



CANEX

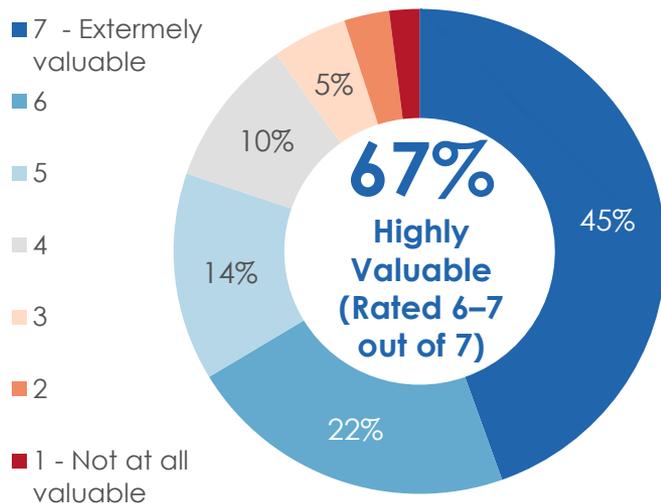
2019 Guaranteed Lifetime Income Study

Supplemental Data

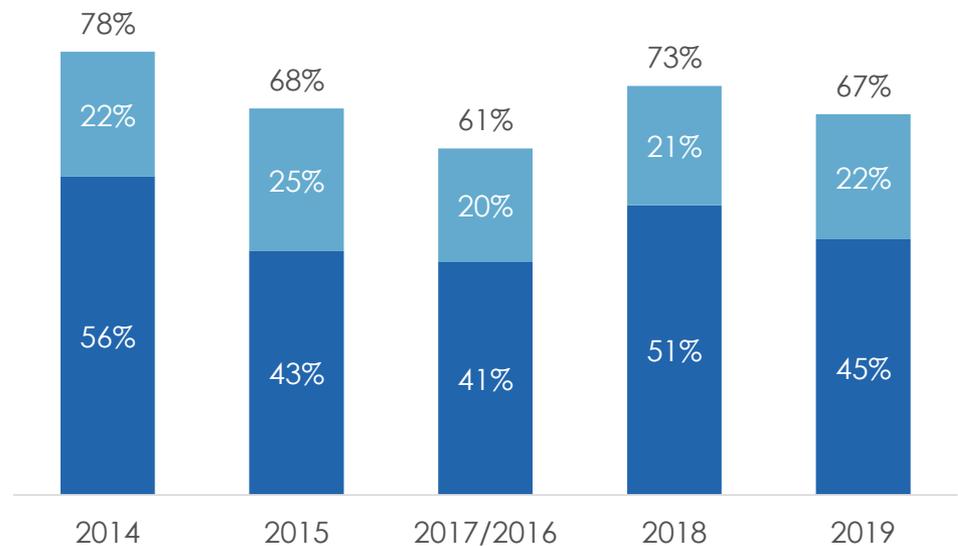
Two-thirds of individuals see a high value in having GLI in addition to Social Security, down slightly from 2018.

Perceived Value of Guaranteed Lifetime Income in Addition to Social Security

2019



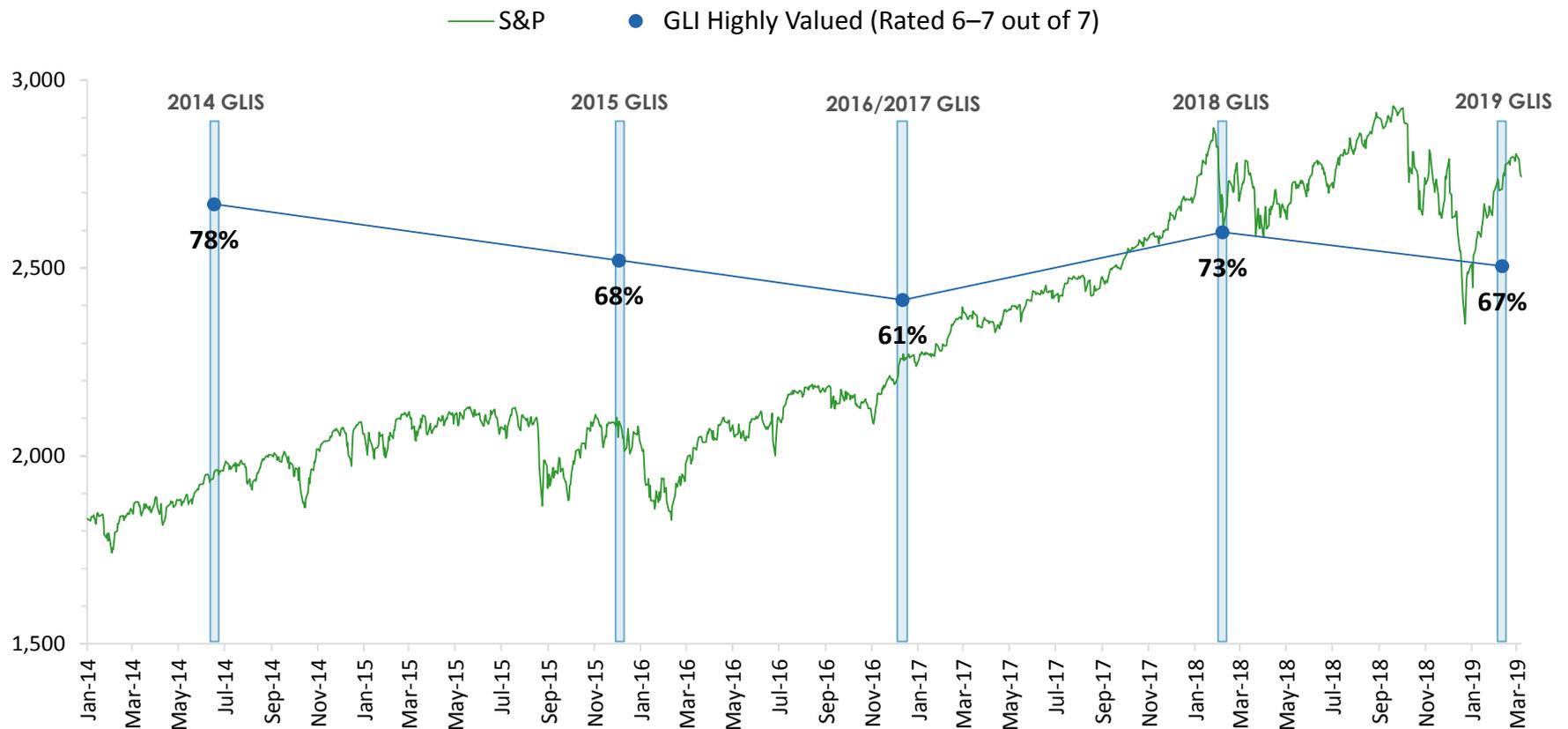
Highly Valuable: Rated 6-7 out of 7



Note: GLIS question on perceived value of GLI was phrased slightly differently in 2014 and 2015. How valuable is it to you to have guaranteed lifetime income in addition to Social Security in retirement? (Consumers, n=1,005)

It appears that strong upward markets lessen the perceived value of GLI, while strong downward markets, like that seen during the 2018 survey, increase the value.

GLI Value and Market Return



Note: GLIS question on perceived value of GLI was phrased slightly differently in 2014 and 2015.

