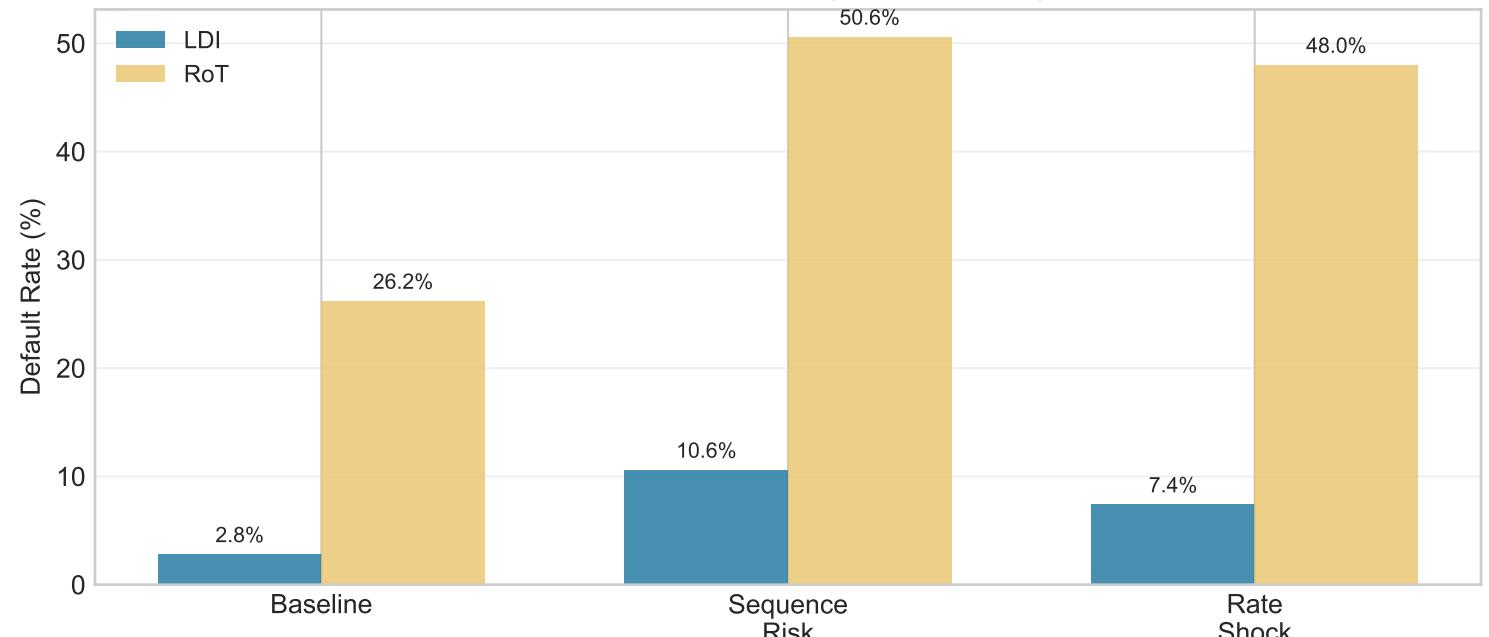
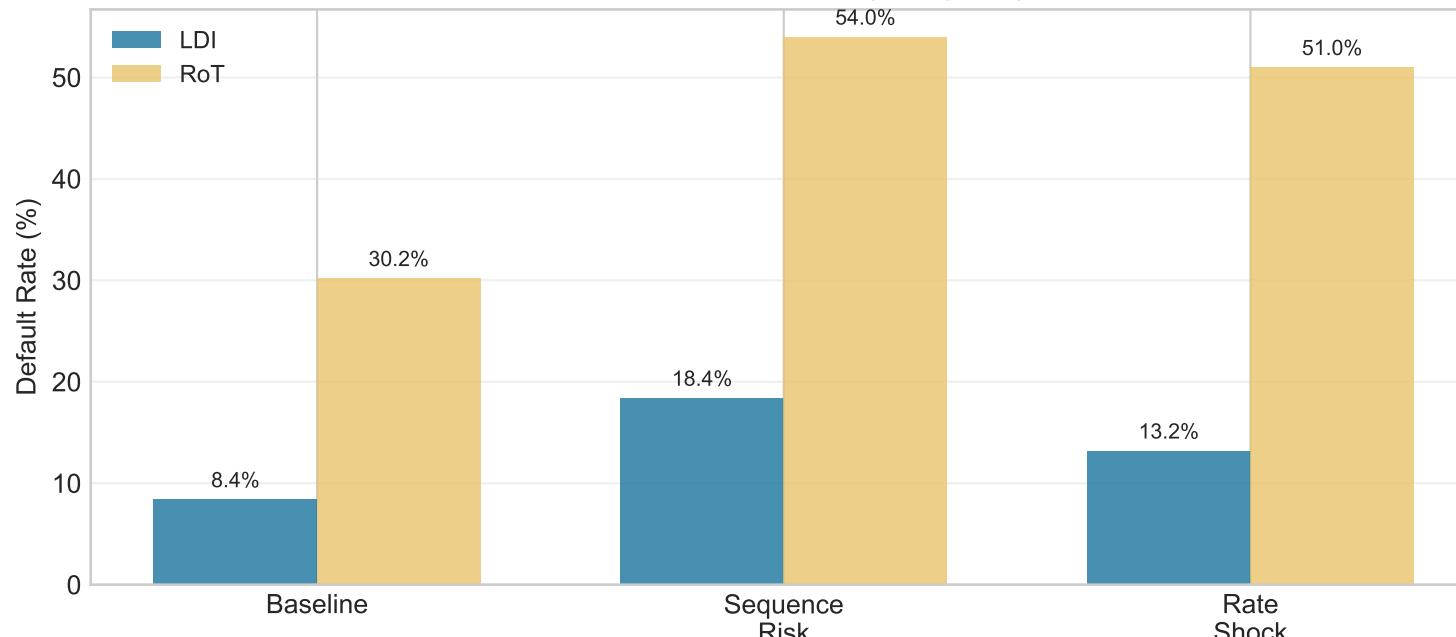


LDI vs Rule-of-Thumb: Strategy Comparison Across Scenarios

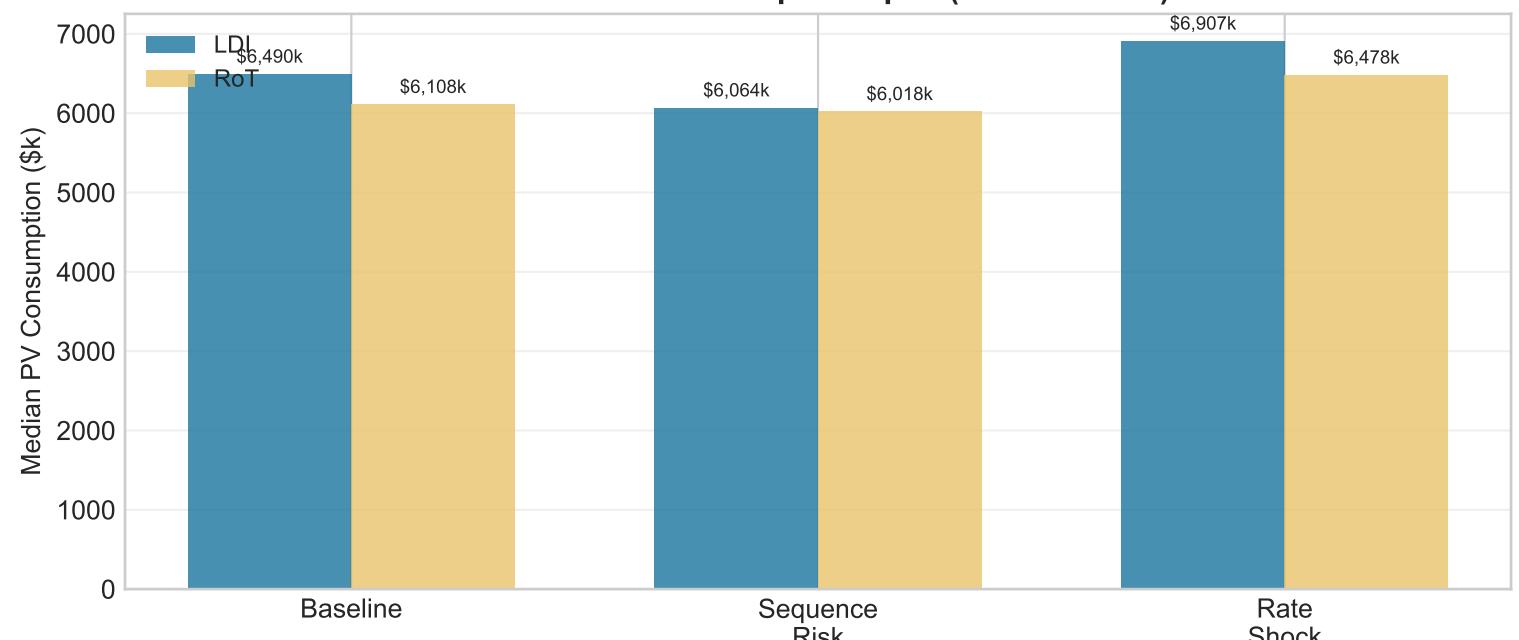
Default Rates - $\beta=0$ (Bond-like HC)



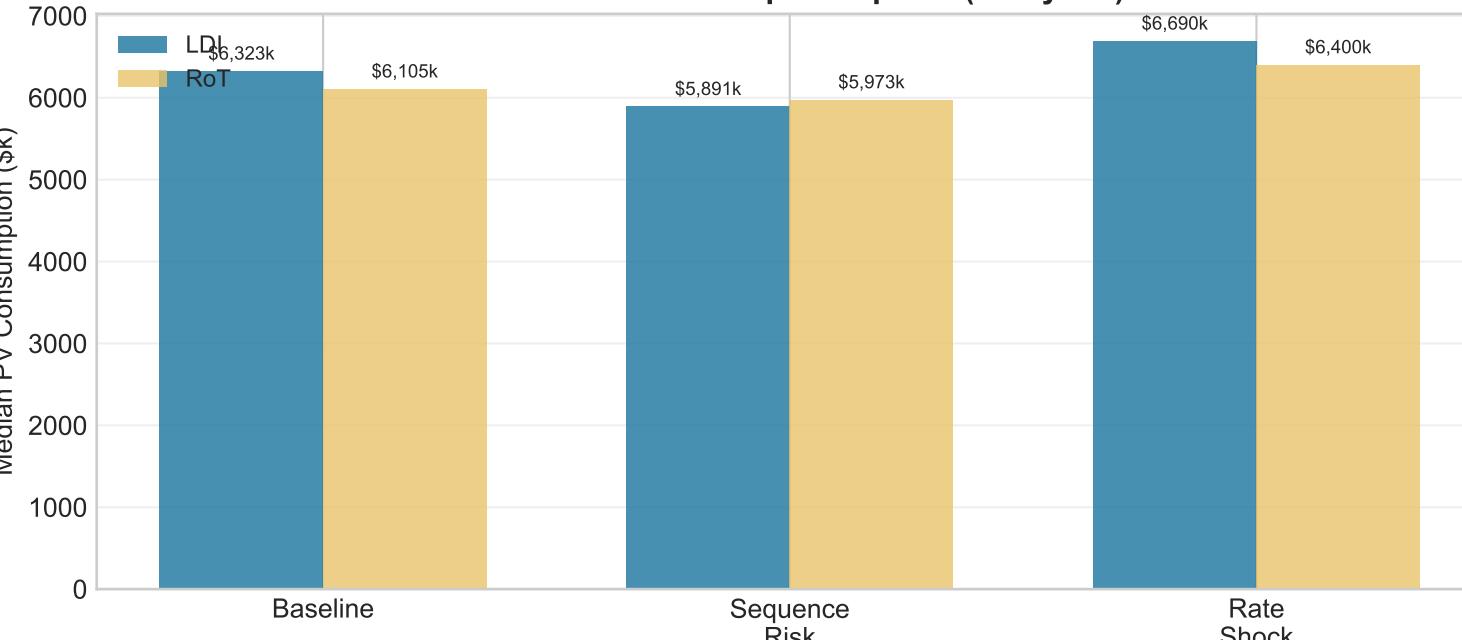
Default Rates - $\beta=0.3$ (Risky HC)



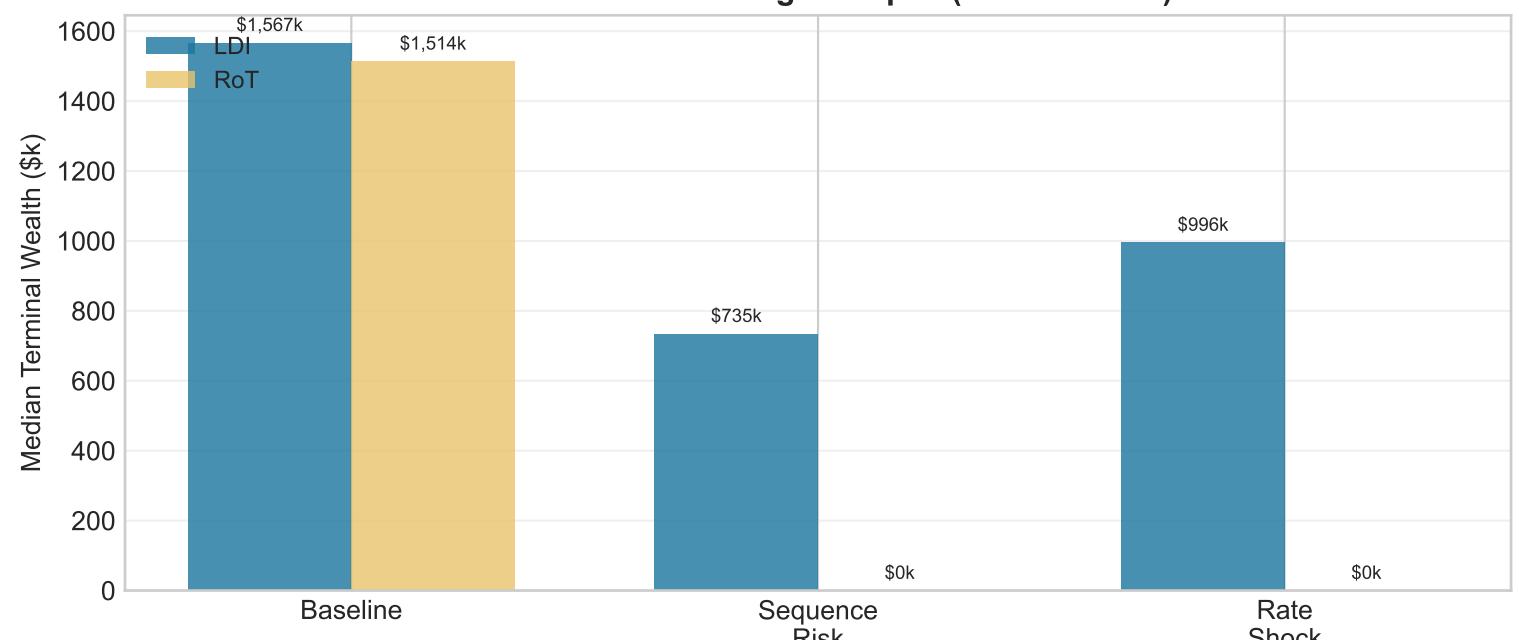
PV Lifetime Consumption - $\beta=0$ (Bond-like HC)



