Retirement Simplified™ Roadmap

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This material should not be construed in itself as, and should not be relied upon for, investment, legal, tax, or accounting advice. Please consult a professional specializing in these areas for specific financial, legal, or tax-planning needs.

This roadmap includes references to studies and other sources. They can be found in the endnotes. If you would like to request a copy of any of these sources, please call us.

Please note any examples given within this roadmap are not company-specific, they are concepts given to help you understand how these products function. Contracts can vary and change. Not all annuity contracts, benefits, riders, and rider features may be available in your state.

At times, this roadmap refers to guarantees offered with annuity contracts. Please note annuity guarantees depend on the financial strength and claims-paying ability of the insurance company issuing the annuity contract.

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INTRODUCTION

Do you worry about running out of money in retirement? Many seniors and baby boomers we talk to mention this as their top concern. It's unfortunate. Aft[illegible]many years of hard work, you should be able to look to a comfortable retir[illegible] future with anxiety and doubt.

Of course, having enough money isn't the only retireme[illegible]cern. T[illegible]e additional challenges facing us: economic uncertainty, rising [illegible]h costs, [illegible] individual responsibility for planning, growing pressures on Soci[illegible]rity and other guaranteed government programs, to name a f[illegible]ll of this [illegible] the possibility of an underfunded retirement for many [illegible]s.

When speaking with people, we learn and find [illegible]many retire[illegible]t plans are incomplete. They fall short of what they need for [illegible]e, or th[illegible]eave retirement assets too exposed to market risk. If negl[illegible]d, these [illegible]mings could lead to costly setbacks or even financial disas[illegible] D[illegible]have the [illegible]r measures in place for your retirement lifetime?

The purpose of this roadmap is [illegible] evaluate the steps you have taken to prepare. Learn safe strategi[illegible] build a [illegible]undation, maximize retirement income, and safeguard your [illegible] from unn[illegible]essary risk.

It is my sincere hope [illegible] you find [illegible]esource helpful with evaluating your income and weal[illegible]strateg[illegible] – and seeing if you can take any further steps to achieve[illegible]ur g[illegible]. [illegible]ys, should you ever have any questions or input[illegible]lease do[illegible]t he[illegible]ate to [illegible]ntact us at 877.GROW.SAFE (877.476.9723). We [illegible] the best in [illegible]ment success.

All the b[illegible]

Brent [illegible]

ARE YOU READY FOR FINANCIAL RISKS IN RETIREMENT?

Today brings a new generation of retirement risks. These dynamics are uncharted territory – we are in a landscape which has never existed before. Because of the unknowns, we must work diligently and carefully to navigate this new terrain.

If you are in your fifties or sixties, now may be a critical timeline for your retirement future. Any financial decisions you make will impact the rest of your lifetime, no matter what your situation is or how long you live.

If you are age 70 or older, careful planning is still essential. Medical costs and other aging-related expenses rise as our health needs change. We will want to ensure we have sufficient income to pay for all those needs. Estate planning may be another priority. In that case, we will want to make certain the legacy we leave to our loved ones is as efficient and tax-advantaged as possible.

For those of us who are younger, this is not to say retirement planning should not be a focus. Pre-retirees below age 50 are still in the accumulation stage. At this point, the timeline is longer for building up retirement assets and creating a strong foundation. There are other safe money strategies, including or besides personalized annuity strategies, which can help you move toward those goals.

The point is that when you are nearing or in retirement, it is a critical juncture. If unplanned for, the new retirement risks can greatly erode your financial security or compromise your lifestyle. Now is the time to plan for your future, no matter what your age and situation.

To quote from *The New Retirement Report*, some of the primary challenges facing seniors and baby boomers in retirement are:

- Record-breaking amounts of Americans retiring – more pressure on Social Security, Medicare, and other programs.
- Longer life expectancies – more years to plan for and pay for in retirement.
- Uncertain economic conditions – sluggish recovery in the wake of the 2008-2009 financial crisis.

- Rapidly rising medical costs for healthcare, long-term care assistance, and other personal care services.
- Market uncertainty – retirement savings being exposed to losses when the stock market falls.
- Market timing related risk – Pulling assets out of the market t[illegible] soon f[illegible] recovery due to the possibility of further losses.
- Inflation risk – eroding your money's buying pow[illegible] time d[illegible] increasing costs of goods and services.
- Low interest rates – meager returns on savings accounts, c[illegible]tes of deposit, and other conservative investments[illegible]

Each of these risks is a potential financial pitfall – a[illegible]etiremen[illegible]il" which can erode your income security in retirement. How[illegible]red are yo[illegible]r these financial risks?

To answer this, it helps to contextualiz[illegible]atters in[illegible]ckdrop of today's economy – and why we must work ha[illegible] to de[illegible]e how t[illegible]ate this new terrain.

A New Era of Asset Managem[illegible]t

In 2010, Bill Gross and Mo[illegible]El-Erian, fo[illegible]erly of Pimco[1], touted a negative outlook for the global economy[illegible]s and El-Erian are seen as some of the best money managers i[illegible]ness. At[illegible]me, they had built Pimco to just over $1 trillion in assets[illegible]er m[illegible]ent – a record which rivaled the assets of big banks.[3]

[illegible]d El-Erian ch[illegible]teri[illegible] their outlook as the "new normal," or an "era of [illegible]elow-ave[illegible]conom[illegible]wth" following the financial crisis.[4] It was expected to [illegible]e a [illegible]cre gains and stagnant recovery.[5]

[illegible], Pimco la[illegible]ut its expectations for the next three to five years, during which it recast[illegible]new normal" thesis as the "new neutral."[6] Under this model, the ne[illegible]k was comparable to a car stuck in neutral gear.[7] As Pimco Executive Vice President Richard Clarida told reporters, "The 'new neutral' looking forward is a story about a global economy that isn't recovering, it's a global economy that is converging to trend rates of growth that will be sluggish."[8]

Think about that for a moment – expectations of growth similar to a car set in neutral gear. Based on present conditions, there could be a host of rea[illegible] why we should be concerned. As noted in news articles on Pimco's r[illegible]sed outlook and Pimco commentary on global events[9]:

- Across the globe, central banks have gone full thrott[illegible]ttempt[illegible] recovery with low interest rates.
- If another recession rolled around, most countri[illegible]uld not [illegible] the room to implement new policies to counteract it.
- Interest rates are far below what they we[illegible]t at befor[illegible] financial crisis, and they may stay that way.
- Forecasts project economic growth to be slug[illegible] pre-crisis growth levels.
- Uncertainty from geopolitical t[illegible]sions, [illegible]s politic[illegible] in Europe, may lead to future negative "s[illegible]r adverse [illegible]ts to different countries' economies.

