CHART A SMOOTHER COURSE FOR RETIREMENT INCOME

BUSINESS BUILDER

Clients 65+

WITH A LOWER Portfolio Reliance Rate

Mapping a well-devised course is vital to help your clients reach their retirement savings and income goals.

Of course, part of the planning process involves developing a diverse investment strategy that may serve as a cushion against market fluctuations.

When navigating to a well-rounded portfolio one key factor that's often overlooked is the client's portfolio reliance rate.

What is a Portfolio Reliance Rate?

This important number is simply the percentage of one's retirement income that will come from non-guaranteed income sources, such as stocks, bonds, mutual funds, etc. The higher your client's reliance rate, the more they'll rely on these unprotected investments for their income needs.

A higher portfolio reliance rate – ***generally more than 50%*** – could mean your client's retirement income and lifestyle ***are more vulnerable to market downturns.***

UNDERSTAND THE NUMBERS

To determine how well a client's retirement strategy could weather a market downturn, start by calculating his or her reliance rate.

Income From Unprotected Sources		Total Income Needed		Portfolio Reliance Rate
$55,000	÷	$80,000	=	68.75%
(i.e. stocks, bonds or mutual funds)				

See next page for additional context.

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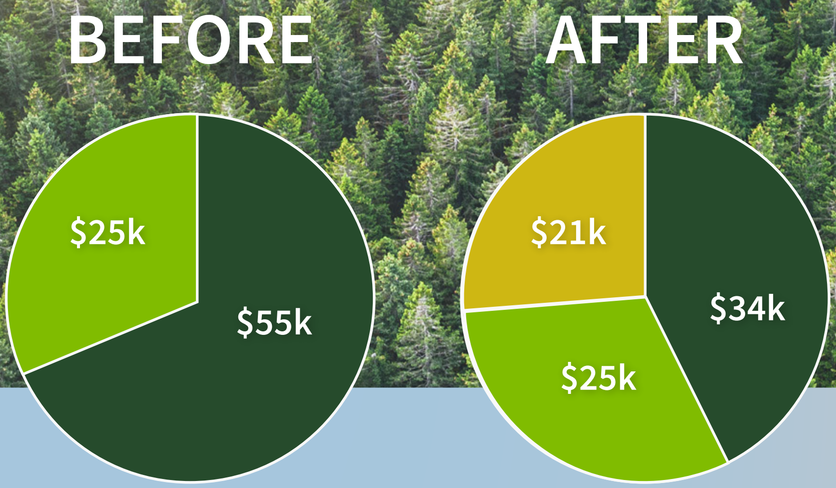
A DIRECT PATH TO GUARANTEED LIFETIME INCOME

One strategy to reduce the portfolio reliance rate is to introduce additional lifetime income sources with guarantees, such as an annuity that offers insured fixed payments for life.

A healthier reliance rate may be accomplished by repositioning a portion of the client's portfolio, as shown in the hypothetical example below.

See the Difference an Annuity Can Make

The advisor helps her client Pat purchase an annuity to provide a new source of guaranteed lifetime income, which also reduces Pat's portfolio reliance rate.



$1 million portfolio with no annuity

Allocate $300,000 to

WealthChoice FIA

SOCIAL SECURITY • PORTFOLIO INCOME • ANNUITY INCOME

Pat has a $1 million portfolio, plans to retire in three years at age 70 and needs $80,000 in annual income. Let's assume the advisor helps Pat move $300,000 to a *WealthChoice FIA* with the Guaranteed Lifetime Benefits Rider and a 7% lifetime withdrawal rate. This provides Pat with $21,000 of protected annual income.

Annuity Allocation *(protected source)*	$0	$300,000
Stocks, Bonds, etc. Allocation *(unprotected source)*	$1,000,000	$700,000
Total Portfolio Value	$1,000,000	$1,000,000
Total Income Needed	$80,000	$80,000
Social Security/Year	$25,000	$25,000
Portfolio Income/Year	$55,000	$34,000
Annuity Income/Year	$0	$21,000
Portfolio Withdrawal Rate*	5.5%	4.9%
Portfolio Reliance Rate**	69%	43%

To learn more about offering lifetime income solutions for your clients that may lower their portfolio reliance rate ***contact your United Life Regional Sales Director.*** Advisors may want to partner with the client's tax professional to assure not only a better reliance rate but also the most advantageous income/tax situation overall.

*Portfolio (unprotected) income divided by Total Unprotected sources. This is likely to increase over time.
**Portfolio (unprotected) income divided by Total Income Needed.
The estimates above are simplified examples that do not include interest accruals or future adjustments and should not be taken as investment advice. Actual results may vary. WealthChoice Fixed Indexed Annuity is underwritten and issued through United Life Insurance Company. Guarantees are backed by the financial strength and claims paying ability of the company. Product availability and features may vary by state.

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