Retirement Income Solutions for a Changing Market

INVESTOR GUIDE

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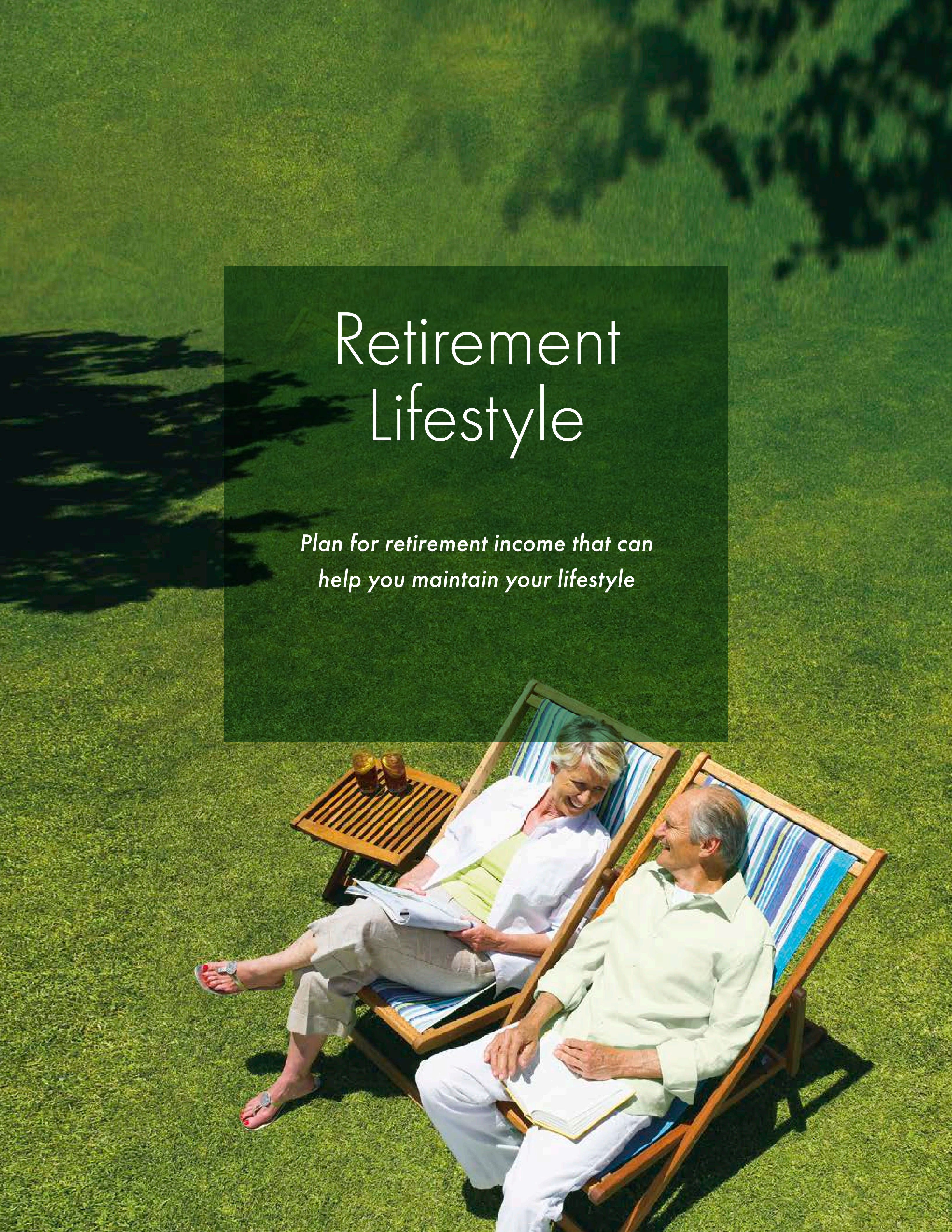
Retirement Lifestyle

Plan for retirement income that can help you maintain your lifestyle



Newly retired people spend more money than those who have been retired for a while.

When planning for your retirement income, it's expected that you'll need to factor in the impact of inflation over time. However, when it comes to retirement spending, one of the common misconceptions is that a retiree's expenses will remain the same throughout retirement.

Research shows that overall expenditures actually decline throughout retirement.

You may need more income in the early years of retirement—to help maintain your lifestyle—and less later on as you become less active.

EXPENSES OVER TIME*

Ages	Average Annual Expenditures
55-64	$64,972
65-74	$54,997
75+	$41,849
Total Change	-36%

Of course, as you prepare for retirement you'll want to consider investing for growth potential to help your money keep up with rising costs over time. And given today's longer retirements, you may also want to secure an income that is guaranteed to last for as long as you live.