In these times of stagnant [illegible], a marke[illegible]nturn would be impactful. Given this backdrop, the importance [illegible]g prepared for today's retirement risks – pitfalls which can d[illegible]r stand[illegible] living, your desired lifestyle in retirement – can't be overst[illegible]d.

Mitigating Risks [illegible]th "[illegible]fe M[illegible] First" Principles

[illegible] enjoyed the[illegible]d l[illegible] during the working years? Once they leave the [illegible]orkforce [illegible]eople [illegible]d like to continue living well. They want to maintain a comf[illegible] on their own terms – not settle for a downsized quality of life [illegible]to work j[illegible]o make ends meet. At SafeMoney.com, it is our belief that your retirement [illegible]tegy should keep your wealth intact, put you in the driver's seat to [illegible] your style of living, and help you sustain healthy spendable cash-flow. In short, your money should work for you – you should not have to set your expectations around your money.

Think of your finances in terms of “Safe Money” – or the retirement money you can’t afford to lose. In real-world terms, the concept of Safe Money tr[illegible]

- Income dollars – the difference between spending the retirem[illegible] yea[illegible] comfort or financial duress.
- Replacement income – income for loved ones once s[illegible]ne has [illegible] away.
- Wealth for inheritors – what you leave behind a[illegible]gacy an[illegible] much of it is affected by taxes, probate, or other facto[illegible]

All of these elements are part of a retirement fi[illegible]al plan, bu[illegible]’s go back to the discussion of income security. It helps to co[illegible]ny fina[illegible] decisions in terms of retirement lifestyle choices. You may wish t[illegible] the lifestyle to which you have become accustomed. [illegible] have e[illegible] expectations for how you would like to live out your re[illegible]rement [illegible]

In any case, consider your lifest[illegible]nces and w[illegible]at monthly income you will need to sustain that style of [illegible]g. The [illegible] you will use to pay for the costs of keeping up your lifestyle is [illegible]oney – the [illegible]t of your retirement wealth which fuels how you live. They are crit[illegible]nds which we can’t afford to lose in retirement. Other[illegible]y mean[illegible]wngraded standard of living or even recurring strugg[illegible]f ho[illegible] the bills each month. That is hardly a situation that anyone ne[illegible]or w[illegible]ts i[illegible] retirement years!

[illegible]ing the right[illegible]cipl[illegible], you can enjoy the retirement of your dreams. [illegible]ith custom[illegible] annu[illegible]tegies built on our signature Safe Money blueprint, thous[illegible] have achieved greater peace of mind. Basing a plan on a [illegible]oney Firs[illegible]undation – or retirement planning tactics to prolong your safe money for [illegible]ng as you live – will help you preserve those lifestyle dollars and gi[illegible]ter spending confidence for your retirement lifetime.

Let’s examine the concept of a “Safe Money First” foundation – and how it can be used to protect your nest egg and maximize spendable income.

THE IMPORTANCE OF BUILDING A RETIREMENT INCOME PLAN ON A SAFE MONEY FIRST FOUNDATION

You may be wondering what a “Safe Money First” foundation is. Let [illegible] this concept in relation to what is likely a familiar topic – as[illegible]cation [illegible]hen discuss why it is important for retirement planning matters.

When it comes to investment planning, an important decision is [illegible]llocation” – or, as one Forbes contributor defines it, what will [illegible]ction [illegible] investments you own.[10] There are many investme[illegible]ptions, [illegible] with varying risk and return potential. Of course, that encompa[illegible]any asset [illegible]s, including stocks and bonds.

How an investor allocates their portfoli[illegible]ds on a [illegible]r of factors, including how the stock market perfo[illegible]s. Th[illegible]e, portfo[illegible]cisions are an ongoing matter. It is a constant re[illegible]ing of ris[illegible]sses vers[illegible]s potential returns, depending on market [illegible]nd other variables. The end goals are attaining portfolio gains and [illegible]ding inv[illegible]t losses as much as possible.

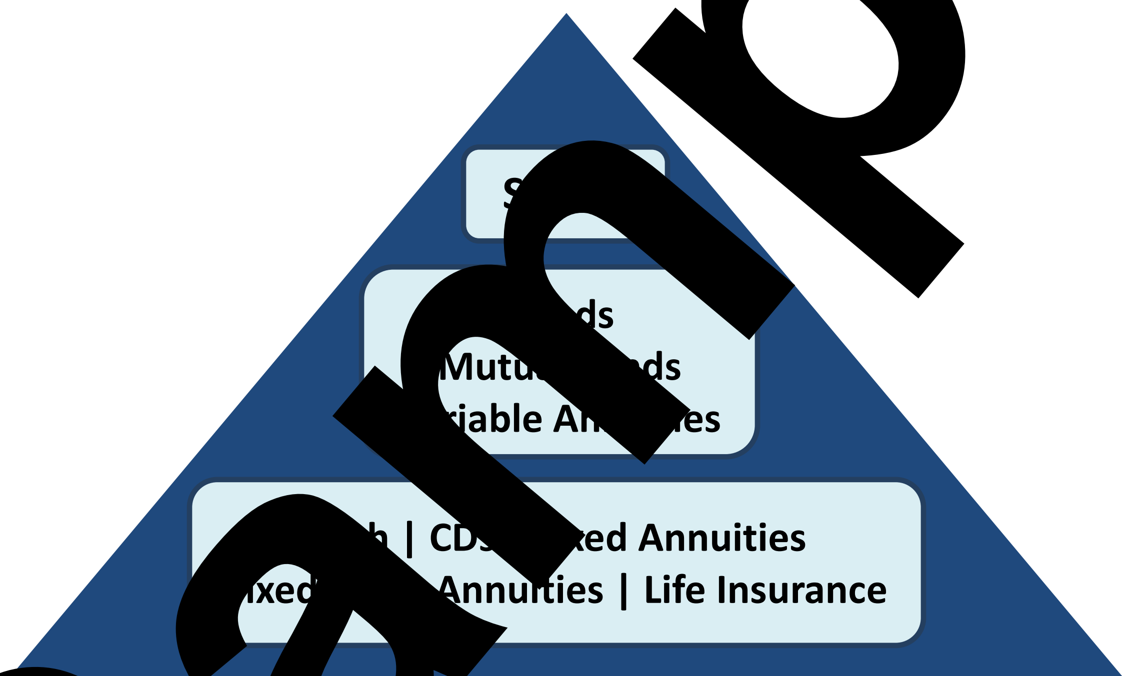
Now, think about a retiremen[illegible]folio in this context. As we age, market downturns become [illegible]costly. [illegible]e-frame for recovery shortens, and if we rely upon market[illegible]tments [illegible] retirement income, a declining market could lead to un[illegible]ecte[illegible]

