Retirement Income Matters

How to **Enjoy** Your Retirement Income

Western & Southern Financial Group

As You Reach Your Peak Earning Years, Something Becomes Very Clear . . .

Retirement Income Matters

You spent years *accumulating* money for retirement.
Let's spend some time on what matters now. How to *enjoy* it.
This guide helps walk you through the risks … and rewards …
of planning your retirement income *distribution* approach.

Peak Earning Years Source: U.S. Department of Labor, Bureau of Labor Statistics, Median Weekly Earnings by Age (Jan. 19, 2023). Chart depicts general timing of historically typical peak earning years. Not actual dollar amounts. For illustrative purposes only.

Lifespan Risk

Longevity May Mean You'll Run Short of Retirement Assets

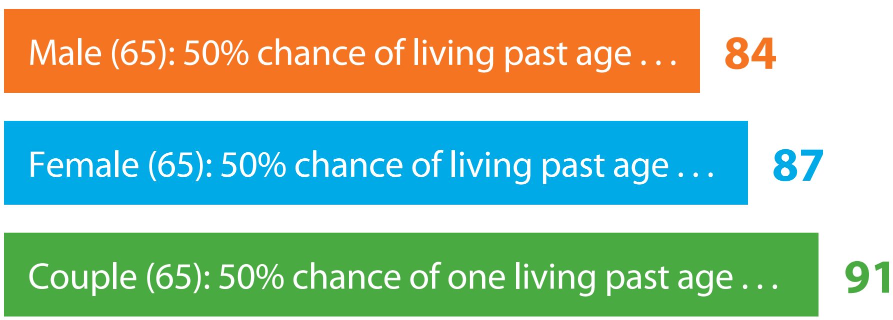
Living a long life. ***Sounds great!***

Living a long life without enough retirement resources? ***Not so great***.

Given advances in modern medicine, you might be surprised how long you could live. And how long you may need to rely on your retirement assets for income.

See the chart below for some surprising longevity stats. Then we'll cover how to address this lifetime risk.

Will Your Retirement Income Last This Long?



Source: Capital Group and Society of Actuaries and American Academy of Actuaries, Actuaries Longevity Illustrator, May 10, 2021.

Inflation Risk

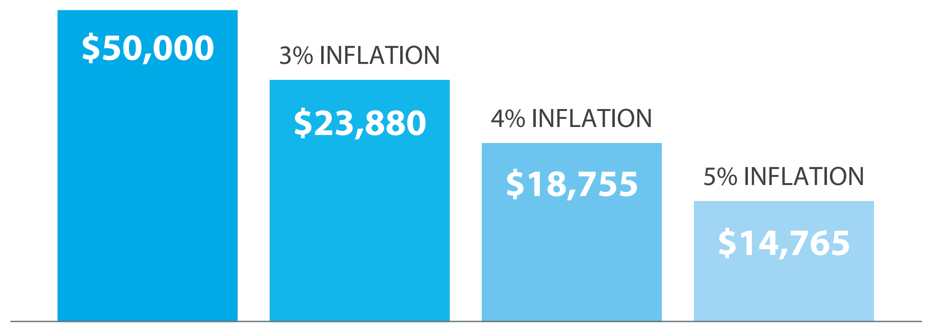
Rising Costs Can Take a Bite Out of Your Retirement Assets

The takeaway on inflation is it can take away your ***purchasing power***. That can impact how much you can buy with your assets in retirement.

EXAMPLE:
*Let's say a dozen eggs costs **$7** today.*
*Assuming 3% annual inflation, it could cost closer to **$10** in a dozen years.*

Even a modest inflation rate can really affect your future funding. See the chart below. Then we'll cover strategies to help negate this rising risk.

$50,000 Adjusted for Inflation Over 25 Years: Are You Protecting Your Buying Power?



Source: www.aarp.org/money/investing/investment_return_calculator/. Accessed March 2023.

