate approval by the analysts and are subject to change.

Innovative products, exceptional customer service, and sound financial strength make Allianz Life the place to turn to help meet your retirement objectives.

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Agent name \_\_\_\_\_

License number \_\_\_\_\_

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