

Going against the **GRAIN**

Issued by North American Company for Life and Health Insurance®

Annuity

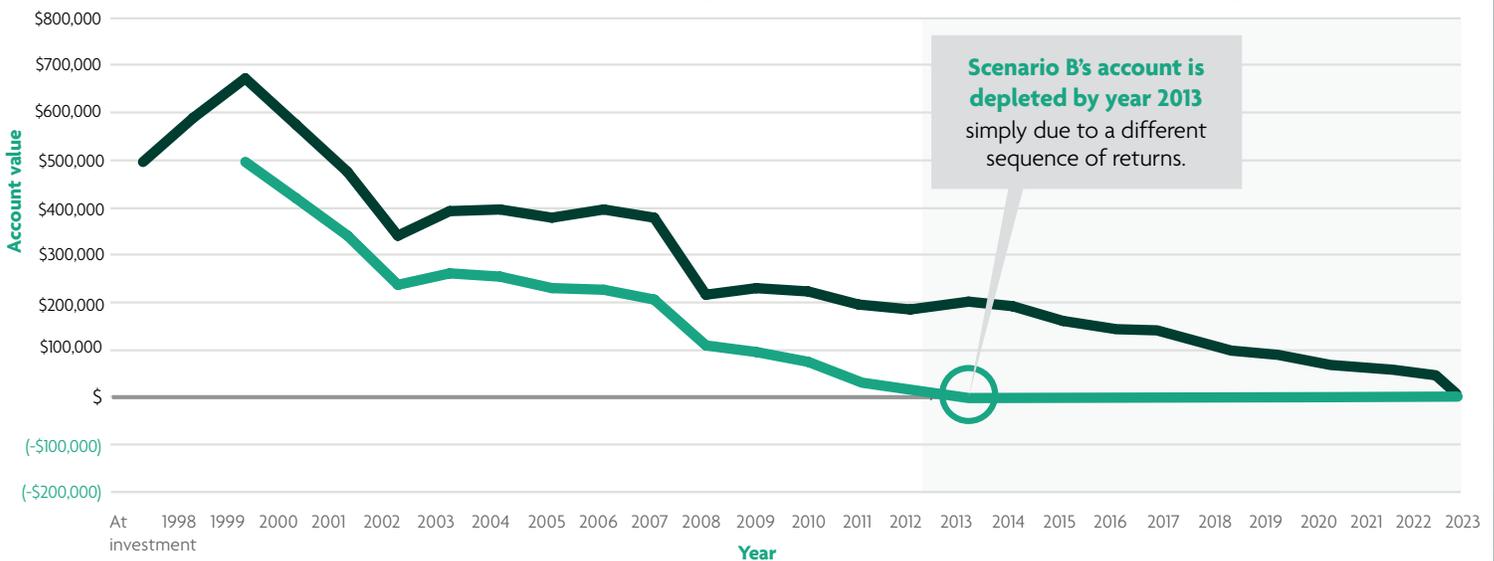
Drawdown drawbacks

Could a sequence of returns deplete your savings?

When it comes to generating sustainable retirement income, many people only think of an average rate of return needed on their assets. However, what might be more important is not the “average” return but the order of the returns. In the two hypothetical examples provided, scenario A begins taking withdrawals in 1998 and scenario B begins taking withdrawals just two years later in 2000. Both have \$500,000 at the time withdrawals begin. 21 years later, with just a difference of two years from when withdrawals started, scenario A still has over \$100,000 while scenario B's account is depleted by year 15.

Year	Scenario A Withdrawals begin in 1998		Scenario B Withdrawals begin in 2000	
	Gain/Loss	Account value	Gain/Loss	Account value
At issue	-	\$500,000	-	-
1998	26.67%	\$595,342	-	-
1999	19.53%	\$675,731	-	\$500,000
2000	-10.14%	\$580,259	-10.14%	\$422,346
2001	-13.04%	\$478,491	-13.04%	\$341,173
2002	-23.37%	\$343,697	-23.37%	\$238,465
2003	26.38%	\$396,451	26.38%	\$263,459
2004	8.99%	\$399,408	8.99%	\$254,455
2005	3.00%	\$380,494	3.00%	\$231,190
2006	13.62%	\$398,229	13.62%	\$228,591
2007	3.53%	\$381,226	3.53%	\$205,601
2008	-38.49%	\$216,054	-38.49%	\$108,019
2009	23.45%	\$229,691	23.45%	\$96,318
2010	12.78%	\$225,217	12.78%	\$74,796
2011	0.00%	\$195,211	0.00%	\$44,794
2012	13.41%	\$187,359	13.41%	\$16,777
2013	29.60%	\$203,939	29.60%	\$0
2014	11.39%	\$193,751	11.39%	\$0
2015	-0.73%	\$162,562	-0.73%	\$0
2016	9.54%	\$145,201	9.54%	\$0
2017	19.42%	\$137,573	19.42%	\$0
2018	-6.24%	\$100,864	-6.24%	\$0
2019	28.88%	\$91,328	28.88%	\$0
2020	16.26%	\$71,299	16.26%	\$0
2021	26.89%	\$52,406	26.89%	\$0
2022	-19.44%	\$18,049	-19.44%	\$0
2023	24.23%	\$0	24.23%	\$0

Assumptions: Initial account value \$500,000, annual withdrawal \$30,000, S&P 500 index. The gain/loss column is the annual percentage change of the S&P 500 index. The performance is calculated as the percentage change from the last trading day of each year from the last trading date of the previous year.



The sequence of returns



Talk to your financial professional about how a fixed index annuity could fit within your overall portfolio.

Source for charts: <https://www.macrotrends.net/2526/sp-500-historical-annual-returns>

Sammons Financial® is the marketing name for Sammons® Financial Group, Inc.'s member companies, including North American Company for Life and Health Insurance®. Annuities and life insurance are issued by, and product guarantees are solely the responsibility of, North American Company for Life and Health Insurance.

The term financial professional is not intended to imply engagement in an advisory business in which compensation is not related to sales. Financial professionals that are insurance licensed will be paid a commission on the sale of an insurance product.

Fixed index annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Although fixed index annuities guarantee no loss of premium due to market downturns, deductions from the accumulation value for optional benefit riders or strategy fees or charges associated with allocations to enhanced crediting methods could exceed interest credited to the accumulation value, which would result in loss of premium. They may not be appropriate for all clients. Interest credits to a fixed index annuity will not mirror the actual performance of the relevant index.

This information is provided for general reference purposes and should not be viewed as investment advice or as a recommendation for a specific index. Neither North American, nor any financial professional acting on its behalf should be viewed as providing legal, tax or investment advice. Always consult with and rely on a qualified advisor.

The "S&P 500®" ("the Index") is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJ") and has been licensed for use by North American Company for Life and Health Insurance® ("the Company"). S&P®, S&P 500®, US 500, The 500, iBoxx®, iTraxx® and CDX® are trademarks of S&P Global, Inc. or its affiliates ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The Company's Products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the Indices.



Talk to your financial professional about how a fixed index annuity could fit within your overall portfolio.