Volatility Risk

Market Volatility Can Shake Up Your Retirement Assets

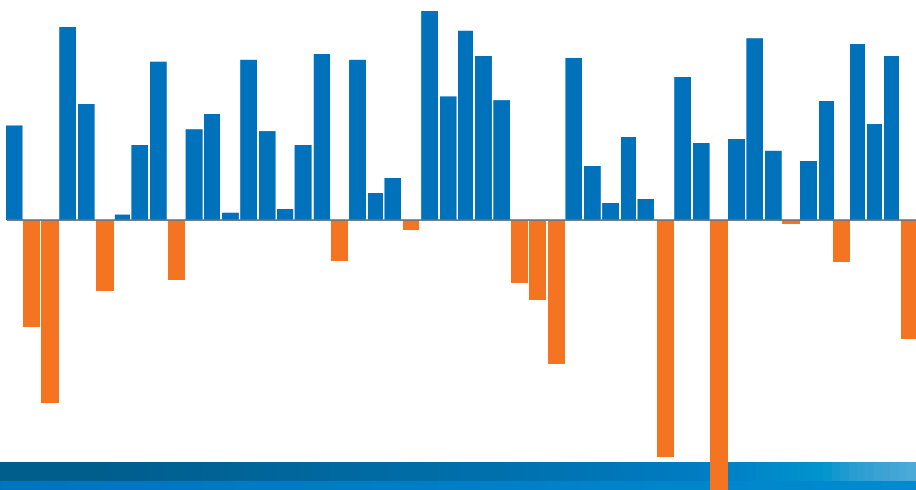
The market rises. The market falls.

Declines can be disruptive in your working years. But you have time on your side as you continue to work, earn and save. Market dips can be more challenging near retirement — a time when you seek **security**, not **volatility**.

The chart below shows the wide range of results the S&P 500 has experienced over recent decades. Such fluctuation is a market risk that can affect how much of your assets you withdraw during retirement.

You can't control market volatility. But you can plan for it. We'll cover how.

S&P 500 Year-End Results: 1972-2022
Market Volatility Can Affect Your Retirement Security



Health Care Risk

Medical Costs Can Have an Ill Effect on Retirement Assets

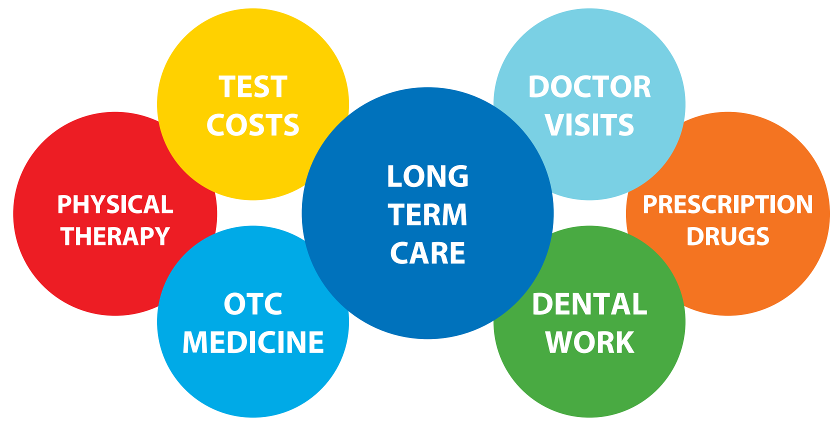
$315,000
Retired Couple Medical Costs

When you have your health, you have everything. When you don't, it could ***change everything***.

Health care is expected to be one of your largest expenses in retirement years. Costs have nearly doubled since 2000. In fact, a 65-year-old couple's average medical spending is now **$315,000**[1] This amount doesn't even include the added cost of long-term care, over-the-counter medicines, dental services, etc.

These costs are inevitable, unpredictable and likely to affect your assets. There are ways to ensure a secure income stream to help address needs like these in retirement. We can show you how.

Health Care Costs Add Up in Retirement Years
And Subtract from Your Retirement Assets



1 Fidelity Viewpoints, "How to plan for rising healthcare costs," Aug. 29, 2022.

Withdrawals: How Much? How Long?

Turning Saving into Spending Can Be Fun . . . and Tricky!