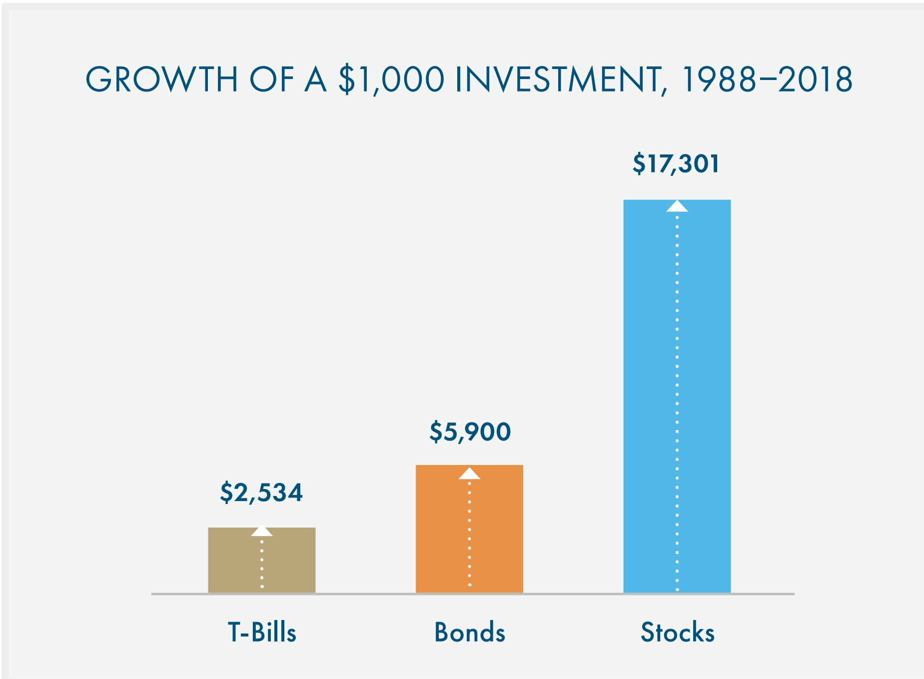
* U.S. Department of Labor, Bureau of Labor Statistics, 2017 Consumer Expenditure Survey, September 2018

Market Performance

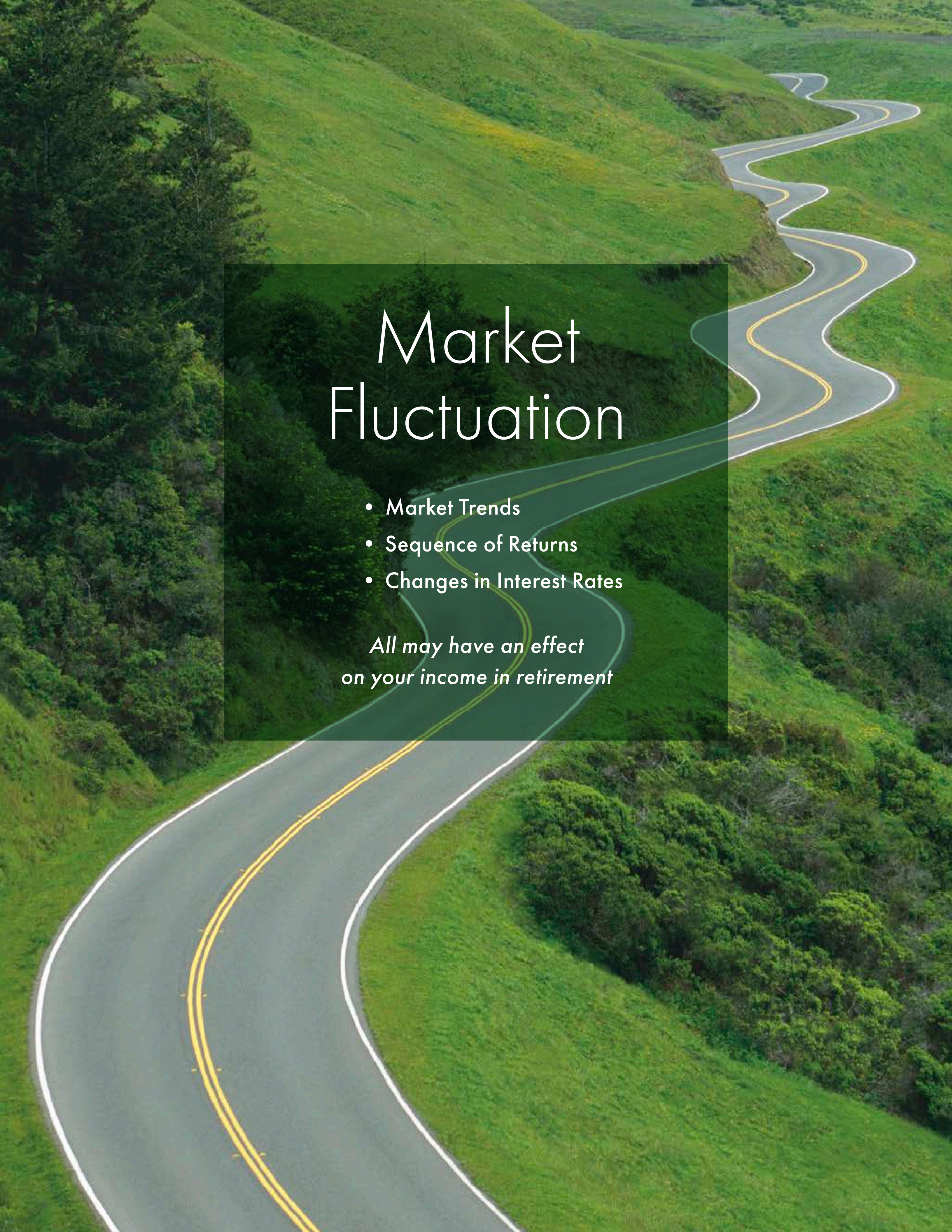
Consider investing in stocks for the long-term growth potential you may need

Stocks have outperformed other investments over long periods of time.

