

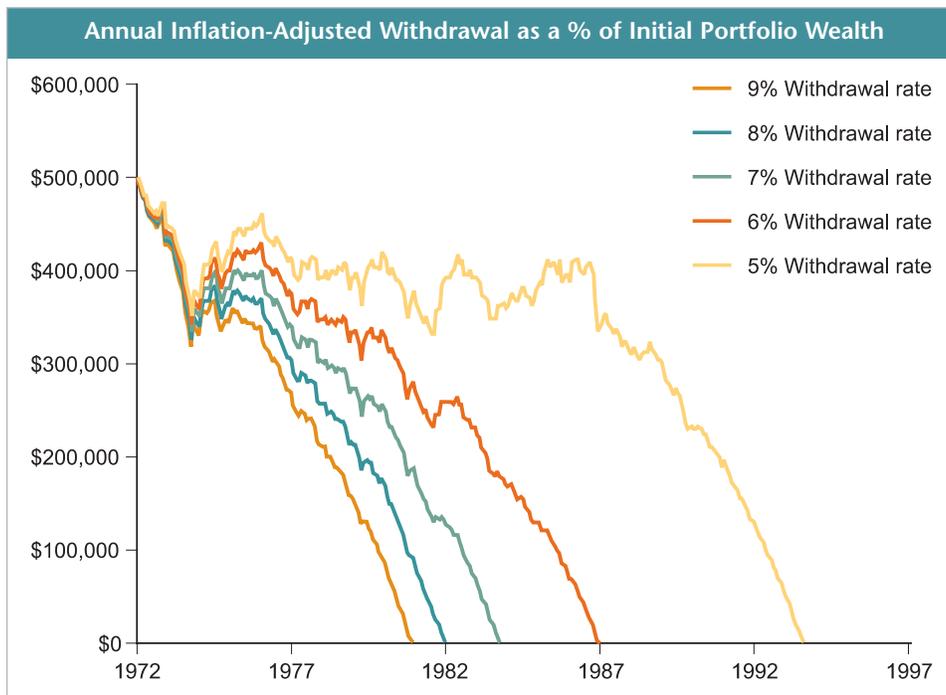
## Retirement Income Planning

# Don't outlive your portfolio

Early retirees who anticipate long payout periods should plan to assume lower withdrawal rates or employ the use of an annuity and its annuitization payout option to help ensure that they don't run out of money.\*

The image below looks at a hypothetical portfolio of 50% stocks and 50% bonds and the effects of various inflation-adjusted withdrawal rates on the ending wealth value.

### How Much Can You Withdraw?



*Keep in mind that an investment cannot be made directly in an index, and past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. The data assumes reinvestment of all income and does not account for taxes or transaction costs.*

## Greater Risk Of Shortfall With High Withdrawal Rates

If you plan on withdrawing from your retirement savings for a long period of time, it is important to examine the effect various withdrawal rates may have on a portfolio.

This example demonstrates the dramatic effect a market downturn early on during the withdrawal phase can have on portfolio value. Though we all like to think this won't happen to us, historical market performance tells us otherwise.

Before beginning a withdrawal program, make sure you carefully consider the length of time you plan to take withdrawals and your chosen withdrawal rate. Remember, if you are concerned that your portfolio value may not support your desired withdrawal rate and timeframe, the use of an annuity and its annuitization payout option may help.

Each monthly withdrawal is adjusted for inflation. Government bonds are guaranteed by the full faith and credit of the United States government as to the timely payment of principal and interest. Stocks are not guaranteed and have been more volatile than securities.

Source: Stocks—Standard & Poor's 500®, which is an unmanaged group of securities and is considered to be representative of the stock market in general; Bonds—five-year U.S. Government Bond; Inflation—Consumer Price Index.

\*Guarantees based on the claims-paying ability of Principal Life Insurance Company.



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