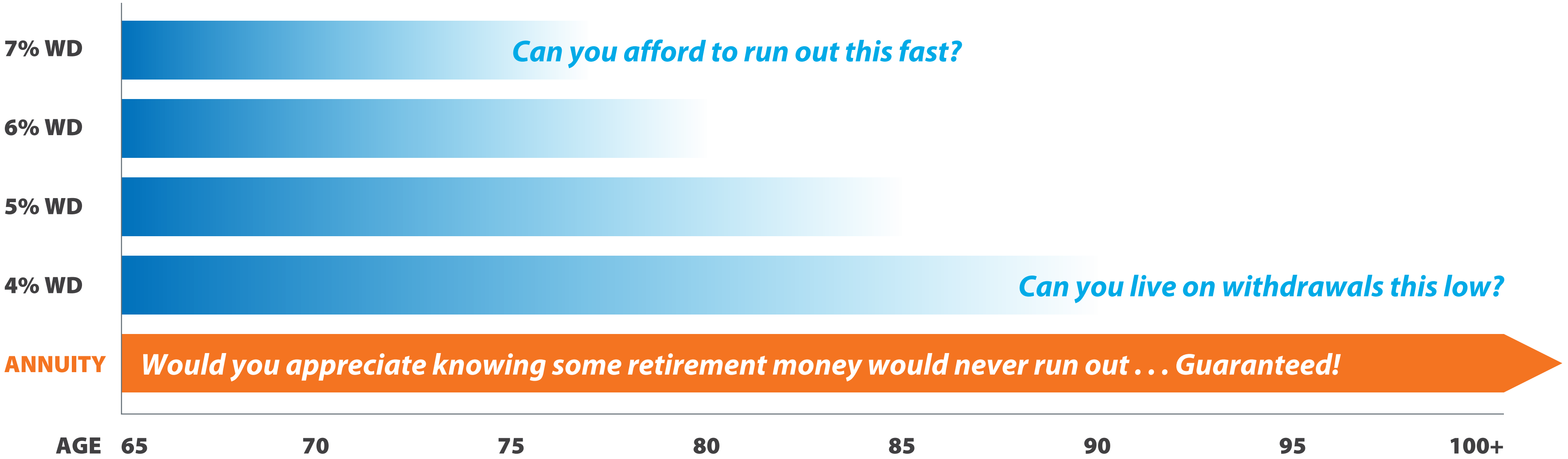
Retirement is an ending . . . and also a new beginning. The hard part of ***building*** assets is over. And the fun part of ***spending*** them begins. The trick is, you need to decide how much of your assets to use each year to support your lifestyle in retirement.

Your goal is to make your money last. But all the risks we discussed can affect this.

Even with limited risk effects and moderate investment growth, you can run out of retirement money. And with negative returns, you'll surely run out faster. One way to ensure you keep getting income regularly — all retirement long — is an **annuity**.

When Might Your Money Run Out?

Examples: $500,000 at different withdrawal rates.
Assumes no external growth or negative risk effects.



Timing: How Can the Sequence of Returns Affect You?

Sequence of Returns isn't about "What" Your Returns are ... It's About "When"

When you start drawing on your invested retirement assets, portfolio performance can impact your income stream . . . positively or negatively.

Early Positive Returns… Your Retirement Money May Last

If you start portfolio withdrawals in an ***up*** *market, your money may last as long as you need it.*

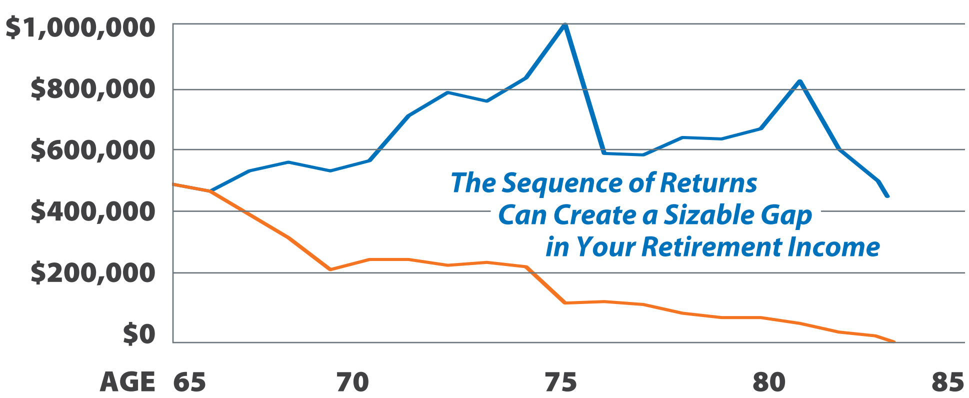
Early Negative Returns… Your Money May Run Out Early

If you start portfolio withdrawals in a ***down*** *market, your money may not last as long as needed.*

How Can You Predict Your Sequence of Returns? You Can't. But You Can Plan for It.

