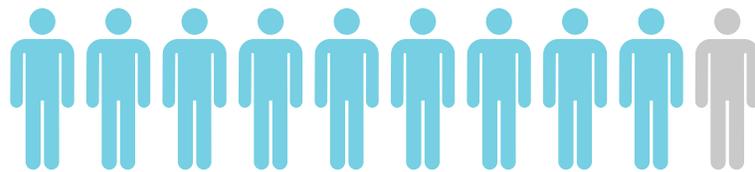


GUARANTEED INCOME FOR RETIREMENT ASSURANCE



Workers strive to reach retirement in hope to successfully maintain their financial independence using the assets they have accumulated over time. During this phase of life, retirees can face financial challenges as they rely on distributed income from their retirement accounts, rather than receiving a consistent paycheck from their previous employer or from their own business. Although income sources like Social Security benefits exist for most retirees, in general, reliable income sources are not enough to fulfill a retiree's income goal, forcing them to be mentally aware of how long their assets will last and what will happen to the longevity of their retirement plan if their invested funds experience below average or negative market returns. Since withdrawals are not needed during accumulation years, market sequence of returns has no impact on an ending account balance; however, when switching to retirement, retirees can accelerate the depletion of or completely exhaust their assets when withdrawing income during years with negative returns. Unlike previous generations who may have had retirement pensions, today's individuals are responsible for implementing guaranteed or reliable income solutions themselves.



9 in 10 of current retirees said having guaranteed lifetime income in retirement *increased sense of financial security*, and leads to a *more fulfilling retirement*.

Source: 2017 NYL Consumer Retirement Income Planning Study

ADDING A GUARANTEED INCOME SOLUTION...

- Turns funds into a pension like income stream for a retiree's life or the combined lives of the retiree and their spouse
- Provides income that will not reduce due to negative investment performance
- Helps avoid substantial withdrawals in a declining market year
- Could be considered by individuals approaching retirement who cannot withstand a full market cycle

Without being able to accurately predict the future, locking in guaranteed income at the peak of the market rarely happens. However, retirees can miss out on higher guaranteed income if they wait until the fear of account depletion sets in during multiple negative years.

CASE STUDY

Independent Time Horizon

2000–2017 (S&P 500 Index after strong market returns in 1999)

Annual Income Goal in Addition to Social Security

\$38,000 (Adjusted annually for 2.00% inflation)

Total Retirement Funds

\$750,000

Scenario A

Invest \$750,000 in a market-based investment account

Scenario B

Invest \$500,000 in a market-based investment account

Utilize \$250,000 to guarantee an annual income stream of \$16,000

GUARANTEED INCOME FOR RETIREMENT ASSURANCE



YEAR	RETURN	SCENARIO A		SCENARIO B		
		ACCOUNT VALUE	WITHDRAWAL	ACCOUNT VALUE	WITHDRAWAL	LIFETIME INCOME
2000	-9%	\$750,000	\$38,000	\$500,000	\$22,000	\$16,000
2001	-12%	\$647,208	\$38,760	\$434,502	\$22,760	\$16,000
2002	-22%	\$536,043	\$39,535	\$362,745	\$23,535	\$16,000
2003	29%	\$386,779	\$40,326	\$264,244	\$24,326	\$16,000
2004	11%	\$445,886	\$41,132	\$308,775	\$25,132	\$16,000
2005	5%	\$448,871	\$41,955	\$314,559	\$25,955	\$16,000
2006	16%	\$426,855	\$42,794	\$302,746	\$26,794	\$16,000
2007	6%	\$444,743	\$43,650	\$319,552	\$27,650	\$16,000
2008	-37%	\$423,153	\$44,523	\$307,957	\$28,523	\$16,000
2009	27%	\$238,915	\$45,414	\$176,323	\$29,414	\$16,000
2010	15%	\$244,780	\$46,322	\$185,840	\$30,322	\$16,000
2011	2%	\$228,425	\$47,248	\$179,002	\$31,248	\$16,000
2012	16%	\$184,981	\$48,193	\$150,856	\$32,193	\$16,000
2013	33%	\$158,674	\$49,157	\$137,649	\$33,157	\$16,000
2014	14%	\$145,549	\$50,140	\$138,870	\$34,140	\$16,000
2015	1%	\$108,479	\$51,143	\$119,078	\$35,143	\$16,000
2016	12%	\$58,139	\$52,166	\$85,110	\$36,166	\$16,000
2017	19%	\$6,690	\$6,690	\$54,817	\$37,209	\$16,000
		Non-Guaranteed		Non-Guaranteed		Guaranteed

Due to substantial withdrawals during years with negative returns, Scenario A was unable to meet the required income goal in the 18th year (2017). In Scenario B, annual withdrawals from the market-based investment account were reduced because of the lifetime income guarantee. Not only does Scenario B still have \$48,127 more of an Account Value in year 18, but it will also maintain the \$16,000 guaranteed income stream for life regardless of future market returns. Adding income guarantees into your portfolio can help hedge against market sequence of returns risk and the risk of outliving your assets.

The examples given are hypothetical, for illustrative purposes only and does not reference any specific client experience.

Guarantees are based on the claims-paying ability of the insurance company offering the guarantee. Additional features and benefits such as contract guarantees, death benefits and the ability to receive guaranteed income are contained within the annuity for a cost.

The illustrations do not include or portray fees or expenses. Performance can vary for the above scenarios, performance is not guaranteed.

Performance figures represent past performance and does not guarantee future results. | The S&P 500 Index is a capitalization-weighted benchmark that tracks broad based changes in the U.S stock market. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index.