AllianzIM
Buffered ETFs

Demystifying Buffered ETFs

Unpack the components of Buffered ETFs to understand how they function

Buffered ETFs are designed to offer a built-in Buffer against market drops, while offering potential equity returns, up to a stated Cap.

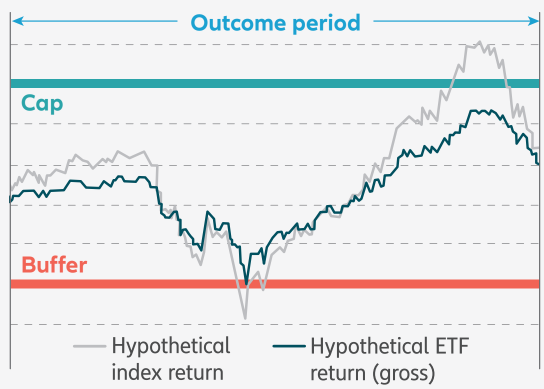
The basics

Terminology

Outcome Period
The period of time over which the ETF seeks to provide starting values outcomes, including Caps and Buffer.

Cap
The maximum potential return the ETF seeks to provide for the Outcome Period.

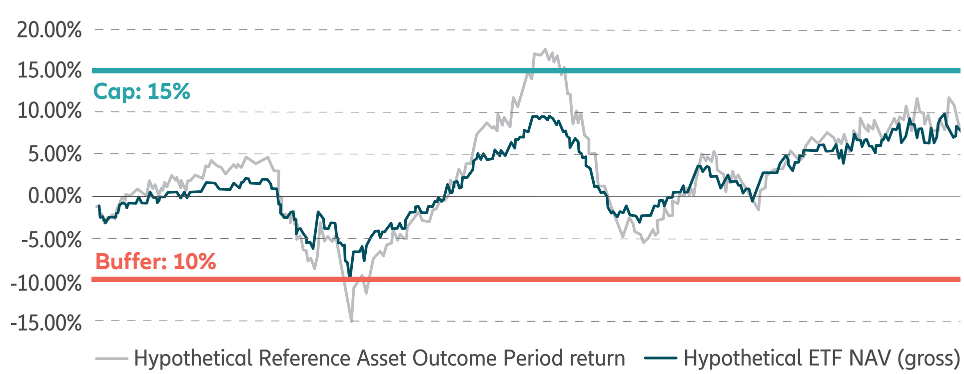
Buffer
The maximum potential loss reduction the ETF seeks to provide for the Outcome Period.



This example is for illustrative purposes only and does not represent any historical data or investment.

FUND VALUE COMPARED TO INDEX RETURNS

The fund's net asset value (NAV) will not directly correlate on a day-to-day basis with the returns experienced by the price index. This is because the NAV is subject to multiple factors – including changes in the value of the reference asset, changes in interest rates, changes in the actual and implied volatility of the reference asset, and the remaining outcome period.



This example is for illustrative purposes only and does not represent any historical data or investment.

Investing involves risk, including possible loss of principal. There is no guarantee the funds will achieve their investment objectives and may not be suitable for all investors.

Investors may lose their entire investment, regardless of when they purchase shares, even if they hold shares for an entire Outcome Period. Full extent of Caps and Buffers only apply if held for stated Outcome Period and are not guaranteed. The Cap may increase or decrease and may vary significantly.

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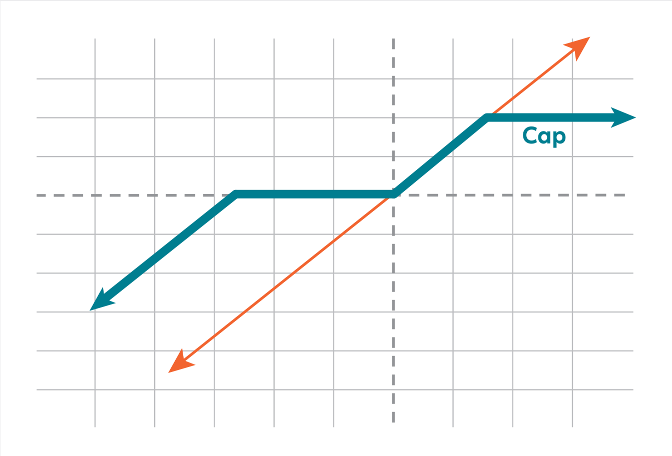
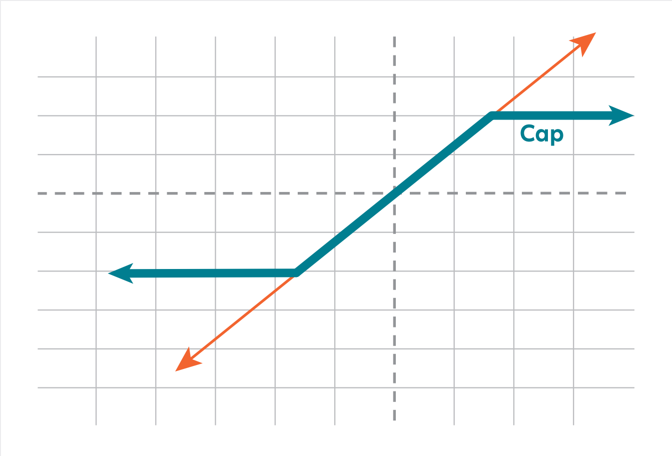
CAPS, BUFFERS, AND FLOORS