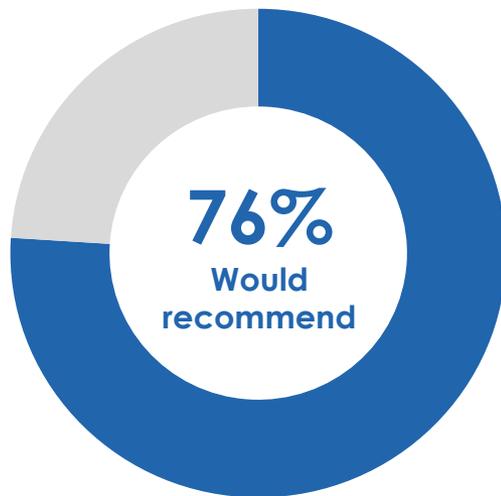
Source of S&P Data: S&P Dow Jones Indices LLC, S&P 500 [SP500], retrieved from FRED, Federal Reserve Bank of St. Louis

How valuable is it to you to have guaranteed lifetime income in addition to Social Security in retirement? (Consumers, n=1,005)

That GLI products will continue to pay for life is seen as the best argument for ownership, over stable income and peace of mind.

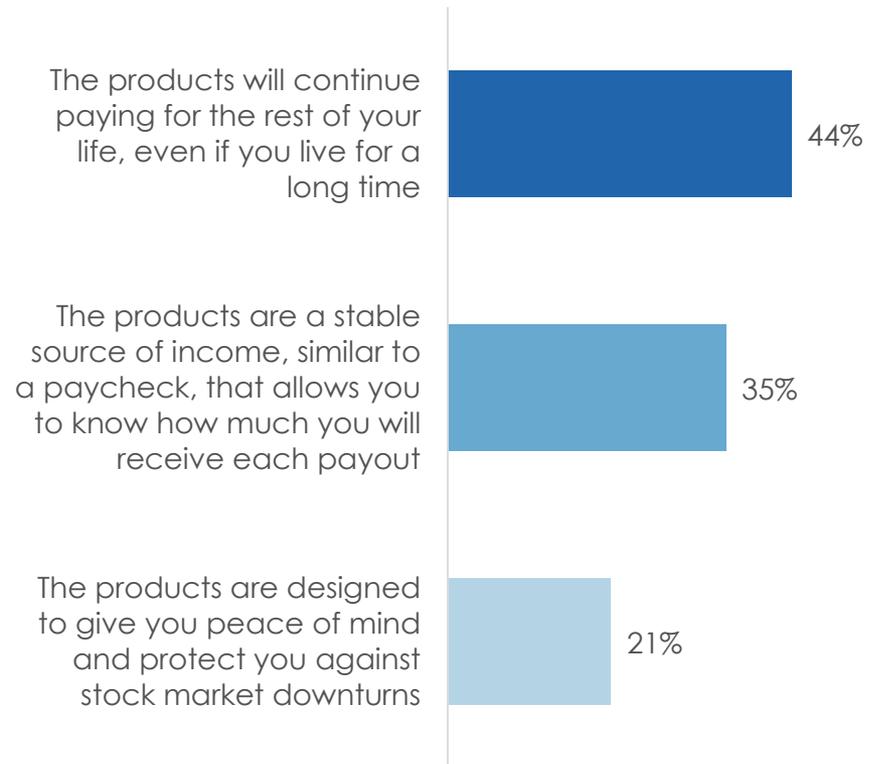
Would Recommend Purchasing

Among GLI Owners



Best Argument for Owning an Annuity with Guaranteed Income

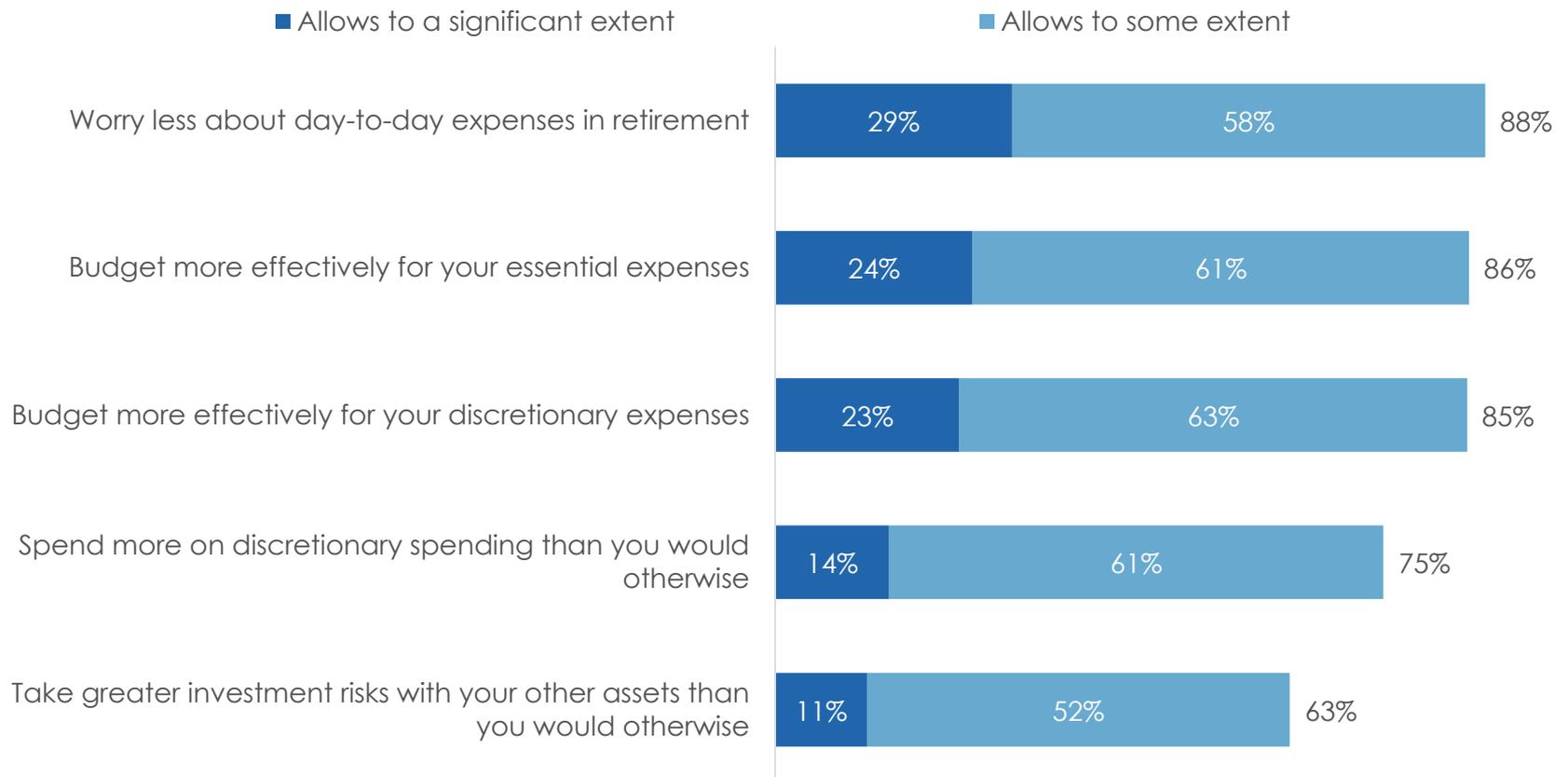
Among GLI Owners



Owning a GLI annuity allows consumers to worry less about expenses and budget more effectively.

Benefits of Owning an Annuity with Guaranteed Income

Among GLI Owners



When GLI is described as part of a broader floor strategy of how to cover essential expenses, 7 in 10 view it as a good strategy for them.

