

SEQUENCE OF RETURNS

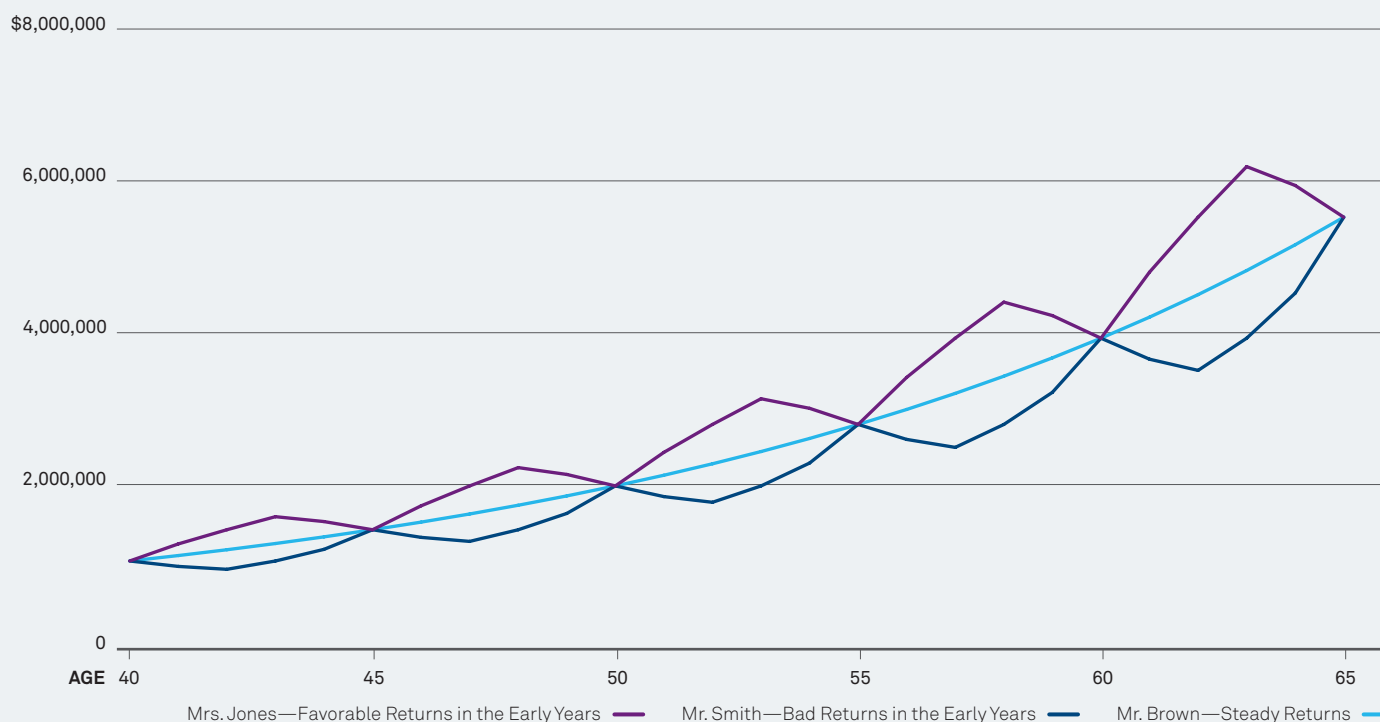
Impact During Savings

BLACKROCK®

The sequence of returns has no impact on the final portfolio value when you are saving.

- ▶ Three investors made the same initial hypothetical investment of \$1,000,000 at age 40 with no additions or withdrawals.
- ▶ All had an average annual return of 7% over 25 years. However, each experienced a different sequence of returns.
- ▶ At age 65, all had the same portfolio value, although they had experienced different valuations along the way.

THREE UNIQUE RETURN SCENARIOS



Source: BlackRock. This graphic looks at the effect the sequence of returns can have on your portfolio value over a long period of time. Other factors that may affect the longevity of assets include the investment mix, taxes and expenses related to investing. This is a hypothetical illustration. This illustration assumes a hypothetical initial portfolio balance of \$1,000,000 with no additions or withdrawals and the hypothetical sequence of returns noted in the table. These figures are for illustrative purposes only and do not represent any particular investment, nor do they reflect any investment fees, expenses or taxes.