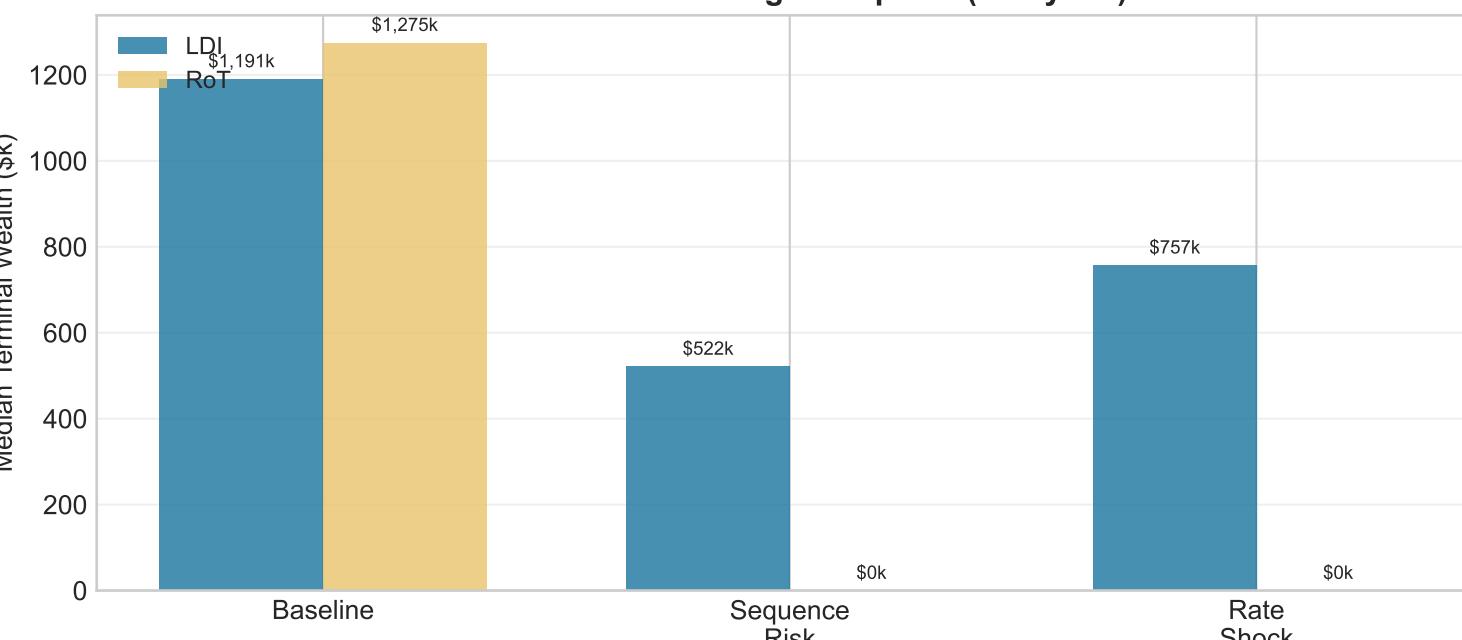
PV Lifetime Consumption - $\beta=0.3$ (Risky HC)



Terminal Wealth at Age 95 - $\beta=0$ (Bond-like HC)

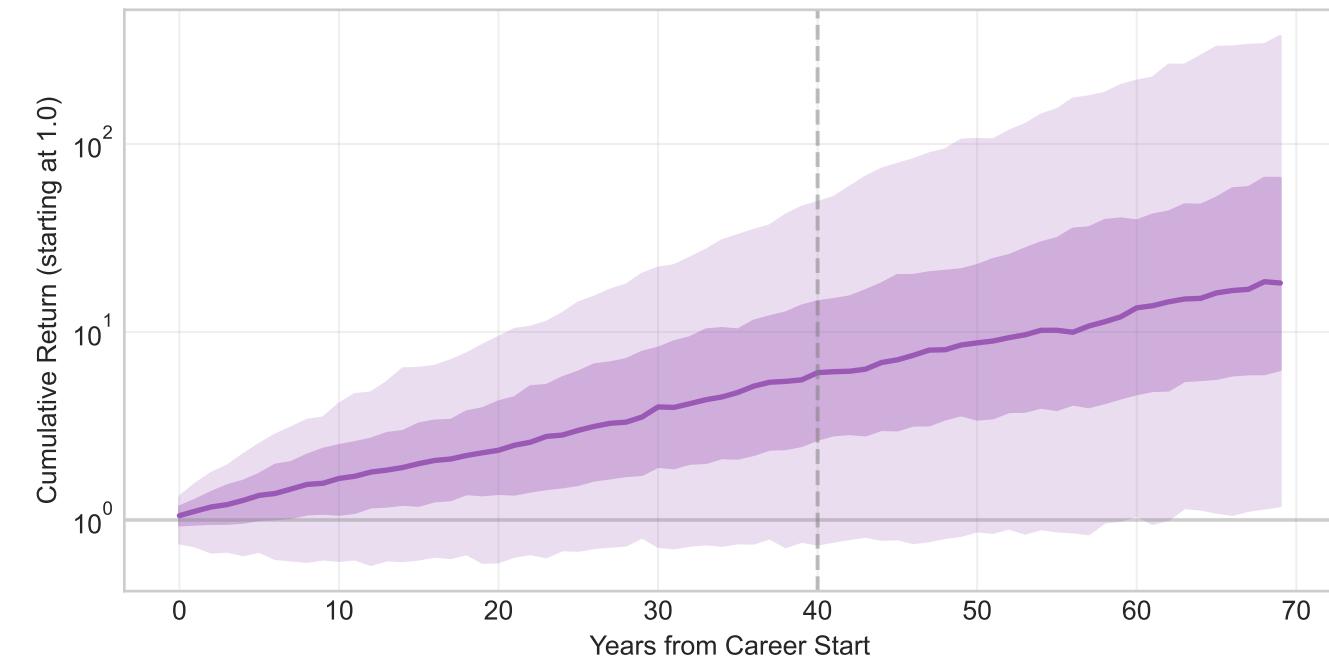


Terminal Wealth at Age 95 - $\beta=0.3$ (Risky HC)

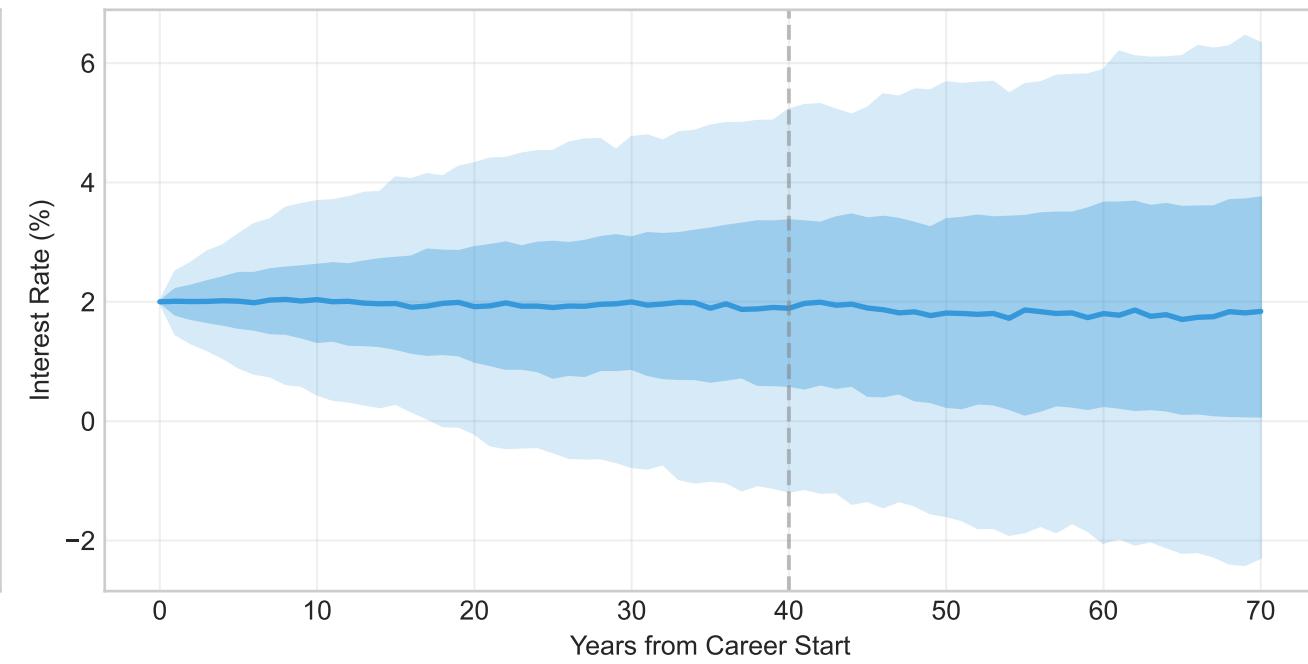


Baseline: Normal Monte Carlo ($\beta=0$, Bond-like HC)
Standard random shocks - no scenario manipulation