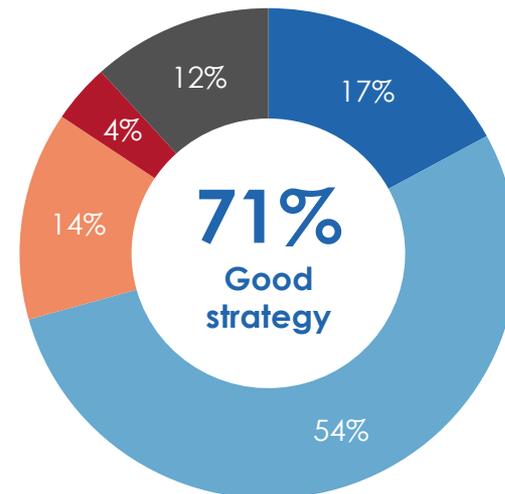
Strategy Description Shown to Respondents:

One common strategy for managing finances involves doing the following:

- Add up all of the essential expenses you expect to have to pay each month (this includes mortgage/rent, basic healthcare, food, household expenses, utilities, debt payments, taxes, and essential transportation costs).
- Figure out how much Social Security will cover these essential expenses.
- Use a portion of your savings to purchase a product that offers guaranteed lifetime income to cover the gap between those covered by Social Security and your remaining essential expenses.
- Invest the remainder of your savings however you would like and use that money to pay for any discretionary spending in retirement.
- If the market goes up one year, you can spend more on discretionary purchases. If it goes down, you can cut back on spending. Either way, your essential expenses are covered for life.

How would you evaluate this strategy?

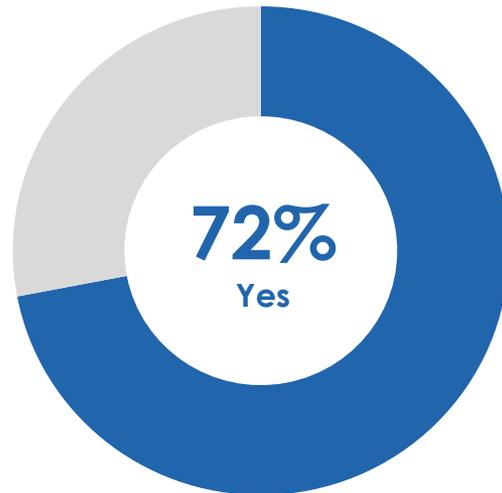
- Very good strategy for you
- Somewhat good strategy for you
- Somewhat bad strategy for you
- Very bad strategy for you
- Not sure



7 in 10 say their GLI annuity purchase was part of a broader portfolio strategy; most are sold the annuity by an advisor.

GLI Purchase Part of a Broader Strategy

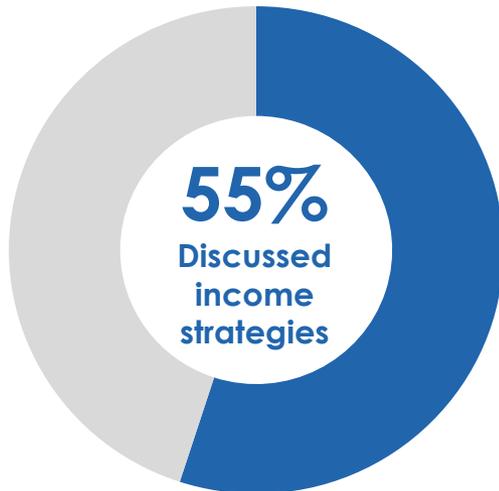
Among GLI Owners



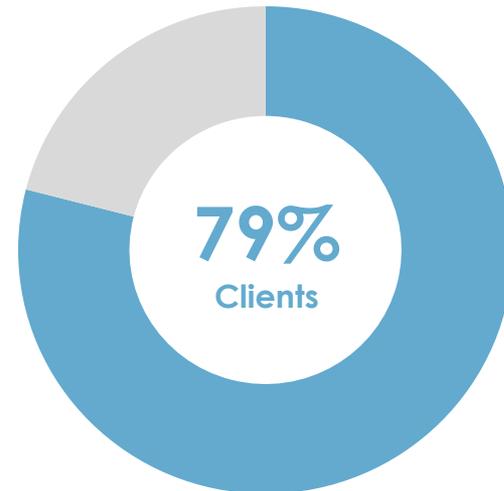
[IF PURCHASED GLI ON OWN, THROUGH PLAN, OR FROM AGENT] Was purchasing an annuity that guarantees lifetime income part of a broader strategy for your portfolio? [IF SOLD GLI BY ADVISOR] Was purchasing an annuity that guarantees lifetime income part of a broader strategy that a financial advisor had for your portfolio? (Consumers, owns a GLI product, n=228)

On average, advisors have discussed retirement income strategies with 79% of their clients 55 and older. However, only 55% of consumers with an advisor say that have had this discussion.

**Consumer with an Advisor
Currently**



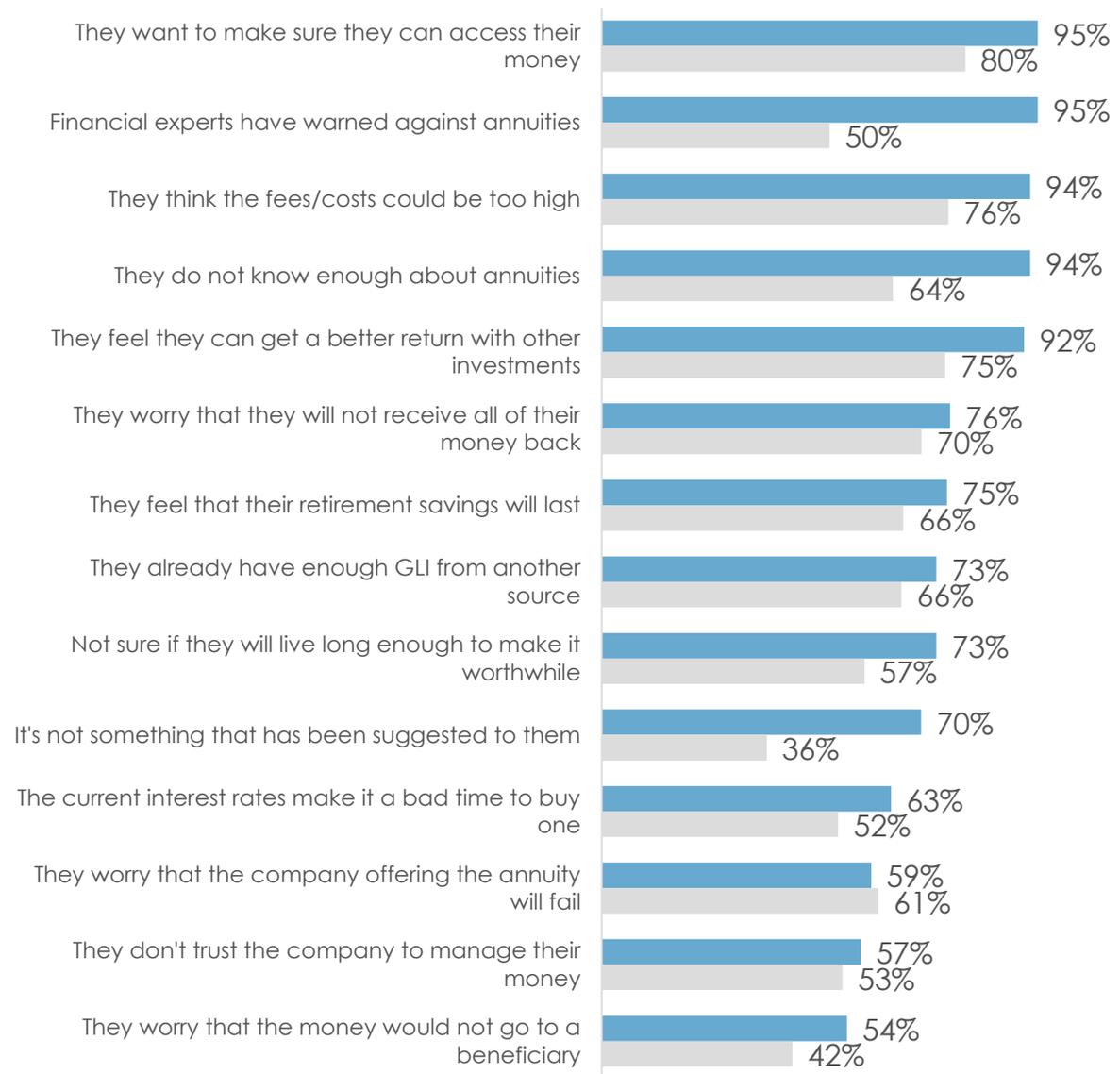
**What Advisors Say: Average % of
Clients They Discuss It With**