As you can see, an investment in stocks has provided greater growth potential over time when compared to other types of investments, such as Treasury Bills and Bonds.



Source: Wilshire Compass, 2019. T-Bills are represented by the T-Bill Index. Bonds are represented by the US Core Bond Index. Stocks are represented by the US Large Cap Core Stock Index. These indices are a proxy of the treasury, bond and equity markets. The indices have been constructed by Wilshire with data from various sources to provide a historical track record. T-Bills and government bonds are subject to interest rate risk, but they are backed by the full faith and credit of the U.S. Government if held to maturity. The repayment of principal and interest of a corporate bond is guaranteed by the issuing company, and subject to default, credit and interest rate risk. Stocks are subject to risk, including stock market fluctuation. This chart is for illustrative purposes only and does not represent any particular investment. Performance illustrated is not indicative of future results. Performance for specific investments is available from your financial professional. Your financial professional can help you determine what type of investments may be appropriate for you. Keep in mind, you cannot invest directly in an index; indexes are unmanaged.



Market Fluctuation

- Market Trends
- Sequence of Returns
- Changes in Interest Rates

All may have an effect on your income in retirement

While the long-term trend of the stock market has been positive, it comes with periods of significant volatility.

Consider the "Dips," "Corrections" and "Bear Markets" that have occurred since 1900. Such declines can have a direct impact on the value of your investments. Of course, past performance is no guarantee of future results.

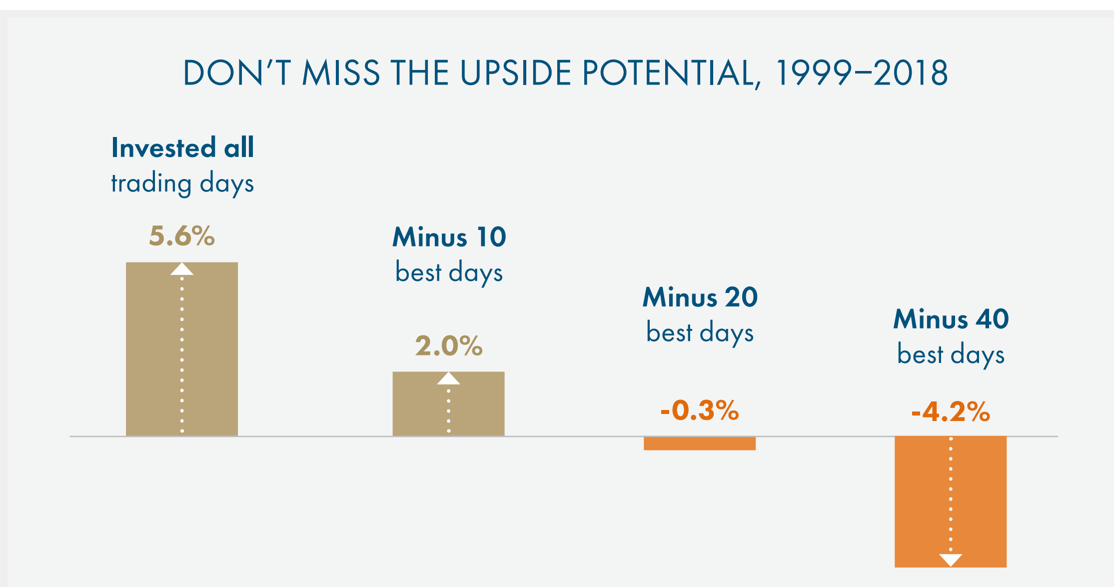
STOCK MARKET VOLATILITY SINCE 1900
1/2/1900–12/31/2018

Dips (Decline of 5% or more)	Corrections (Decline of 10% or more)	Bear Markets (Decline of 20% or more)
398 3.3 per year*	**127** 1.1 per year*	**32** Once every 3.7 years*

*Average for period shown. Source: Ned Davis Research, Inc., based on Dow Jones Industrial Average, daily closes.

If you attempt to "time" the market, it could derail your long-term investment strategy.

Here's an example of how just missing a few days invested in the stock market may derail your long-term retirement strategy.



Source: Bloomberg and Wellington Management Company, LLP, 2018. Wellington Management Company, LLP is an SEC-registered investment adviser and an independent and unaffiliated sub-adviser to SunAmerica Asset Management, LLC. The above chart is for illustrative purposes only. It is based on the S&P 500® Index and is not intended to be indicative of the performance of any specific investment option. Performance does not reflect the deduction of fees associated with any particular investment. If shown, results depicted would be lower. Indexes are unmanaged. You cannot invest directly in an index. Performance illustrated is not indicative of future results.

