

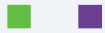


The Top Five Key Findings

**A Study Summary of the 2020
Guaranteed Lifetime Income Study (GLIS):
Mid-Year Update**

by Greenwald Research and CANNEX





The Top Five Key Findings

A Study Summary of the 2020 Guaranteed Lifetime Income Study (GLIS): Mid-Year Update

by Greenwald Research and CANNEX

The initial 2020 Guaranteed Lifetime Income Study (GLIS) surveyed consumers and advisors in February 2020, days before the market began its decline due to the global COVID-19 crisis. The study's timing just before the pandemic and market downturn, created an opportunity to conduct a follow-up study to learn what changes may have been spurred by these events.

This study summary shows results from the 2020 GLIS: Mid-Year Update, which repeated key questions from the February study and delved deeper into perceptions and attitudes affected by the COVID-19 crisis.

These key findings highlight some of the robust results of this wide-reaching research.

“The events of 2020 have shifted how both consumers and advisors think about guaranteed lifetime income. This study provides a unique window on how both groups have reacted to extreme market volatility, historically low interest rates, and general uncertainty. We’ll see in the years to come whether these events have a lasting impact or if short-term memory prevails.”

*–Doug Kincaid, Managing Director, Financial Services
Greenwald Research*

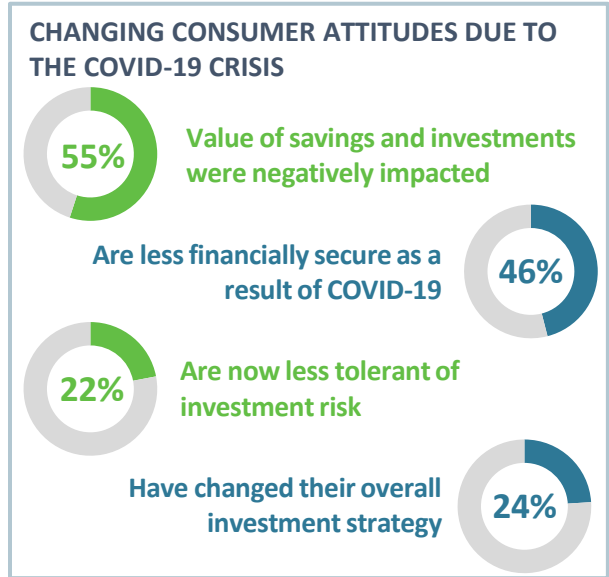
“The results of this survey provide interesting and actionable results to guide the industry in more effectively reaching clients. This is an opportunity to reach consumers, but financial professionals need more guidance in how to use guaranteed lifetime income annuities under current market conditions.”

*–Tamiko Toland, Head of Annuity Research
CANNEX*

The Top Five Key Findings

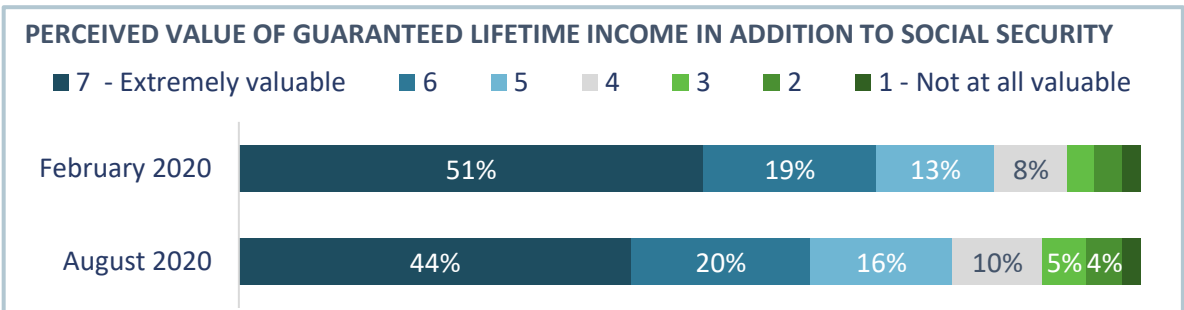
1 Nearly half of consumers feel less financially secure as a result of the pandemic

55% of consumers report that COVID-19 negatively impacted the value of their savings and investments and 46% now feel less financially secure. In addition, one-third (33%) of pre-retirees say their employment or pay was impacted by the pandemic. Nearly a quarter of consumers say they are now less tolerant of investment risk or have changed their overall investment strategy.