[IF WORKING WITH ADVISOR] Has your [IF MULTIPLE ADVISORS: primary] professional financial advisor ever discussed with you strategies for getting income from your assets [IF NOT RETIRED when you are retired] to pay for living expenses? (Consumers, n=1,005)
If you had to guess, what percent of your clients who are age 55 or older have you discussed retirement income strategies/methods with? (Advisor, discusses retirement income strategies, n=301)

Reasons for Clients Not Owning an Annuity with Guaranteed Income

- Advisors
- Consumers



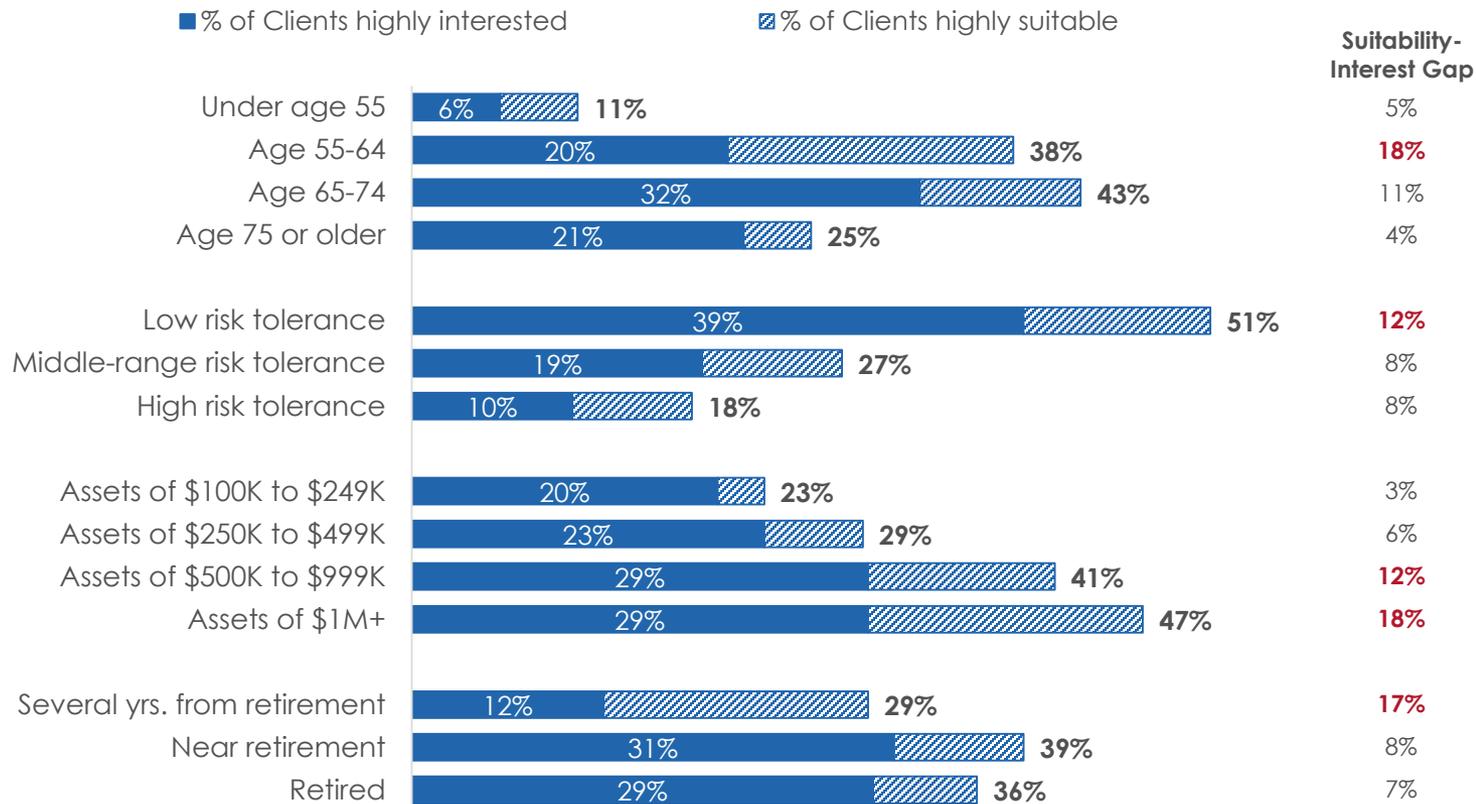
Note: Response text may be abbreviated.

To what extent are each of the following reasons why you do not own any annuities that pay guaranteed lifetime income? (Consumers, does not own a GLI product, n=765)

To what extent are each of the following reasons why your clients have been resistant to purchasing annuities that pay guaranteed lifetime income? (Advisors, n=302)

Advisors think annuities are more suitable than their clients are interested, with certain segments showing a significant gap.