Ge[illegible]speaking, th[illegible]conce[illegible] of a “Safe Money First” foundation is similar to [illegible]ocation. But [illegible] investment gains, protection of existing assets is [illegible]he priori[illegible]t’s put this in the context of safe money. In simple terms, a [illegible]y Firs[illegible]undation is when a retirement portfolio is structured to keep [illegible]oney inta[illegible]

Using t[illegible], the sum of the retirement money you can’t afford to lose is set in safe [illegible]s with little exposure to market risk, like fixed annuities. Of course, what safe vehicles this is put into will depend on your personalized financial needs and situation. Then the remaining sum can be put into vehicles which offer desirable return potential, but also come with risk of losses – for example, stocks. In short, the focus is on preserving safe money for the long term, no matter how the market performs.

A helpful way to think of this is in a hierarchy of asset types, ordered [illegible]m to[illegible] bottom based on market risk. Consider the pyramid bel[illegible]s an illu[illegible]

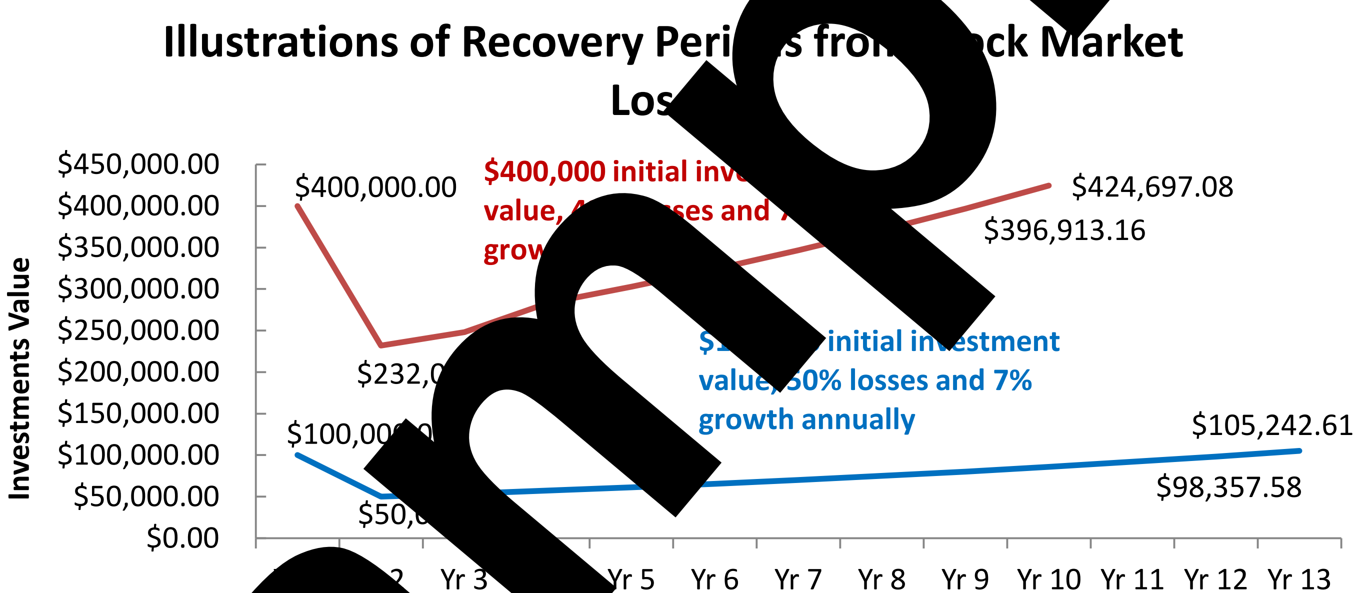
- The asset types toward the top of the pyramid are t[illegible]ith the[illegible] exposure to market risk.
- The asset types in the middle have less exposure [illegible]market r[illegible]
- In contrast, the ones at the bottom have the [illegible]e.



[illegible]f marke[illegible]lected and the market fell, the effects could be costly. Not only [illegible]me-ge[illegible]ting assets suffer great losses, but the time needed for [illegible]very can be [illegible]nded. Here are a few scenarios to consider:

- Between October 2007 and October 2008, the stock market declined 42%.[11] If your investments lost 42% and then they grew at 7% per year, it would take nine years for complete recovery.
- Or say you lost 50%. Assuming your investments grew at 7% ann[illegible] would take 12 years to recover.

As we can see, recovery can take years – at times even [illegible]cade or [illegible]any of us don't have that convenience in retirement. That isn[illegible] there[illegible] even further losses during the times when our investments a[illegible]uping. [illegible] are some illustrations of these recovery time-frames in the graph [illegible]



[illegible]aph[illegible] by asso[illegible]es at SafeMoney.com. These are hypothetical concepts created [illegible]or illu[illegible]oses only. Not intended to represent any past, present or future stock market performance or investment returns.

[illegible] point is that if we [illegible]joy a comfortable retirement, our money should [illegible]ast as lo[illegible]o. Remember, safe money includes the income dollars which [illegible]our [illegible]d retirement lifestyle. So, in a way, retirement financial [illegible]ng decisio[illegible]ally are lifestyle choices. Creating a plan with a "Safe Money First" fo[illegible]ndat[illegible]or which emphasizes protection of safe money – helps us be ready [illegible]e confident retirement lifespan.

Of course, a "Safe Money First" foundation is just one part of a retirement financial strategy. Retirement financial planning success also hinges on using the right markers; suitable standards to set goals and measure progress. In our view, retirement income planning should focus on monthly income as a ben[illegible]

Why Should We Use Monthly Income as a Planning Benchmark?