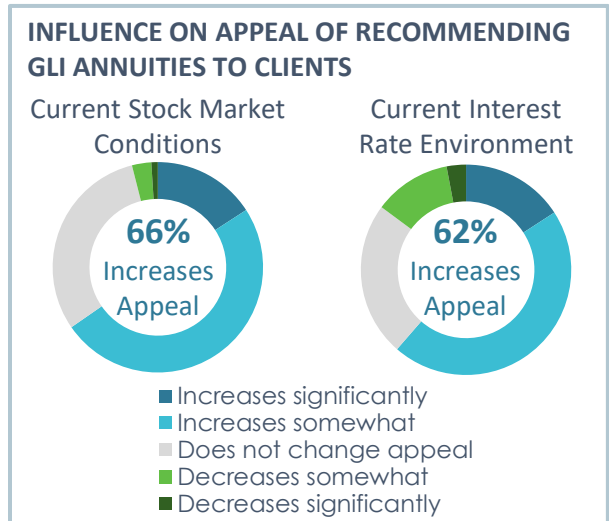
2 While the market has largely rebounded since March, the perceived value of guaranteed lifetime income has fallen

The perceived value of guaranteed lifetime income (GLI) among consumers is now at its lowest point in 3 years, from 71% of consumers thinking it is highly valuable in February to 63% in August. Despite this, there was no corresponding shift in beliefs about specific positives and negatives of GLI products, as was the case in previous years when perceived value changed. This suggests that consumers have not dismissed the potential benefits of the products, but that their overall view of GLI has been impacted by a dramatic market event that nonetheless rebounded quickly.



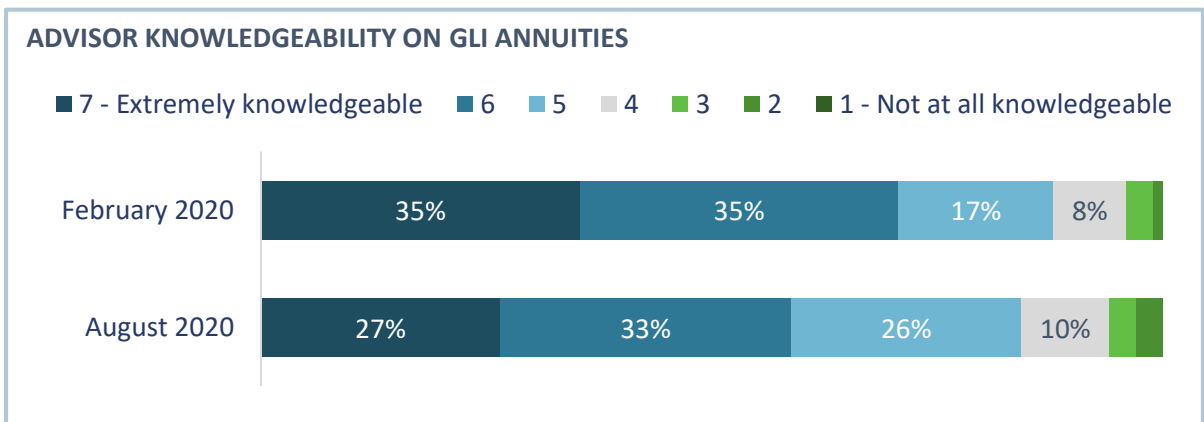
3 Current market conditions and interest rates increase the appeal of recommending GLI annuities

Most advisors feel that current market conditions and interest rates make GLI annuities more appealing. Despite dramatic movements in the equity market and ongoing volatility, advisors do not find GLI annuities more appealing due to stock market conditions than they did in February. However, the appeal due to interest rates went up from 42% in February to 62%. While some products may be hurt by low interest rates, advisors clearly see a need to find replacements for current fixed investments.