Gap Between Suitability vs. Client Interest of Annuities with Guaranteed Income



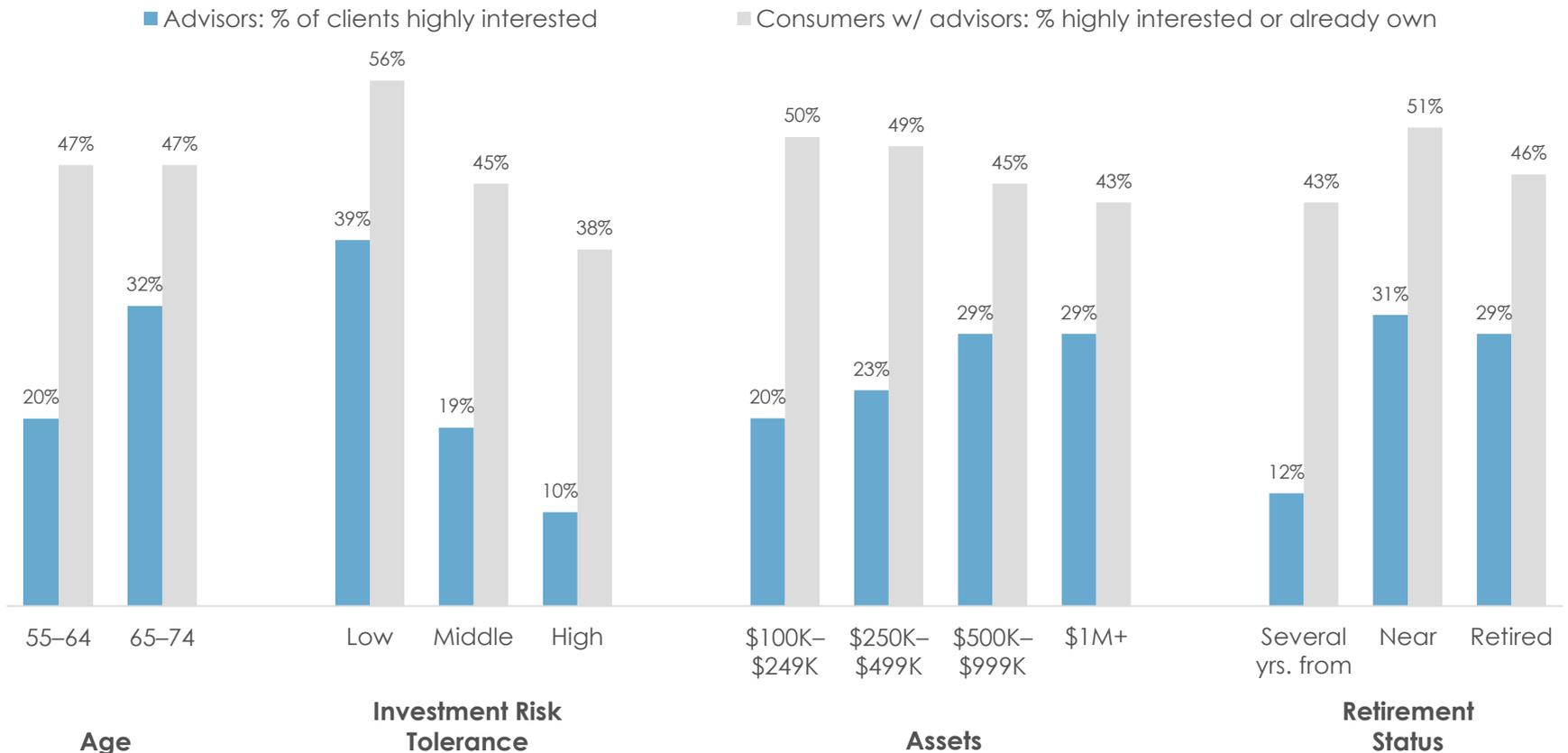
In general, how suitable are annuities that provide guaranteed lifetime income for the typical client described below? (Advisors, n=302)

In your experience, how interested do clients from the following groups tend to be in purchasing annuities that provide guaranteed lifetime income? (Advisors, n=302)

Advisors underestimate consumer interest across all consumer segments.

Interest of Annuities with Guaranteed Income

Highly Interested: Rated 6-7 out of 7



How interested are you in owning an annuity that guarantees you (and your spouse/partner) with a certain amount of regular income for the rest of your life?

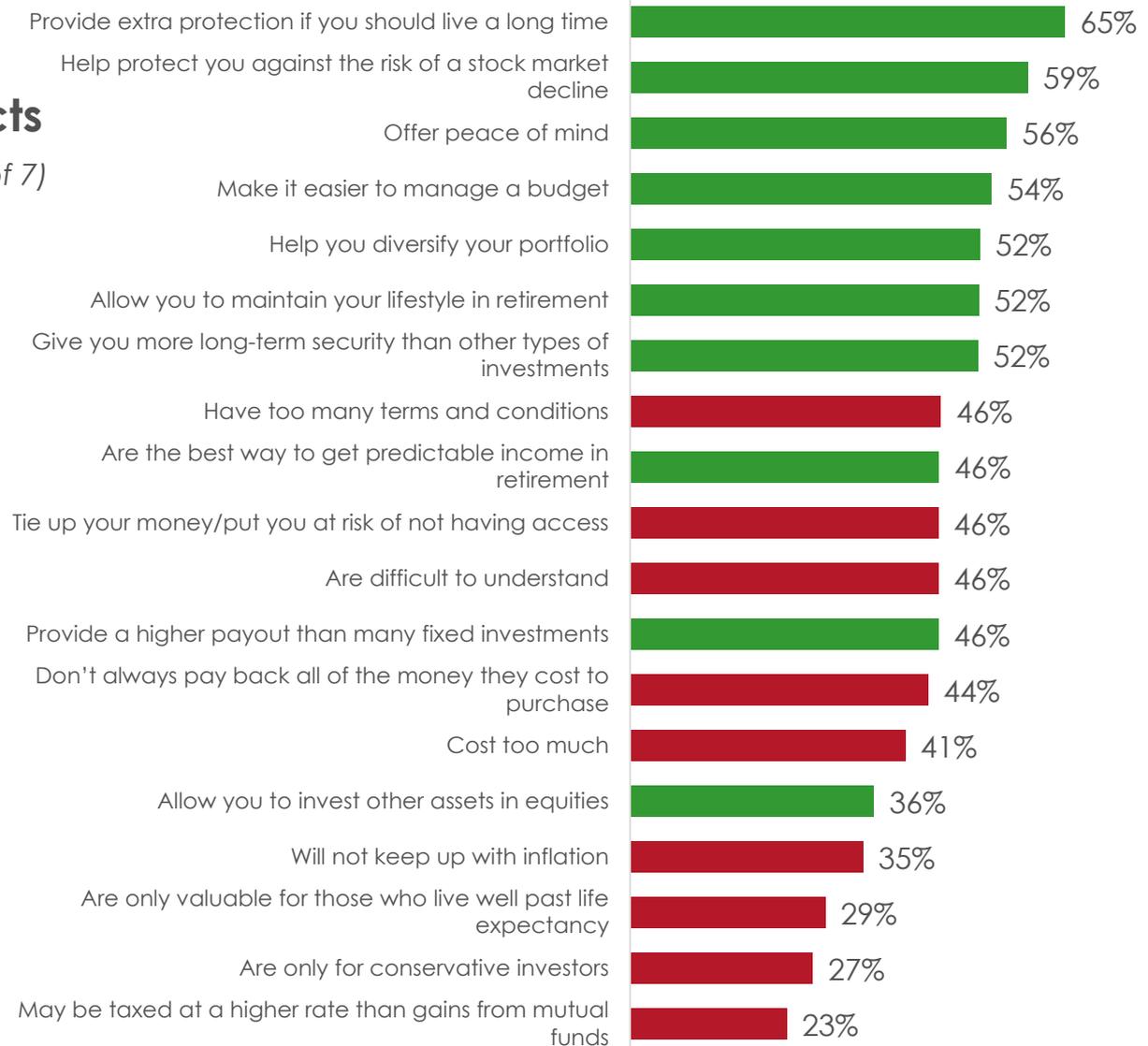
(Consumers, have an advisor, n=663)

In your experience, how interested do clients from the following groups tend to be in purchasing annuities that provide guaranteed lifetime income? (Advisors, n=302)

Positive and Negative Beliefs about GLI Products

% Agree (Rated 5-7 out of 7)

