

## Market Drops Put Money in a Hole

*Ever dig a hole ... refill it ... and come up short? Making up for a loss can feel like that*

### The Deeper, the Steeper: Greater Gains Required to Restore Losses

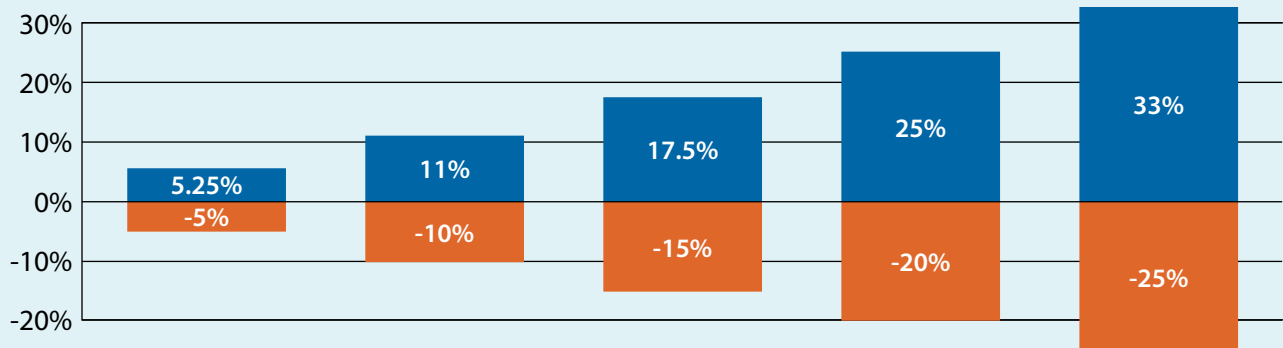
Consider the math. Start with \$100 and lose 10%. That leaves \$90. Then the market rebounds and gains 10%. But that 10% is regained on \$90. So the money grows back only to \$99. That's \$1 short of where it began.

When a loss occurs, a **higher gain** than the loss is needed just to break even ... because of restarting from a lower point. The graphic at right illustrates how a 10% decline followed by a 10% rebound fails to restore full value.



### Compare: After a Loss, More must be Gained Back to Break Even

Negatives (orange) are losses incurred. Positives (blue) are corresponding gains needed to break even! (Illustrated experience assumptions are for example only; actual experience will vary.)



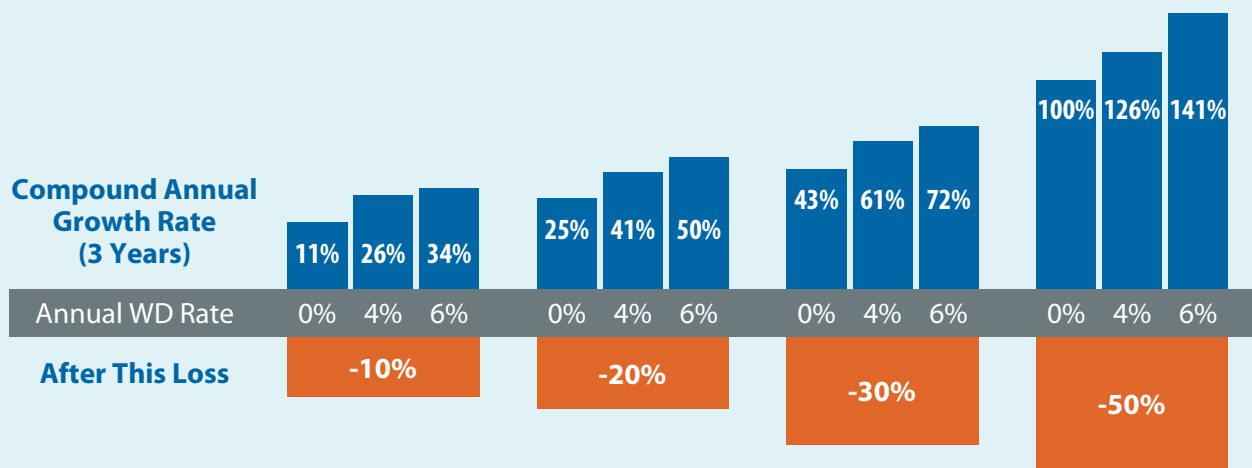
**Takeaway:** The bigger the loss, the bigger the gain needed to get back to even.

## More Digging Is More Daunting

“When you find yourself in a hole, stop digging.” So says an adage dubbed the “first rule of holes.” It makes sense. When trying to recover from a decline in value, continued digging – in the form of taking withdrawals at the same time – only makes the math more daunting.

### Compare: Getting Back to Even *While Taking Distributions After a Loss*

Corresponding gains needed over three years at various withdrawal rates to get back to even<sup>1</sup> after various declines. (Illustrated experience assumptions are for example only; actual experience will vary.)



**Takeaway:** Market declines are inevitable. Recovering from them, while taking withdrawals at the same time, makes the climb even more challenging.

## How Central Is Certainty to You?

As you pursue your retirement income plan, steady steps and solid ground may seem best.

Consider how a fixed annuity:

- › protects principal (guaranteed to stay intact unless you withdraw or decide to end the contract early)
- › provides a guaranteed minimum interest rate
- › can deliver a dependable stream of fixed income guaranteed to last for a specified period (or even for the rest of your life, if you choose)

*For more information, visit [WSFinancialPartners.com](http://WSFinancialPartners.com)  
or contact your financial professional.*

<sup>1</sup> Gain illustrated may reflect rounding for an approximate representation of the necessary positive performance.

An annuity is a long-term financial vehicle designed for retirement. An insurance company accepts premiums and provides future income or a lump-sum amount to the contract owner by contractual agreement. Earnings and pre-tax payments are subject to income tax at withdrawal. Withdrawals may be subject to charges. Withdrawals from an annuity are subject to ordinary income tax, and, if taken before age 59½ may be subject to 10% IRS penalty.

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