| Table 2: | Comparison—Annuitize All Funds Available and Dispense with TIPS Hedge | | | | | | | |

Hedged Combination					Over-Annuitize	Cumulative		Hedged Advantage
Weighted SPIA Component	Shortfall Made Up from TIPS	TIPS Nominal Balance	Age	Survival Weights	Weighted Payments	Over-Annuitize Strategy	Hedged Combination	Net, After TIPS Balance
$10,000	$300	$61,534	75	1	$14,756			
$10,000	$609	$64,002	76	1	$14,756			
$10,000	$927	$66,275	77	1	$14,756			
$10,000	$1,255	$68,333	78	1	$14,756			
$10,000	$1,593	$70,157	79	1	$14,756			
$10,000	$1,941	$71,725	80	1	$14,756			
$10,000	$2,299	$73,012	81	1	$14,756			
$10,000	$2,668	$73,995	82	1	$14,756			
$10,000	$3,048	$74,647	83	1	$14,756			
$10,000	$3,439	$74,940	84	1	$14,756	$147,558	$118,078	$45,460
$9,241	$3,842	$74,845	85	92.40%	$13,635			
$8,997	$4,258	$74,330	86	90.00%	$13,276			
$8,699	$4,685	$73,361	87	87.00%	$12,836			
$8,341	$5,126	$71,903	88	83.40%	$12,308			
$7,921	$5,580	$69,918	89	79.20%	$11,688			
$7,438	$6,047	$67,367	90	74.40%	$10,976			
$6,898	$6,528	$64,207	91	69.00%	$10,178			
$6,308	$7,024	$60,393	92	63.10%	$9,308			
$5,680	$7,535	$55,878	93	56.80%	$8,381			
$5,026	$8,061	$50,610	94	50.30%	$7,416	$257,559	$251,312	$44,364
$4,362	$8,603	$44,538	95	43.60%	$6,436			
$3,700	$9,161	$37,604	96	37.00%	$5,460			
$3,072	$9,736	$29,748	97	30.70%	$4,533			
$2,489	$10,328	$20,908	98	24.90%	$3,673			
$1,965	$10,938	$11,015	99	19.70%	$2,900			
$1,509	$11,566	$0	100	15.10%	$2,227	$282,787	$328,741	$45,954
$1,127			101	11.30%	$1,663			
$816			102	8.20%	$1,204			
$574			103	5.70%	$846			
$391			104	3.90%	$576	$287,077	$331,648	$44,572
$630			105–109	2.6% → 0.4%	$929			
$57			110–114	0.2% → 0.03%	$84	$288,090	$332,335	$44,245

Note: All values in this table are nominal dollars. For this comparison, both the SPIA component of the hedged strategy from Table 1 and the all-annuitized SPIA are survival-weighted. The weights are the probability that one member of a 74-year-old couple is still alive at that age. The shortfall amounts are per Table 1 and assume a $10,000 SPIA payment throughout, as there. The TIPS nominal balance is from the Table 1 computation, initially $58,890; this table shows the time course of that balance as it is drawn down to make up the shortfalls and top off the SPIA, reaching zero at age 100, as designed. The cumulative columns show the total nominal income received for each alternative, beginning at the end of the guarantee period (for the hedged combination, the left two columns are summed). The rightmost column adds the TIPS balance to the cumulative income stream from the hedged combination to test for any advantage. Table truncated after age 104 in view of the small probabilities of survival after that age.