

5 T H A N N U A L  
*Financial Advisor*  
**RETIREMENT SYMPOSIUM**

**Retirement Solutions with fixed annuity, variable annuity, target date, balanced and stable value funds**

MODERATOR

**Michael Zmistowski**

Chairman

**Financial Planning Association of  
Florida**

PANELISTS

**Michael Baney, CIMA**

District Director

*Allianz Life Financial Services*

**Mark Gremler**

President/CEO

*Billion Dollar Mentoring*

**Sri Reddy, CFA**

Senior Vice President Institutional Sales

*Prudential*





# Probability versus Certainty

What happens to your clients if you are wrong?

Mike Baney, CIMA  
Northeast District Director

Allianz Life Insurance Company of North America



**For Broker/Dealer use only – not for use with the public.**

Our Mission: Allianz Life is the leading innovator of financial solutions for consumers who want protection, income, and the guidance of a trusted financial professional.

# Important points

**The performance data we use is hypothetical and does not reflect sales or management charges. If these charges were reflected, performance would be lower.**

**Guarantees are backed by the financial strength and claims-paying ability of the issuing company and do not apply to the performance of the variable subaccounts, which will fluctuate with market conditions.**

**Past performance is not a guarantee of future results. Investment returns and principal value will fluctuate with market conditions so that shares or units, when redeemed may be worth more or less than original cost.**

**Withdrawals will reduce the contract value and the value of any income and death benefits. Withdrawals may be subject to a surrender charge, included in taxable income, and prior to age 59½ may be subject to a 10% federal tax penalty.**

**Variable products are not FDIC insured, are not deposits or obligations of, or guaranteed by, any financial institution and involve investment risk, including possible loss of principal.**

# Important points continued

***For more complete information about Allianz variable annuities and variable investment options, call Allianz Life Financial Services, LLC at 800.542.5427 for a prospectus. The prospectuses contain details on investment objectives, risks, fees, and expenses, as well as other information about the variable annuity and variable investment options, which your clients should carefully consider. Encourage your clients to read the prospectuses thoroughly before sending money.***

**Variable annuities are subject to investment risk, including possible loss of principal. Investment returns and principal value will fluctuate with market conditions so that units, upon distribution, may be worth more or less than the original cost.**



## Risk and probability

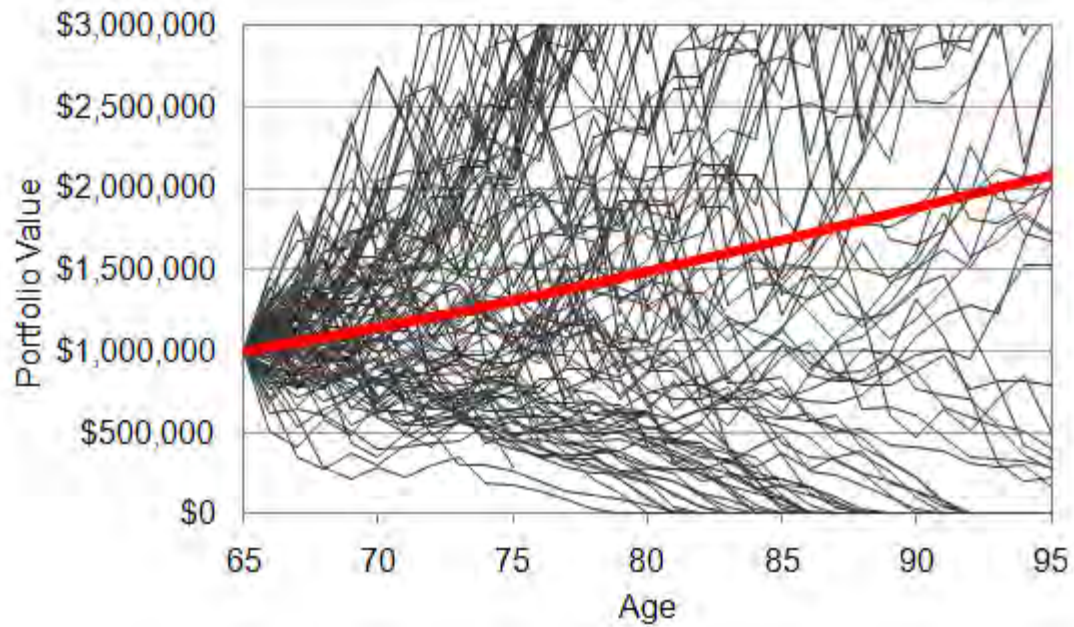
# Just how fat are fat tails?

## Daily Change in DJIA 1916 – 2003 (21,924 Trading Days)

Daily Change (+/-)	Normal Distribution Approximation	Actual	Ratio of Actual to Normal
> 3.4%	58 days	1001 days	17x
> 4.5%	6 days	366 days	61x
>7%	1 in 300,000 years	48 days	Very Large

SOURCE: PIMCO, Benoit Mandelbrôt: The (Mis)behavior of Markets, January 29, 2010  
Sample for illustrative purposes only.