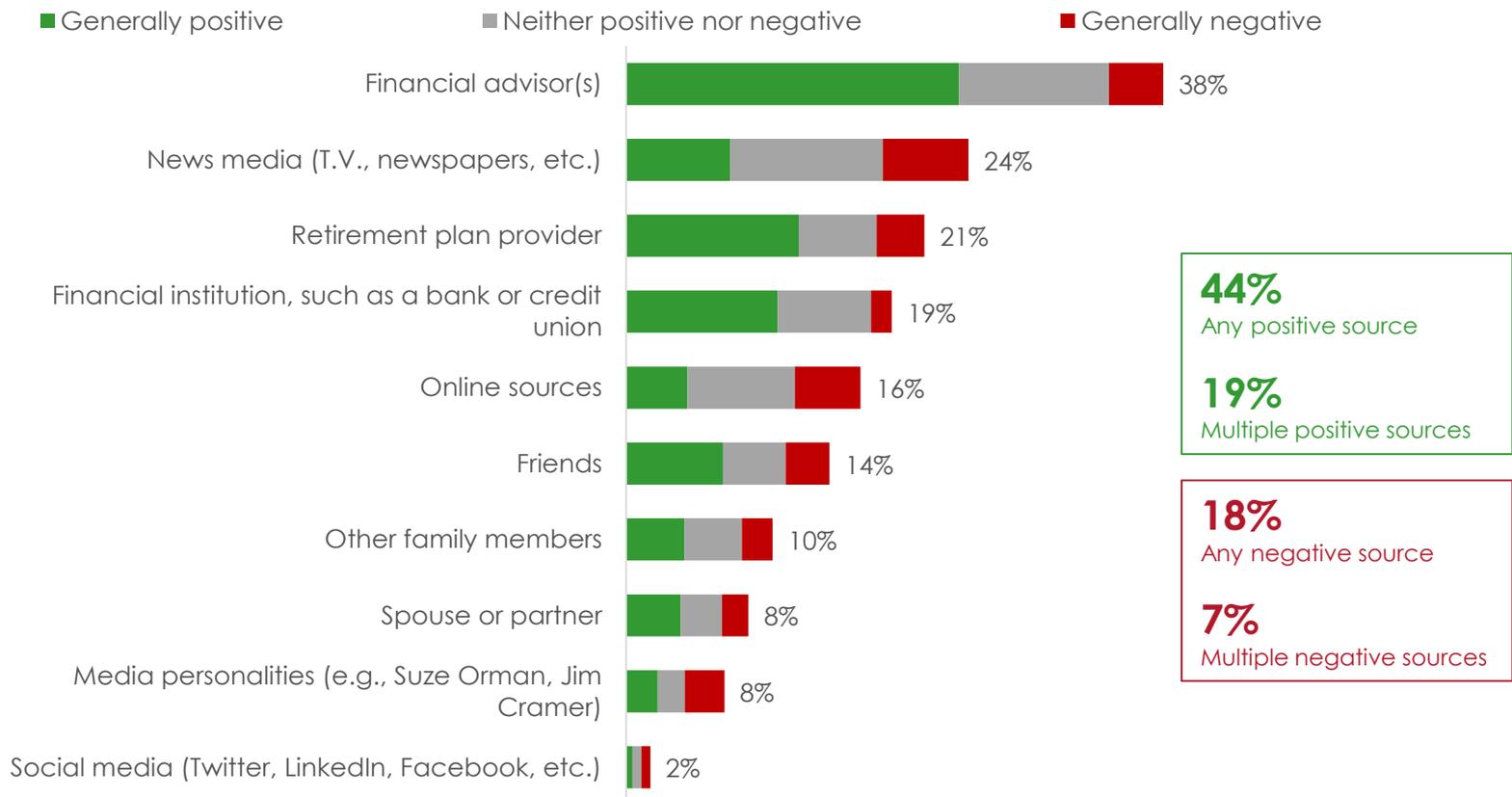
- Positive Belief
- Negative Belief



Note: Response text may be abbreviated.
 Please indicate the extent to which you agree or disagree that financial products that provide guaranteed lifetime income... (Consumers, n=1,005)

Almost half of consumers have heard positive information about annuities while only 2 in 10 have heard negative information.

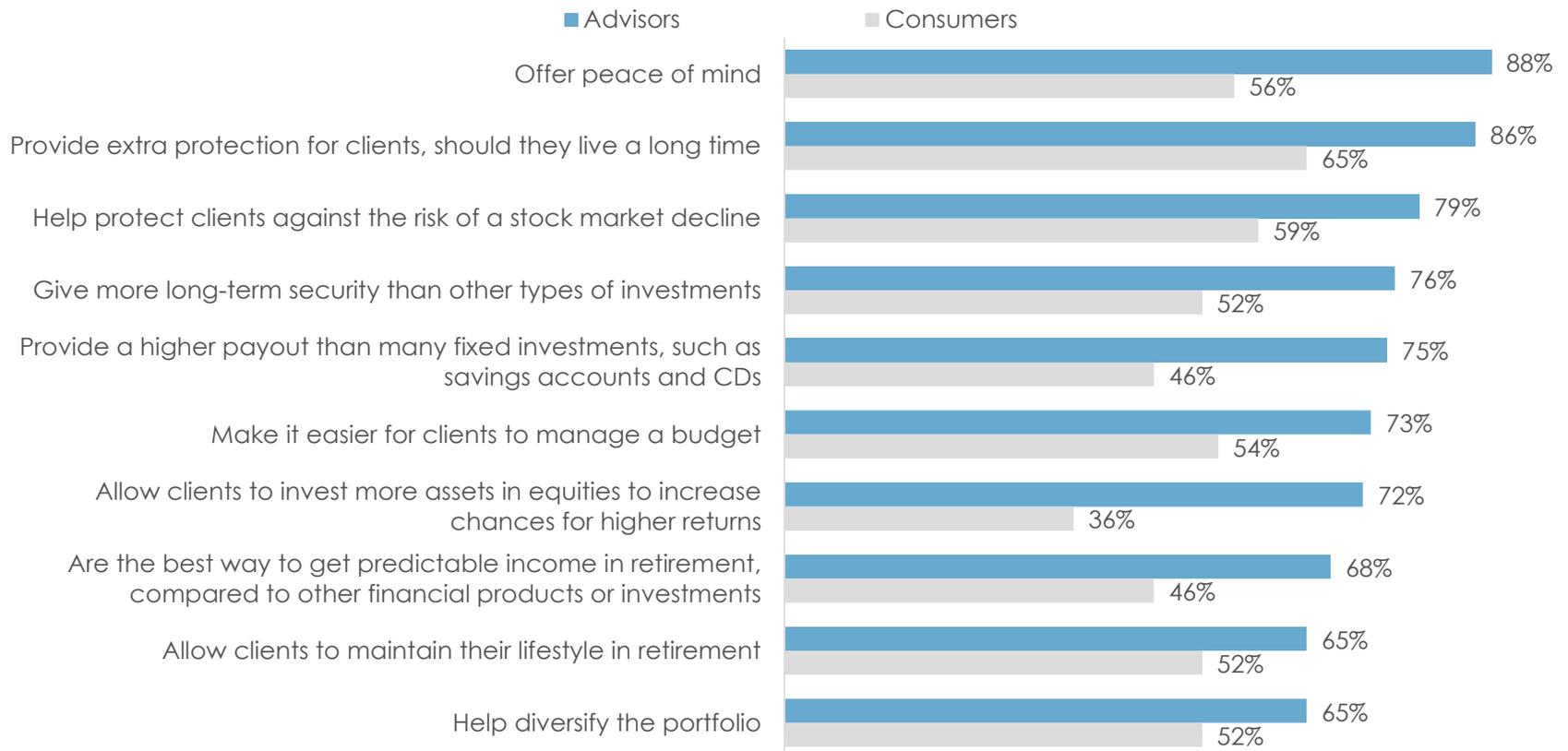
Sources of Information about Annuities



Overall, advisors have stronger agreement around the positive aspects of GLI products than consumers.