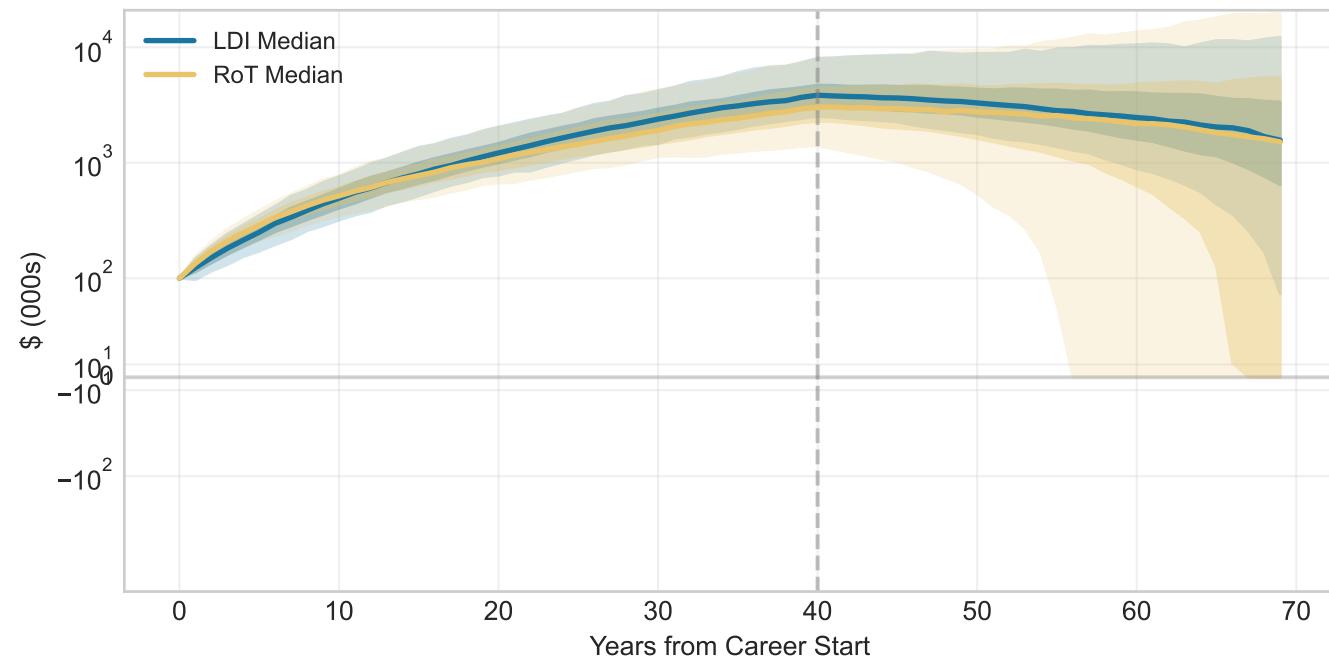
Cumulative Stock Market Returns



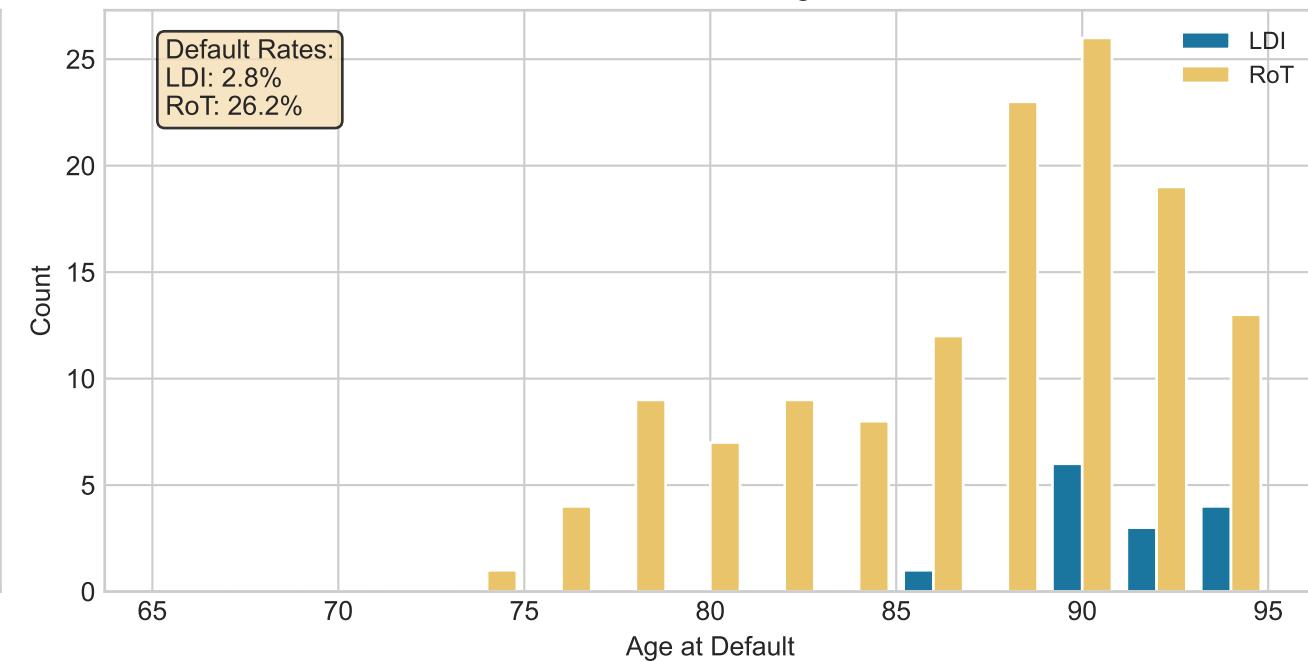
Interest Rate Paths



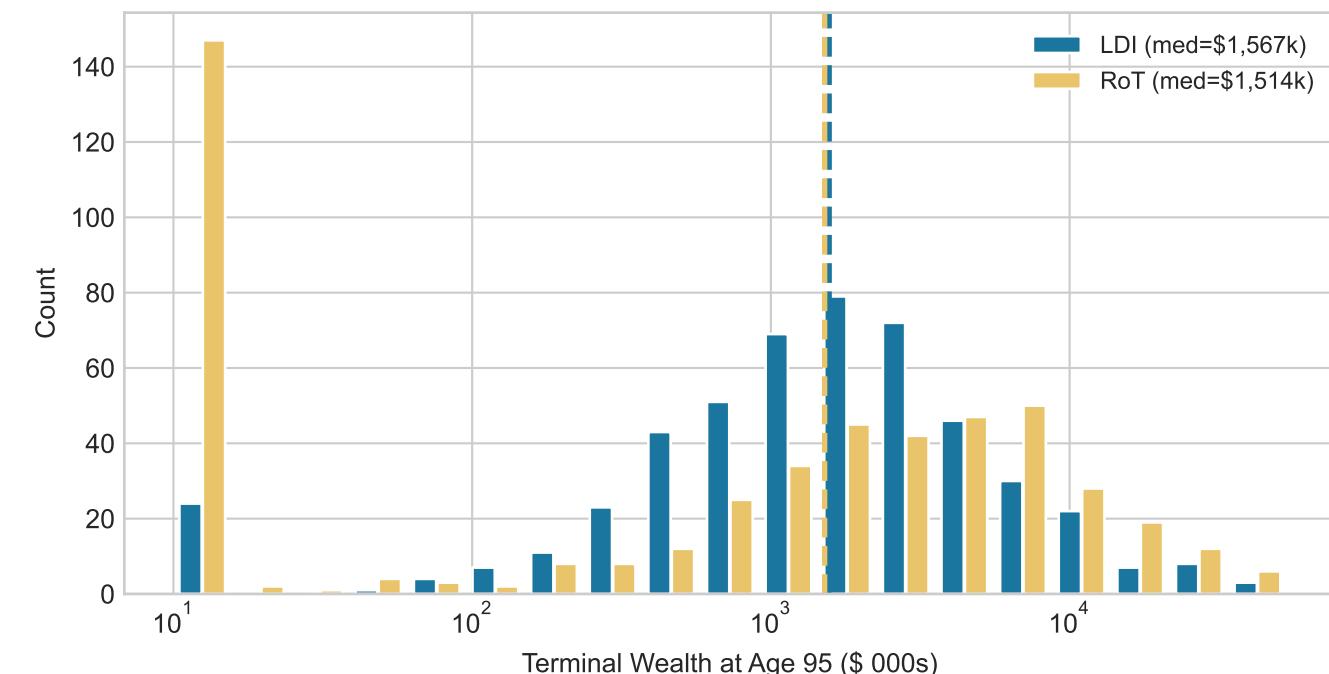
Financial Wealth



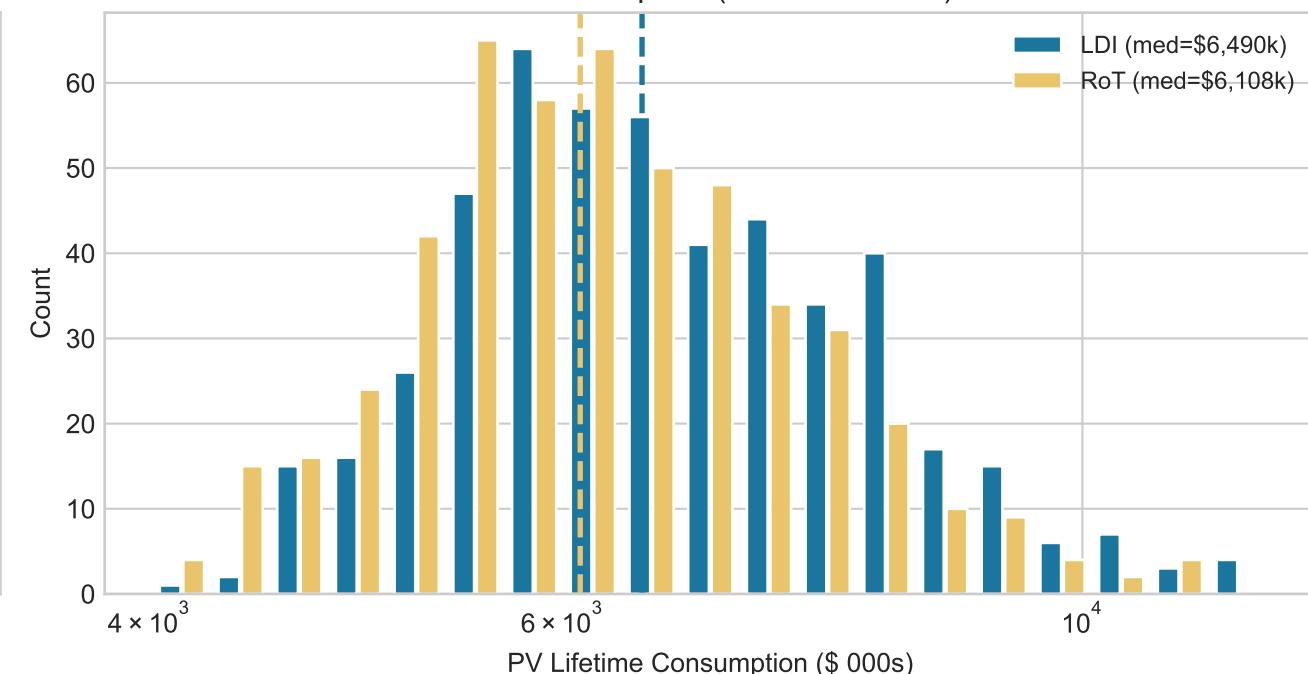
Default Timing



Terminal Wealth Distribution

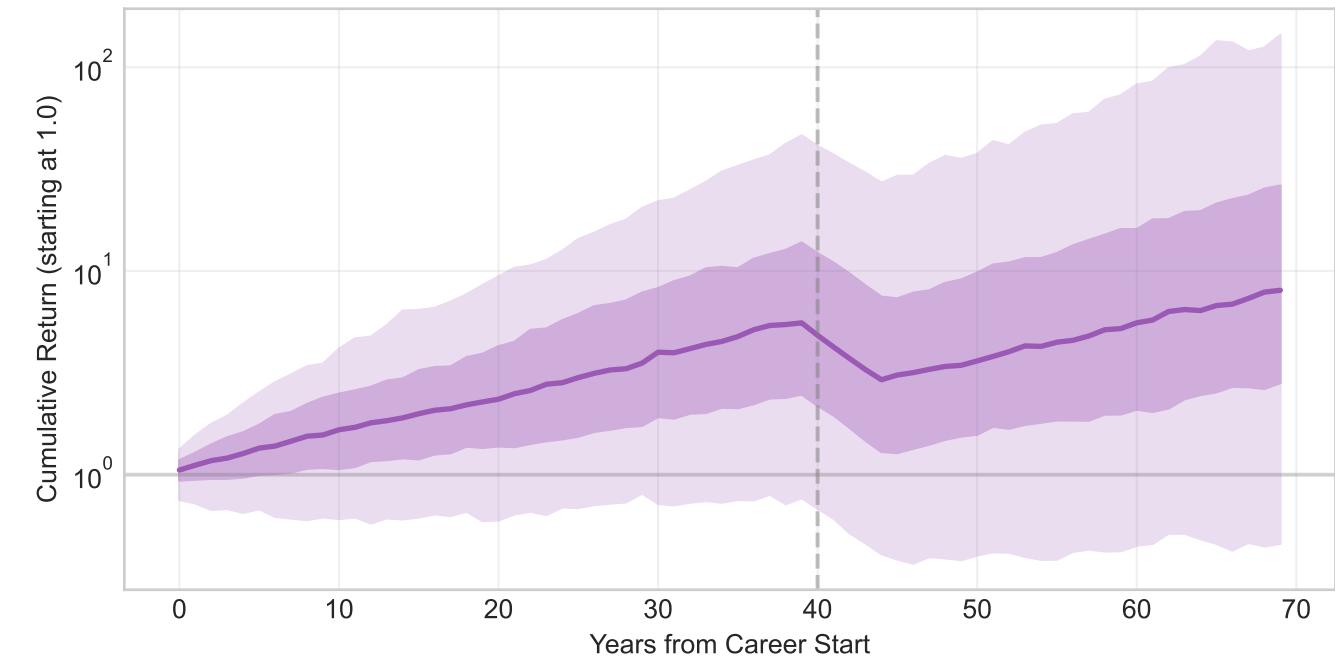


PV Consumption (Realized Rates)

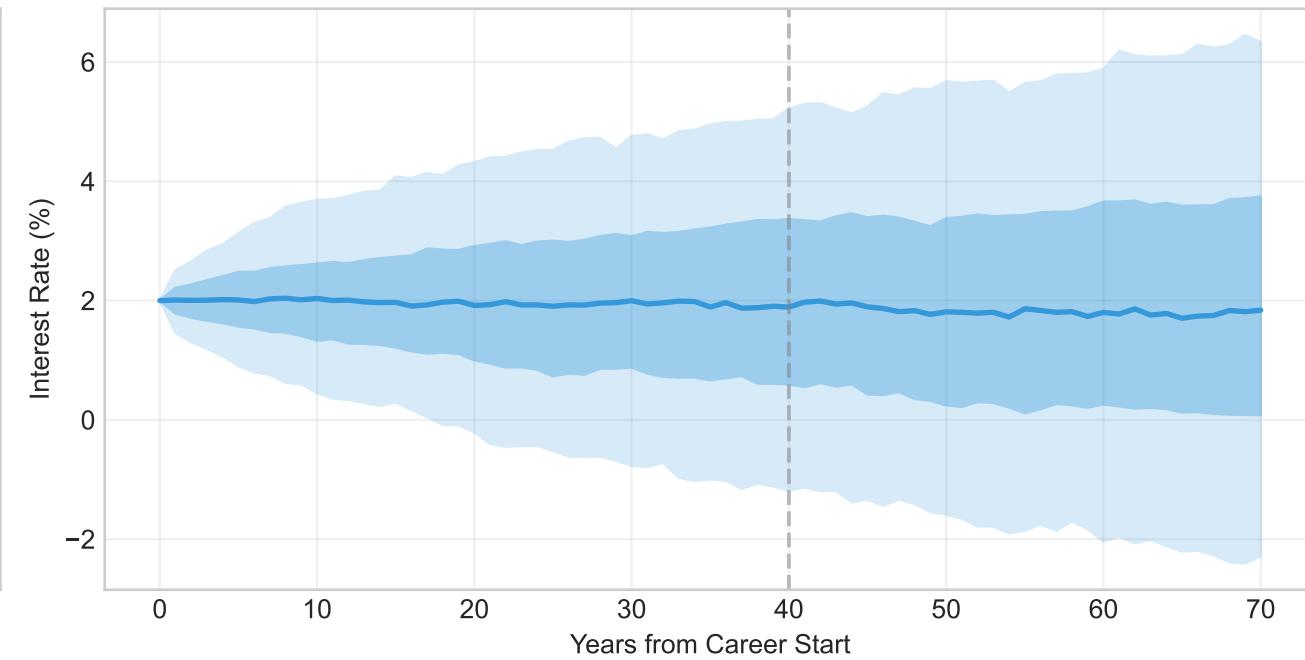


Sequence-of-Returns Risk ($\beta=0$, Bond-like HC)
Bad stock returns (~-12%/yr) in first 5 years of retirement