# Sustainable withdrawal rates



# Paradigm Shift





# Success during distribution

	Initial withdrawal rate*		
	4%	6%	8%
<b>Sequence of Returns</b>	<b>21%</b>	<b>21%</b>	<b>28%</b>
<b>Inflation</b>	<b>13%</b>	<b>20%</b>	<b>25%</b>
<b>Asset Selection</b>	<b>16%</b>	<b>18%</b>	<b>16%</b>
<b>Portfolio costs</b>	<b>21%</b>	<b>16%</b>	<b>14%</b>
<b>Asset Allocation</b>	<b>17%</b>	<b>14%</b>	<b>10%</b>
<b>Other</b>	<b>12%</b>	<b>11%</b>	<b>7%</b>

Equity proxy: S&P 500

Source: Jim Otar, "Unveiling the Retirement Myth", Chapter 31, ISBN 978-0968963425

\*Note: Indexed to inflation

When your client asks you “Will I have income for the rest of my life”, do you want to answer “probably” or “certainly”?

Rethink Retirement. Perhaps it’s time to add a level of certainty.

Thank you.

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# Products and Features Clients Desire

## Products clients like:

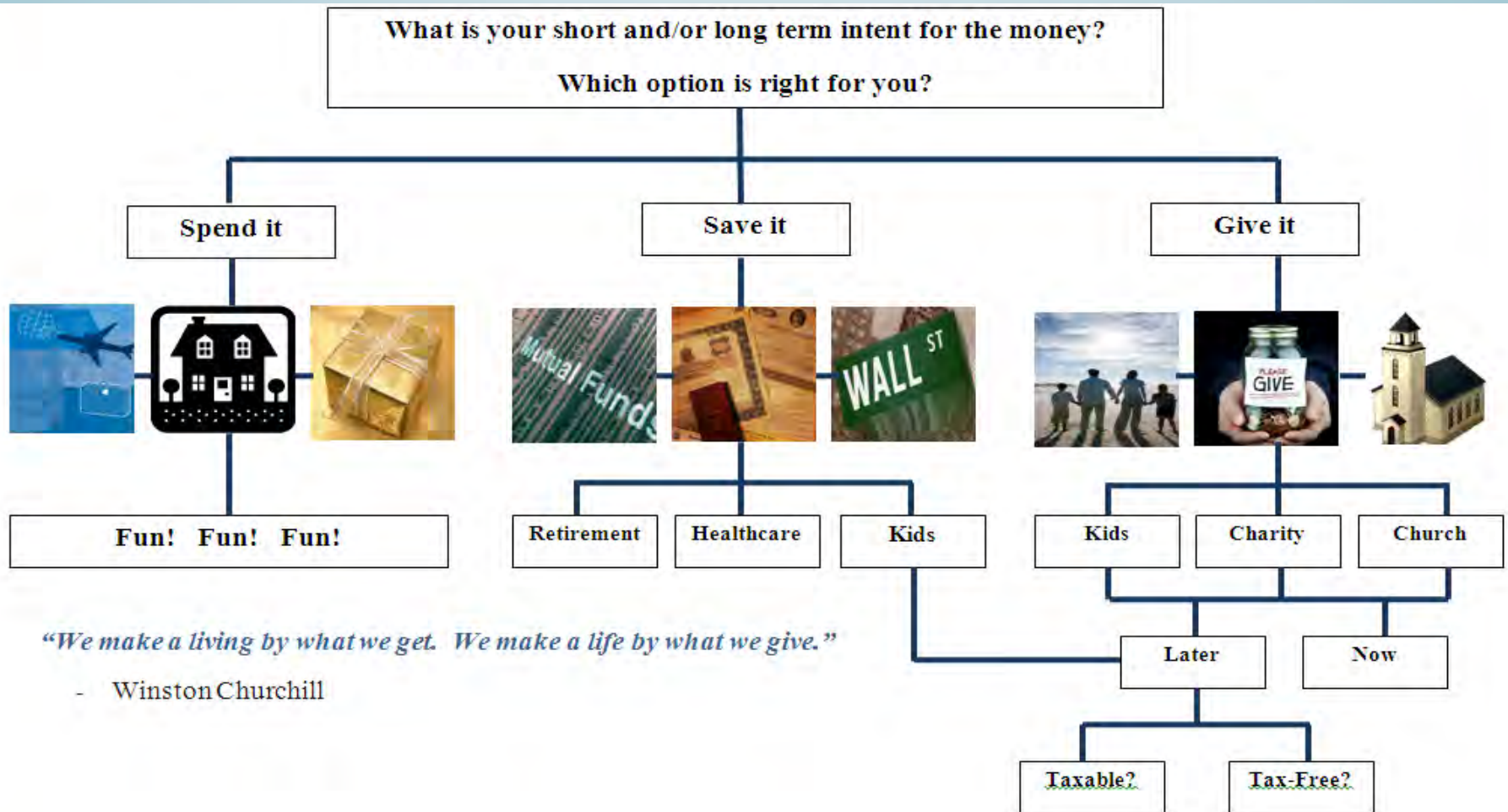
- Fixed Annuities
- Fixed Index Annuities
  - Variable Annuities
- 2<sup>nd</sup> to Die Life Insurance
- IRA to Life Conversion

## Features they desire:

- Income Benefits
- RMD-Friendly Products
  - Nursing Care Rider
  - Death Benefit Rider
- Competitive Growth Rates
  - Principal Protection



# RMD Sales Idea



*"We make a living by what we get. We make a life by what we give."*

- Winston Churchill

## Always Be Marketing!

- Market to Existing Clients, their Guests and the Masses
  - Conduct Group Presentations
- Have a Unique and Compelling Topic
  - CPA/Lawyer - Wills and Trusts
  - What to do When a Spouse Dies
    - Social Security

For more information or if you have questions...

**Stop by Booth #12**  
**Billion Dollar Mentoring**



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