In *The New Retirement Report*, we discussed how retir[illegible] is a diff[illegible]hase from earlier stages of life. During the working years, we ar[illegible] "accu[illegible] stage" – or the times when we are building up assets for the la[illegible]rs. At that phase, the focus is on asset values, investment returns, [illegible] investm[illegible]olatility. In other words, financial planning decisions are dri[illegible]ment go[illegible].

However, retirement brings change. Your nest e[illegible]comes a p[illegible]ry source of income. The timelines for recovering from mark[illegible]es are sh[illegible]r and more critical. When you start drawing on your nest egg fo[illegible]s the "distribution stage" – or the timeline in which we a[illegible] monie[illegible]ave saved over a lifetime.

From that standpoint, retireme[illegible] strategies [illegible] different from investment strategies. They require a diffe[illegible]nt app[illegible] In our opinion, the success of retirement income plannin[illegible]nds on us[illegible]onthly income for goal-setting and measurement of success. [illegible] income should be the planning marker in an income strategy[illegible] net-w[illegible]arkers we used in investment planning, such as investm[illegible]etur[illegible]

With that said, [illegible]eli[illegible]e tha[illegible]tirement income plan should focus on income [illegible]n and wealt[illegible]rote[illegible]n. The reasons for this are two-fold: you want to [illegible] certain [illegible]ve en[illegible]ssured income for your retirement lifetime, and you want t[illegible] assets last as long as you need them to.

[illegible] retireme[illegible]ortfolio suffered big losses in a falling market. What would happen if your [illegible]me-generating assets took a big hit? Or consider the nightmare of run[illegible]f money in retirement. How would you deal with an income shortfall because your plan didn't account for a long enough timespan?

The point is that a retirement income strategy should give you the money you need to sustain your lifestyle, keep income dollars intact, and provide ongoing peace of mind.

Remember, we discussed why, for the purpose of sustaining a preferred lifestyle, it is critical to keep safe money intact. There is a difference between the income we draw from sources like Social Security or defined-benefit pensions and the income we draw from more volatile sources, like stocks or bonds.

Because we want to be sure we have sufficient assured income to meet our retirement goals, it is important to distinguish between these two income types – "permanent income" and "maybe income" – and what role they play in an income strategy.

Permanent Income versus Maybe Income

When we speak of permanent income, we're talking about assured income – money from guaranteed sources such as Social Security, annuities, or even a pension plan, should we have it.

Maybe income is money coming from "non-assured" source-points, such as stocks, bonds, or other vehicles subject to volatility. In other words, maybe income is non-guaranteed retirement money.

From that standpoint, maybe income can come from a number of sources:

- Stocks
- Corporate bonds
- Government bonds
- Mutual funds
- Certificates of deposit
- Real estate holdings
- Other volatile investments

So, maybe income can fluctuate, depending on how its source-point performs. In other words, maybe income is subject to volatility – how much income you draw from any non-assured vehicles depending on whether their values are going up or down. There is also the impact of inflation, which further erodes the purchasing power of your money, especially during down-market periods.

When considering your income strategy, ask yourself the following qu[illegible]

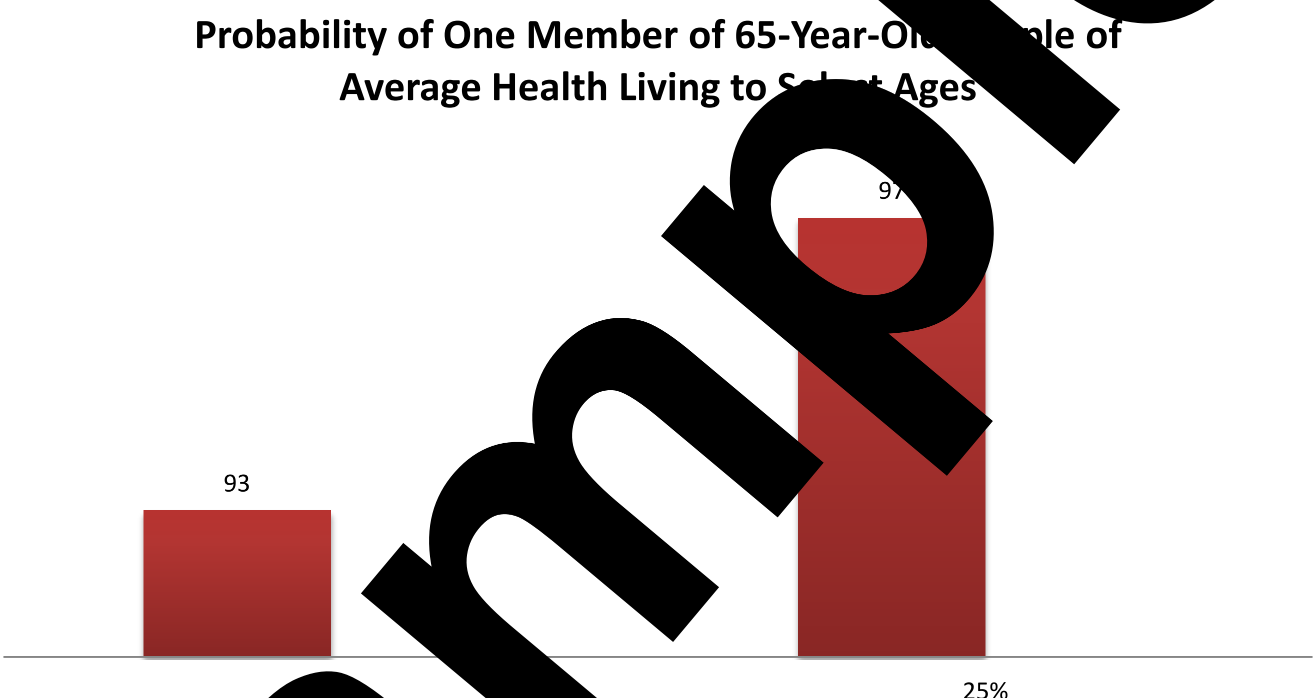
- In terms of continuing with your present lifestyle, is it prefera[illegible]to re[illegible]on permanent or maybe income sources?
- Does your plan have enough assured income from g[illegible]eed so[illegible] other words, enough reliable income to pay for your lifes[illegible]penses?
- Many retirees have Social Security, personal savi[illegible]and reti[illegible] accounts as sources of income. Do you expe[illegible]us[illegible]vings t[illegible]pay for your desired style of living?
- Is too much of your retirement portfolio [illegible]ed into m[illegible]e income sources – vehicles which can go up and down, [illegible]ff[illegible]ncome goals in the process?
- Would you like the security of a[illegible]ependa[illegible]ermane[illegible]ome stream – even if you have Social Se[illegible]d a define[illegible]nefit pension?
- Does the dependability [illegible]stead[illegible]manent income for covering your monthly lifestyle ex[illegible] align wit[illegible]goals and, if any, concerns about market risk?