THREE UNIQUE RETURN SCENARIOS

% Yearly Total Returns			
Age	Mrs. Jones	Mr. Smith	Mr. Brown
41	22	-7	7
42	15	-4	7
43	12	12	7
44	-4	15	7
45	-7	22	7
46	22	-7	7
47	15	-4	7
48	12	12	7
49	-4	15	7
50	-7	22	7
51	22	-7	7
52	15	-4	7
53	12	12	7
54	-4	15	7
55	-7	22	7
56	22	-7	7
57	15	-4	7
58	12	12	7
59	-4	15	7
60	-7	22	7
61	22	-7	7
62	15	-4	7
63	12	12	7
64	-4	15	7
65	-7	22	7
Avg. Return	7%	7%	7%
Ending Value	\$5,434,372	\$5,434,372	\$5,434,372

Each five-year sequence is repeated five times and has an average annual return of 7%.

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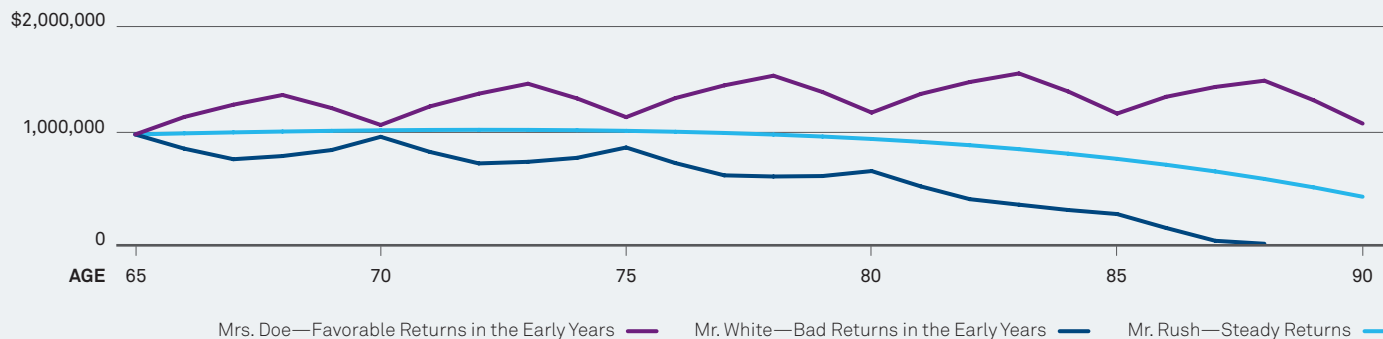
Impact During Withdrawal

BLACKROCK®

The sequence of returns can have a critical impact on portfolio value when you are withdrawing due to the compounding effect on the annual account balances and annual withdrawals.

- ▶ Three investors made the same initial hypothetical investment of \$1,000,000 upon retirement at age 65.
- ▶ All had an average annual return of 7% over 25 years, which followed the same sequences as during the savings phase.
- ▶ All made withdrawals of \$60,000, adjusted annually for inflation.
- ▶ At age 90, all had different portfolio values due to annual withdrawals.

THREE UNIQUE RETURN SCENARIOS



Source: BlackRock. This graphic looks at the effect the sequence of returns can have on your portfolio value over a long period of time. Other factors that may affect the longevity of assets include the investment mix, taxes, expenses related to investing and the number of years of retirement funding (life expectancy). This is a hypothetical illustration. This illustration assumes a hypothetical initial portfolio balance of \$1,000,000, annual withdrawals of \$60,000 adjusted annually by 3% for inflation and the hypothetical sequence of returns noted in the table. These figures are for illustrative purposes only and do not represent any particular investment, nor do they reflect any investment fees, expenses or taxes. When you are withdrawing money from a portfolio, your results can be affected by the sequence of returns even when average return remains the same, due to the compounding effect on the annual account balances and annual withdrawals.

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THREE UNIQUE RETURN SCENARIOS

Age	% Yearly Total Returns*		
	Mrs. Doe	Mr. White	Mr. Rush
66	22	-7	7
67	15	-4	7
68	12	12	7
69	-4	15	7
70	-7	22	7
71	22	-7	7
72	15	-4	7
73	12	12	7
74	-4	15	7
75	-7	22	7
76	22	-7	7
77	15	-4	7
78	12	12	7
79	-4	15	7
80	-7	22	7
81	22	-7	7
82	15	-4	7
83	12	12	7
84	-4	15	7
85	-7	22	7
86	22	-7	7
87	15	-4	7
88	12	12	7
89	-4	-	7
90	-7	-	7
Ending Value	\$1,099,831	\$0	\$430,323

* These sequences of returns are identical to those on page one. Mr. White depleted his account at age 88. Had his portfolio not run out, he would have experienced returns of 15% and 22% at ages 89 and 90, respectively, thereby continuing the same sequence of returns.