



# RETIREMENT G.P.S. – GROW, PROTECT, SPEND

## NAVIGATING THE RETIREMENT JOURNEY

While there may be many twists and turns in the road, our financial lifecycle is linear. As we age, financial priorities progress through three phases: Grow, Protect and Spend. It's possible that as we move forward, we can be in two segments simultaneously, e.g., Protect and Spend or Grow and Protect. On the path to financial security in retirement, you'll want to maximize each phase to help avoid bumps in the road. The stakes are high, and to succeed you must have a plan. Let's explore each segment in more detail.

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### WHY IS GROWTH IMPORTANT?

Growing your money is important throughout the journey to retirement – especially in the early years. Growth is the engine that drives wealth creation and may also help you keep pace with the cost of living. When we're older, we hope that a larger pool of money may generate more income as you move into the later spend phase. A part of your portfolio should always target growth, although it might be less of a focus as you age.

### NAVIGATING THE WAYPOINTS OF YOUR JOURNEY

When you put a plan in place early in life, saving becomes part of your routine. Pay yourself first by maximizing contributions to retirement plans and other savings products. Your future self will thank you. While younger investors can be more aggressive in their holdings, we must be mindful about portfolio allocations and associated levels of risk as we age. It's clear, however, that no matter what phase you're in, you'll want to consider opportunities for growth.

### YOUR FEELINGS ABOUT GROWTH

Growing your retirement savings can help you feel optimistic, proud, smart, responsible and in control of your finances.

## EDUCATIONAL COMMENTARY

For consumers

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### WHY IS PROTECTION IMPORTANT?

As your money grows, there's more at stake. As you get closer to planning for the spend phase it may make sense to pump the brakes a little on your more aggressive holdings and make sure you're investments are in line with your risk tolerance. Contrary to our younger years, we may not have the time to recover and replenish what might be lost in a downturn. Keeping a watchful eye on risk may be prudent in both the protection and spend phase.

### NAVIGATING THE WAYPOINTS OF YOUR JOURNEY

Is your portfolio overweighted to investments that carry more risk? Rebalancing your portfolio and looking for ways to appropriately protect what you've amassed makes sense. Keep in mind, when you enter the spend phase you might not have a salary to cover living expenses. While growth is still important, it's also important to look for products that can provide protection for your money and future income.

### YOUR FEELINGS ABOUT PROTECTION

Protecting assets can help you feel safe, secure, prepared for adversity, relaxed about your goals and reassured about your future.

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### WHY IS SPENDING IMPORTANT?

You still have bills to pay – they won't retire when you do. Think of expenses as either "essential" or "non-essential." Food, utilities and healthcare costs are good examples of essential expenses. Non-essential expenses are things like hobbies and travel that can be dialed back when needed. Will you be ready to make those payments when you don't have a paycheck coming every two weeks?

### NAVIGATING THE WAYPOINTS OF YOUR JOURNEY

Your 50s are a smart and responsible time to start thinking about and planning for income needs in retirement. Start by projecting your income and expenses – it may be difficult to look 10-15 years in the future, but it will be an excellent first step. Next, consider supplementing Social Security by exploring investments that can also provide protected lifetime income – running out of money in retirement is not an option. Luck favors the prepared.

### YOUR FEELINGS ABOUT SPENDING

You want to feel independent, free to live as you choose, in control of your finances and grateful to maintain your lifestyle – even if you live to an advanced age.

## HOW CAN ANNUITIES KEEP US ON TRACK?

Annuities are unique because they offer benefits not found in other financial products. The table below provides additional ways annuities may help investors in each phase.

### GROW

- Offer the potential for growth through direct or indirect stock market exposure.
  - More growth equals more income down the road.
- Grow friction free from current taxes.\*
- Some annuities may allow you to add money over time and benefit from dollar-cost averaging.

\*Non-Qualified annuities grow tax deferred.

### PROTECT

- Some can offer a measure of protection against market downturns.
- Shields from taxation until money is withdrawn.
- Some annuities may reduce the risk of running out of money.
- May offer benefits to help address long-term care costs.
- Can help protect family members:
  - Lifetime income can be based on two lives.
  - At death, remaining assets can transfer to beneficiaries.

### SPEND

- Some can provide protected lifetime income.
- Some annuities offer income that is stable and predictable
  - a smart strategy to pay for essential expenses.
- Some annuities offer potential to increase income over time to help keep up with inflation.
- Can allow you to explore your hopes and dreams in retirement.

## DESTINATION: FINANCIAL SECURITY

Our GPS concept was created to help you by shining a light on the three main phases of the financial lifecycle [Grow, Protect and Spend] and key considerations to help navigate them successfully. No matter the stage, some challenges can be addressed with proper planning. Talk to a financial professional and discuss the tools and solutions that can help you reach your final destination and achieve financial security.

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Annuities are long-term investments designed for retirement purposes. Contract and optional benefit guarantees are subject to the claims-paying ability of the issuing insurance company. Earnings, when withdrawn, are subject to federal and/or state income tax, including a 10% tax penalty for withdrawals before age 59 ½. Early withdrawals may also be subject to surrender charges. Keep in mind, for retirement plans and accounts (such as IRAs and 401(k)s), an annuity provides no additional tax-deferred benefit beyond what is provided by the retirement plan or account itself. Some optional income protection features are subject to additional fees and charges associated with annuity products. There is no guarantee that any investment will achieve its objectives, generate positive returns, avoid losses or keep pace with inflation. Investments in annuity contracts may not be suitable for all investors.