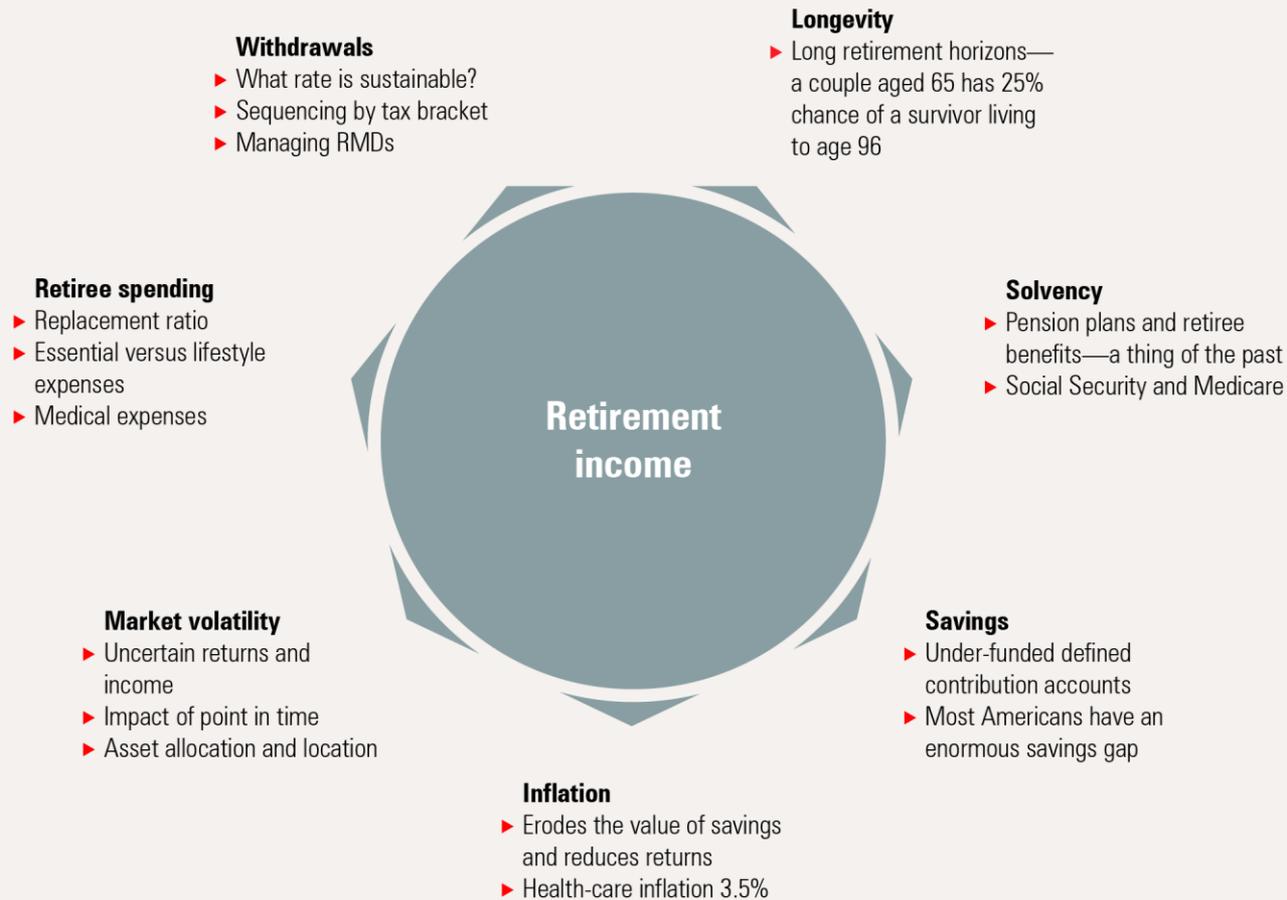

Retirement Income

Atlantic Retirement & Wealth Advisors LLC

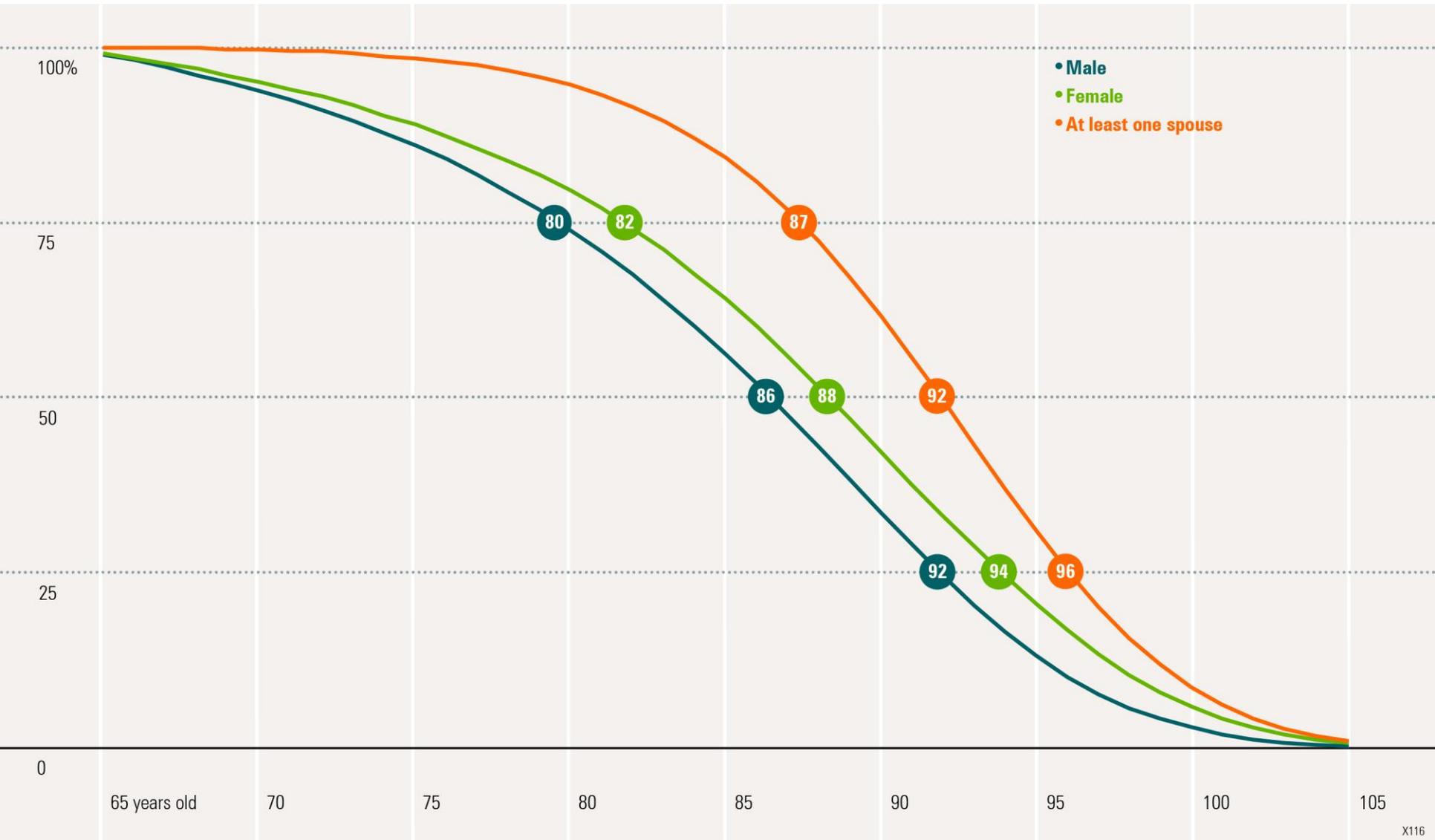