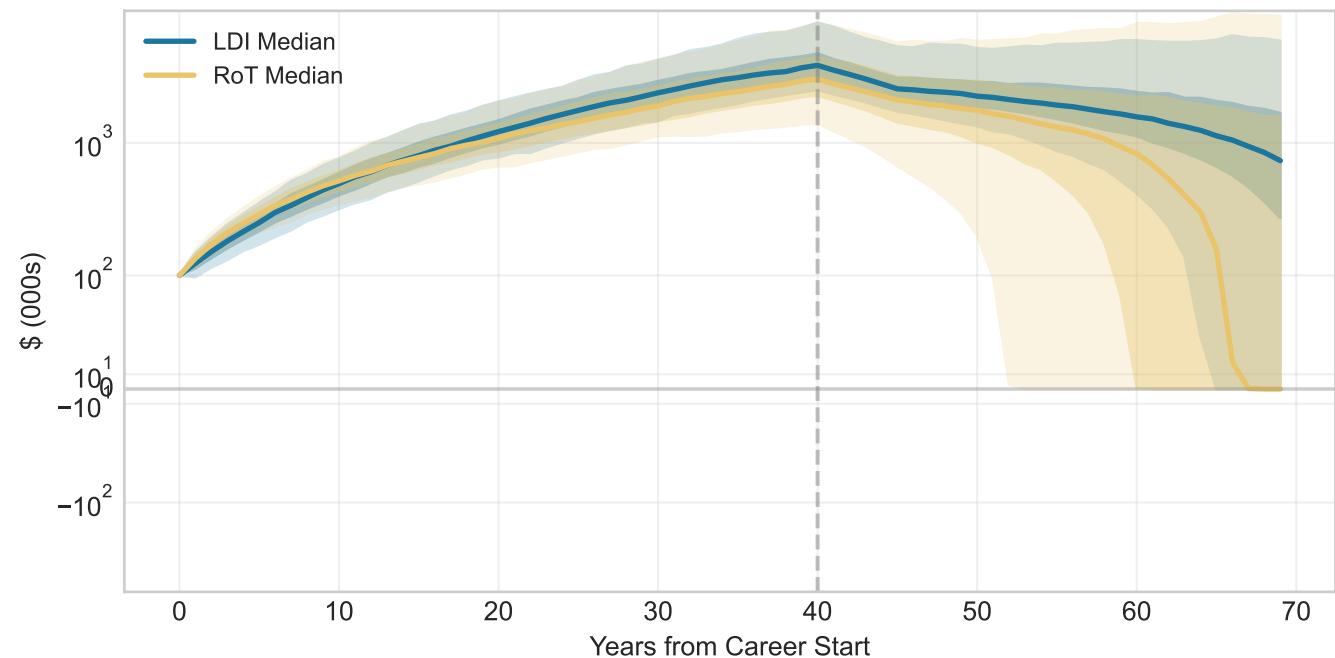
Cumulative Stock Market Returns



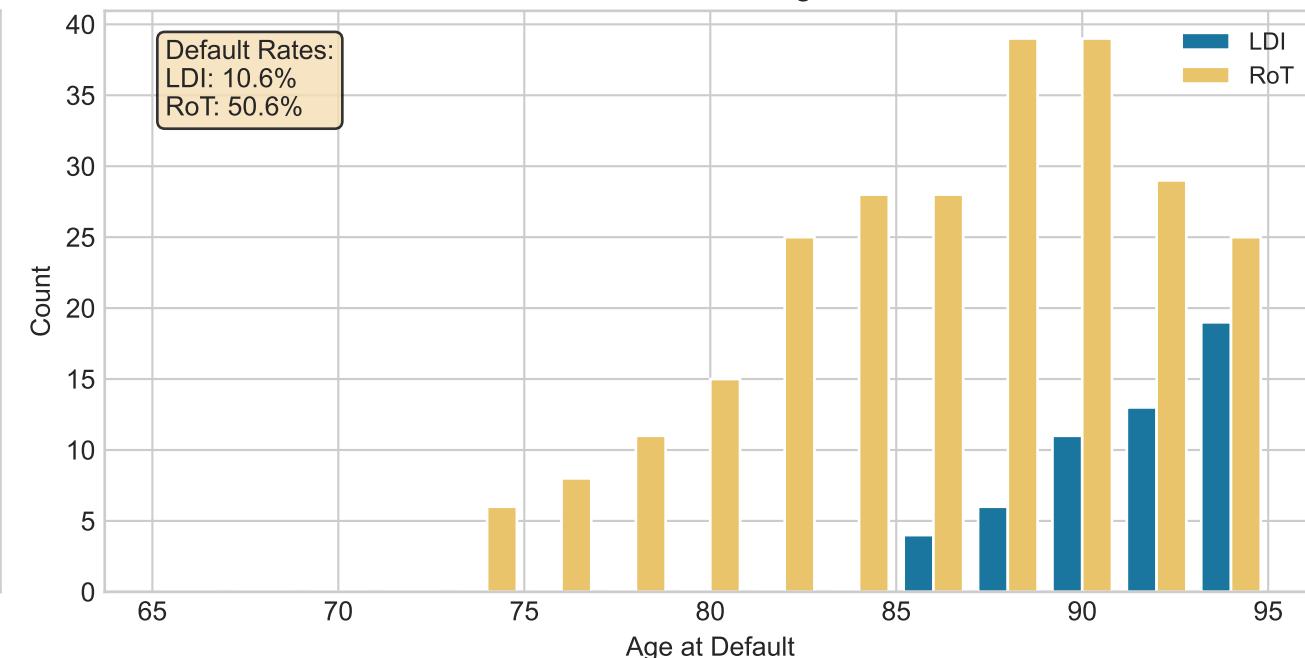
Interest Rate Paths



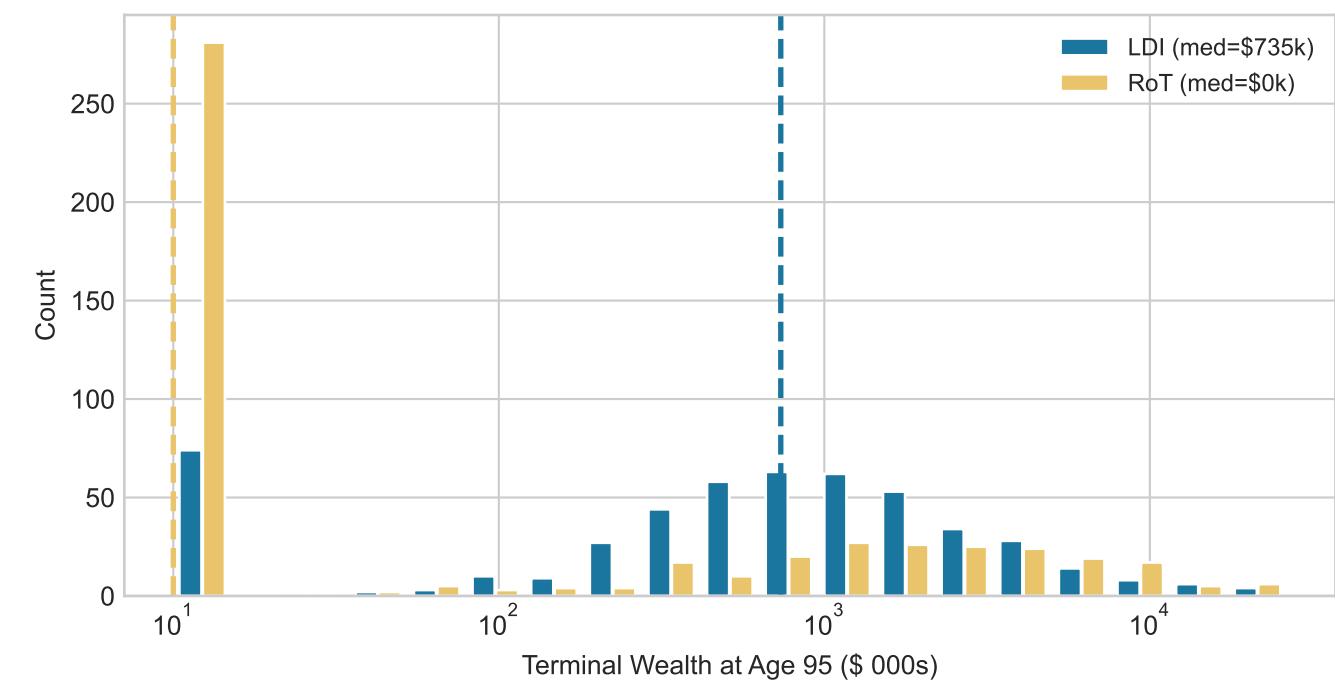
Financial Wealth



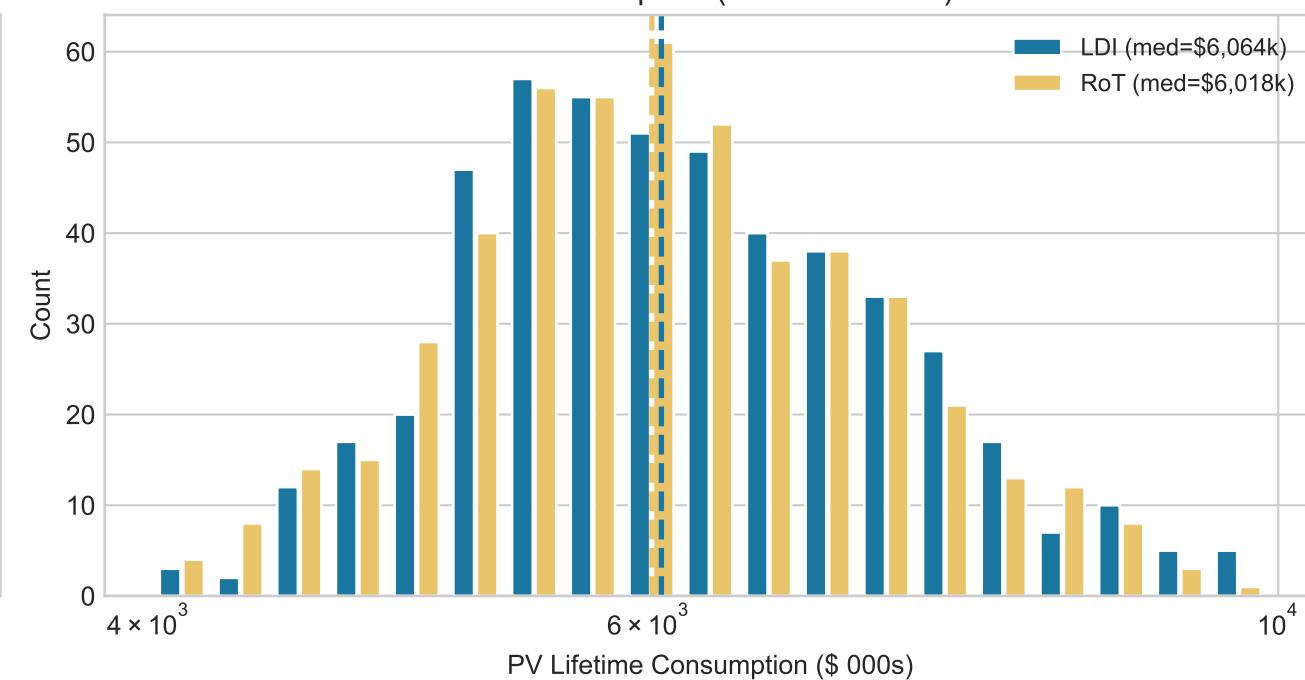
Default Timing



Terminal Wealth Distribution

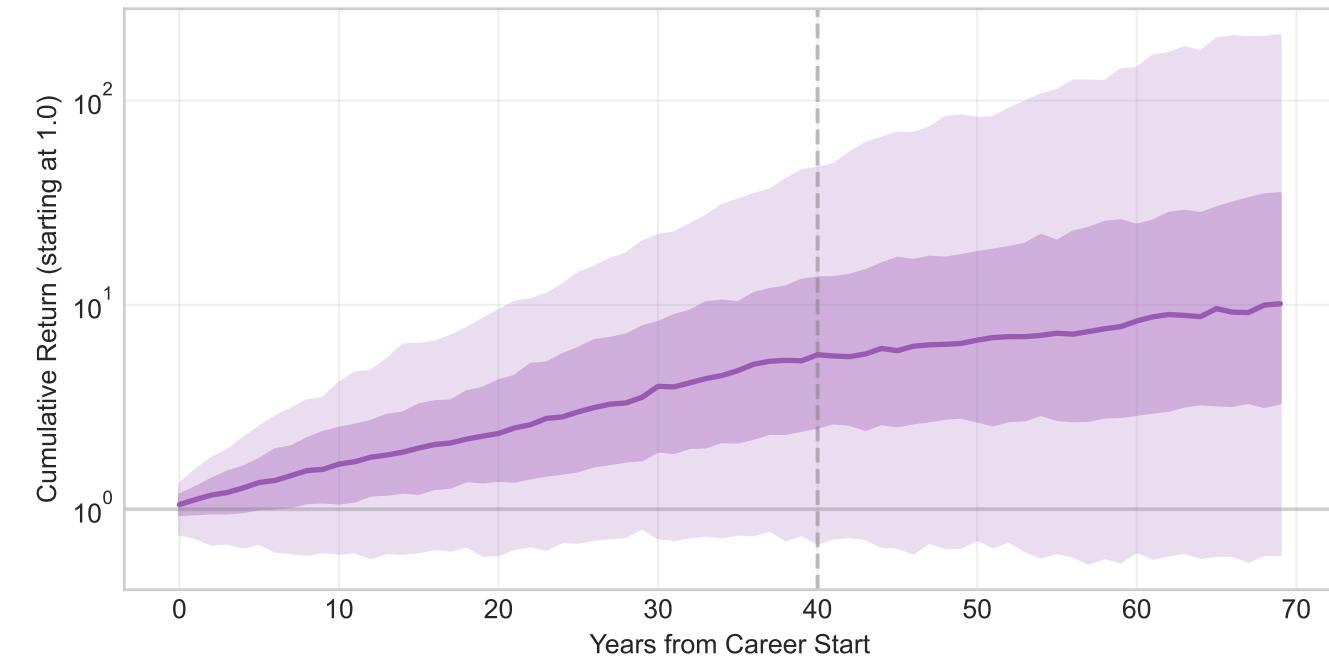


PV Consumption (Realized Rates)

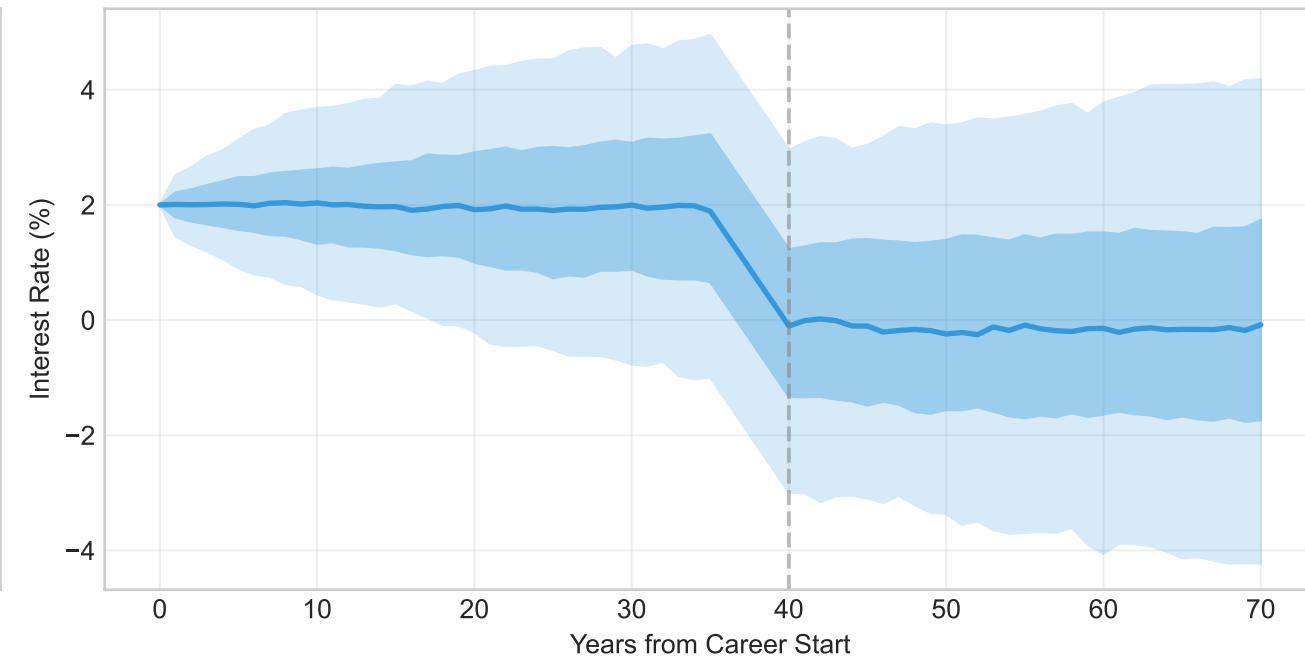


Pre-Retirement Rate Shock ($\beta=0$, Bond-like HC)
Interest rate drop (~4% cumulative) in 5 years before retirement