With Buffer

If the underlying reference asset decreases, the investor won't incur the decrease until the buffer is exceeded – at which point the investor will begin to incur loss at the same rate as the reference asset.



With Floor

The investor incurs loss at the same rate as the reference asset decrease, but only until the stated floor is reached. At that point the reference asset can continue to decrease, but the investor's loss will stay the same.

These hypothetical examples are provided for illustrative purposes only.

Timing of investment

Outcomes vary depending on the timing of the investment.

INVESTING AT THE START OF A NEW OUTCOME PERIOD

For investors who **invest at the beginning of the Outcome Period** and **hold for the stated Outcome Period,** stated Cap and Buffer targets apply.

INVESTING INTRA-PERIOD

For investors who **invest intra-period** and **hold for the remaining Outcome Period,** remaining Cap and remaining Buffer targets apply.

SELLING INTRA-PERIOD

The market value of the fund determines the return for investors who **sell intra-period.** The price of the ETF will reflect Cap and Buffer targets but will not explicitly apply as stated.

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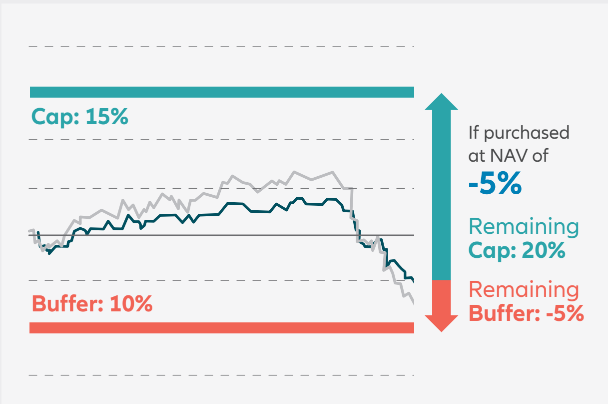
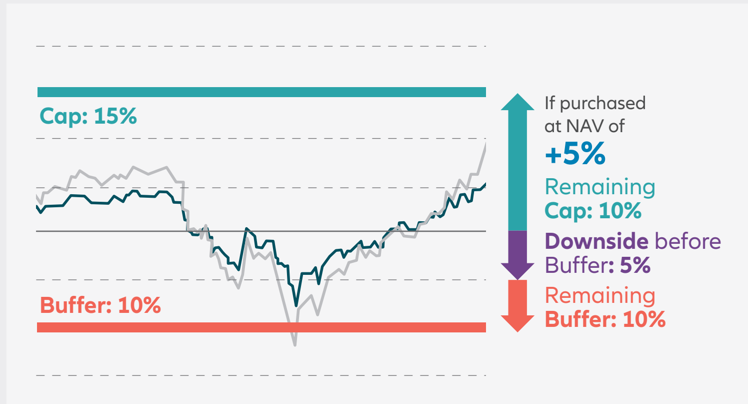
INTRA-PERIOD INVESTING: NAV AND STARTING VALUE

When NAV is less than the starting value:



When NAV is greater than the starting value:

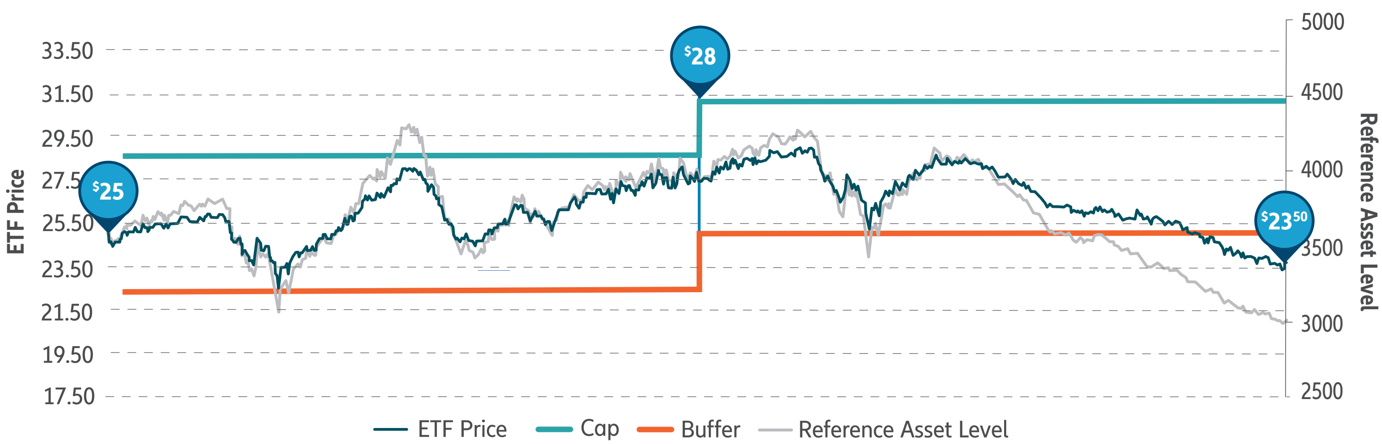


These hypothetical examples are provided for illustrative purposes only and do not reflect the deduction of fees, which will reduce performance.

END OF THE OUTCOME PERIOD

When an Outcome Period ends and a new one begins, a new Cap and Buffer are assigned based on the new starting point. In the hypothetical example below, the ETF starts the Outcome Period with a price of $25. The Cap and Buffer are set based on this price.

The ETF price fluctuates throughout the year and, at the end of the Outcome Period, reaches a price of $28. It starts the new Outcome Period at this price, and a new Cap and Buffer are set. The price continues to fluctuate throughout the second year. The ETF Price goes down and ends the year at $23.50.



Hypothetical example of how an ETF strategy could work and is not representative of an investment strategy. Data is not representative of any historical data or investment and does not reflect the deduction of fees, which will reduce performance.

Taxation

BUYING AND SELLING

An investor who buys and sells this investment will realize capital gains and losses similar to other investments. The realized gains and losses may be treated as short- or long-term depending on the holding period.

HOLDING THE INVESTMENT

There may be taxable events for investors who continue to hold this investment. While Allianz Investment Management LLC (AllianzIM) is working with tax counsel and industry experts to increase the tax efficiency of its ETFs, it is generally expected that, due to current IRS rules, it is possible that the funds may distribute some amount of gains to shareholders, thereby creating a taxable event. It is generally expected that any such special distribution of those gains will be split 60% long-term and 40% short-term, and distributed toward the end of the calendar year. AllianzIM will continuously evaluate its tax strategy to ensure it remains appropriate over time.

An investor should look to tax statements from their investment platform for additional information as well as discuss with their tax professional any potential tax implications.

WWW

Learn more about AllianzIM Buffered ETFs.
Consult with your investment professional or visit www.allianzIMetfs.com.

Allianz Investment Management LLC is a registered investment adviser and a wholly owned subsidiary of Allianz Life Insurance Company of North America.

FLEX Options Risk. The Fund will utilize FLEX Options issued and guaranteed for settlement by the Options Clearing Corporation ("OCC"). The Fund bears the risk that the OCC will be unable or unwilling to perform its obligations under the FLEX Options contracts. In the unlikely event that the OCC becomes insolvent or is otherwise unable to meet its settlement obligations, the Fund could suffer significant losses.

FLEX Options are customized equity or index options contracts that trade on an exchange, but provide investors with the ability to customize key contract terms like exercise prices, styles and expiration dates. An options contract is an agreement between a buyer and seller that gives the purchaser of the option the right, but not the obligation, to buy (in the case of a call option), or to sell (in the case of a put option), a particular asset at a specified future date at an agreed upon price (commonly known as the "strike price").

Full extent of Caps and Buffers only apply if held for the stated Outcome Period. An investor who purchases Fund Shares after the Outcome Period has begun or sells Fund Shares prior to the end of the Outcome Period may experience results that are very different from the investment objective sought by the Fund for that Outcome Period. There is no guarantee that the Cap will remain the same after the end of the Outcome Period.

Investing involves risk, including possible loss of principal. There is no guarantee the funds will achieve their investment objectives and may not be suitable for all investors.

Investors may lose their entire investment, regardless of when they purchase shares, even if they hold shares for an entire Outcome Period. Full extent of Caps and Buffers only apply if held for stated Outcome Period and are not guaranteed. The Cap may increase or decrease and may vary significantly.

Investors should consider the investment objectives, risks, charges, and expenses carefully before investing. For a prospectus with this and other information about the Fund, please call 877.429.3837 or visit www.allianzim.com and review the prospectus. Investors should read the prospectus carefully before investing.

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