Market Cycle

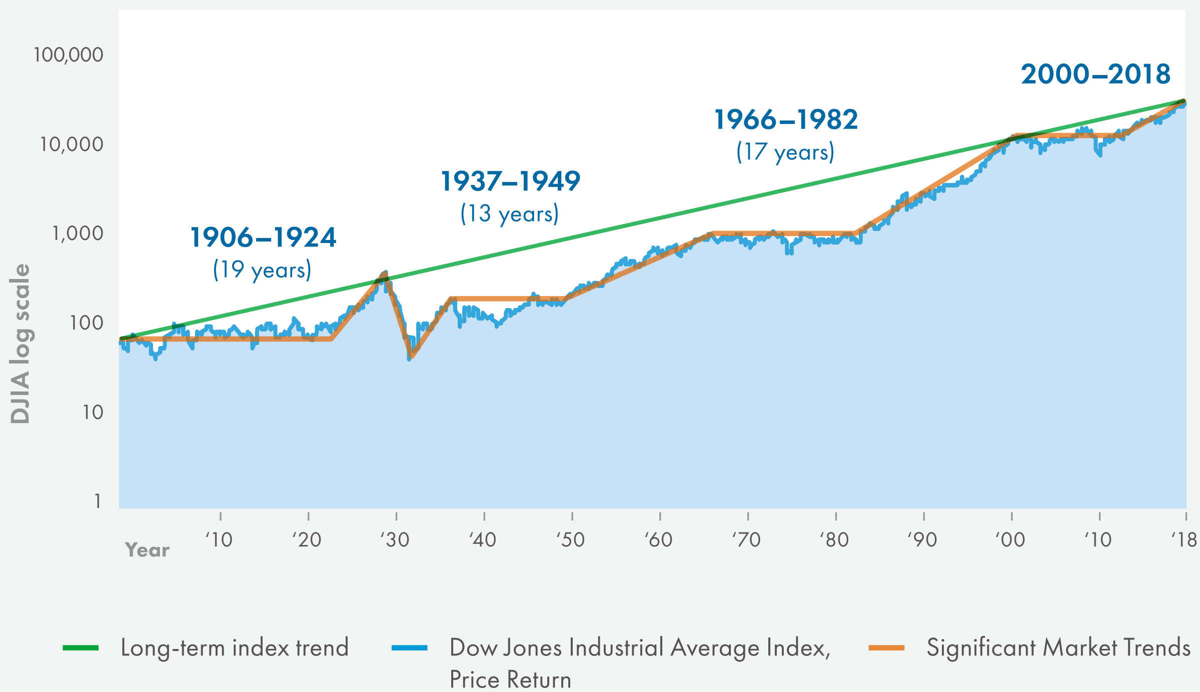
History shows that the market typically moves in cycles

Equity markets are unpredictable.

Equity markets have often gone through long periods of stagnant or horizontal movements before returning to a period of growth. Investment strategies that work in bull markets may not be effective in bear markets or flat markets.

MARKET CYCLE

Based on Dow Jones Industrial Average Index (DJIA), Price Return (since 1900)