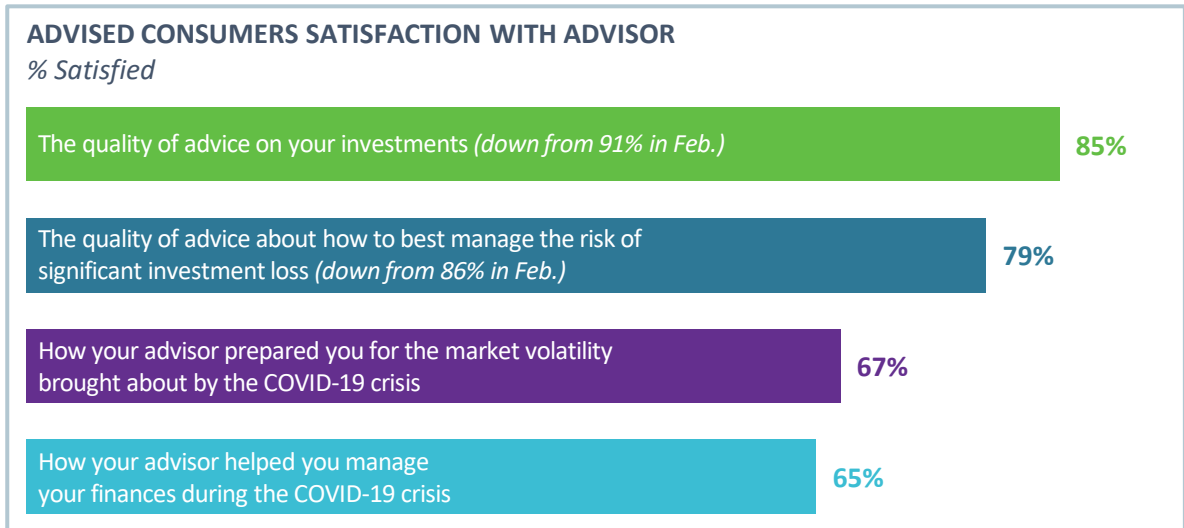
4 Advisors are less confident in their knowledge about GLI annuities than they were in February

Between February and August, advisors’ self-reported confidence in their knowledge of GLI products decreased dramatically, from 71% highly knowledgeable to 59%. This drop was also seen around knowledge of annuities in general. This is particularly concerning because consumer understanding of GLI is closely linked to advisor discussions and recommendations of the products. Since the start of the crisis, just 9% of advised consumers say they have discussed annuities with their advisor.



5 Satisfaction with advisors remains high

79% are satisfied with the quality of advice they are getting about how to best manage the risk of significant investment loss (down from 86%). Two-thirds are satisfied with how their advisor prepared them for 2020's volatility and how their advisor has managed their finances since. 6 in 10 consumers say communications from their advisor during the COVID-19 crisis have been extremely or very valuable.



RESEARCH METHODOLOGY

The consumer survey involved 1,034 online interviews conducted between July 30 and August 13, 2020. Respondents are between 55 and 75 years old with household assets of at least \$100,000.

The advisor survey involved 200 online interviews conducted between July 30 and August 13, 2020. All participants have at least three years' experience; have at least \$15 million in assets under management; have at least 50% of their clients of the age 55 and over; and derive at least 50% of their income from work with individual clients.

In both surveys, annuities with guaranteed lifetime income include all annuities with a guaranteed income stream, either through annuitization (immediate or deferred) or through a separate income guarantee.



■ A Study Summary of the 2020 Guaranteed Lifetime Income Study (GLIS): Mid-Year Update

by Greenwald Research and CANNEX

These top findings offer a glimpse at the important insights obtained in the full 2020 Guaranteed Lifetime Income Study.

Pulling back the curtain on market trends, this year's report provides a closer look at modern financial solutions through research on consumer awareness, receptivity, behaviors, and more.

Use the study to support your sales and marketing initiatives moving forward.

For more information, or to discuss becoming a partner of this or future GLI Studies, please contact:

Doug Kincaid

Greenwald Research
(202) 686-2510 x106
DougKincaid@greenwaldresearch.com

Tamiko Toland

CANNEX USA
(607) 592-0888
tamiko.toland@cannex.com