Custom Wealth Navigation
877-334-7974

Retirees Face Numerous Risks



Retirees Should Plan for a Long Retirement

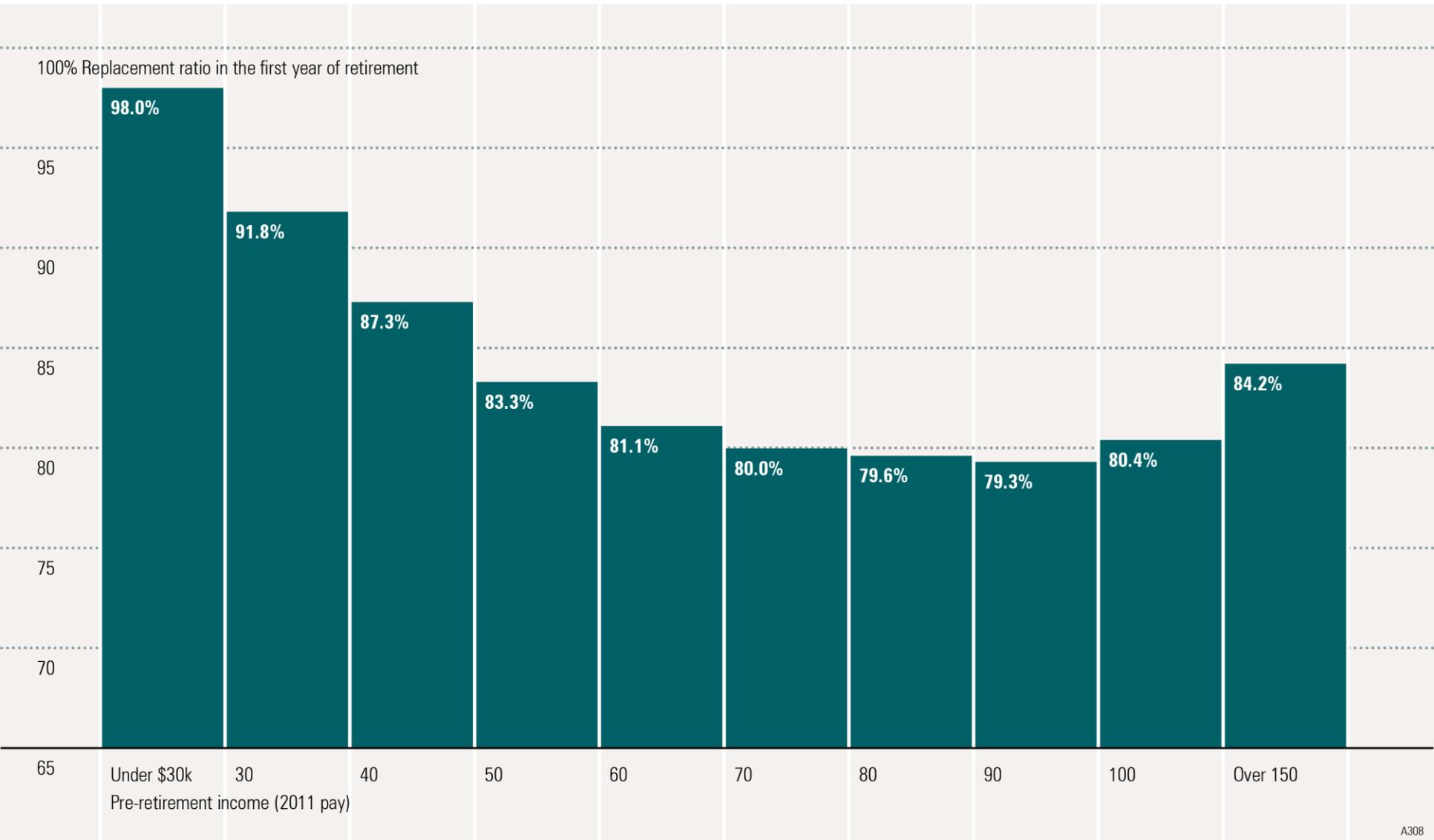
Probability of a 65-year-old living to various ages



Source: 2012 Individual Annuity Mortality Basic Tables, Society of Actuaries. © Morningstar. All Rights Reserved.