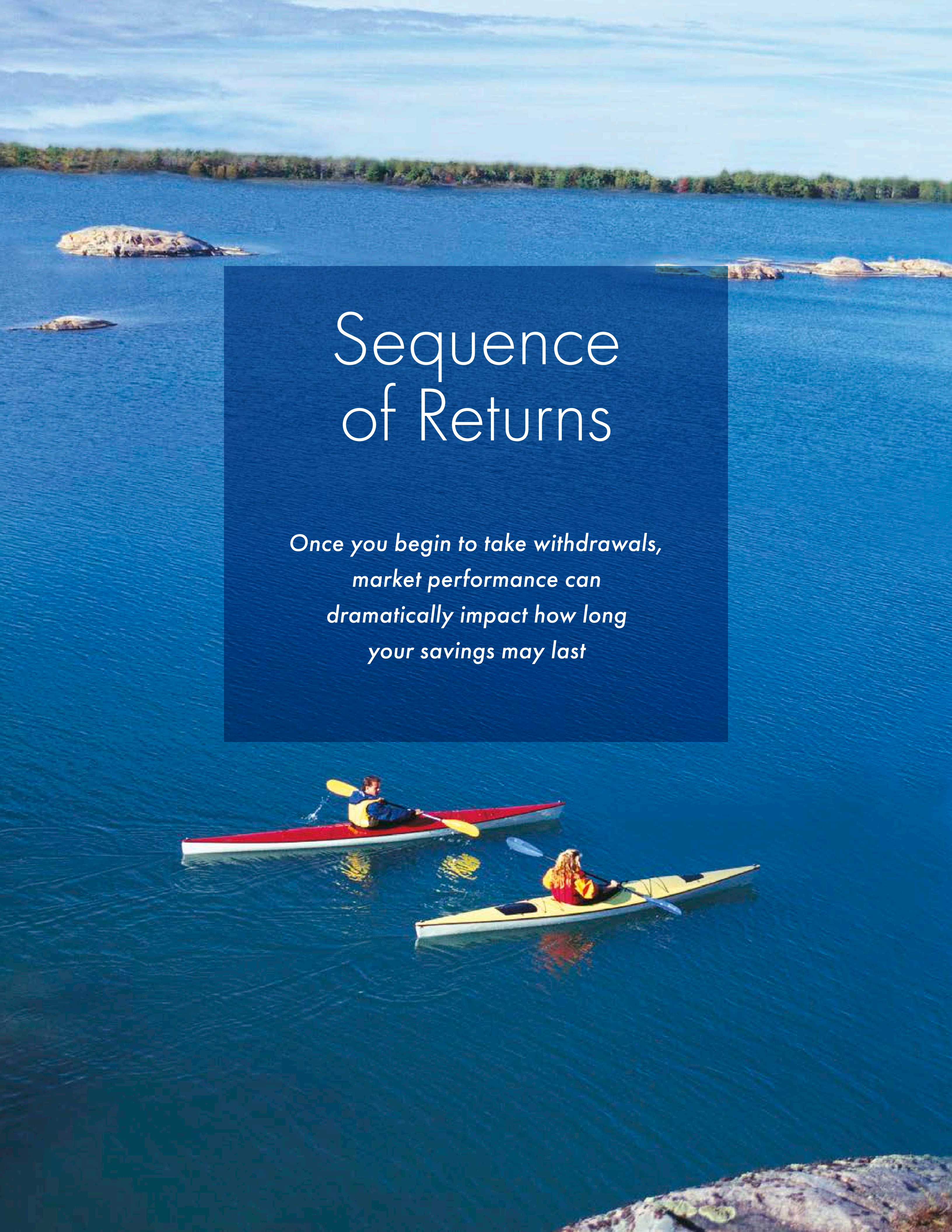
Source: S&P Dow Jones

Data shown in log scale to best illustrate long-term index patterns. Data as of December 31, 2018.

Note: Past performance is not a guarantee of future results. The examples in this brochure are for illustrative purposes only and are not specific to any particular investment. Indices are unmanaged, have no identifiable objectives and cannot be invested in directly.

Sequence of Returns

Once you begin to take withdrawals, market performance can dramatically impact how long your savings may last



It’s important to consider the order of positive and negative returns, also known as the “sequence of returns.”

During the accumulation years, the sequence of returns may have less of an impact on your long-term goals. It’s really your overall return that matters.

However, once you begin withdrawing money from your investment, the sequence of returns can become more critical. For example, if you encounter negative returns in the initial years of your retirement, it can have a lasting impact.

Why the sequence of returns matters.

Consider the case of two individuals, retiring just two years apart, and how the market’s returns, when combined with their withdrawals, impacted the value of their retirement savings and how long their savings may last.

Ted

Retired 2000

Begins withdrawals during a "down" market

June

Retired 2002

Begins withdrawals during an "up" market

See next page for details.

Ted

encounters a sharp market downturn early in his retirement.

Three years into retirement, his account value is

$179,792

Ted retired at the end of 2000 and invested $250,000.
He began taking 5% annual withdrawals from his investment in 2001.

Year	S&P 500® Return	Amount Withdrawn	Value After Withdrawal
2001	**-11.85%**	$12,500	$207,875
2002	**-22.10%**	12,500	149,435
2003	**28.68%**	12,500	**179,792**
2004	10.87%	12,500	186,836
2005	4.89%	12,500	183,472
2006	15.81%	12,500	199,979
2007	5.49%	12,500	198,458
2008	-37.00%	12,500	112,529
2009	26.47%	12,500	129,815
2010	15.06%	12,500	136,865
2011	2.11%	12,500	127,253
2012	15.98%	12,500	135,088
2013	32.39%	12,500	166,343
2014	13.69%	12,500	**$176,615**

June

encounters strong returns early in her retirement.

Three years into retirement, her account value is

$333,962

June retired at the end of 2002 and invested $250,000.
She began taking 5% annual withdrawals from her investment in 2003.

Year	S&P 500® Return	Amount Withdrawn	Value After Withdrawal
2003	**28.68%**	$12,500	$309,200
2004	**10.87%**	12,500	330,310
2005	**4.89%**	12,500	**333,962**
2006	15.81%	12,500	374,262
2007	5.49%	12,500	382,309
2008	-37.00%	12,500	228,354
2009	26.47%	12,500	276,300
2010	15.06%	12,500	305,411
2011	2.11%	12,500	299,355
2012	15.98%	12,500	334,692
2013	32.39%	12,500	430,598
2014	13.69%	12,500	477,047
2015	1.38%	12,500	471,130
2016	11.96%	12,500	**$514,978**

How did the sequence of returns impact each retiree's investment?

Ted and June each started with $250,000 and withdrew the same amounts each year:

- 14 years into retirement, at the end of 2014, Ted's $250,000 investment had declined to $176,615
- 14 years into retirement, at the end of 2016, June's $250,000 investment had grown to $514,978

The difference in value is largely the result of the returns experienced in the early years of retirement. And while you can't control market performance in the early years of retirement, there are strategies that can help you control this type of market risk.

Rebounding from a market decline.

After a market decline, you'll need to earn even greater returns to make up for your losses—and the amount withdrawn—to get back to where you started.

During the Accumulation Years

Initial investment amount: $250,000

Accumulation Phase

Year	Rate of Return	Value at Year End
2000	-9.09%	**$ 227,275**
2001	-11.85%	**$200,343**
2002	-22.10%	**$156,067**