If you answer "yes" [illegible]e questi[illegible]u may find structuring your portfolio to generate reliabl[illegible]erma[illegible]come t[illegible] be of interest. At SafeMoney.com, independent ag[illegible]s an[illegible]dvis[illegible]ve helped thousands of Americans build a se[illegible]tirement inc[illegible]e pla[illegible]guaranteed to meet their expectations, with [illegible]tomized annuity s[illegible] Of course, this follows the model of having a "Safe [illegible]oney F[illegible]dation – creating a plan which keeps your safe money intact.

[illegible]s some[illegible]o determine how much of their retirement portfolio they should have in th[illegible]"Safe Money First" foundation? By using the Rule of 100, which [illegible]now.

The Rule of 100

As research shows, retirement can last for a long time – even 30 years or longer. According to LIMRA Secure Retirement Institute, "for a 65-year-old couple of average health, there is a 50 percent chance one of them will live to age 93 and a 1 in 4 chance that one of them will see age 97."[12] As LIMRA Secure Reti Institute notes, innovations in medical care and other technologies h incre d longevity. Therefore, it may be in retirees and pre-retire best inte to n fo income for up until their mid-90s, at a minimum.[13]

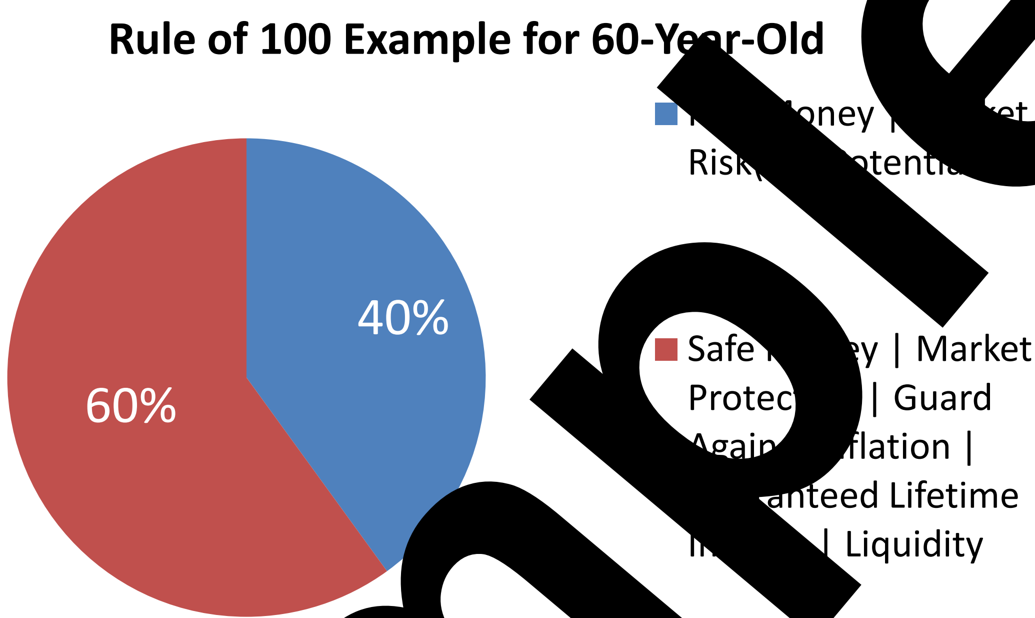


Created afeMone . Source: Retirement Income Reference Book, LIMRA Secure Retirement Institute, 2015.

One guideline t gur ut ho optimize your retirement portfolio for safe otection is t Rule 100. It is a simple financial planning rule of umb, but a he used one. We have found that many seniors and aby too much of their retirement portfolio exposed to market risk n that i tle bit.

With the Rule 0, you assume you will live to age 100. Simply put, you take 100 a your age from it. The resultant sum suggests the maximum proportion of your portfolio you should have exposed to market risk.

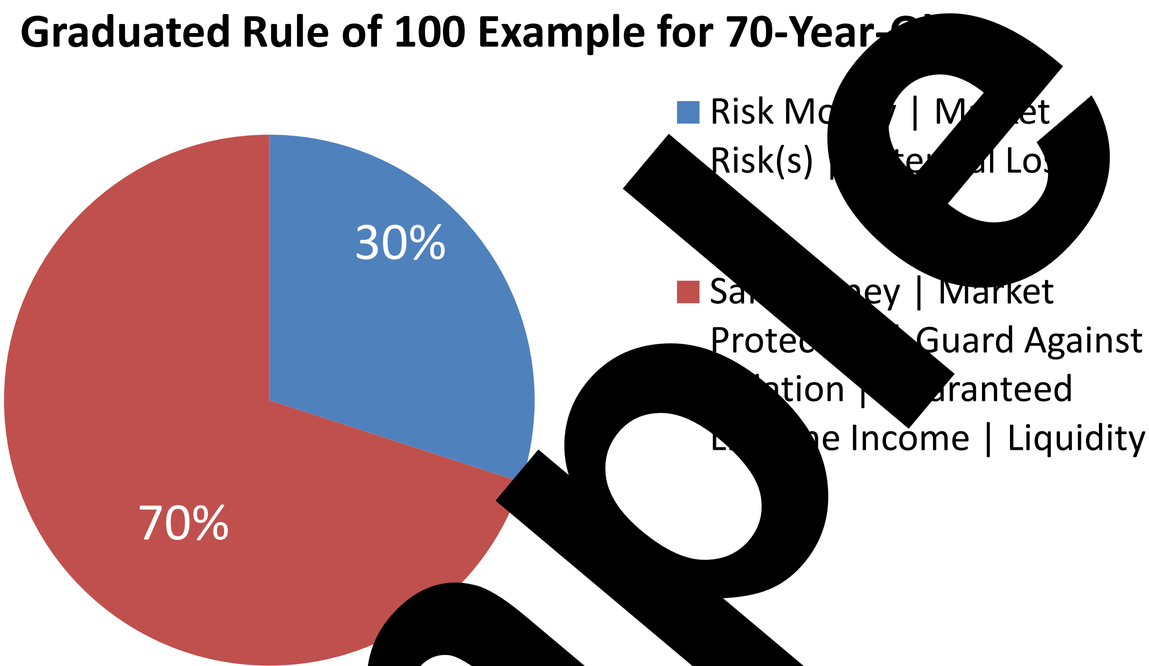
For example, if you are 60 years old, 100-60=40. Then according to this rule, you should have 60% of your portfolio protected from market losses and 40% in the market to optimize your long-term financial safety (Your age is equal to the safe portion percentage). Here is an illustration below.