Retirees Need to Replace a Significant Amount of Income in Retirement

Replacement ratios at various pre-retirement income levels

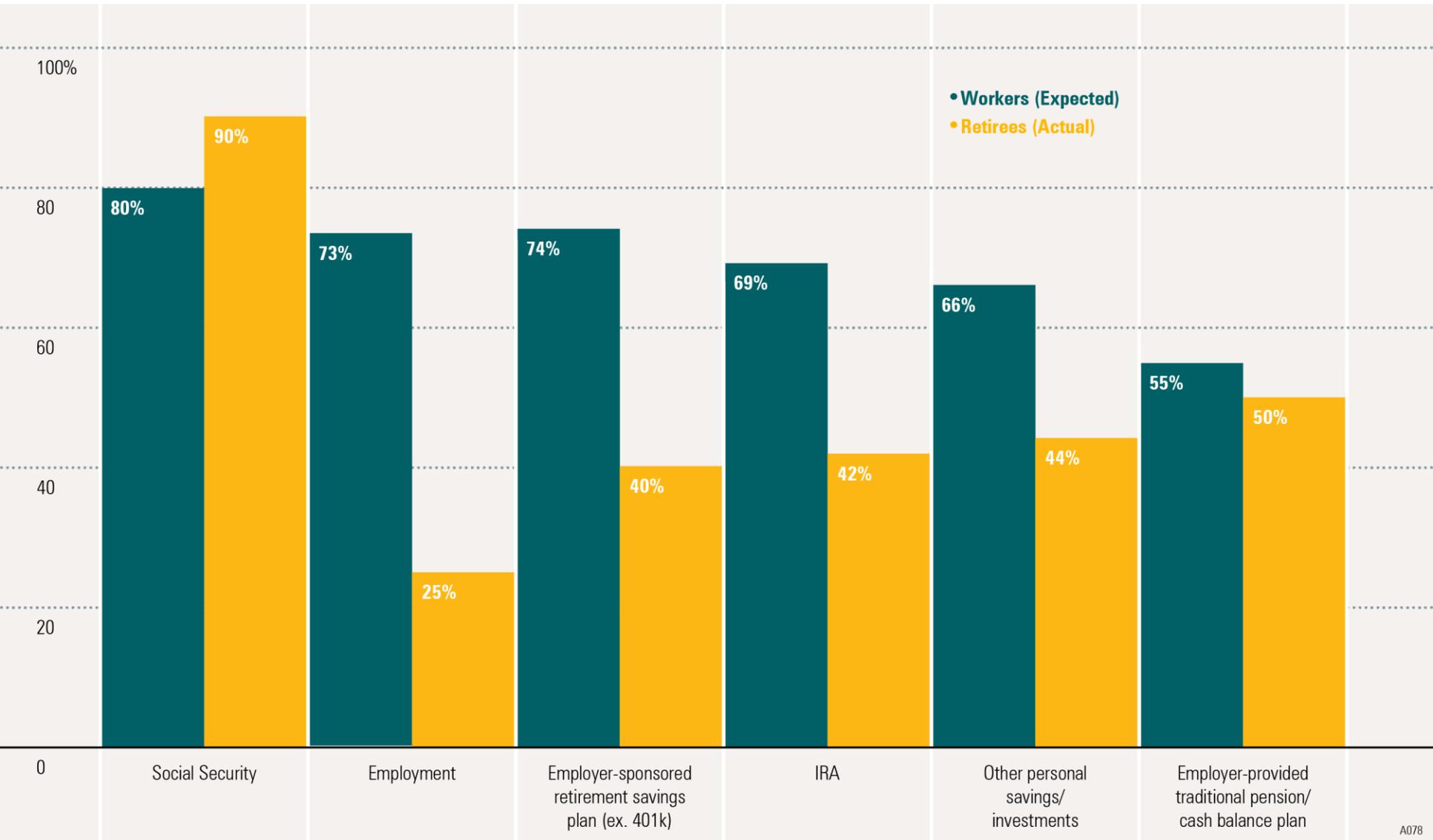


Data is from Aon Hewitt's "The Real Deal: 2012 Retirement Income Adequacy at Large Companies" study. © Morningstar. All Rights Reserved.



