

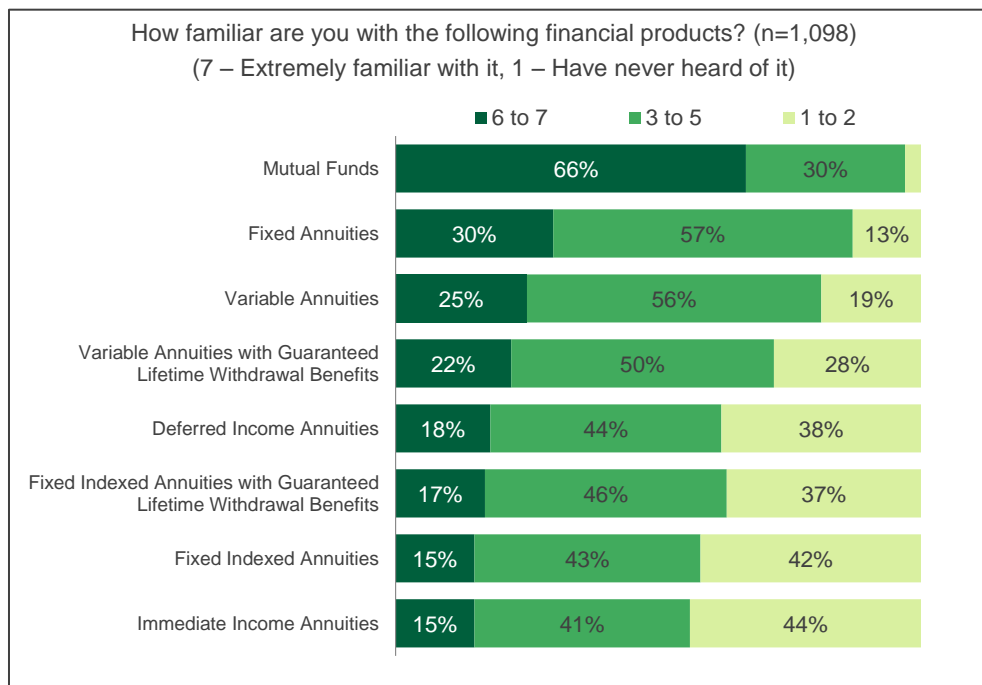
The 2014 Guaranteed Lifetime Income Study (GLIS) Fact Sheet

Awareness of Guaranteed Lifetime Income Annuities

Key Finding: Most consumers are not familiar with the different types of annuities offering guaranteed lifetime income, and these products can be difficult for them to comprehend.

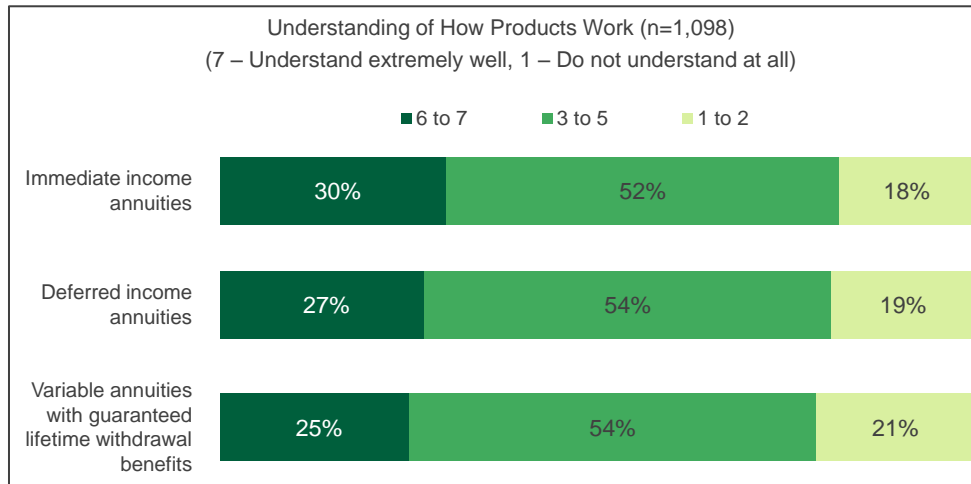
Familiarity with Financial Products

- While two-thirds of consumers ages 55 to 75 (66%) report being highly familiar (6 or 7 on a 7-point scale) with mutual funds, just three in ten (30%) say they are highly familiar with fixed annuities.
- Even fewer are highly familiar with annuities that offer guaranteed income, such as variable annuities with guaranteed lifetime withdrawal benefits (22%), deferred income annuities (18%), fixed indexed annuities with guaranteed lifetime withdrawal benefits (17%), and immediate income annuities (15%).
- This lack of familiarity with annuities and annuities that offer guaranteed income persists despite the fact that many discuss these products with financial advisors: 55% of consumers recall an advisor mention, discuss, or recommend an annuity.



Understanding of How Products Work

Consumers also find it difficult to understand annuity products that offer guaranteed lifetime income. Even after reading descriptions of three types of annuities, only a minority each rate their understanding of an immediate income annuity (30%), deferred income annuity (27%), and variable annuity with guaranteed lifetime withdrawal benefit (25%) highly.



Consumers with higher assets are more familiar with and better understand annuity products. For example, 26% of consumers with at least \$1 million in assets are highly familiar with variable annuities with guaranteed lifetime withdrawal benefits compared with 20% of those with less than \$1 million.

In addition, those who are comfortable taking substantial risk with their investments and those who prefer a do-it-yourself approach to investing also feel they understand annuities extremely well. Over half (53%) of those willing to take substantial risk with investments understand immediate income annuities extremely well, in comparison to just 24% of those who prefer little to no risk.

Source: Greenwald & Associates and CANNEX Financial Exchanges Limited, 2014 Guaranteed Lifetime Income Study.