

Retirement Roulette: Don't gamble your savings with bad timing

When you don't have a guarantee, timing is everything

The timing of returns may be more crucial in the years just before and after retirement. Negative returns early in retirement, especially with regular withdrawals, can drain savings faster, leaving you potentially without or with less retirement income.

Consider two retirees with the same investment portfolios in the example below. Each begins with an initial \$500,000 investment and 25-year period but face different markets when they begin taking retirement income when they need it most.

To retire confidently, investors need to be prepared for changing market cycles.

Retiree A - Retiring at the beginning of an upmarket			
Year	Investment Value	5% Annual Withdrawals	Returns
0	\$500,000		
1	\$591,545	\$25,000	23.31%
2	\$709,879	\$25,000	24.23%
3	\$546,859	\$25,000	-19.44%
4	\$668,924	\$25,000	26.89%
5	\$752,684	\$25,000	16.26%
6	\$945,044	\$25,000	28.88%
7	\$861,100	\$25,000	-6.24%
8	\$1,003,325	\$25,000	19.42%
9	\$1,073,992	\$25,000	9.54%
10	\$1,041,188	\$25,000	-0.73%
11	\$1,134,786	\$25,000	11.39%
12	\$1,445,697	\$25,000	29.60%
13	\$1,614,503	\$25,000	13.41%
14	\$1,589,452	\$25,000	0.00%
15	\$1,767,627	\$25,000	12.78%
16	\$2,157,209	\$25,000	23.45%
17	\$1,301,990	\$25,000	-38.49%
18	\$1,322,945	\$25,000	3.53%
19	\$1,478,122	\$25,000	13.62%
20	\$1,497,481	\$25,000	3.00%
21	\$1,607,157	\$25,000	8.99%
22	\$2,006,131	\$25,000	26.38%
23	\$1,512,379	\$25,000	-23.37%
24	\$1,290,124	\$25,000	-13.04%
25	\$1,134,316	\$25,000	-10.14%

Average Return: 7.33%

Retiree B - Retiring at the beginning of a down market			
Year	Investment Value	5% Annual Withdrawals	Returns
0	\$500,000	\$0	N/A
1	\$424,304	\$25,000	-10.14%
2	\$343,963	\$25,000	-13.04%
3	\$238,593	\$25,000	-23.37%
4	\$276,535	\$25,000	26.38%
5	\$276,405	\$25,000	8.99%
6	\$259,700	\$25,000	3.00%
7	\$270,069	\$25,000	13.62%
8	\$254,602	\$25,000	3.53%
9	\$131,616	\$25,000	-38.49%
10	\$137,486	\$25,000	23.45%
11	\$130,060	\$25,000	12.78%
12	\$105,056	\$25,000	0.00%
13	\$94,140	\$25,000	13.41%
14	\$97,006	\$25,000	29.60%
15	\$83,056	\$25,000	11.39%
16	\$57,452	\$25,000	-0.73%
17	\$37,930	\$25,000	9.54%
18	\$20,296	\$25,000	19.42%
19	\$0	\$19,030	-6.24%
20	\$0	\$0	28.88%
21	\$0	\$0	16.26%
22	\$0	\$0	26.89%
23	\$0	\$0	-19.44%
24	\$0	\$0	24.23%
25	\$0	\$0	23.31%

Average Return: 7.33%

Why roll the dice when you can guarantee the outcome?

A strategy with a lifetime income guarantee eliminates gambling with bad timing when you begin taking your retirement paycheck.

Regardless of how the market performs, Retiree B receives steady, predictable retirement income for the rest of their life.