Keep in mind that the Rule of [illegible]0 is jus[illegible]uideline. This isn't a recommendation to use th[illegible]eline alon[illegible]sonalized financial needs and situation are also important. Yo[illegible]plete financial picture should always be considered when c[illegible] person[illegible]retirement income plan.

Now consider a[illegible]ampl[illegible]eone who is part of the senior community. Seniors hold a m[illegible]orit[illegible] the [illegible] savings and investment dollars among all age [illegible] Americans. [illegible] you [illegible]ere 70 years old. According to the Rule of 100, you [illegible]ould have no more t[illegible]% of your assets exposed to market risks (100-70=30[illegible]ly come across seniors who have portfolios that are weighted [illegible]th expo[illegible] to market risk.

As you can see[illegible] as with asset allocation, the Rule of 100 and the "Safe Money First" [illegible] concept are an ongoing process. Readjustments would be made to a portfolio over time based on a person's age and the level of market risk suitable for them at that period, among other factors. There is another illustration below of what the Rule of 100 looks like for a 70-year-old.



Remember, again, the Rule of 1[illegible] ne plannin[illegible] guideline, though. When strategizing with seniors and b[illegible]y boo[illegible]out retirement, the financial professionals on SafeMone[illegible] consider a[illegible]ety of personal variables, including:

- Age (hence [illegible] Rule of [illegible] would apply)
- Marital st[illegible]s
- Any objec[illegible]ves [illegible]ides [illegible]yle income-related goals (replacement income [illegible] family, lega[illegible] b[illegible]eficiaries, for example)
- Ass[illegible] – w[illegible]nds of retirement assets an individual or couple may [illegible]
- [illegible]etiremen[illegible]tfolio design – monies in qualified accounts such as tradition[illegible]As or 401(k) plans, monies in non-qualified accounts such as [illegible]or 401(k) plans, life savings, and other factors
- Personal circumstances and situation

- Individualized retirement needs
- Personal retirement goals and objectives
- Particular monthly income needs
- Risk tolerance – the psychological appetite for risk
- Risk capacity – the actual, real-numbers threshold at which risk becomes untenable
- Proportions of existing permanent income sources [illegible] maybe income sources
- Any other individualized planning variables important for a retiree or pre-retiree's future

On the whole, a central consideration is determining what income you may need to sustain your lifestyle in retirement. Even if you already have Social Security and guaranteed income from pension benefits, you may benefit from having a permanent, guaranteed income stream [illegible] in to supplement your other permanent income dollars. Different annuity strategies can [illegible] preserve your critical retirement dollars and maximize income. [illegible] with careful annuity laddering or customized annuity withdrawal techniques, you could even double your income.

Imagine what your retirement would be like without headaches of how to pay for your lifestyle expenses, having the freedom and confidence to spend without anxiety. Many Americans have achieved greater spendable cash-flow with guidance from financial professionals affiliated with SafeMoney.com, using safe financial principles.

If you are ready for personal guidance, you can request a no-obligation personal strategy session, during which a financial professional will discuss your specific [illegible] circumstances, and objectives. Once your financial professional has evaluated those [illegible], they can help you identify any income gaps and offer personalized, carefully considered solutions to cover them.

A recommendation from a SafeMoney.com affiliated financial professional may look like this:

- Based on “Safe Money First” principles and your own profile, a suitable proportion of your assets in safe vehicles like annuities, tailored to your individual planning needs. Many people use annuities to supplement income from Social Security and pension benefits.
- A suitable proportion of liquidity for emergencies and unanticipated expenses – often 10% of a retirement portfolio. Many people find it helpful to keep liquid cash reserves for what it would take to pay for as much as 12-18 months of household expenses.
- The remaining proportion, to be put into volatile [illegible] for long-term growth potential – often stocks [illegible]. As a provider of safe financial solutions, a SafeMoney.com affiliated financial professional will not offer recommendations for investments. But you may want to consider your appetite for risk, and your actual financial capacity to withstand risk, when making any financial decisions. Keep in mind this does not constitute retirement advice for your personal situation, we offer this information only this to help you become informed.

BUILDING YOUR PERSONALIZED STRATEGY

In this roadmap, we have offered some principles for planning out yo[illegible]etire[illegible]t future. You may be wondering what a personalized annuity strategy [illegible] recommendation may look like. For illustrative purpos[illegible] will disc[illegible]ouple of brief, hypothetical case studies. Finally, we will end by o[illegible] discus[illegible] how you can benefit by meeting with an independent, SafeMo[illegible]m affiliated financial professional.

When going through these case studies, you may f[illegible]t use[illegible] recall t[illegible]e five types of annuities available today. They are imm[illegible]te annuitie[illegible]xed annuities, fixed index annuities, variable annuities, and mu[illegible]r guaran[illegible] annuities. <u>To be clear, this roadmap doesn't discuss varia[illegible] annuitie[illegible] annuity types.</u>

Building a Strategy for Lifelong Reti[illegible]e

John and Sally Smith are a healt[illegible]ar-old cou[illegible] They have $300,000 within a 401(k) plan (a qualified acco[illegible]). Jo[illegible] Sally have a few concerns they would like to alleviate:

- They would like to move [illegible]00,000 into something with less exposure to market risk, [illegible]orry ab[illegible]ture losses.
- Like many [illegible]-reti[illegible]ey are concerned about running out of money in retireme[illegible] th[illegible] are [illegible]ering annuities as a means to secure lifetime [illegible]me they ca[illegible] outli[illegible]
- [illegible]owever, John [illegible] don't want to deal with the lack of control over th[illegible]which comes with annuitization. They would like a way to [illegible]tain s[illegible] flexibility of access to their savings.
- They wou[illegible]o like to have some growth potential for their savings, but t[illegible]ntioned goals are more important to them.