A three-year decline of more than 37%

Return required to get back to $250,000: **60%**

When Income is Withdrawn

Initial investment amount: $250,000, annual withdrawal amount: $12,500

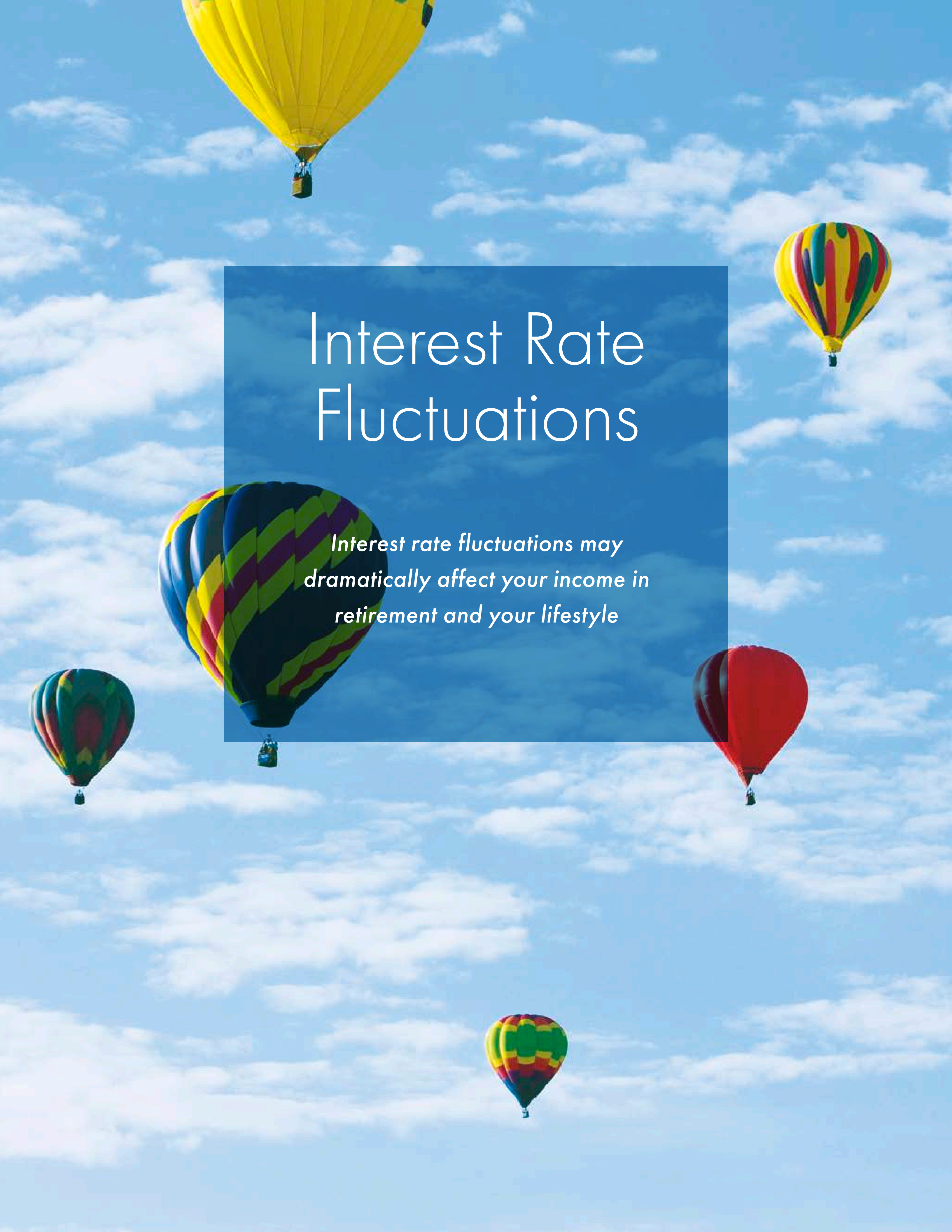
Distribution Phase

Year	Rate of Return	Value at Year End
2000	-9.09%	**$214,775**
2001	-11.85%	**$176,824**
2002	-22.10%	**$125,246**

A three-year decline of nearly 50%

Return required to get back to $250,000: **100%**

The illustrations on the previous page and above are hypothetical and assume past performance of the S&P 500® Index. These illustrations are not intended to be indicative of the performance of a specific investment option. Indexes are unmanaged. You cannot invest directly in an index. Performance illustrated is not indicative of future results.



Interest Rate Fluctuations

Interest rate fluctuations may dramatically affect your income in retirement and your lifestyle

Could changing interest rates impact your income?

Investors often turn to fixed-income investments, such as Treasury bills and Treasury bonds, for retirement income. These investments are available in different terms or durations. The interest you receive will vary based on the term selected and economic conditions at the time of investment and/or reinvestment, which can impact your income. (Of course, if different terms had been selected, the results would differ.)

What if...

you had invested $250,000 in each of the following investments at the end of 1992?

Year	Treasury Bills (6-month)	Treasury Bond (10-year)
1993	$8,451	$16,925
1994	10,075	16,925
1995	15,200	16,925
1996	13,513	16,925
1997	13,225	16,925
1998	13,463	16,925
1999	12,001	16,925
2000	14,900	16,925
2001	**11,850**	16,925
2002	**4,563**	**16,925**
2003	**2,763**	**10,075**
2004	3,313	10,075
2005	7,150	10,075
2006	11,876	10,075
2007	12,526	10,075
2008	6,913	10,075
2009	713	10,075
2010	451	10,075
2011	363	10,075
2012	251	10,075
2013	263	4,300
2014	200	4,300
2015	251	4,300
2016	1,125	4,300
2017	2,188	4,300
2018	4,513	4,300
Total Income	$172,100	$295,800

In this example, Treasury bill income changed dramatically upon renewal.