Retiree B - Retiring with an annuity with a lifetime income guarantee			
Year	Investment Value	5% Annual Withdrawals	Returns
0	\$500,000	\$0	N/A
1	\$424,304	\$25,000	-10.14%
2	\$343,963	\$25,000	-13.04%
3	\$238,593	\$25,000	-23.37%
4	\$276,535	\$25,000	26.38%
5	\$276,405	\$25,000	8.99%
6	\$259,700	\$25,000	3.00%
7	\$270,069	\$25,000	13.62%
8	\$254,602	\$25,000	3.53%
9	\$131,616	\$25,000	-38.49%
10	\$137,486	\$25,000	23.45%
11	\$130,060	\$25,000	12.78%
12	\$105,056	\$25,000	0.00%
13	\$94,140	\$25,000	13.41%
14	\$97,006	\$25,000	29.60%
15	\$83,056	\$25,000	11.39%
16	\$57,452	\$25,000	-0.73%
17	\$37,930	\$25,000	9.54%
18	\$20,296	\$25,000	19.42%
19	\$0	\$25,000	-6.24%
20	\$0	\$25,000	28.88%
21	\$0	\$25,000	16.26%
22	\$0	\$25,000	26.89%
23	\$0	\$25,000	-19.44%
24	\$0	\$25,000	24.23%
25	\$0	\$25,000	23.31%

Average Return: 7.33%

What is an annuity

An annuity, is a contract between you and an insurance company that is designed to help you meet your long-term retirement needs. An annuity can help you:

- Grow your money faster with the power of tax deferral.
- Diversify your investment strategy with a range of investment options.
- Save today and know you'll have guaranteed income in the future.

This is intended for educational purposes only to demonstrate the effects of the sequence of returns. Please speak with your financial professional for more information.

Source: Standard & Poor's. S&P 500® index 2000-2024. The results shown are intended to demonstrate the impact of the effect of market performance on retirement assets, assuming 5% annual withdrawals of \$25,000 (based on premium). Results are for illustrative purposes only and do not represent any particular investment or the deduction of any fees and charges. If fees and charges had been included, investment results would have been lower. Past performance does not guarantee future results.

Delaware Life

In certain market scenarios, such as a rising equity market when volatility is high or increasing, reductions in positive performance of a volatility controlled Index could result in less interest being credited to an Index Account than if the volatility controlled Index did not use a volatility control strategy that can limit positive performance. Conversely, in a declining equity market, when volatility is high or increasing, reductions in negative performance of the volatility controlled Index could result in more interest being credited to an Index Account than if the volatility controlled Index did not use a volatility control strategy. However, in such a declining market, the benefit from the volatility control strategy would be limited by the floor to the Contract. In general, we incur less expense for the hedging transactions we use to mitigate our risk in providing Contract guarantees to you for a volatility controlled Index than for other Indices in the Contract.

Annuities are long-term investment vehicles designed for retirement purposes. They are not intended to replace emergency funds, to be used as income for day-to-day expenses, or to fund short-term savings goals. Delaware Life Insurance annuities have limitations, exclusions, charges, termination provisions, and terms for keeping them in force. Please contact your financial professional for complete details.

Fixed index annuities are not securities and do not participate directly in the stock market or any index and are not investments. It is not possible to invest directly in an index. Products, riders, and features may vary by state, may not be available in all states, and are available for an additional fee. Products may vary by firm/broker-dealer. Ask your financial professional for more information.

Annuities are issued and guarantees are backed by the financial strength and claims-paying ability of Delaware Life Insurance Company (Zionsville, IN).

Delaware Life Insurance Company is authorized to transact business in all states (except New York), the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

For use with policy forms ICC24-DLIC-FIA-MSP, ICC24-DLIC-FIA-EARBONUS, ICC24-DLIC-EARCAP, ICC24-DLIC-EARPAR. Policy and rider form numbers may vary by state.

This communication is for informational purposes only. It is not intended to provide, and should not be interpreted as, individualized investment, legal, or tax advice. To obtain such advice, please consult with your investment, legal, or tax professional.

delawarelife.com

**NOT FDIC INSURED | MAY LOSE VALUE | NO BANK OR CREDIT UNION GUARANTEE
NOT A DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY OR NCUA/NCUSIF**

© 2025 Delaware Life Insurance Company. All rights reserved.