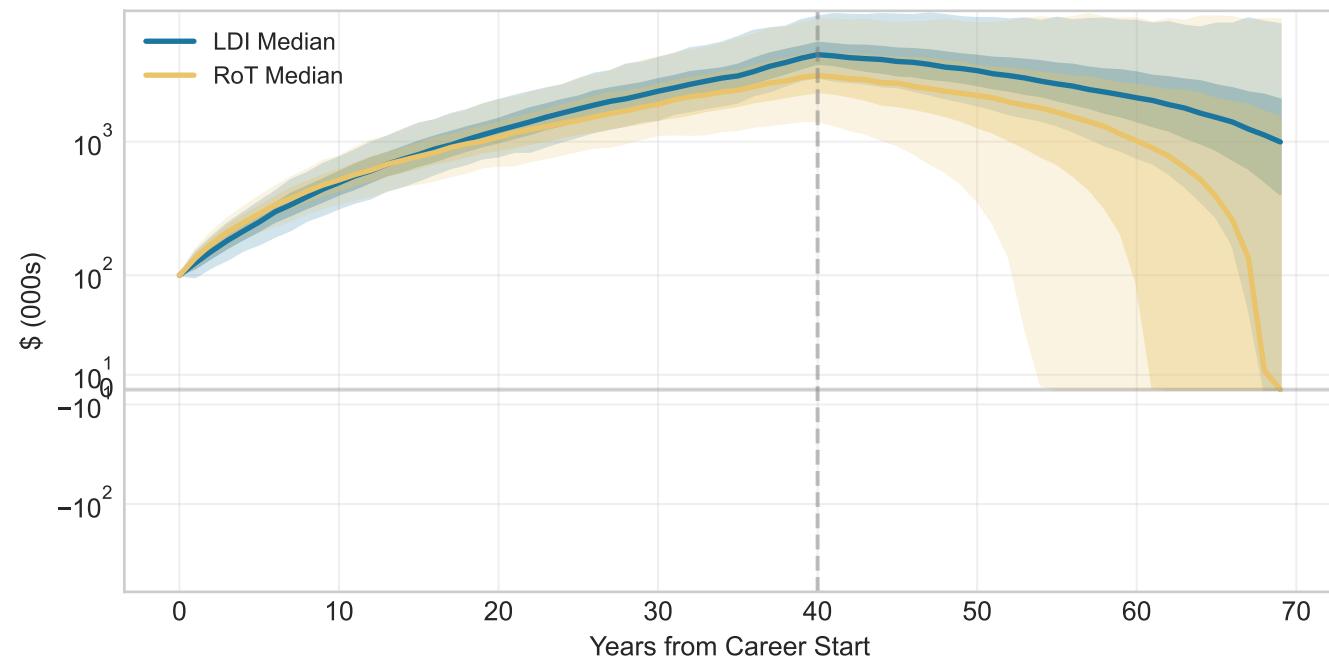
Cumulative Stock Market Returns



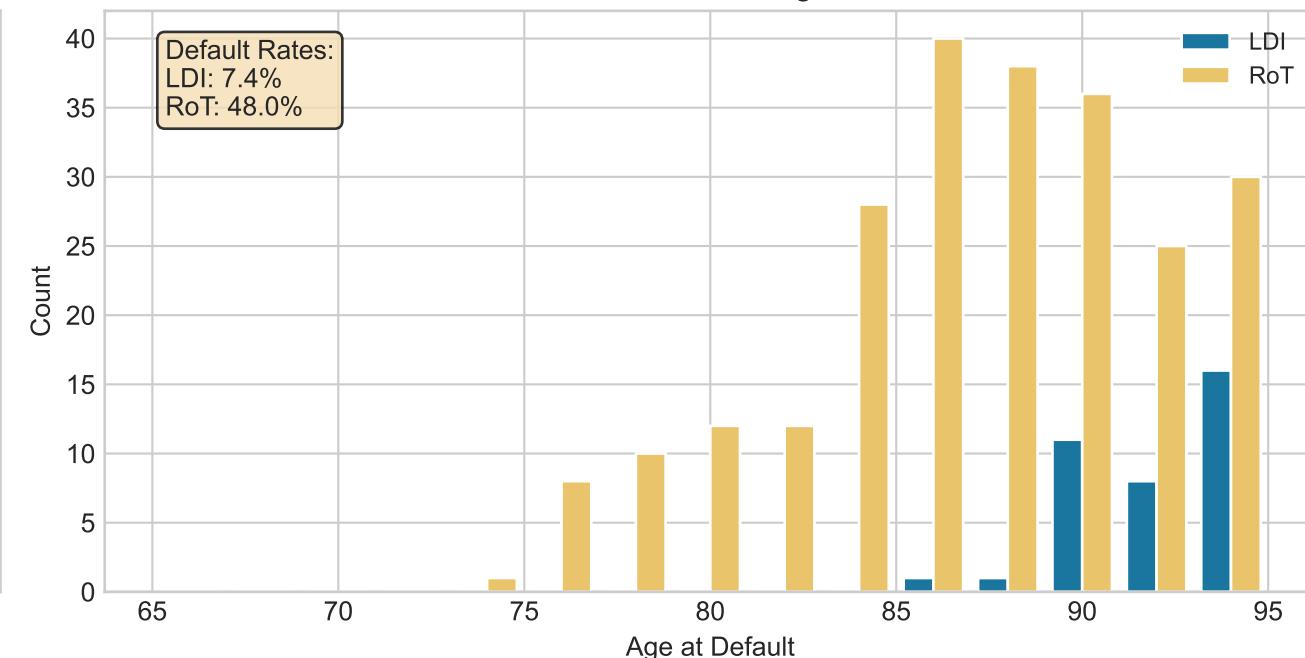
Interest Rate Paths



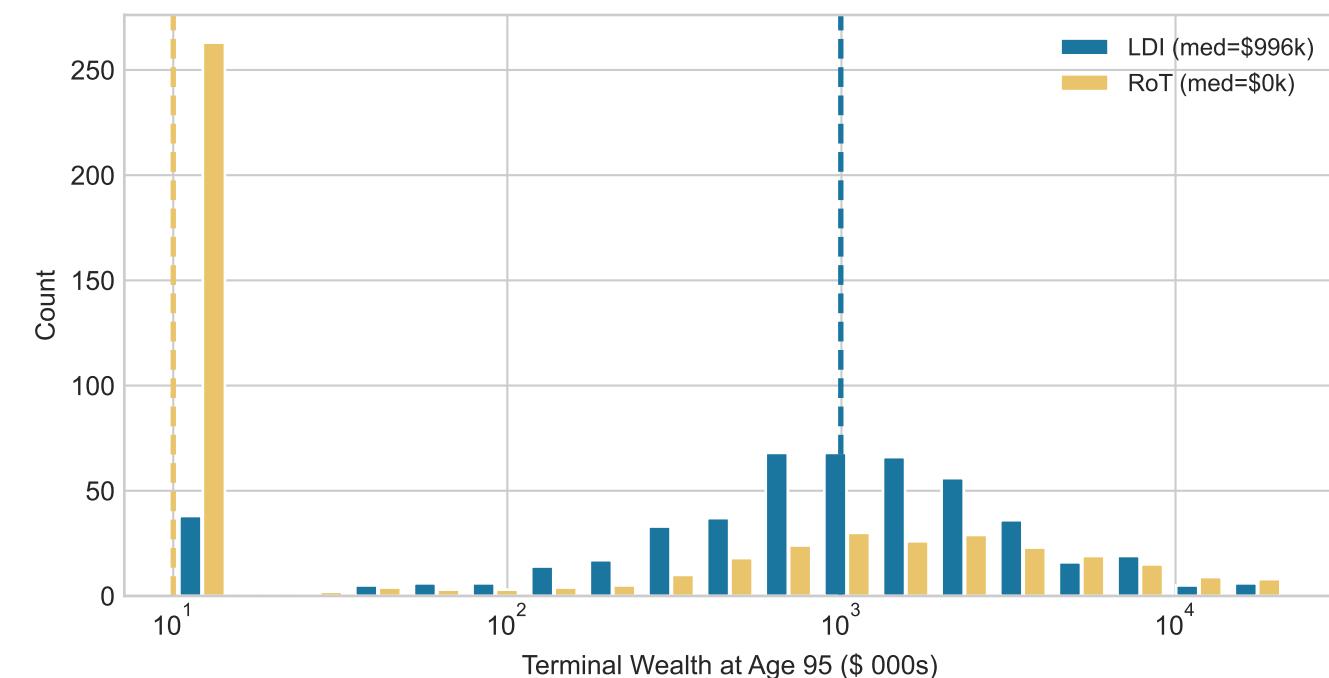
Financial Wealth



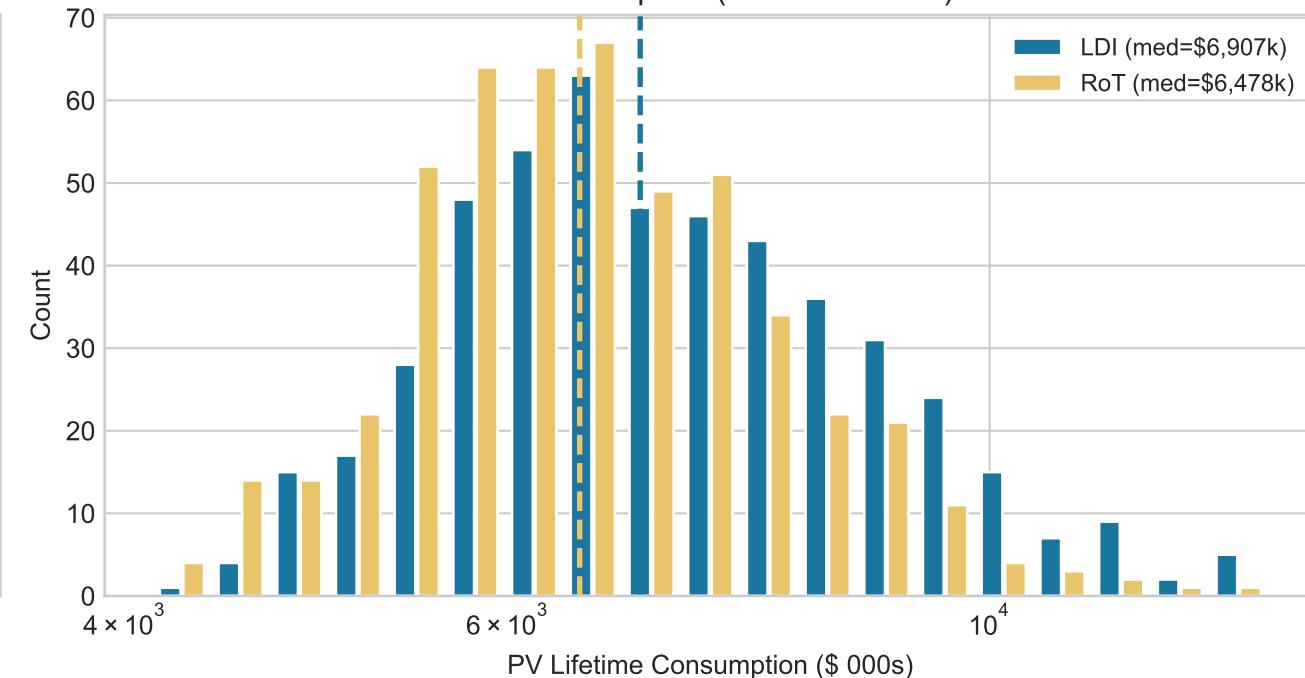
Default Timing



Terminal Wealth Distribution

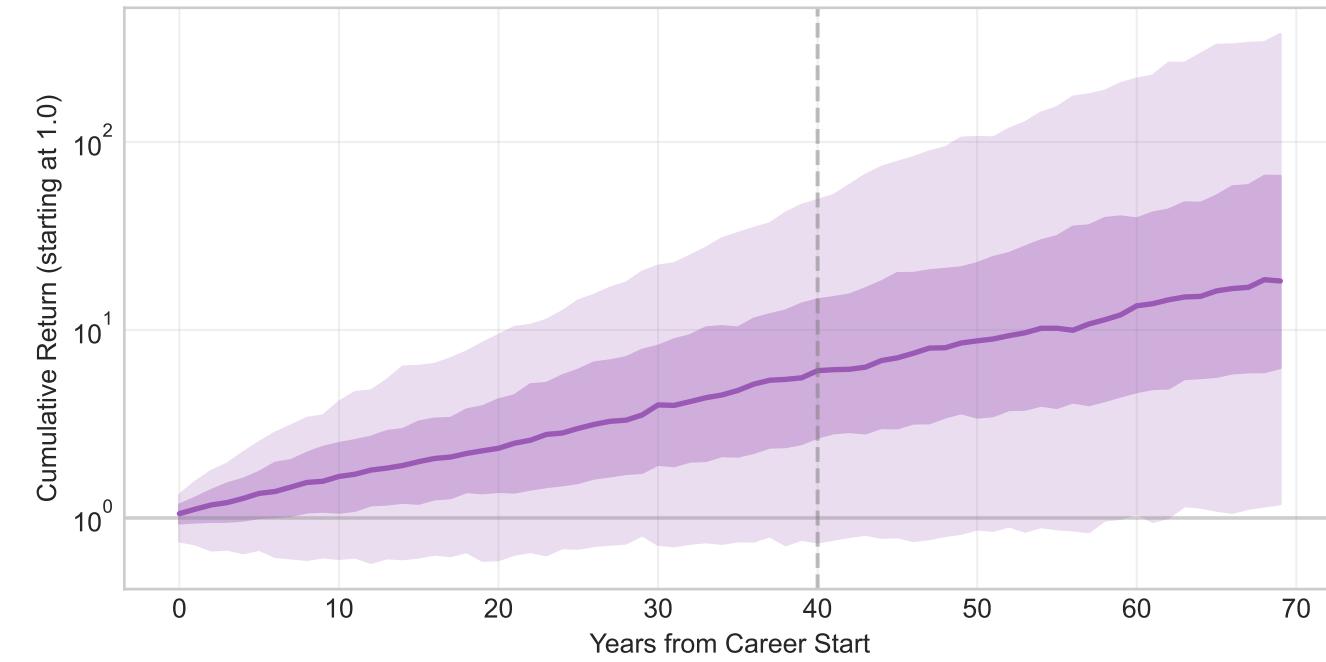


PV Consumption (Realized Rates)

