

...But, it Could Happen to You.

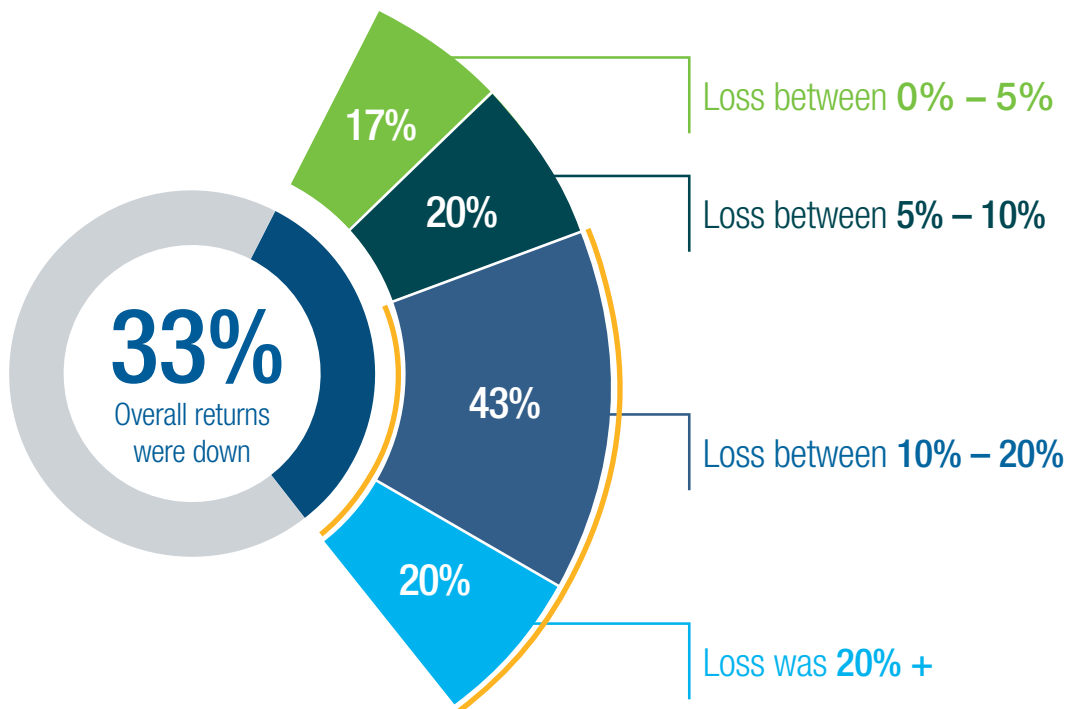
When you observe a rare and unexpected occurrence, it's natural to think: "That would never happen to me." But with this mindset, you might be unintentionally putting your hard-earned retirement savings at risk, thanks to what are called "Black Swan Events."

Black Swan Risk Explained

Recently coined in 2008, "Black Swan" risk is a financial metaphor for the possibility of experiencing catastrophic loss in retirement. It's based on the idea that black swans didn't exist in nature. But it only took a single sighting to change what everyone thought they knew about swans. Now apply this theory to current world events, like the Global Financial Crisis of '07 – '09, Brexit in 2016, or even the Dot-Com Bubble Burst of 2000, and it's easy to see how events like these can derail your carefully laid retirement plans.

Staying "Retirement Ready" Despite Black Swan Risk

You might think you won't feel the impact of a Black Swan Event because historically, the market has been up more than it has been down. However, when the market has been down, 63% of the time, the loss was 10% or more — a drop that could devastate your retirement plans.



This information represents losses that the S&P 500 Index (Price Return) experienced from January 1929 through December 2019. There were a total of 30 negative calendar year returns out of 91 total calendar year returns. The inception date for this index is January 3, 1928. Calculated by Protective Life using S&P 500 data provided by Morningstar.

Additional information on next page.

It's important to limit the catastrophic loss a Black Swan Event can trigger, because it requires a larger gain just to break even. This could mean fewer days — even years — you get to spend in retirement.

LOSS INCURRED	GAINS NEEDED TO RECOVER
-10%	11%
-20%	25%
-30%	43%
-40%	67%
-50%	100%

Ask your financial professional about a retirement solution that can instill confidence in your retirement readiness, with a plan that focuses on protection from major market downturns while still growing your assets.

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