

## How will market ups and downs affect your retirement?

While you can control how your investments are allocated and how much you withdraw each year, no one can predict when market highs and lows will occur. This chart shows an example of the same hypothetical investment returns during both the building and the withdrawal phase. The results are the same while building assets but vastly different once withdrawals begin. As you can see, negative returns during the early years of a withdrawal program have serious consequences on a portfolio. Avoiding severe initial negative returns is critical to sustaining withdrawals over a long period of time.

### Investment results before and during retirement

#### Building Assets/Accumulation Phase

Withdrawals: none

Starting Value for Portfolio A and B: \$100,000

Age	Portfolio A		Portfolio B	
	Annual Return	Year-End Value	Annual Return	Year-End Value
41	-9%	\$90,896	19%	\$119,186
42	-12%	\$80,092	18%	\$140,568
43	-22%	\$62,391	22%	\$171,715
44	14%	\$71,313	-8%	\$158,304
45	19%	\$84,859	15%	\$182,240
46	5%	\$89,315	8%	\$197,566
47	17%	\$104,149	23%	\$242,928
48	1%	\$105,524	-3%	\$235,512
49	-3%	\$102,248	16%	\$272,709
50	22%	\$124,279	19%	\$323,611
51	19%	\$147,407	30%	\$422,202
52	6%	\$156,654	10%	\$464,754
53	-15%	\$133,644	-15%	\$396,487
54	10%	\$147,113	6%	\$421,362
55	30%	\$191,933	19%	\$499,776
56	19%	\$227,757	22%	\$607,459
57	16%	\$263,730	-3%	\$588,602
58	-3%	\$255,679	1%	\$596,374
59	23%	\$314,384	17%	\$695,422
60	8%	\$340,823	5%	\$731,936
61	15%	\$392,356	19%	\$870,966
62	-8%	\$361,713	14%	\$995,517
63	22%	\$441,861	-22%	\$775,503
64	18%	\$521,131	-12%	\$683,328
65	19%	\$621,115	-9%	\$621,115
	8%	\$621,115	8%	\$621,115

**No Difference** on final portfolio even though the pattern of market performance varied significantly.

#### Taking Withdrawals/Distribution Phase

Withdrawals: 5% of first year value adjusted for 3% annual inflation

Starting Value for Portfolio A and B: \$621,115

Age	Portfolio A		Portfolio B	
	Annual Return	Year-End Value	Annual Return	Year-End Value
66	-9%	\$533,511	19%	\$706,040
67	-12%	\$438,111	18%	\$800,716
68	-22%	\$308,339	22%	\$945,192
69	14%	\$318,498	-8%	\$837,437
70	19%	\$344,042	15%	\$929,104
71	5%	\$326,105	8%	\$971,239
72	17%	\$343,183	23%	\$1,157,156
73	1%	\$309,520	-3%	\$1,083,638
74	-3%	\$260,571	16%	\$1,215,450
75	22%	\$276,193	19%	\$1,401,794
76	19%	\$285,856	30%	\$1,787,126
77	6%	\$260,801	10%	\$1,924,257
78	-15%	\$178,214	-15%	\$1,597,329
79	10%	\$150,570	6%	\$1,651,935
80	30%	\$149,467	19%	\$1,912,379
81	19%	\$128,982	22%	\$2,276,041
82	16%	\$99,518	-3%	\$2,155,552
83	-3%	\$45,150	1%	\$2,132,685
84	23%	\$2,646	17%	\$2,434,017
85	8%	\$0	5%	\$2,507,361
86	15%	\$0	19%	\$2,927,542
87	-8%	\$0	14%	\$3,288,418
88	22%	\$0	-22%	\$2,502,155
89	18%	\$0	-12%	\$2,143,462
90	19%	\$0	-9%	\$1,885,183
	8%	\$0	8%	\$1,885,183

**Huge Difference** in how long the portfolio lasted based on the pattern of market performance.

Charts are hypothetical and for illustrative purposes only and are not intended to indicate future investment results.



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