

A CONFIDENT WAY TO RETIRE: DIVIDEND GROWTH VS. LIQUIDATING FROM MUTUAL FUNDS

1

WHERE YOUR RETIREMENT INCOME COMES FROM

SPENDING FROM MUTUAL FUNDS

This strategy involves potentially withdrawing 4% of your retirement savings each year. However, it typically requires selling portions of your investments regularly—even during market downturns.

VS

DIVIDEND GROWTH INVESTING

This approach focuses on investing in companies that pay dividends—cash payments to shareholders—which may grow over time. Rather than selling investments to generate income, you may be able to rely more on the dividends they produce.

2

DEALING WITH MARKET UPS AND DOWNS

SPENDING FROM MUTUAL FUNDS

Market declines, that may happen early in retirement, may negatively impact how long your savings last since withdrawals continue even when account values are down.

VS

DIVIDEND GROWTH INVESTING

While dividends are not guaranteed, many companies have a history of continuing and even increasing their payments during market volatility. This may help provide a more consistent income stream.

3

EMOTIONAL CONFIDENCE

SPENDING FROM MUTUAL FUNDS

It typically includes inflation adjustments, but those may not always keep pace with real-life cost increases.

VS

DIVIDEND GROWTH INVESTING

Some companies have consistently increased their dividends year over year, which may help your income keep up with inflation—though past performance is not indicative of future results.

4

LEAVING SOMETHING BEHIND

SPENDING FROM MUTUAL FUNDS

This strategy is often focused on spending down your portfolio, which can reduce the amount left for heirs.

VS

DIVIDEND GROWTH INVESTING

To the extent you're using income rather than principal, more of your investment base may remain intact—potentially leaving a legacy for your family, depending on market conditions and spending needs.

5

KEEPING UP WITH THE COST OF LIVING

SPENDING FROM MUTUAL FUNDS

It typically includes inflation adjustments, but those may not always keep pace with real-life cost increases.

VS

DIVIDEND GROWTH INVESTING

Some companies have consistently increased their dividends year over year, which may help your income keep up with inflation—though past performance is not indicative of future results.

6

SIMPLICITY AND CONTROL

SPENDING FROM MUTUAL FUNDS

Mutual funds can be diversified, but their internal workings and fees aren't always transparent.

VS

DIVIDEND GROWTH INVESTING

With individual dividend-paying stocks, you typically know exactly what you own and what income they're producing. This can make it easier to track your investments and understand your income sources.

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There can be no guarantee that strategies promoted will be successful and no guarantee of positive results.

All investing involves risk including loss of principal. No strategy assures success or protects against loss.

Investing in mutual funds involves risk, including possible loss of principal. Fund value will fluctuate with market conditions and it may not achieve its investment objective.

Dividend payments are not guaranteed and may be reduced or eliminated at any time by the company.

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