

Income Success Rate

Meet Carl. He's 65 and a former school teacher. He enjoyed his students. But he's ready to start enjoying retirement now. He's more interested in *income certainty* than growth. How can he help ensure his money will last?



Carl's Original Retirement Income Plan

- Carl plans to withdraw **4%** of his **\$500,000** nest egg to get **\$20,000** a year.
- Carl hopes to take his withdrawals for **30** years if possible.
- Carl has his assets in a **60/40** stock/bond mix.

Carl's Income Success Rate = 52.8%

Using the chart below, which shows results of a Morningstar series of simulations, Carl sees that he may only have a **52.8%** chance of his income lasting the 30 years he needs it. *That's practically a "coin flip."*

4% INITIAL WITHDRAWAL				
Withdrawal Period:	20 Years	25 Years	30 Years	35 Years
Stock/Bond %	Success Rate %			
40/60	93.4	71.7	49.0	33.4
60/40	87.7	68.8	52.8	41.7
80/20	81.9	65.3	52.8	44.5

Carl Wants to Count on More than a "Coin Flip" for his Future

Think about it this way ... would you get on an airplane if a *coin flip* decided if it was going to be a successful flight? Probably not. And Carl wouldn't either. He wants to guarantee his money lasts a long time. A **single premium immediate annuity** (SPIA) may help do just that. See Carl's new plan on back.

Success Rate (%): This is the percentage of simulations resulting in a portfolio balance greater than \$0 at end of withdrawal period. Balance of portfolio not allocated to stock is allocated to bond. Stock component is the Russell 3000 Index, a market capitalization weighted equity index that seeks to be a benchmark of the entire U.S. stock market. Bond component is the Bloomberg Barclays US Aggregate Bond Index, a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Different indexes produce different results. Returns for portfolio stock and bond allocations based on Morningstar Investment Management's 2017 Capital Market Assumptions (CMA). Subtraction of 0.50% yearly investment management fee assumed. Actual fees and expenses vary by product and impact results. All returns are assumed in today's dollars, thereby maintaining the initial withdrawal amount (inflation adjusted) throughout the period. Success rates based on 5,000 market scenarios and various asset allocation strategies. Results are hypothetical estimates, not predictions. Source: Morningstar Investment Management LLC.

Interpretation Example: A 4% withdrawal rate, an allocation of 60% stocks and 40% bonds, and a 30-year withdrawal period shows a 52.8% chance withdrawals will last 30 years. This means that in 1,000 simulations, withdrawals lasted at least 30 years 528 times ran out 472. What's an acceptable result varies per person. Results may indicate that adjustments (rate, period, allocation, etc.) in retirement plans should be considered.

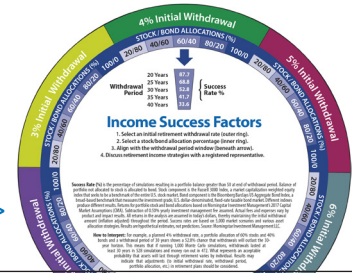
Carl's New Retirement Income Plan¹

- Carl places **\$200,000** in a SPIA, with a Life-and-10-Year payout and **2% Increasing Payout Option**;² paying him **\$11,000** yearly (increasing 2% per year) for **life**.
- Carl reduces withdrawals on his remaining **\$300,000** in assets to a smaller **3%** to also receive **\$9,000** yearly.
- Carl leaves his assets in a **60/40** stock/bond mix account for now.

Carl's New Plan **Guarantees** Over Half His Needs ... and Increases His Income Success Rate

Carl's new plan jumps the Income Success Rate of asset withdrawals to **83.8%**. Plus the SPIA portion is at a **100%** success rate because he'll never run out of SPIA payouts ... not just for **30 years** ... **but for the rest of his life!**

3% INITIAL WITHDRAWAL				
Withdrawal Period:	20 Years	25 Years	30 Years	35 Years
Stock/Bond %	Success Rate %			
40/60	99.8	96.8	89.3	78.3
60/40	98.5	92.8	83.8	75.3
80/20	95.3	87.1	78.8	71.6



Contact a rep for a free Income Success Wheel and see your Success Rate >

- 1 Based on illustration as of 9/27/18.
- 2 IPO payments are initially lower than under a payout option without IPO. They increase annually and will at some point, depending on payout elected and annuitant longevity, exceed those received under an option without IPO. If annuitant dies prior to his/her life expectancy, a payee may receive less total income under an IPO option than without one.