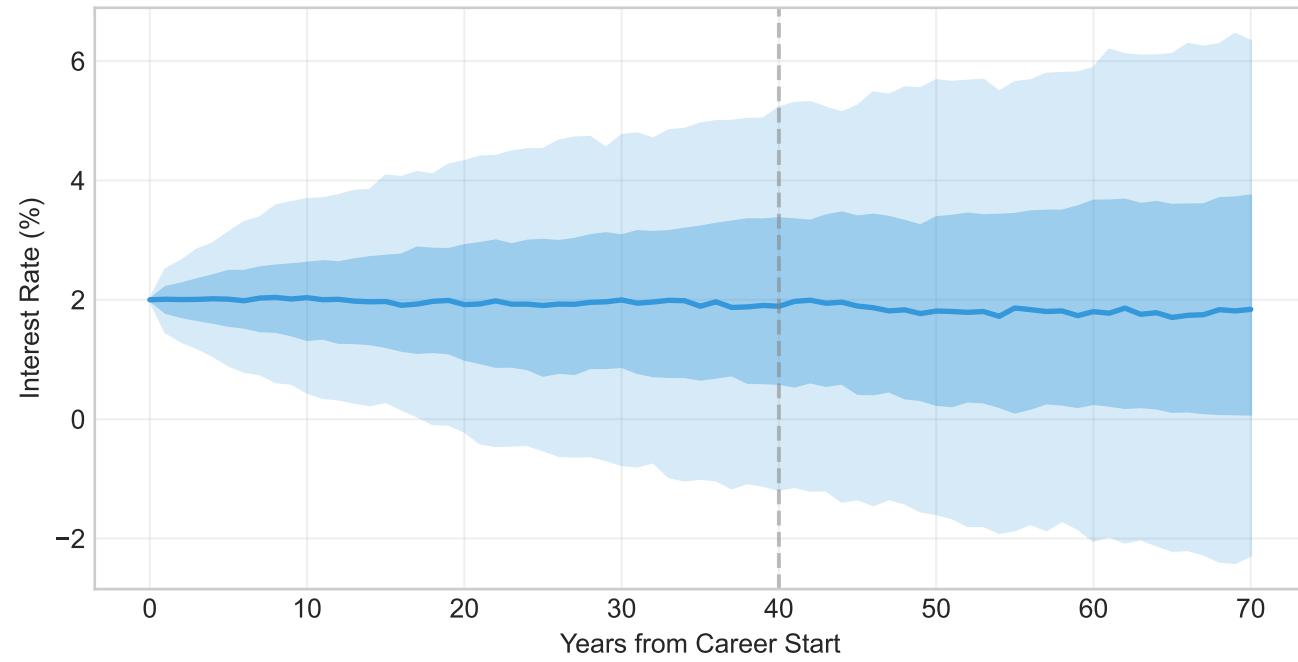


Baseline: Normal Monte Carlo ($\beta=0.3$)
Standard random shocks - no scenario manipulation

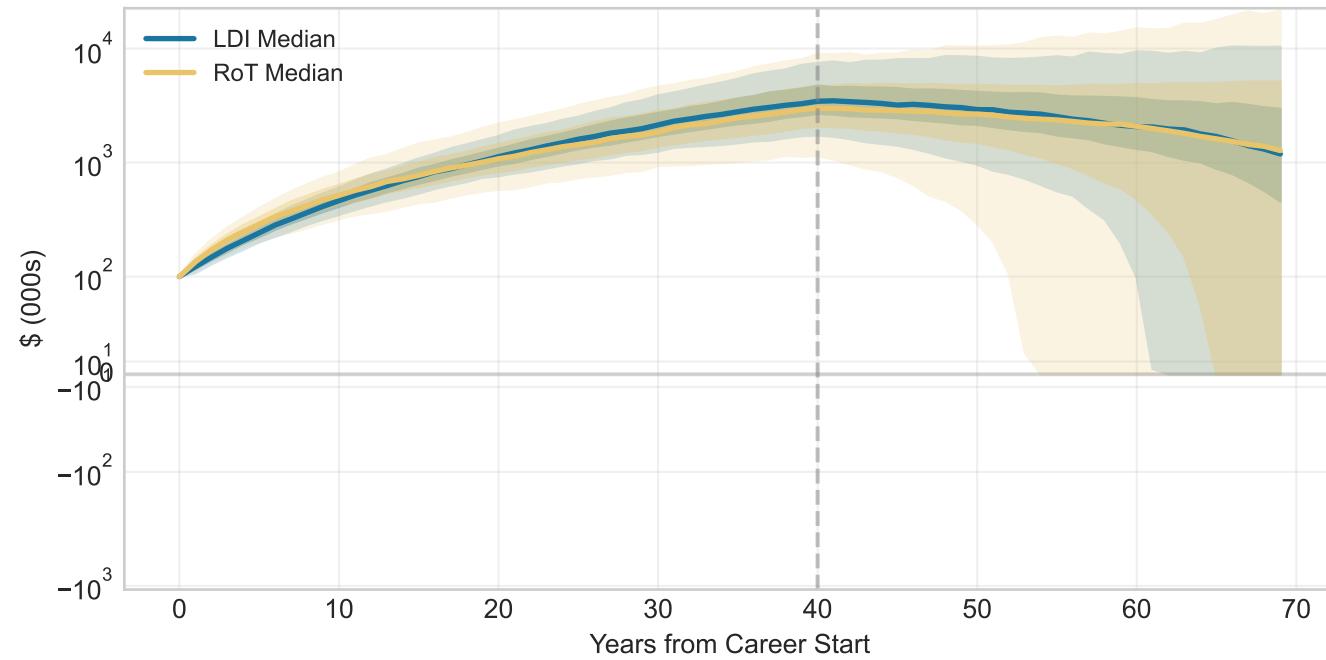
Cumulative Stock Market Returns



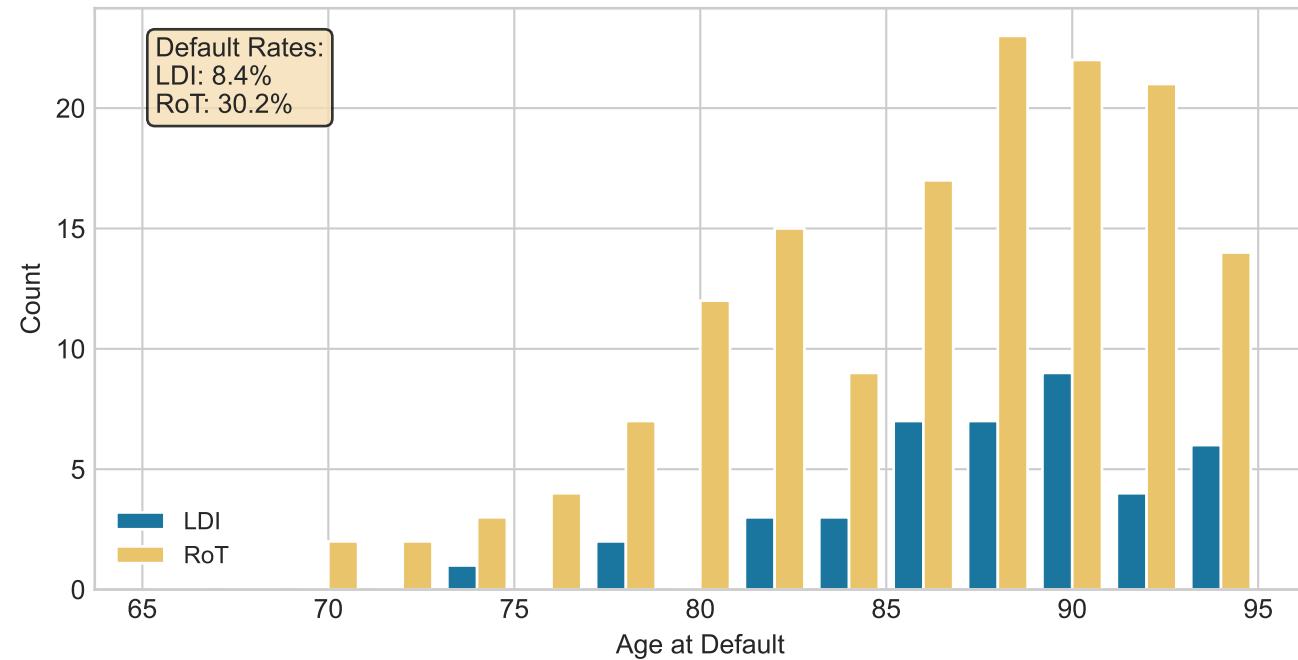
Interest Rate Paths



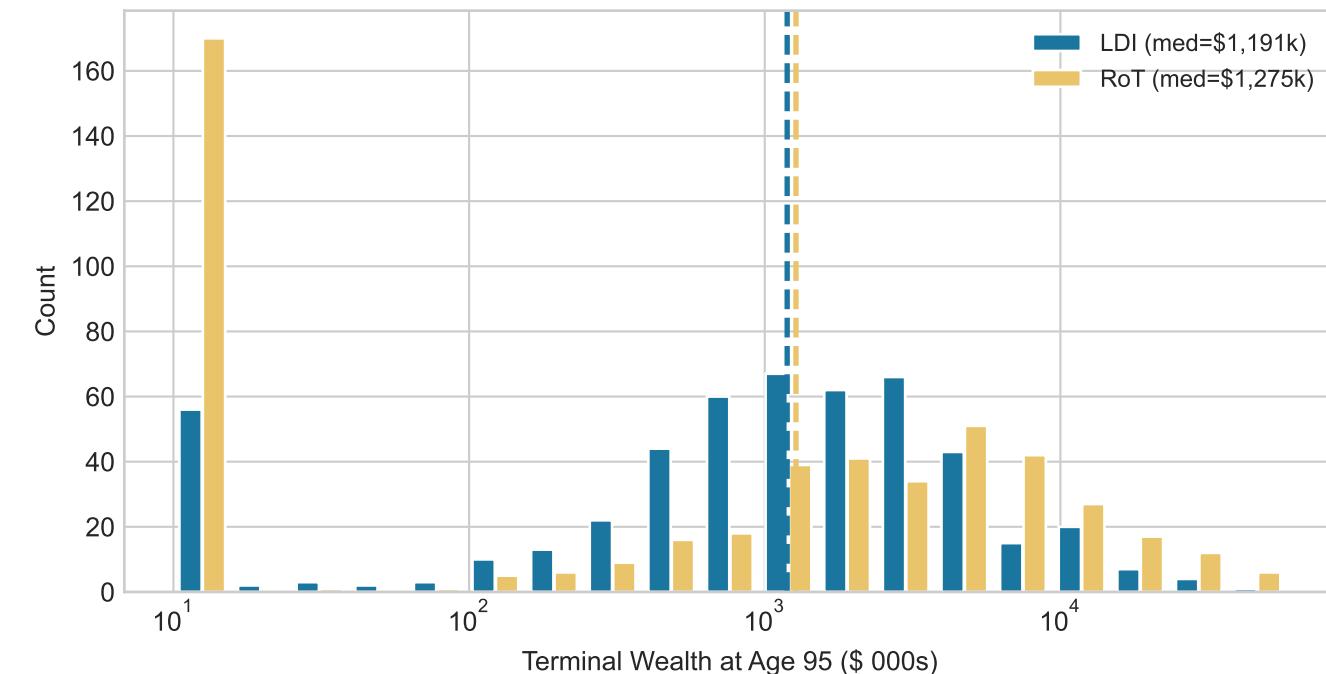
Financial Wealth



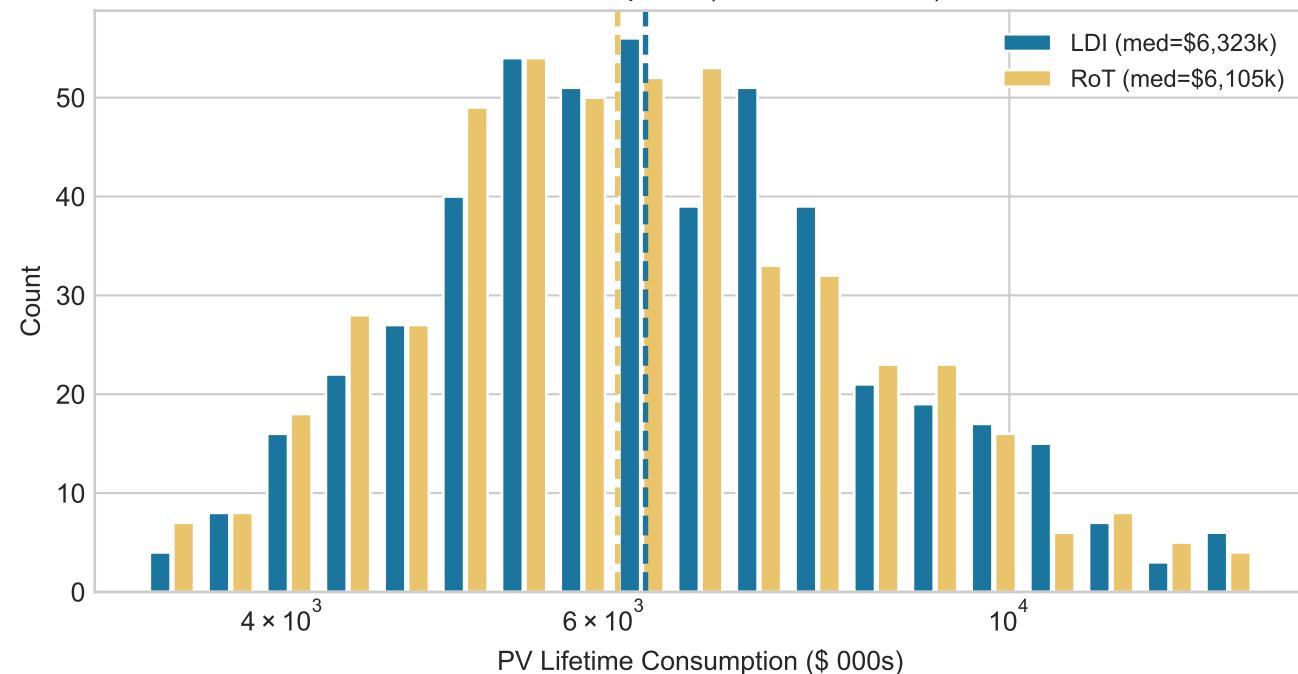
Default Timing



Terminal Wealth Distribution

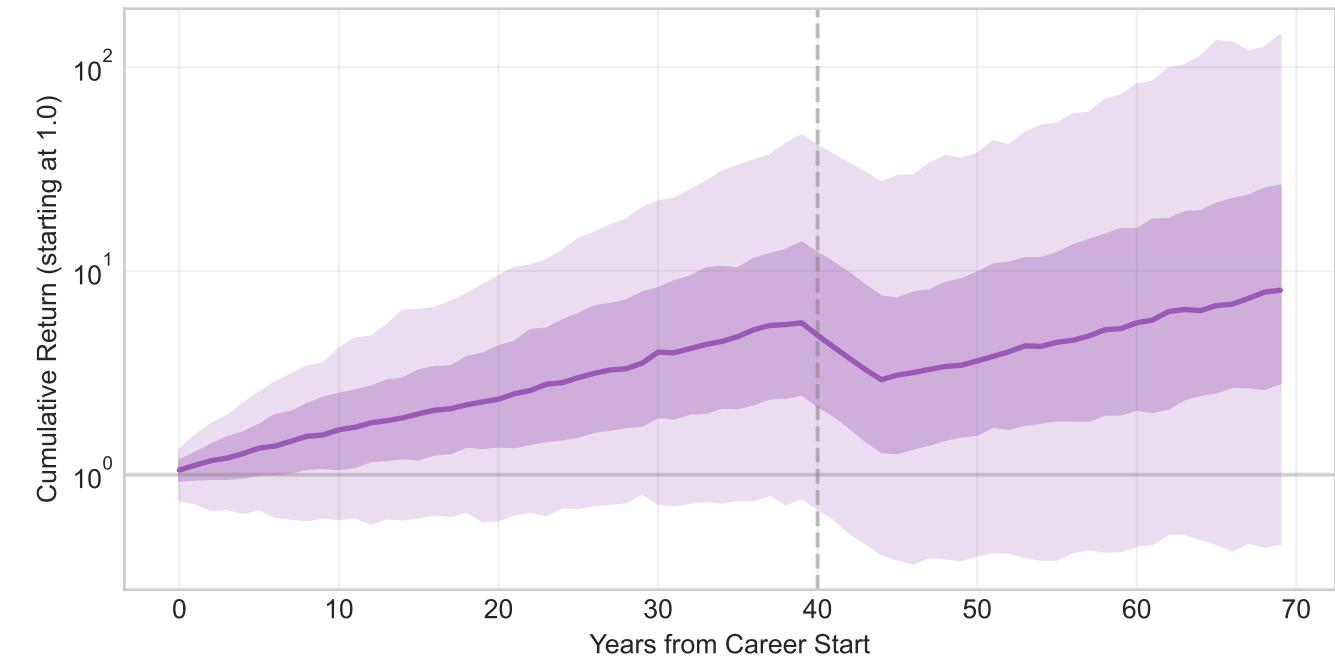


PV Consumption (Realized Rates)