The chart below shows a real example of how market returns affected a hypothetical portfolio in the past. But no one knows what the future may bring. So to be fair, we showed the reverse returns as well. Each path averaged a 4.95% annual return. But starting with negative returns yields a very different ending.

It's great to be invested when the numbers are in your favor. But it's smart to realize the reverse is possible. And even smarter to protect against that possibility. An **annuity** can help. Just putting a portion of your assets into such a strategy can **guarantee** you a lifetime income stream . . . *no matter what the market does.*



Example: Same Portfolio. Different Paths.

Example: $500,000 | Indexed Fund Mirroring S&P 500® | 5% Yearly Withdrawals

- Early Positive Returns: Actual Market Results (2000 - 2017)
- Early Negative Returns: Reversed Market Results (2017 - 2000)

Can your assets handle a negative sequence of returns?

"Harvesting" and Enjoying Your Retirement Plan

Think Like a Financial Farmer

It may seem that farmers have one plan . . . grow crops. But they actually have two:

1. **A long range plan to grow the crops.**
2. **A different plan to harvest them and put them to use.**

Similarly, retirees should refocus financial plans from *growth* to *"harvest"* or use.

Turning Your Accumulation Plan into Your Distribution Plan

When you retire, your retirement plan isn't over. It just starts a new phase. It's time to refocus your thinking from asset accumulation to asset distribution. Such a retirement income plan should include an estimate of expenses and income.

We can help you create a plan that uses this information and covers the following . . .

- **Maps:** Survey your landscape and map out expected expenses and anticipated income sources in retirement.
- **Gaps:** Align income sources and retirement expenses to identify shortfalls in your retirement funding plans.
- **Taps:** Reposition your assets into investment solutions you can tap when necessary to address various income gaps.

To help with your post-retirement plan thinking, it's helpful to consider how your different income sources might align to specific categories of expenses:

GUARANTEED INCOME	USE FOR REQUIRED EXPENSES	ITEMS YOU WANT TO BE SURE ARE COVERED	EXAMPLES: Food/Medicine/ Rent/Mortgage
INVESTMENT INCOME	USE FOR OPTIONAL EXPENSES	ITEMS YOU COULD LIVE WITHOUT IF YOU HAD TO	EXAMPLES: Entertainment/ Trips/Hobbies

Guaranteed Income Helps Your Retirement Plan Succeed

Millions of Americans retire without knowing if their assets will last. You don't have to be one. An annuity is a foundational financial tool. It can help you enjoy retirement by doing something no other financial product can do. Provide the certainty and stability of a stream of income that is guaranteed — to ensure you don't run out of money.

Our Foundation of Company Strength

Western & Southern Financial Group stands strong as a family of diversified financial services providers that has demonstrated resolve and resiliency throughout challenging economic cycles. Our strength is the cornerstone of our success as evidenced in the facts below. We remain committed to helping safeguard your future well-being with a full range of risk management financial solutions.

1888 Company Heritage

A+ A.M. Best Rating

96 Comdex Ranking

U.S. Owned & Operated

Member of a **Mutual** Holding Company

Fortune **500** Company

Fortune.com/Fortune500/2023

Ratings shown are current as of December 2023 and subject to change. Ratings refer to the claims-paying ability of the insurance company and do not reflect the performance or safety of any investment product. The rating agencies listed are independent of each other and use proprietary evaluation criteria and rating scale. Specific ratings are as follows:

A+ AM BEST (Superior) Superior ability to meet ongoing insurance obligations. Second highest of 13 ratings; rating held since June 2009.

The Comdex ranking, current as of December 2023, is a composite of all the ratings a company has received from the major rating agencies. It ranks insurers on a scale of 1 to 100 (where 1 is the lowest) in an effort to reduce confusion over ratings because each rating agency uses a different scale.

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Examples shown are hypothetical, for illustration purposes only, and do not take into account other sources of income. It is not recommended that one invests 100% of assets in one type of account. Investments can lose money, including initial principal. Past performance is not an indication of future results.

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