About the Morningstar Analysis: This tool uses an analytical method simulating random returns of uncertain variables to obtain a range of possible outcomes. It involves generating thousands of scenarios, each simulating the growth of assets over a specified period of time, taking into account a variety of factors. Such probabilistic simulation does not analyze specific security holdings, but instead analyzes the identified asset classes. The simulation generated is not a guarantee or projection of future results but rather a tool to identify a range of potential outcomes. The simulation is hypothetical in nature and for illustrative purposes only. Underlying each scenario presented in this analysis are certain capital market assumptions (e.g., rates of return, volatility as measured by standard deviation,* correlation between asset classes.***) Rate of return is forward looking. Capital market assumptions regarding rates of return for various asset classes and the probability analysis applied to these returns are key to the underlying results. **Results may vary with each use and over time. This analysis is not a guarantee, prediction or projection of any particular result. Actual results will vary materially.** The analysis can be used to help evaluate how certain decisions or strategies may impact the ability to achieve goals. Users should allow a margin of error and view the results as reasonable estimates but should not rely on the apparent precision of the results. *A measure of how far a data series moves above or below its average. **A measure of the degree returns are related to or dependent upon each other. **Material Assumptions:** Projections assume a withdrawal in the first year of the stated percent of the original portfolio value. Withdrawal amounts (not percentages) are assumed to be linked to inflation to maintain consistent purchasing power in real terms. Initial withdrawal amount is the percentage of the initial value of the investments withdrawn on the first day of the first year. Assumed arithmetic nominal returns by period: stock 4.37% (years 1-10), 6.80% (years 11-20), 9.27% (years 21+); bond 2.82% (years 1-10), 3.58% (years 11-20), 5.52% (years 21+). Inflation of 2.20% assumed constant. Standard deviations of 15.63% (stock) and 5.20% (bond) assumed. Stock/bond correlation of 0.10 assumed. **Material Limitations:** Extreme market movements may occur more often than in the model. Actual long-term results for each asset class will differ from assumptions. Market crises can cause asset classes to perform similarly, lowering the accuracy of projected return assumptions and diminishing the benefits of diversification. Diversification may not protect against market risk. Actual returns may be more volatile than projected in the analysis. The model does not consider correlation among asset class returns. It does not reflect the average periods of bull and bear markets, which can be longer than those modeled. Inflation is assumed to be constant, so variations are not reflected in calculations. Taxes are not taken into account, nor are early withdrawal penalties. The analysis uses two asset classes. Other asset classes may provide different returns or outcomes than those used. There is no guarantee that actual future market returns will be consistent with these assumptions and limitations. The analysis models portfolios comprised of asset classes, not investment products. As a result, the actual experience of an investor in a given investment product may differ from the range generated by the simulation, even if the broad asset allocation of an investment product is similar to the one being modeled.

Integrity Life Insurance Company, Cincinnati, OH, operates in DC and all states except NY, where National Integrity Life Insurance Company, Greenwich, NY, operates. Securities offered by **Touchstone Securities, Inc.*** Cincinnati, OH. W&S Financial Group Distributors, Inc. is an affiliated agency of the issuer. Issuer has sole financial responsibility for products. All companies are members of Western & Southern Financial Group. *Member FINRA/SIPC.

An immediate annuity is permanent. An owner has no access to the premium, which converts to income payouts. A contract has no cash value, no death benefit and can't be surrendered. Terms such as the payout amounts, timing and rates cannot be changed, unless commutation elected. Payouts end at annuitant death unless certain period or installment refund option elected. Life contingent payout may be less or more than premium based on length of annuitant(s) life. Life and Temporary life payouts provide no benefit on or after the death of the annuitant(s). Payment of benefits under the annuity contract is the obligation of, and is guaranteed by, the insurance company issuing the annuity. Guarantees are based on the claims-paying ability of the insurer. Products are backed by the full financial strength of the issuer.

No bank guarantee	Not a deposit	May lose value	Not FDIC/NCUA insured	Not insured by any federal government agency
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