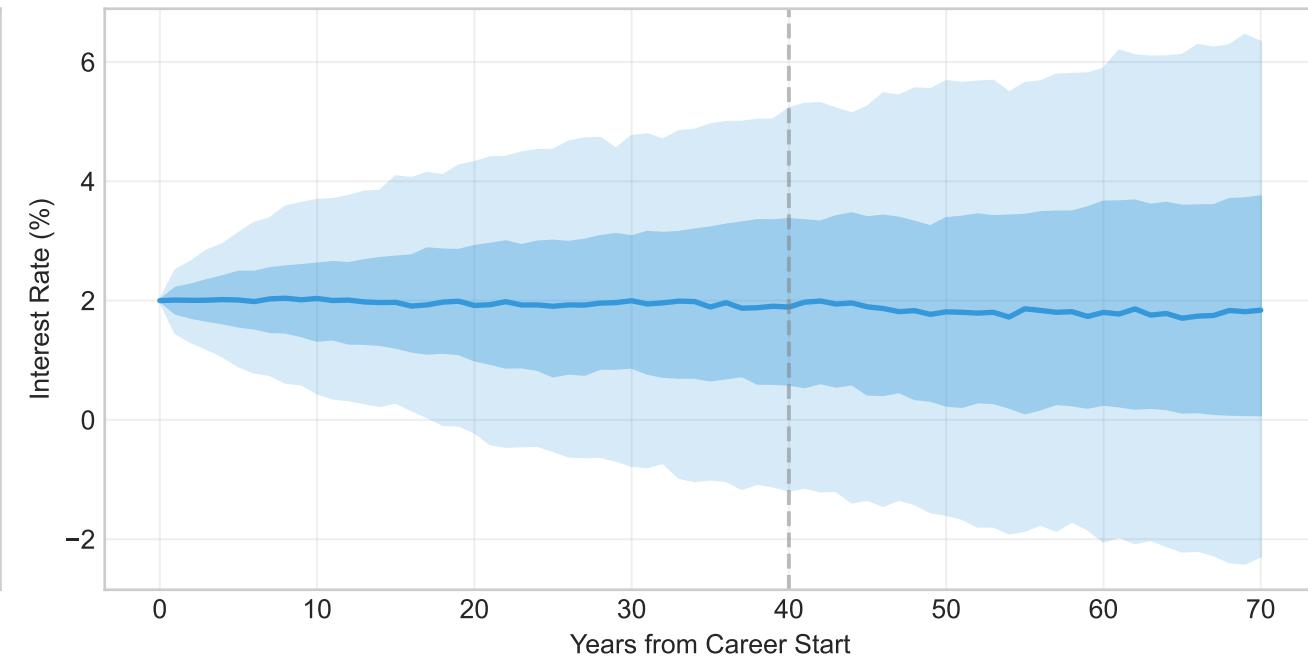


Sequence-of-Returns Risk ($\beta=0.3$)
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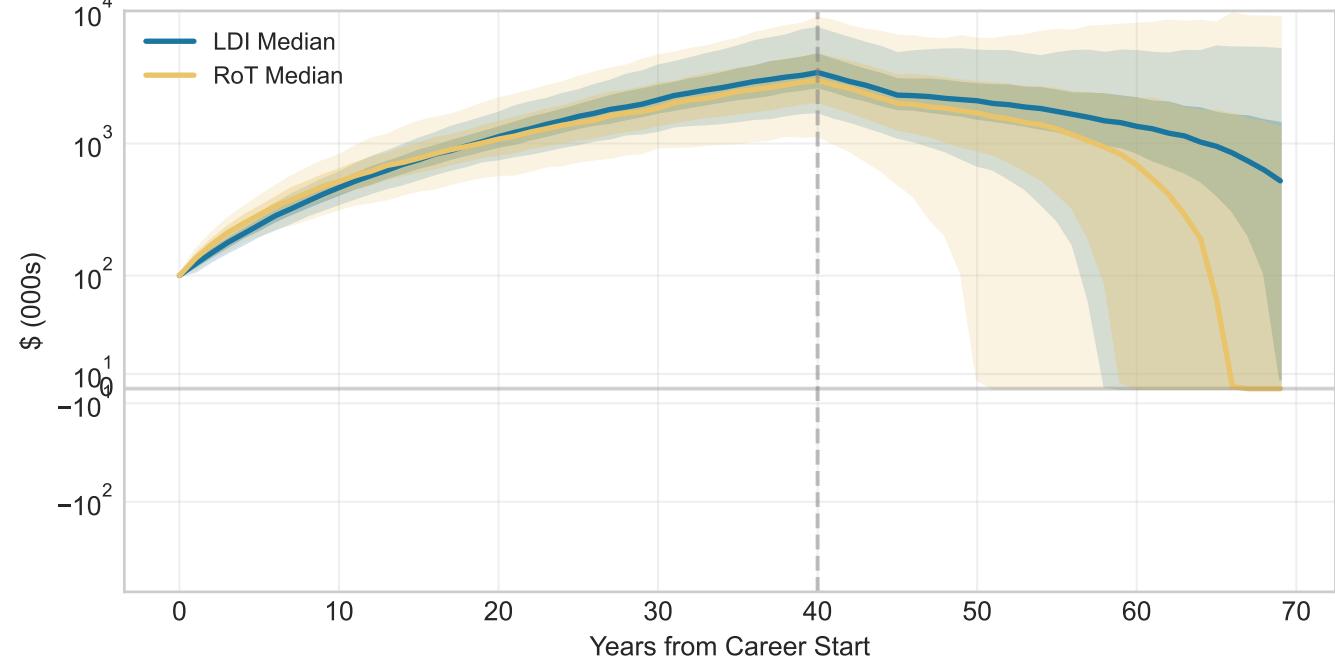
Cumulative Stock Market Returns