Based on a careful analysis of these needs, their financial professional recommends a deferred income strategy, consisting of a fixed index annuity with a level income rider. This annuity strategy affords some growth potential for their money, linked to the performance of an external index. Additionally, th[illegible] rider gives the Smiths greater access to their money should they des[illegible] The ta[illegible] below gives an illustration of what the Smiths may recei[illegible] for guara[illegible]d, li[illegible]ong[illegible] income, depending on what year they defer taking inco[illegible]til.

Year	Age	Withdrawal Percentage	Income Value	[illegible]aranteed Lifetime Income
Issue	65	---	$300,[illegible]	[illegible]--
1	66	5.0%	$315[illegible]00.00	$1[illegible],750.00
2	67	5.0%	$[illegible]50.00	$16,537.50
3	68	5.0%	$3[illegible]7.50	$17,364.38
4	69	5.0%	$364,[illegible]	$18,232.59
5	70	5.5%	[illegible]82,884[illegible]	$21,058.65
6	71	5.5%	[illegible]028.69	$22,111.58
7	72	5.5[illegible]	$42[illegible].13	$23,217.16
8	73	5[illegible]	$443,2[illegible]6.63	$24,378.01
9	74	[illegible]%	[illegible]465,398.46	$25,596.92
10	75	[illegible]	[illegible]488,668.39	$29,320.10

This hypothetical chart is create[illegible] illustratio[illegible]cept and educational purposes only. It does not or is not intended to represent any [illegible]uity produ[illegible] income value is used only to calculate income and not used to calculate any withdraw[illegible]r dea[illegible] if applicable. Withdrawal percentages may differ depending on state. Please contact a SafeMo[illegible]om f[illegible]ncia[illegible]nal for specific information and annuity quotes.

[illegible]zed Cases: Bu[illegible]rategy for Help with Personal Care Needs

[illegible]n cert[illegible]ces, a specialized annuity strategy may be suitable. A few [illegible]s may be[illegible]en someone will be confined to a nursing home or requires assistance with [illegible]in “acts of daily living” (ADLs) from a personal care profes[illegible]eir health status was subpar or expected to be in the future – say based o[illegible]amily history – that person may want to consider an annuity with an enhanced benefit rider. For a certain period, their income could double to pay for costly care expenses. However, certain qualifications must be met – be sure to check the disclosure materials with your financial professional for specific details.

Many insurance contracts specify this "doubling-up" period lasts for u[illegible] months (five years), after which income reverts back to its original s[illegible]. Keep [illegible] mind, this benefit is paid for by drawing on an annuity's [illegible]umulatio[illegible].

In this hypothetical case study, we illustrate an annuity wi[illegible]nhance[illegible] benefit rider. John Rogers is a 65-year-old man who has declin[illegible]lth. Based on his family history, he expects to have issues with perfor[illegible] certai[illegible] in the future.

Like beforehand, John has $300,000 sitting in a [illegible]qualified a[illegible]nt. Because of his health status, he believes he will need some [illegible]f long-te[illegible]are assistance. Based on this outlook, John's annuity strategist reco[illegible]xed index annuity with an enhanced income rider, which [illegible]e his in[illegible]hen he needs it.

Year	Age	Withdrawal Percentage	In[illegible]e	[illegible]ranteed Life[illegible]e Income	Enhanced Income Rider Benefit
Issue	65	---	[illegible]300,0[illegible]	---	---
1	66	5.0%	[illegible]315,000.[illegible]	$15,750.00	Not Available in Year 1
2	67	[illegible]	$3[illegible]0.00	$16,537.50	Not Available in Year 2
3	68	5.0[illegible]	[illegible]47,287.50	$17,364.38	$34,728.75
4	69	5[illegible]	[illegible]4,651.88	$18,232.59	$36,465.19
[illegible]	70	5[illegible]%	$382,884.47	$21,058.65	$42,117.29
[illegible]6	71	5.[illegible]	$402,028.69	$22,111.58	$44,223.16
7	[illegible]	5.5%	$422,130.13	$23,217.16	$46,434.31
[illegible]	[illegible]73	[illegible].5%	$443,236.63	$24,378.01	$48,756.03
[illegible]	74	[illegible].5%	$465,398.46	$25,596.92	$51,193.83
10	75	6.0%	$488,668.39	$29,320.10	$58,640.21

This hypothetical chart is created for illustration of concept and educational purposes only. It does not or is not intended to represent any particular annuity product. The income value is used only to calculate income and not used to calculate any withdrawals or death benefit, if applicable. Withdrawal percentages may differ depending on state. Please contact a SafeMoney.com financial professional for specific information and annuity quotes.

PREPARING FOR THE RETIREMENT OF YOUR DREAMS

We have covered lots of ground in this roadmap. When planning for retirement, it is instructive to heed the insights of Dr. Robert C. Merton. As an economist and winner of the 1997 Nobel Prize in Economics, Dr. Merton is a well-respected authority on retirement planning matters. Among other capacities, he serves as a Distinguished Professor of Finance at the MIT Sloan School of Management.[14]

In an article he wrote for Harvard Business Review, *The Crisis in Retirement Planning,* Dr. Merton observes that:

> "Corporate America really started to take notice of pensions in the wake of the dot-com crash, in 2000. Interest rates and stock prices both plummeted, which meant that the value of pension liabilities rose while the value of the assets held to meet them fell. A number of major firms in weak industries, notably steel and airlines, went bankrupt in large measure because of their inability to meet their obligations under defined-benefit pension plans.
>
> The result was an acceleration of America's shift away from defined-benefit (DB) pensions toward defined-contribution (DC) retirement plans, which transfer the investment risk from the company to the employee. Once an add-on to traditional retirement planning, DC plans… have now become the main vehicles for private retirement saving."[15]

Here are a few points that are noteworthy. He observes that the growing disappearance of pensions has led to a change in the retirement planning landscape. Many Americans now rely upon defined-contribution plans such as 401(k) plans for their retirement saving goals. In the process, they are given the wrong indicators to measure readiness for retirement – net-worth-driven markers instead of a monthly income benchmark, as Dr. Merton notes.[16]

This has led to a retirement planning crisis of sorts – an environment in which older Americans may run short of money in retirement, or experience setbacks due to unsuitable planning. However, we don't believe this has to be the case for many people. With careful strategizing and planning today, a comforta[illegible] retirement lifestyle is more than attainable.