Treasury bond income was also subject to change after 10 years in this example.

Treasury bills and Treasury bonds are guaranteed by the U.S. Government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. Income is exempt from state and local income tax, but subject to federal income tax.

Your financial professional can help you determine which investments may be right for you.

The following initial interest rates were assumed in this example: Treasury bill: 3.47%; Treasury bond: 6.77%. Past performance is no guarantee of future results. Historical results shown should not be considered reflective of a specific investment. Results shown do not reflect the impact of expenses that would be associated with an actual investment. Source: Treasury bills and Treasury bonds: U.S. Board of Governors of the Federal Reserve System.

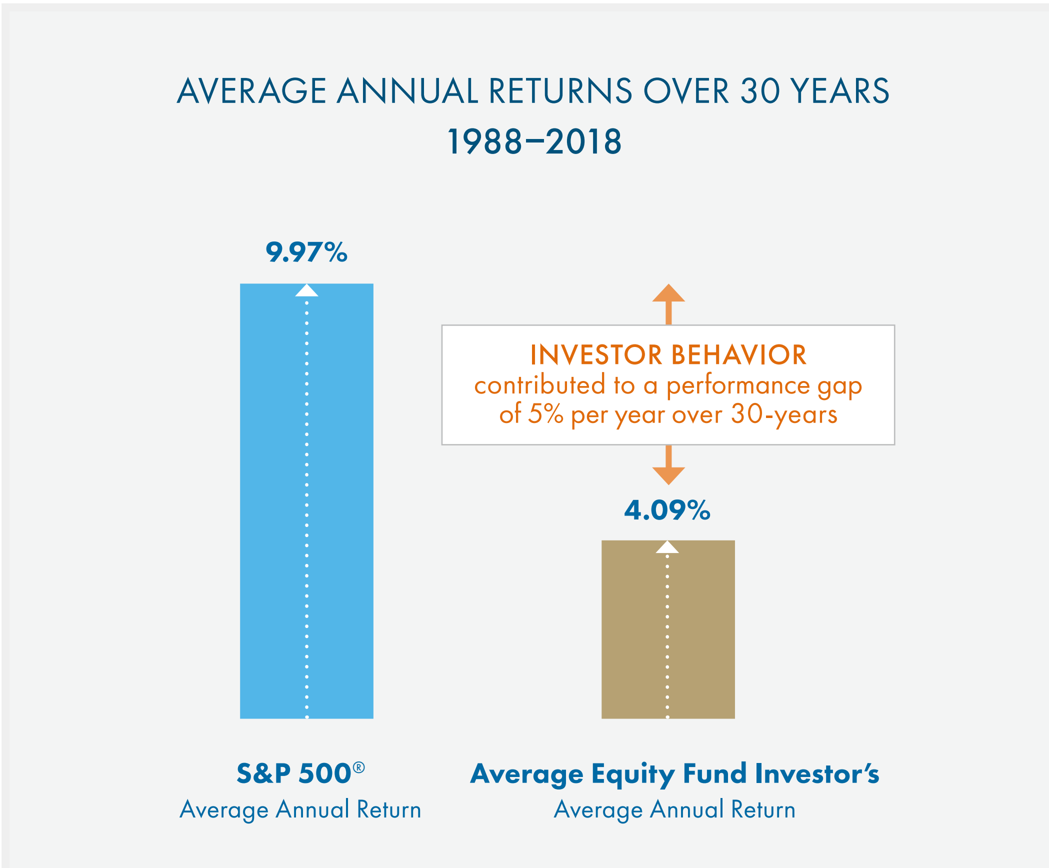

Investor Behavior
Investor emotions and behavior are often affected by market corrections

Shifting emotions can impact a retirement plan.

That's why it's important to understand your retirement strategy and stay committed to your plan for the long run.

The chart below shows that while the overall stock market (as measured by the S&P 500® Index) has performed well over the 30-year period examined, the return that the average equity fund investor experienced was actually much lower. In fact, it was 59% lower.

These results are the outcome of an annual study that measures the effects of investor decisions to buy, sell and switch into and out of equity mutual funds.* Of course, past performance is no guarantee of future results.

