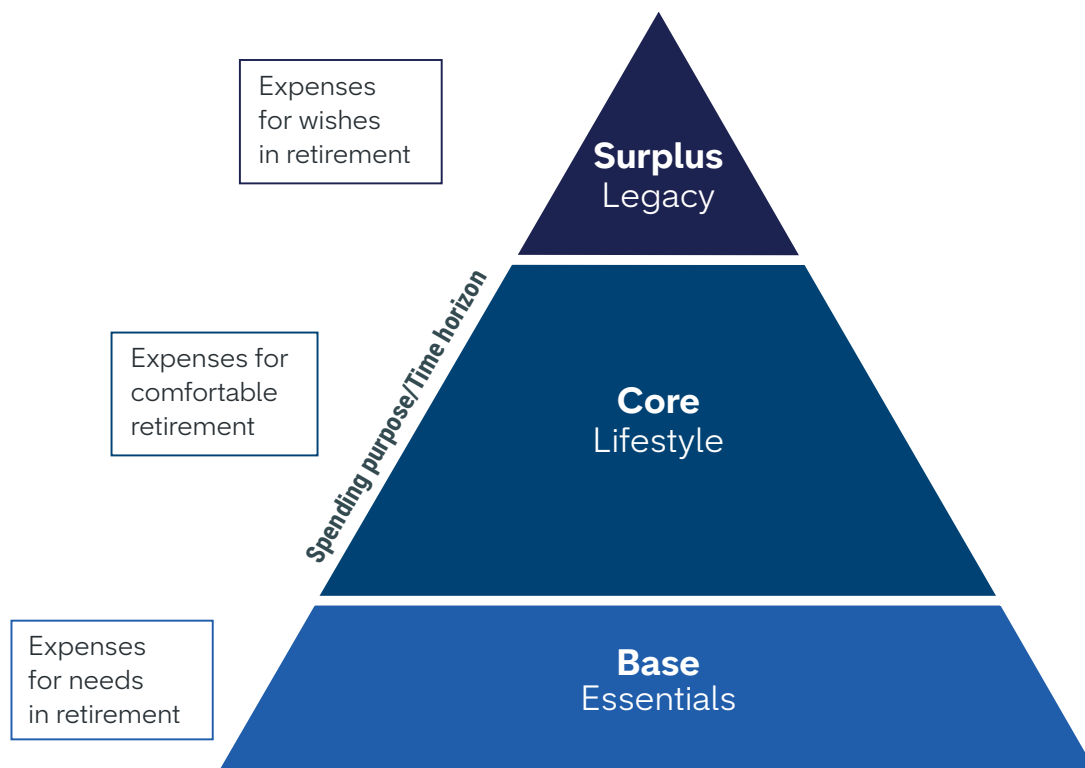


The objective-based pyramid approach to retirement income

Clients often better understand retirement planning when the conversation starts with what they want to do with their money, not where it is invested. As spending purpose moves up the pyramid, from covering essential expenses to funding a legacy, the plan behind each layer changes with it.

How the pyramid works: Assess retirement spending purpose



Source: Capital Group Private Client Services. For illustrative purposes only.

Planning tip

Work bottom to top. Secure essentials first, then discuss expenses to help you meet your lifestyle goals, then use the surplus to express your wishes in retirement.

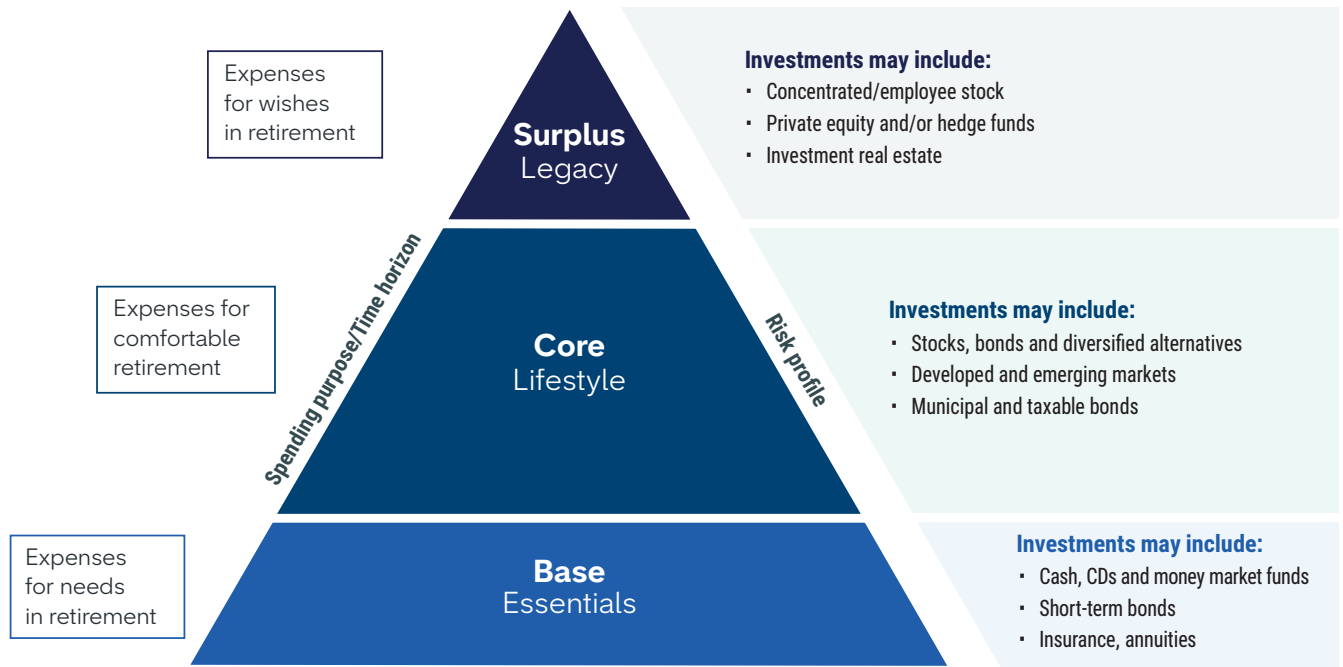
Ask these three questions:

- What are your essential monthly expenses, and will they change?
- What larger, less frequent expenses should you plan for?
- If there's a surplus, how could it support your legacy goals?

See how investments map to each layer of the pyramid →

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

Align investment risk with retirement spending purpose



The risk profile rises with each layer, matching the money's purpose.

- **Base | Essentials:** Costs that must be covered regardless of markets. Should be lower volatility by design.
- **Core | Lifestyle:** Funds the lifestyle wants beyond the basics.
- **Surplus | Legacy:** Money that exceeds core needs. Can carry more risk.

Key benefits

1

Cover essential spending with confidence

Help clients to focus on funding their basic needs.

2

Invest remaining assets according to purpose

Not every dollar has the same job.

3

Help address clients' needs through changing markets

Understanding the purpose of each part of a portfolio can make it easier to stay on track when markets fluctuate.

For more information on possible investment solutions, visit capitalgroup.com.

Footnotes/Important information:

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