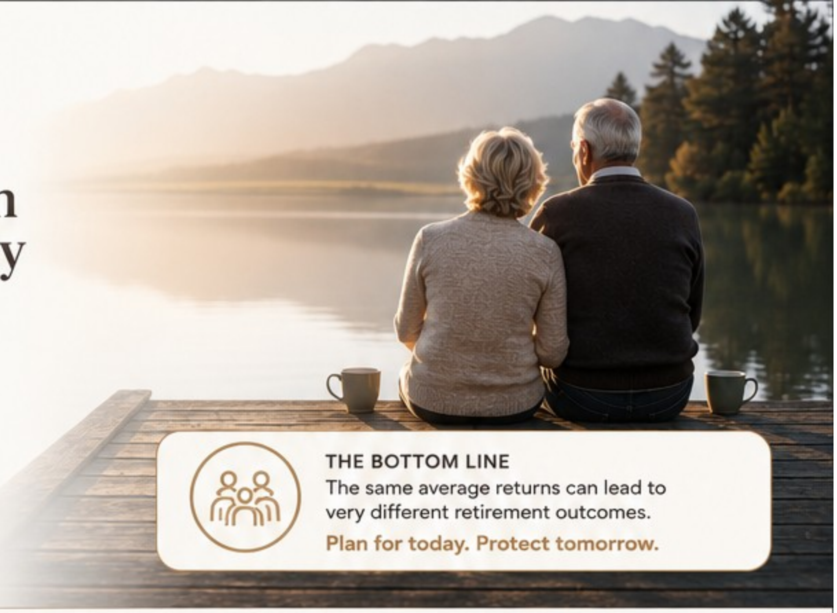
LEON
FINANCIAL SERVICES



Why Two Retirees Can Experience Completely Different Outcomes

SAME AVERAGE RETURN.
SAME STARTING BALANCE.
VERY DIFFERENT RETIREMENT.

Most investors focus on average returns.

Retirees should also pay attention to the **order in which** those returns occur. This concept is known as **Sequence of Returns Risk.**

A major market decline during the first few years of retirement can have a lasting impact on how long your money lasts.

THE BOTTOM LINE

The same average returns can lead to very different retirement outcomes.

Plan for today. Protect tomorrow.

1 BEFORE RETIREMENT

Without withdrawals, the order of returns has little impact.

RESULT:
Both investors finish with approximately the same account value.

SAME RETURNS. SAME ENDING VALUE.

In this example below the annual income withdrawals are zero, the starting values at age 41 for Portfolio A and B are $100,000, and the average annual return for Portfolio A and B is 8%.

PORTFOLIO A – EARLY LOSSES

AGE	Annual Return	Year-End-Value			
41	-12%	$ 88,000.00	56	19%	$217,495.68
42	-21%	$ 69,520.00	57	15%	$250,120.03
43	-14%	$ 59,787.20	58	-2%	$245,117.63
44	22%	$ 72,940.38	59	27%	$311,299.39
45	10%	$ 80,234.42	60	8%	$336,203.34
46	4%	$ 83,443.80	61	15%	$386,633.84
47	11%	$ 92,622.62	62	-6%	$363,435.81
48	3%	$ 95,401.30	63	25%	$454,294.76
49	-3%	$ 92,539.26	64	18%	$536,067.82
50	21%	$111,972.50	65	29%	$691,527.49
51	17%	$131,007.83			
52	5%	$137,558.22			
53	-10%	$123,802.40			
54	11%	$137,420.66			
55	33%	$182,769.48			

PORTFOLIO B – EARLY GAINS

AGE	Annual Return	Year-End-Value			
41	29%	$129,000.00	56	21%	$747,280.14
42	18%	$152,220.00	57	-3%	$724,861.73
43	25%	$190,275.00	58	3%	$746,607.59
44	-6%	$178,858.50	59	11%	$828,734.42
45	15%	$205,687.28	60	4%	$861,883.80
46	8%	$222,142.26	61	10%	$948,072.18
47	27%	$282,120.67	62	22%	$1,156,648.05
48	-2%	$276,478.25	63	-14%	$994,717.33
49	15%	$317,949.99	64	-21%	$785,826.69
50	19%	$378,360.49	65	-12%	$691,527.49
51	33%	$503,219.45			
52	11%	$558,573.59			
53	-10%	$502,716.23			
54	5%	$527,852.04			
55	17%	$617,586.89			

These figures are hypothetical in nature only, are not guaranteed, and do not reflect taxes or investment fees which would reduce the figures shown here. Investing involves risk, including potential loss of principal. Insurance and annuity guarantees are backed by the financial strength and claims-paying ability of the issuing company.