Positive Sentiment around GLI Products

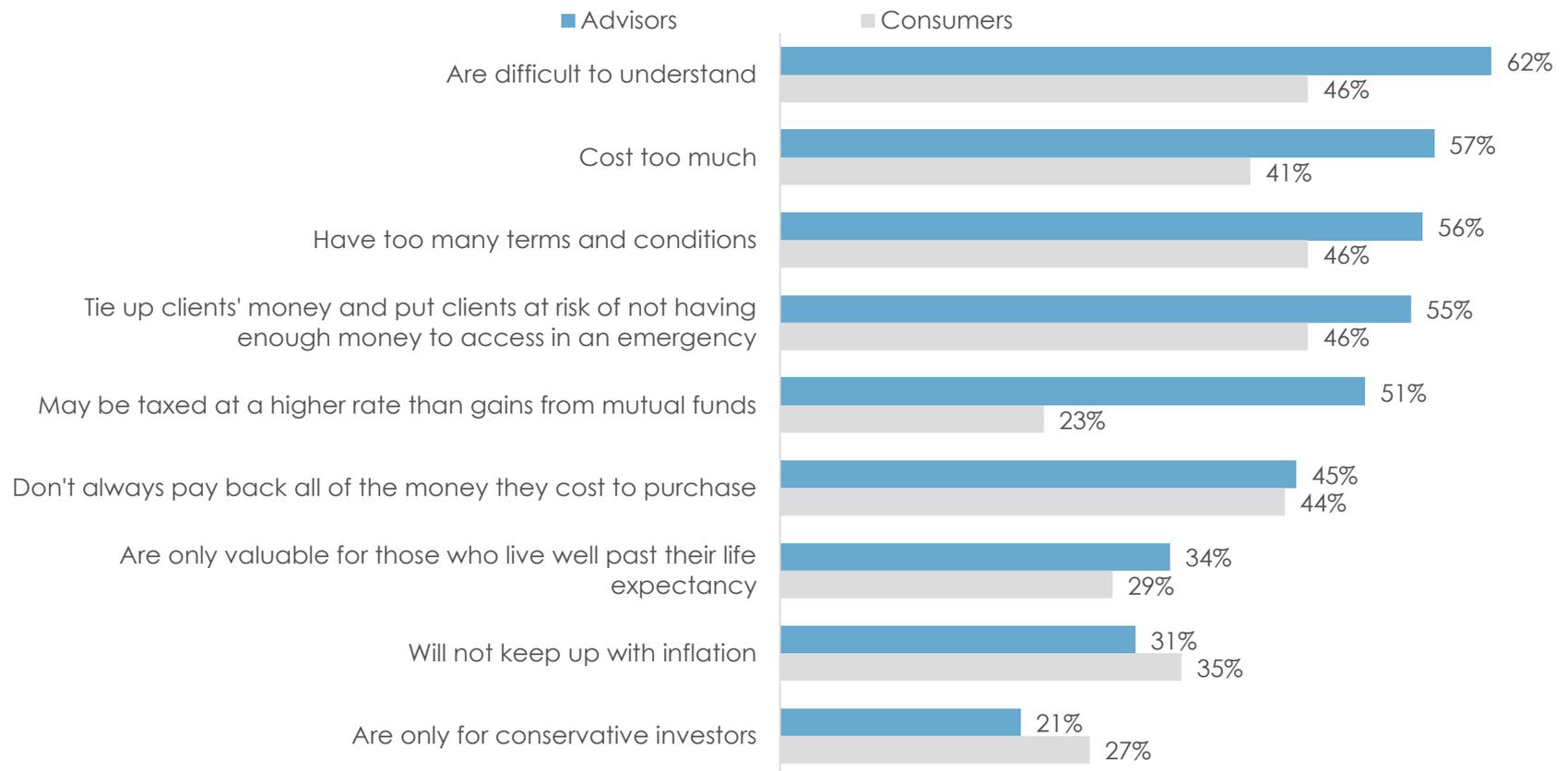
% Agree (Rated 5–7 out of 7)



Interestingly, consumers are less likely to agree with advisors' top negative sentiments around GLI products.

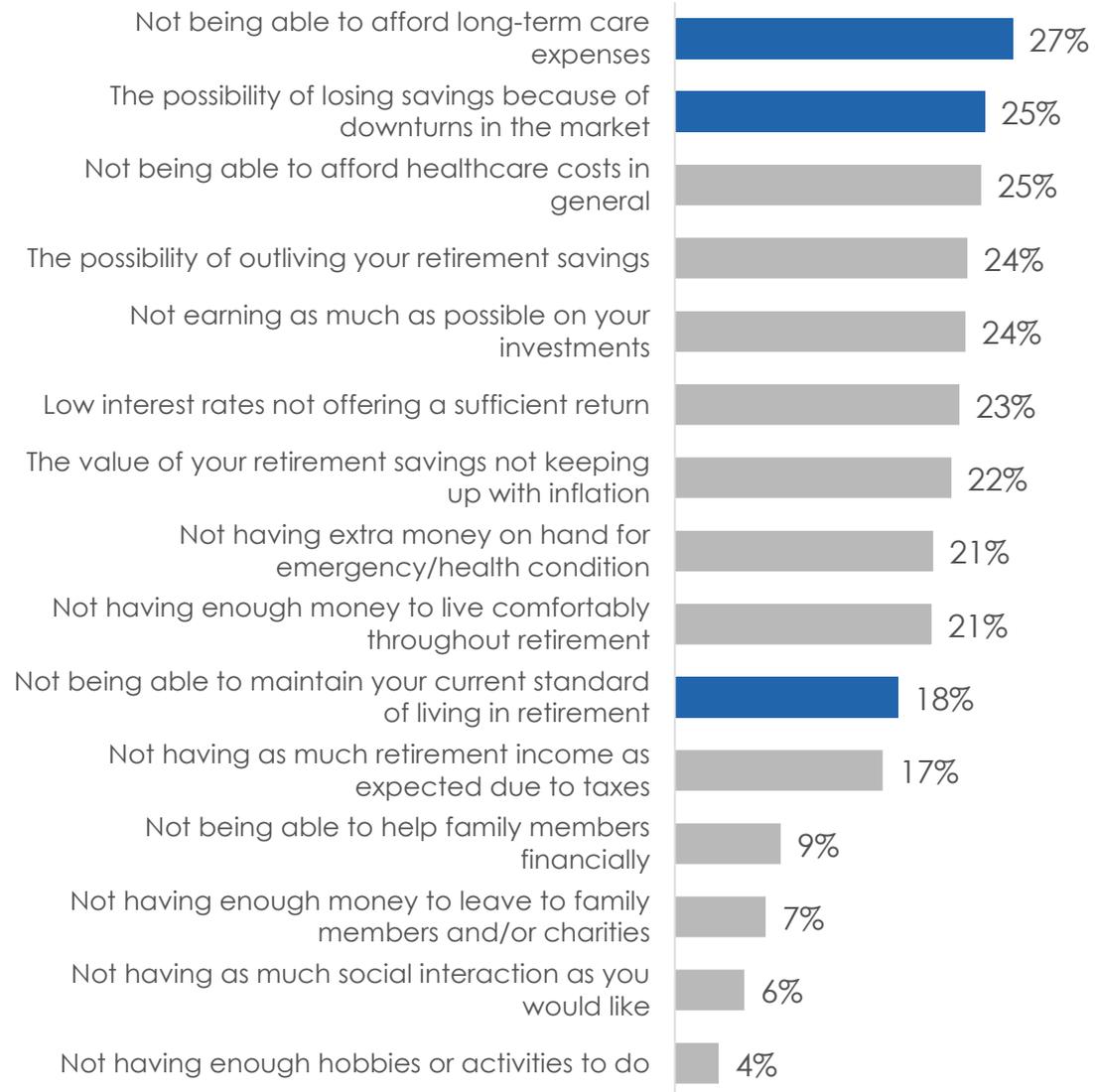
Negative Sentiment around GLI Products

% Agree (Rated 5-7 out of 7)