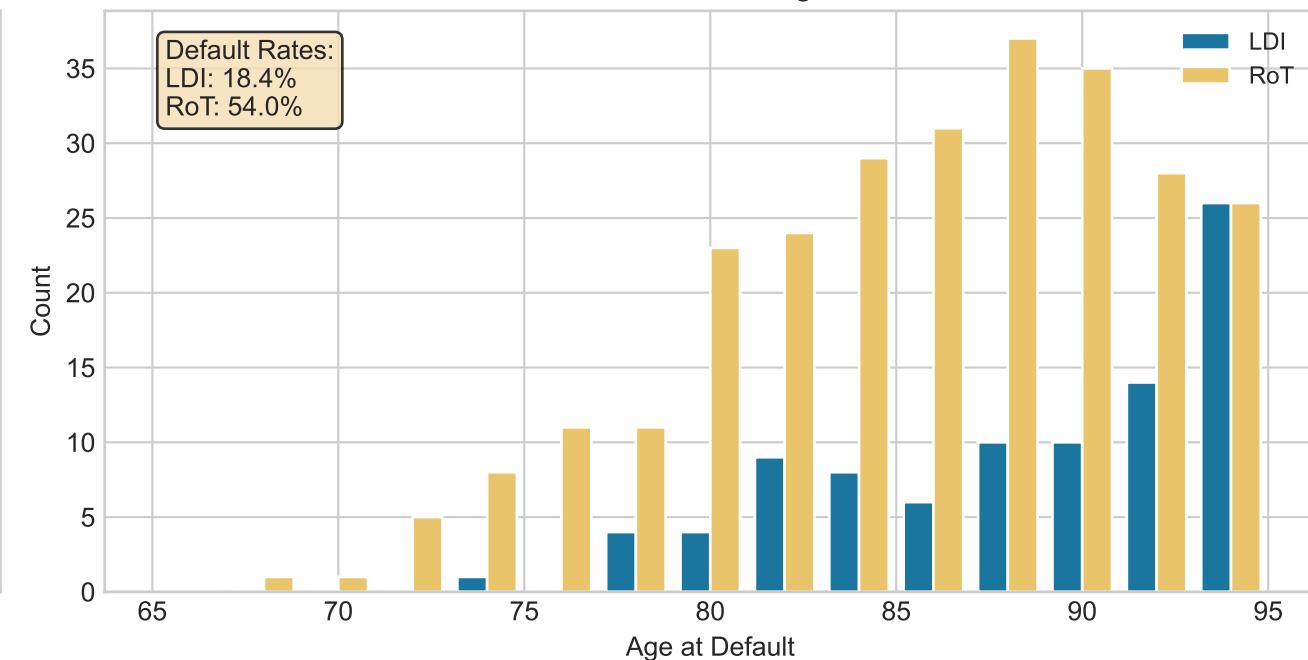
Interest Rate Paths



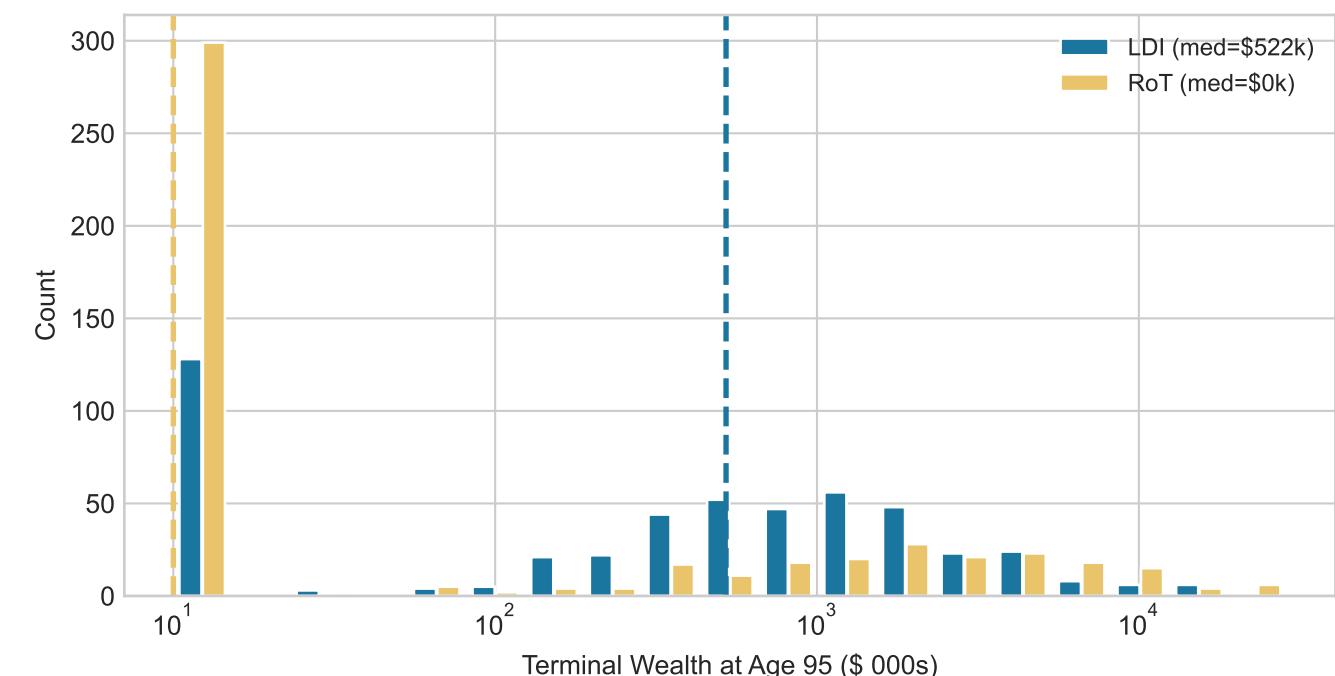
Financial Wealth



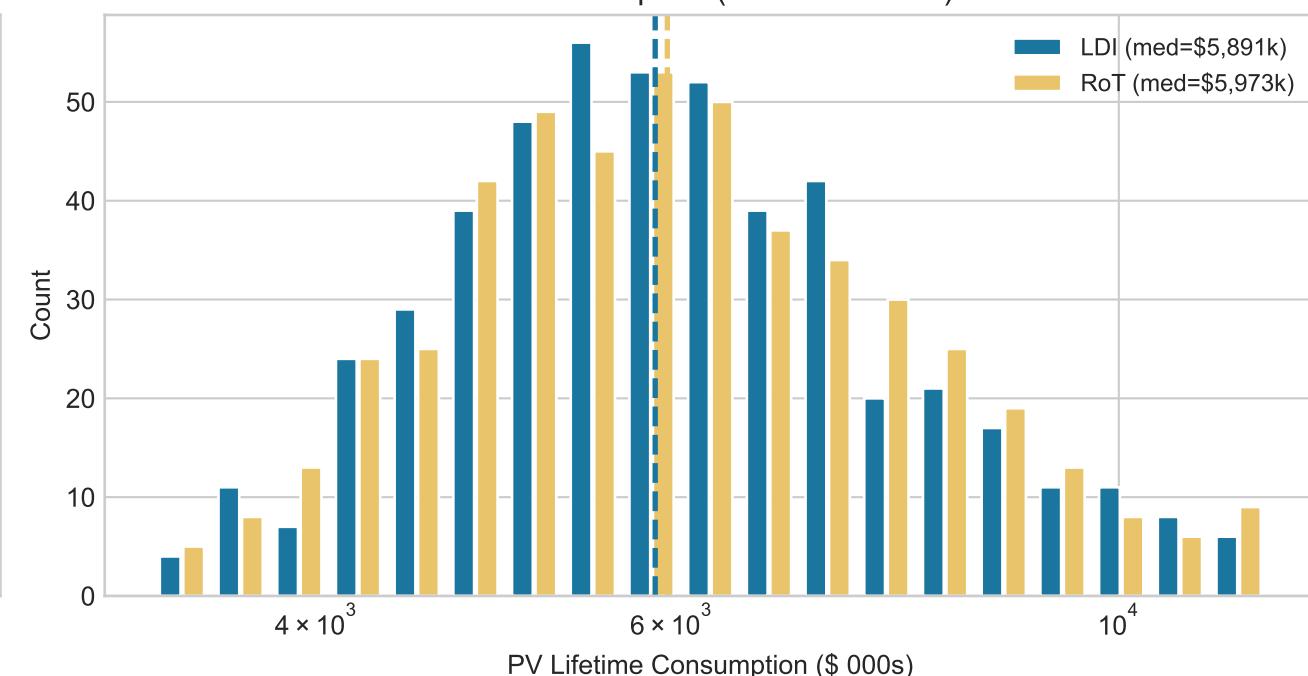
Default Timing



Terminal Wealth Distribution

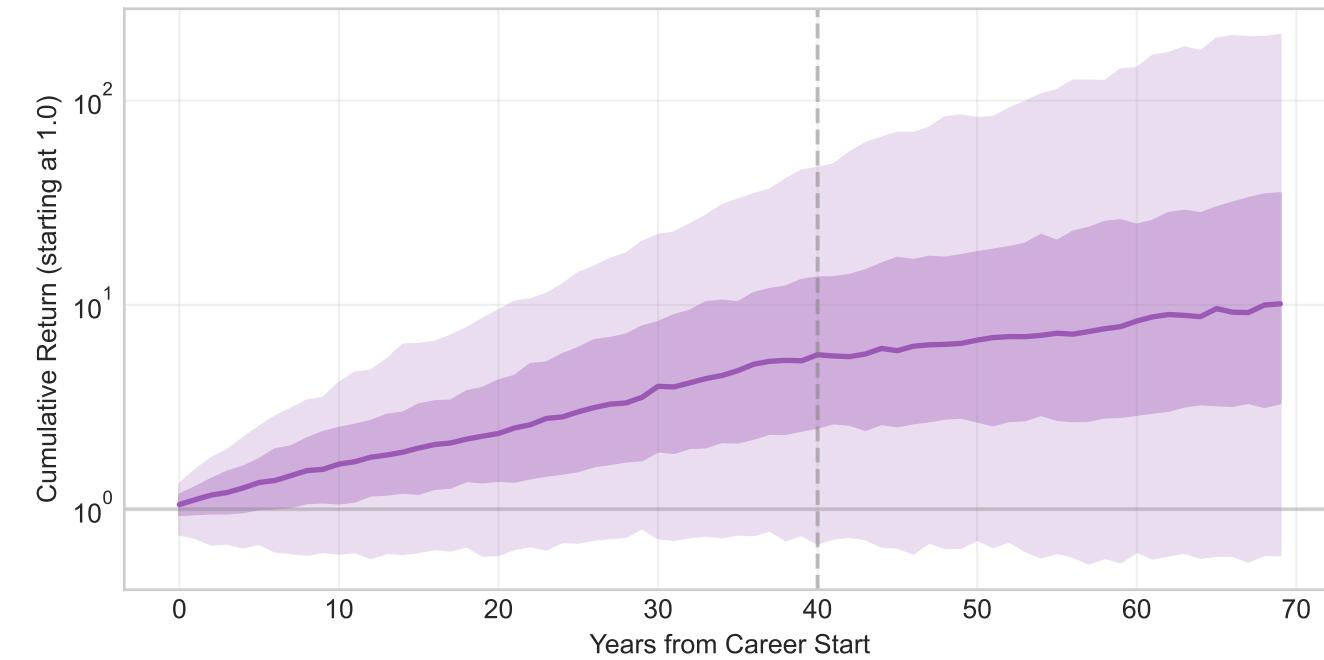


PV Consumption (Realized Rates)

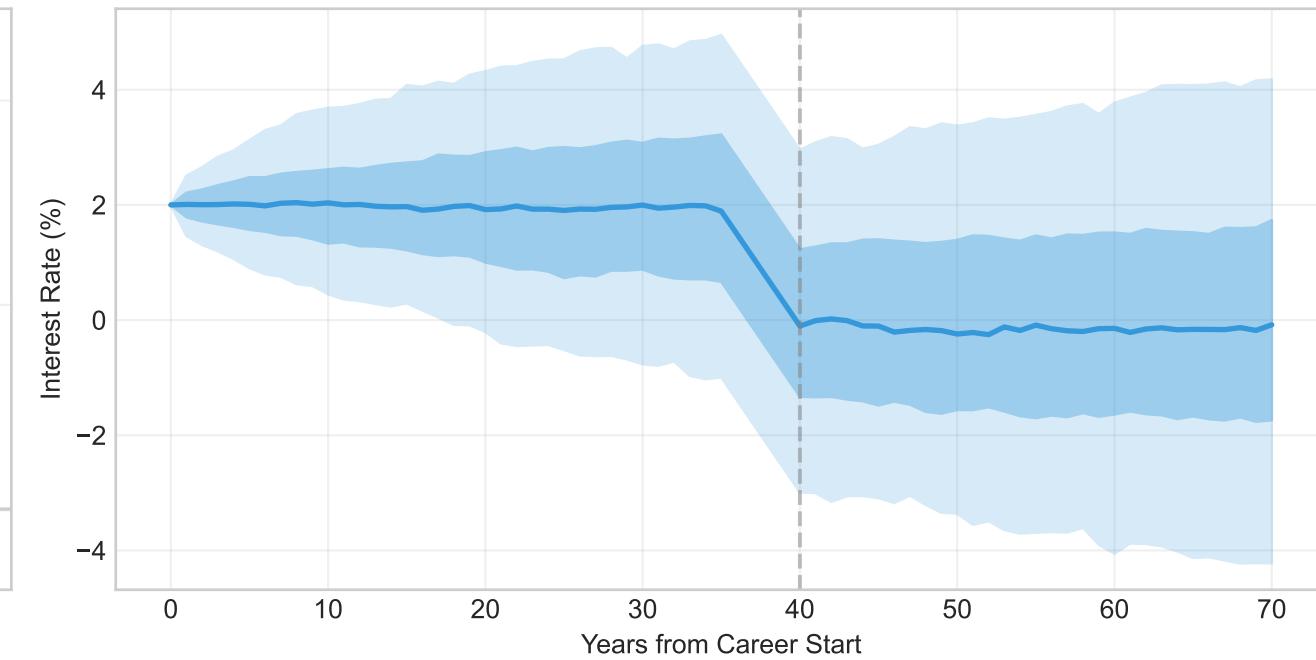


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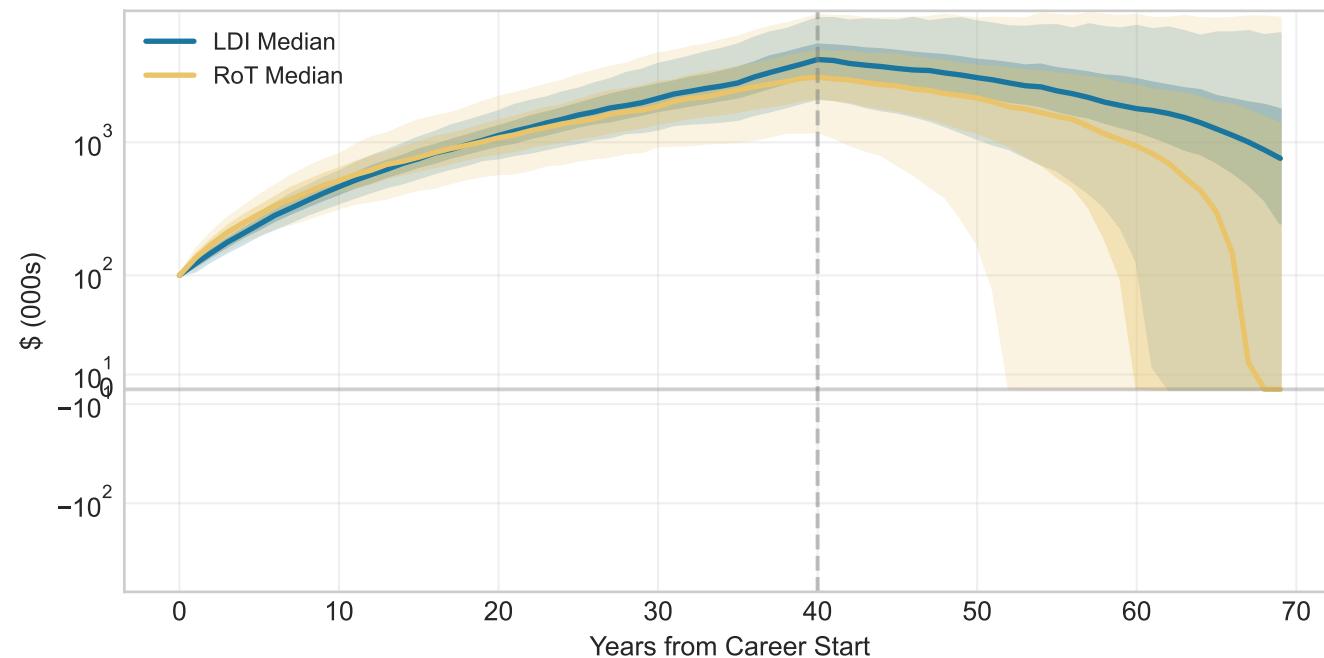
Cumulative Stock Market Returns



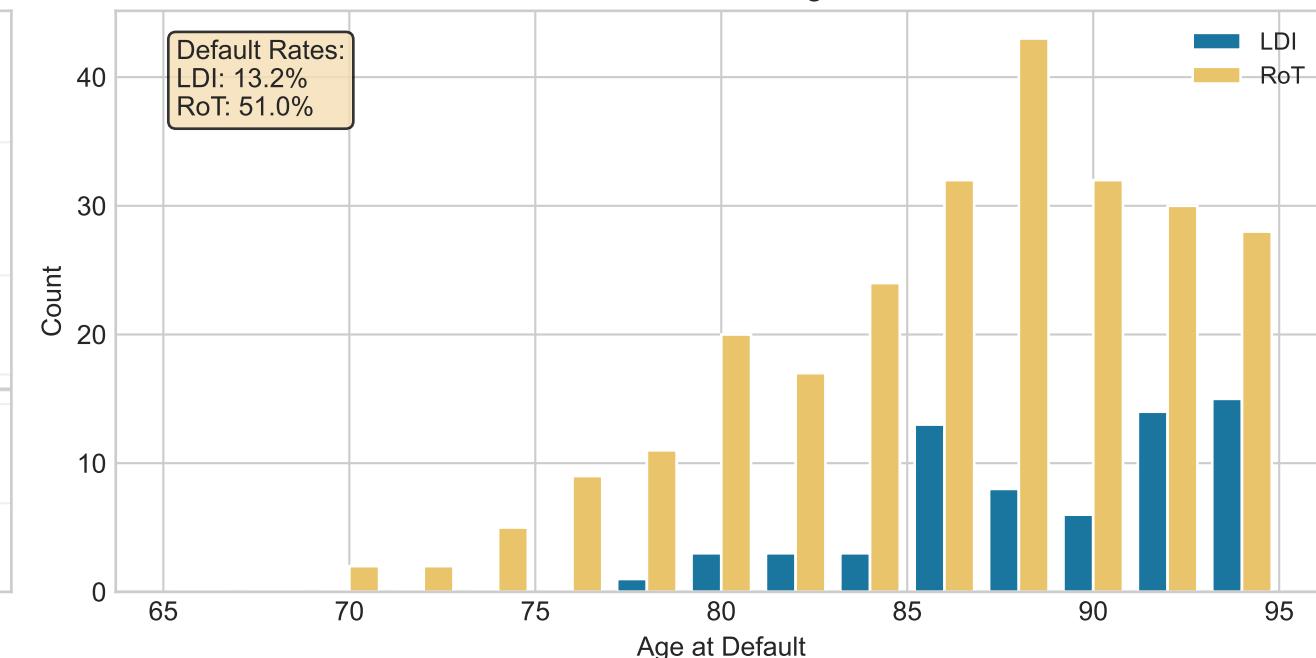
Interest Rate Paths



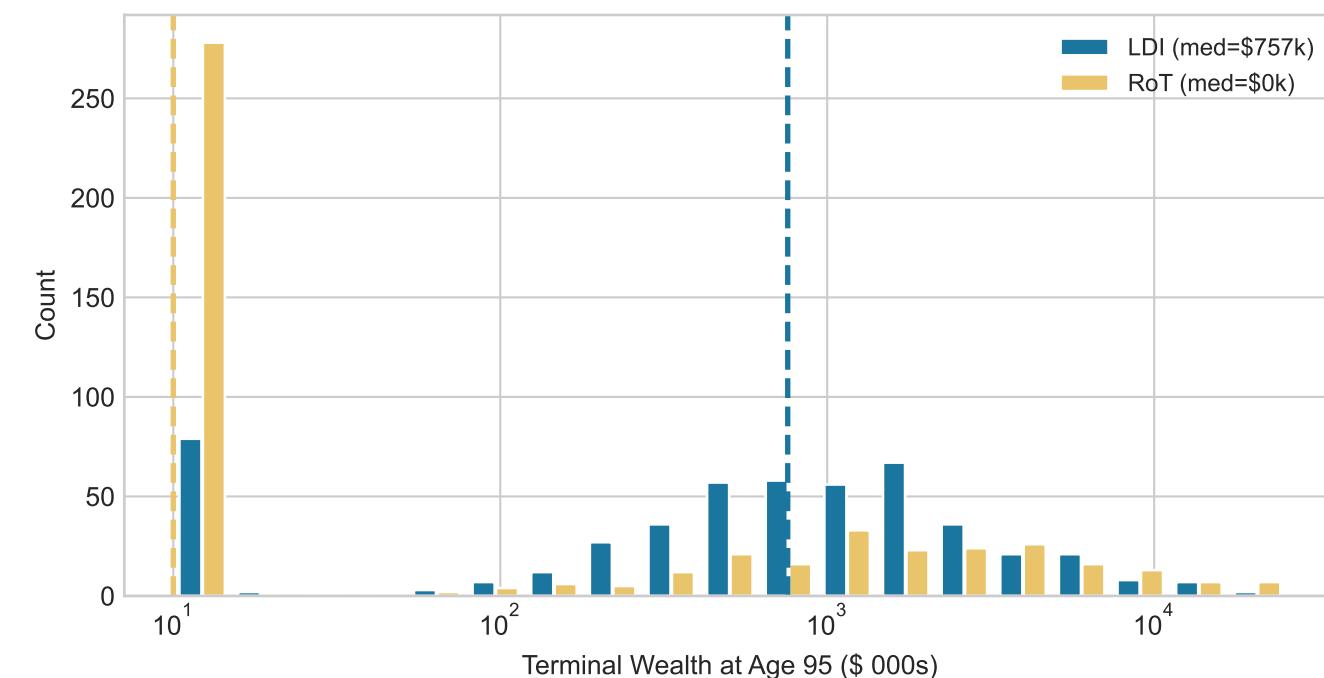
Financial Wealth



Default Timing



Terminal Wealth Distribution



PV Consumption (Realized Rates)