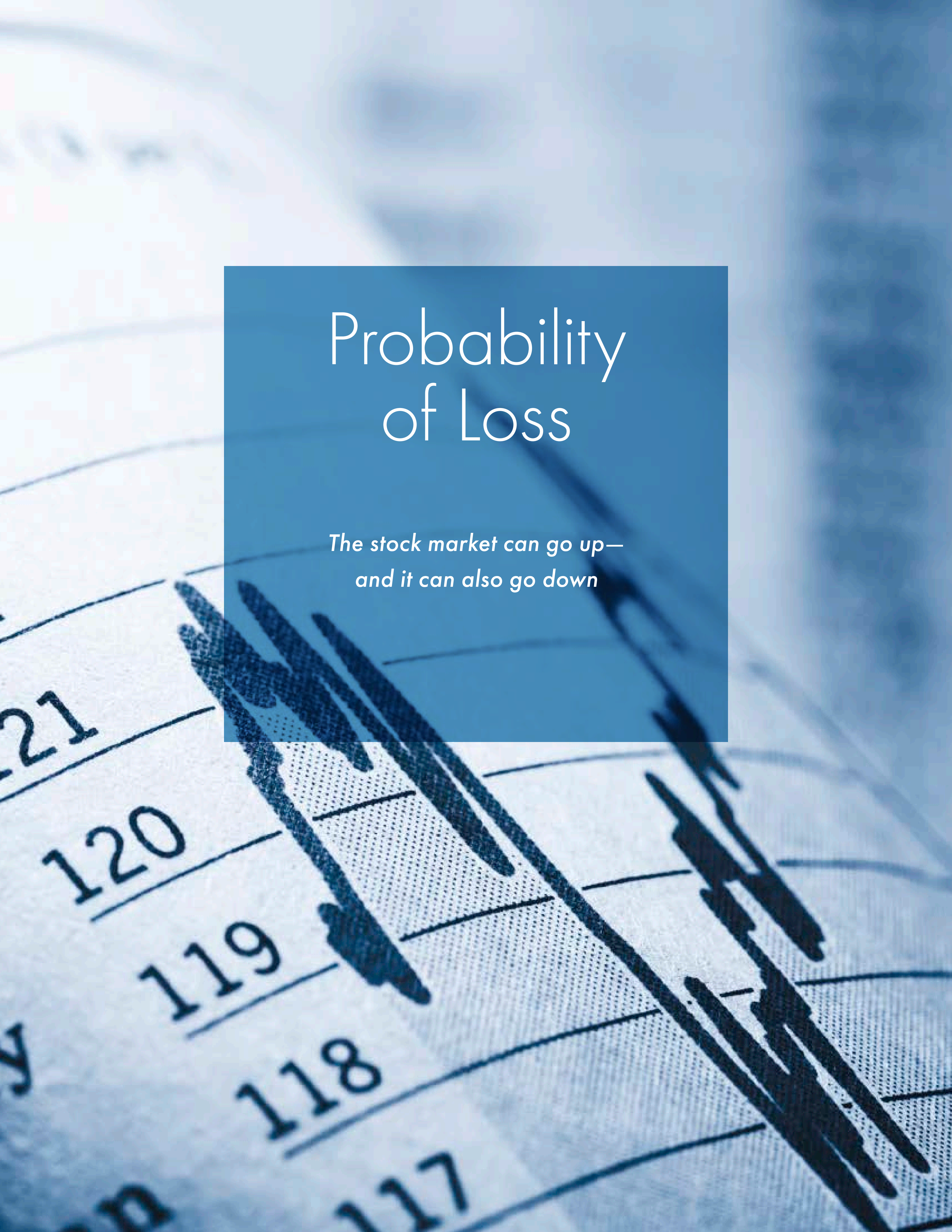


Keep in mind that the investor returns reflect investment selection, as well as sales charges, fees, expenses, and transaction costs, whereas the S&P 500® Index returns do not. These factors also contribute to the difference in returns. Indexes are unmanaged; you cannot invest directly in an index. Performance illustrated is not indicative of future results.

*Source: 2019 Quantitative Analysis of Investor Behavior, DALBAR, period ended 12/31/18. This study utilizes data from the Investment Company Institute and Standard & Poor's to compare investor behavior with the returns of the overall equity market. The Average Equity Fund Investor represents the aggregate action of all investors in equity mutual funds. Investor returns are determined using the change in total equity fund assets after excluding sales, redemptions and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses and any other costs. The S&P 500® Index is an unmanaged index of large-cap U.S. stocks that is considered to be representative of the U.S. equity market.

Probability of Loss

The stock market can go up—
and it can also go down



You protect what's important to you with insurance even when the odds of incurring a loss may be slim. For example, most people would never think to leave their home or car uninsured.

Asset		Value	Insured?	
	Home	$	✓	Odds of major fire damage over the next 30 years: less than 1%
	Life	$	✓	Probability of a 60-year-old male dying within 5 years: less than 4%
	Auto	$	✓	There was only 1 crash for every 42 registered vehicles in the U.S. in recent years
	401(k), IRA, other retirement investments	$	?	*Historically, the stock market has experienced a decline of 20% or more approximately once every 3 to 4 years*

Your retirement investments may be one of your most valuable assets.

Shouldn't you consider protecting your retirement income against a market downturn?

Sources: True Odds: How Risk Affects Your Everyday Life; 2012 Individual Annuitant Mortality Tables; U.S. Department of Transportation 2018 (data as of 2015); Ned Davis Research, Inc., based on Dow Jones Industrial Average, daily closes, 1/2/1900-12/31/2018.

An annuity may help you secure your retirement income for a more comfortable retirement

Annuities are long-term investments designed specifically for retirement. They can help you build assets on a tax-deferred basis as you prepare for retirement. And when you're ready to retire, they can provide you with guaranteed lifetime income through standard or optional features. Optional income guarantees are subject to additional fees, withdrawal parameters and other limitations.

Contract and optional benefit guarantees are backed by the claims-paying ability of the issuing insurer. Early withdrawals may be subject to withdrawal charges. Partial withdrawals may reduce benefits available under the contract, as well as the amount available upon a full surrender. Withdrawals of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, an additional 10% federal tax may apply. Keep in mind, for retirement accounts, such as IRAs, an annuity provides no additional tax-deferred benefit beyond that provided by the retirement account.

All contract and optional benefit guarantees, including any fixed account crediting rates or annuity rates, are backed by the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased.

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