As you get closer to retirement – or you advance in you[illegible]tirement [illegible] you may want to work with someone who understands the fi[illegible] nuan[illegible] life stage. Thousands of clients across the United States have [illegible]ted from [illegible] guidance of financial professionals affiliated with SafeMoney.com[illegible] professionals' specialties are in wealth preservation[illegible]eratio[illegible]d asset distribution, utilizing carefully designed strategies [illegible]h guara[illegible] insurance contracts and other guaranteed insurance veh[illegible]

To get the most out of this roadmap, we invite you [illegible]o-obligation personal goal discovery appointment w[illegible]ffiliated [illegible]ial professional. You can locate someone by using our Loc[illegible] a Li[illegible] Advisor [illegible]ce.

SOLUTI[illegible]SAFEMON[illegible]OM

Remember, sound decision[illegible]ng begi[illegible] personal understanding and confidence. There are no sh[illegible] to making [illegible]ell-informed decisions without being well-informed. [illegible] hope t[illegible]dmap is valuable for your retirement planning process[illegible]u are c[illegible]tly retired or nearing that stage.

Each year, Safe[illegible]ey.c[illegible] p[illegible] new, independent articles, research, and co[illegible]r resou[illegible]es [illegible]afe fi[illegible]ncial strategies and how fixed insurance products, [illegible]ities and life[illegible], can help investors achieve their goals. Please, use [illegible]ese res[illegible]d info[illegible]ation to help you make financial decisions with [illegible]onf[illegible]

[illegible] when you a[illegible]eady, we invite you to request a no-cost initial consultation with a S[illegible]com affiliated financial professional. You can connect with an indepe[illegible]gent or advisor, or request more information directly, by visiting SafeMoney.com.

Just to be clear, annuities are not for everyone. Any annuity strategy should fit well into the scope of your entire financial picture. It should be appropriate for your needs, goals, objectives, risk tolerance, liquidity requirements, time horizon, and other unique considerations. Carefully consider an annuity, or any f[illegible] product for that matter, before committing to a purchase.

Along with this roadmap, we offer resources on a variet[illegible] other to[illegible] [illegible]u would like any of them, please contact us and request a c[illegible]

We wish you the best in your retirement planning journey. If yo[illegible]d a referral for a financial professional, or you have questions abo[illegible] mater[illegible] have read, don't hesitate to contact us. You can reach ou[illegible]lling 877.476.9723. Thank you for your confidence, trus[illegible] and the o[illegible]tunity to help you achieve the retirement lifestyle you have w[illegible] hard for.

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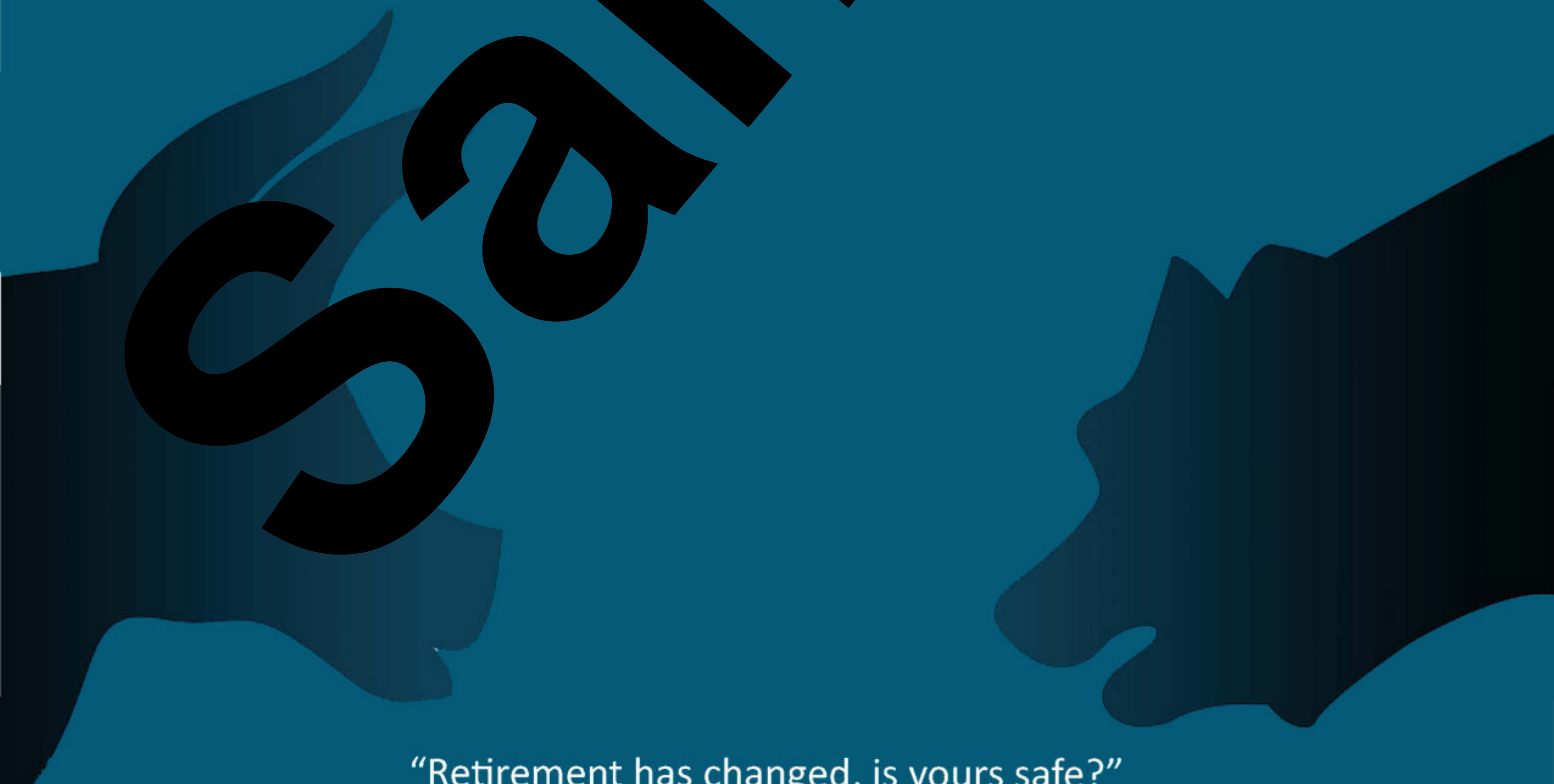

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