The Lifetime Income Strategy is an innovative approach to help Savings Plan participants establish and preserve secure lifetime retirement income. It’s designed to protect participants from the risk of outliving their money and the impact of market volatility on retirement income, while providing the opportunity for investment growth.

The Lifetime Income Strategy provides many of the same advantages as UTC’s professionally managed Target Retirement Funds and, in addition, has an insurance component that will provide a set income amount, or Income Benefit. This Income Benefit will last throughout your retirement regardless of market or economic conditions, similar to monthly payments you receive through a traditional pension plan but with more flexibility, which allows you to maintain control of your retirement assets.

The Lifetime Income Strategy has three phases, based on your age.

1. **Prior to age 48**, the money in your Lifetime Income Strategy is invested in a portfolio that includes a diversified mix of stocks and bonds appropriate for your age. AllianceBernstein, the asset allocation manager, automatically adjusts your portfolio for you, so your investment mix makes sense for your age. As you move closer to retirement, the portfolio allocation adjusts to manage your investment risk.

2. **At age 48**, if you are a participant in the UTC Savings Plan and have a balance in the Lifetime Income Strategy, a portion of your assets will secure your insured Income Benefit and then gradually increase over time to include your entire Lifetime Income Strategy balance at age 60. In this way, your insured Income Benefit grows as you age. Any decreases in your Lifetime Income Strategy market value due to investment performance will not reduce your Income Benefit. In other words, your future retirement income is protected from falling markets even before you retire.

3. **At age 60**, your entire Lifetime Income Strategy balance is used to secure your insured Income Benefit, which you can continue to build by making contributions and/or transfers-in. While you can Activate your Income Benefit as early as age 60 (only if you are retired), it is important to be aware that your Income Benefit has been calculated as an age 65 Single Life Income Benefit. When you Activate your Income Benefit, it will be adjusted to reflect actual age and form of payment (Single Life or Joint Life) you select.

You still need to take an active role in your retirement planning. The Lifetime Income Strategy offers a secure, flexible and cost-effective way to establish and grow your future retirement income through a professionally-managed option. It’s still your responsibility to save money and build retirement security over time.