2 AFTER RETIREMENT

When withdrawals begin, the order of returns can make a dramatic difference.

In this example: Initial withdrawal 5% of starting value – adjusted annually for inflation. Starting values at age 65 for both portfolios are $691,527.49. Average annual return is 8%.

SAME RETURNS. DIFFERENT SEQUENCE. DIFFERENT RETIREMENT.

PORTFOLIO A – EARLY LOSSES

AGE	Annual Return	Year-End Value	Withdrawals
65		$691,527.49	
66	-12%	$578,116.98	$34,576.37
67	-21%	$428,577.62	$35,613.67
68	-14%	$337,030.17	$36,682.08
69	22%	$365,082.11	$37,782.54
70	10%	$358,782.70	$38,916.01
71	4%	$331,447.18	$40,083.49
72	11%	$322,078.91	$41,286.00
73	3%	$287,940.96	$42,524.58
74	-3%	$236,816.42	$43,800.32
75	21%	$231,959.54	$45,114.33
76	17%	$217,025.38	$46,467.76
77	5%	$177,621.77	$47,861.79
78	-10%	$115,491.72	$49,297.64
79	11%	$71,833.81	$50,776.57
80	33%	$25,980.15	$52,299.87
81	19%	$0.00	$53,868.86
82	15%	$0.00	$55,484.93
83	-2%	$0.00	$57,149.48
84	27%	$0.00	$58,863.96
85	8%	$0.00	$60,629.88
86	15%	$0.00	$62,448.78
87	-6%	$0.00	$64,322.24
88	25%	$0.00	$66,251.91
89	18%	$0.00	$68,239.47
90	29%	$0.00	$70,286.65

PORTFOLIO B – EARLY GAINS

AGE	Annual Return	Year-End Value	Withdrawals
65		$691,527.49	
66	29%	$847,466.94	$34,576.37
67	18%	$957,986.86	$35,613.67
68	25%	$1,151,630.98	$36,682.08
69	-6%	$1,047,017.54	$37,782.54
70	15%	$1,159,316.75	$38,916.01
71	8%	$1,208,771.92	$40,083.49
72	27%	$1,482,707.12	$41,286.00
73	-2%	$1,411,378.89	$42,524.58
74	15%	$1,572,715.36	$43,800.32
75	19%	$1,817,845.23	$45,114.33
76	33%	$2,355,932.04	$46,467.76
77	11%	$2,561,957.97	$47,861.79
78	-10%	$2,261,394.30	$49,297.64
79	5%	$2,321,148.61	$50,776.57
80	17%	$2,654,553.03	$52,299.87
81	21%	$3,146,827.84	$53,868.86
82	-3%	$2,996,602.62	$55,484.93
83	3%	$3,029,696.74	$57,149.48
84	11%	$3,297,624.38	$58,863.96
85	4%	$3,366,474.28	$60,629.88
86	10%	$3,634,428.05	$62,448.78
87	22%	$4,355,529.09	$64,322.24
88	-14%	$3,688,778.37	$66,251.91
89	-21%	$2,860,225.74	$68,239.47
90	-12%	$2,455,146.40	$70,286.65

THE DIFFERENCE AT AGE 90

PORTFOLIO A
EARLY LOSSES

OUT OF MONEY AT AGE 81

PORTFOLIO B
EARLY GAINS

$2,455,146
REMAINING AT AGE 90

Same average return.
Same starting value.
Different sequence.
Massive difference.

These figures are hypothetical in nature only, are not guaranteed, and do not reflect taxes or investment fees which would reduce the figures shown here. Investing involves risk, including potential loss of principal. Insurance and annuity guarantees are backed by the financial strength and claims-paying ability of the issuing company.

THE DIFFERENCE WAS NOT RETURN. THE DIFFERENCE WAS TIMING.

- Same Average Return
- Same Starting Value
- Different Sequence of Returns

5 WAYS TO HELP PROTECT RETIREMENT INCOME

1. **Maintain Cash Reserves**
   Avoid being forced to sell investments during market downturns.
2. **Diversify Income Sources**
   Reduce reliance on market performance alone.
3. **Coordinate Social Security and Pension Benefits**
   Maximize predictable income you can count on.
4. **Review Withdrawal Strategies**
   Small adjustments can significantly improve portfolio longevity.
5. **Build a Written Retirement Income Plan**
   A plan helps you stay on track and make confident decisions.

IS YOUR RETIREMENT PREPARED FOR MARKET VOLATILITY?

A retirement income review can help you understand how sequence of returns risk may impact your plan—and what we can do together to help protect your future.

LEON
FINANCIAL SERVICES

573-381-3134
leo@leonfinancialservices.com
www.leonfinancialservices.com