Concerns in Retirement

*% Highly Concerned
(Rated 6-7 out of 7)*

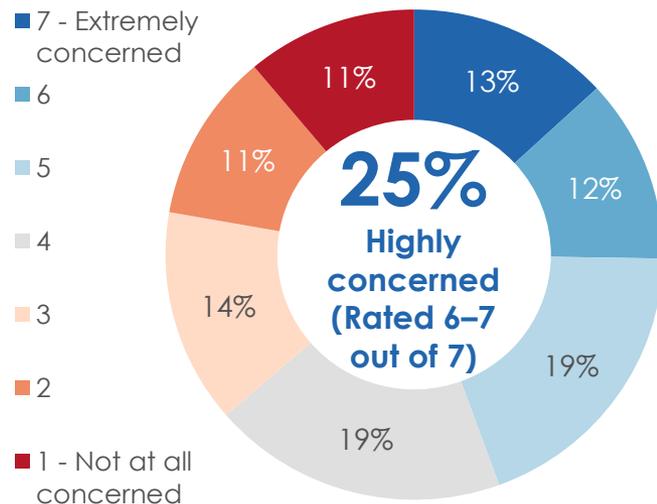


Note: Response text may be abbreviated.
How concerned are you about the following in retirement? (Consumers, n=1,005)

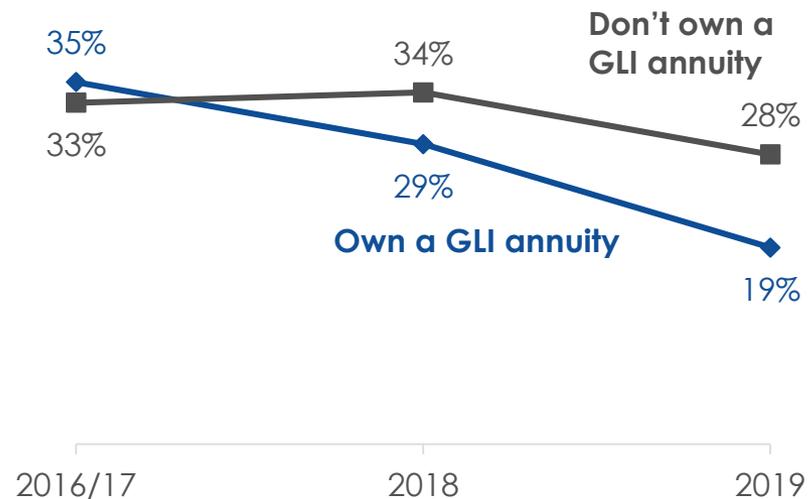
In 2016/17 consumers, with or without GLI, were equally worried about market downturns; through the volatility of the past two years, the concerns of those who own a GLI annuity have dropped more.

Concern About the Possibility of Losing Some of Your Savings Because of Downturns in the Market

2019

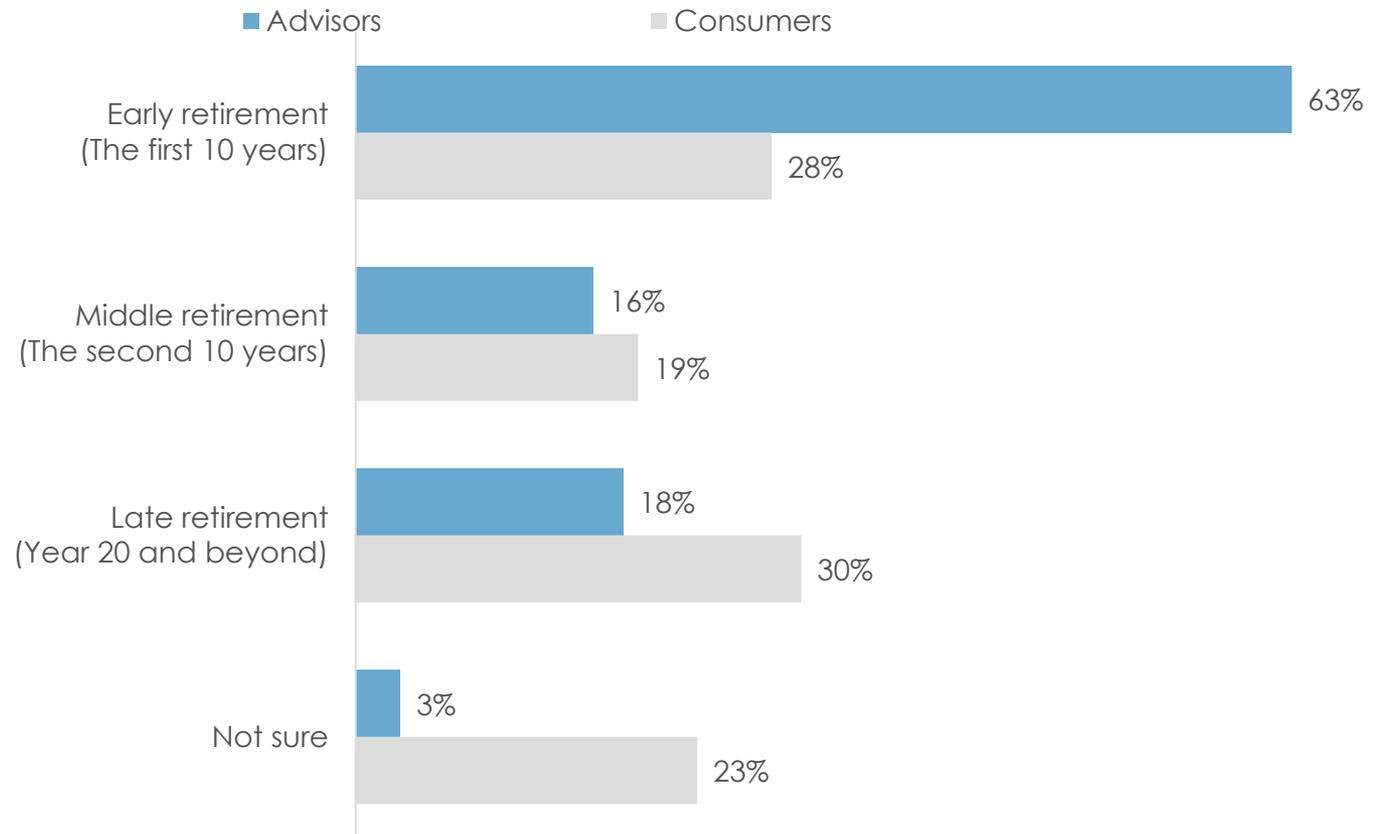


Highly Concerned: Rated 6-7 out of 7



Almost two-thirds of advisors believe their clients' expenses are typically highest in early retirement, compared to just 28% of consumers who think the same.

Expect Retirement Expenses to Be Highest



When do you expect your expenses in retirement will be at their highest? (Consumers, n=1,005)
 On average, when are your clients' expenses in retirement at their highest? (Advisors, n=302)