Personal Savings Expected to Play a Larger Role in Retirement

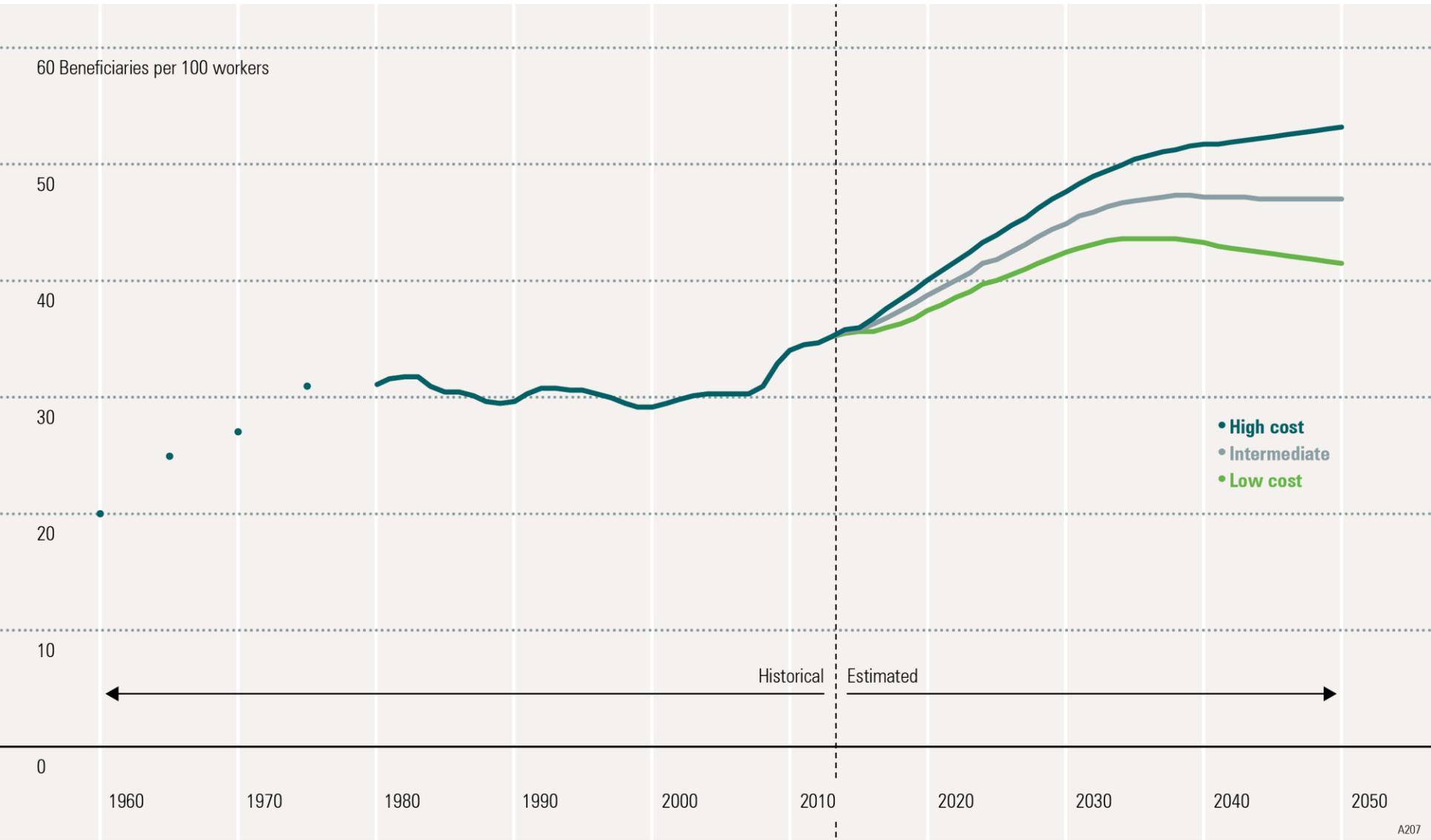
Survey of retirement income sources



Source: Employee Benefit Research Institute, 2015 Retirement Confidence Survey. © Morningstar. All Rights Reserved.

Social Security is Under Strain

Number of beneficiaries per 100 covered workers

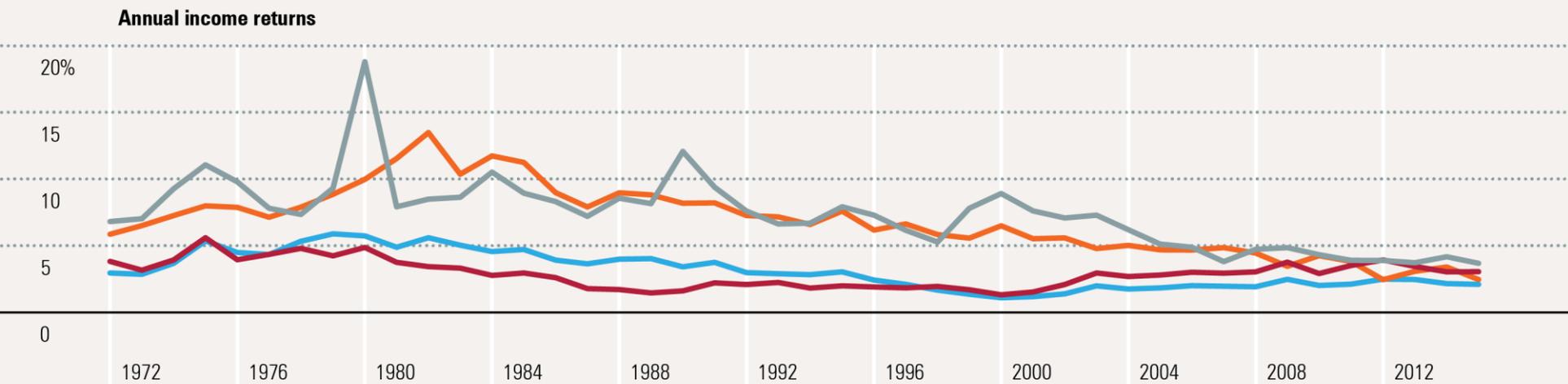
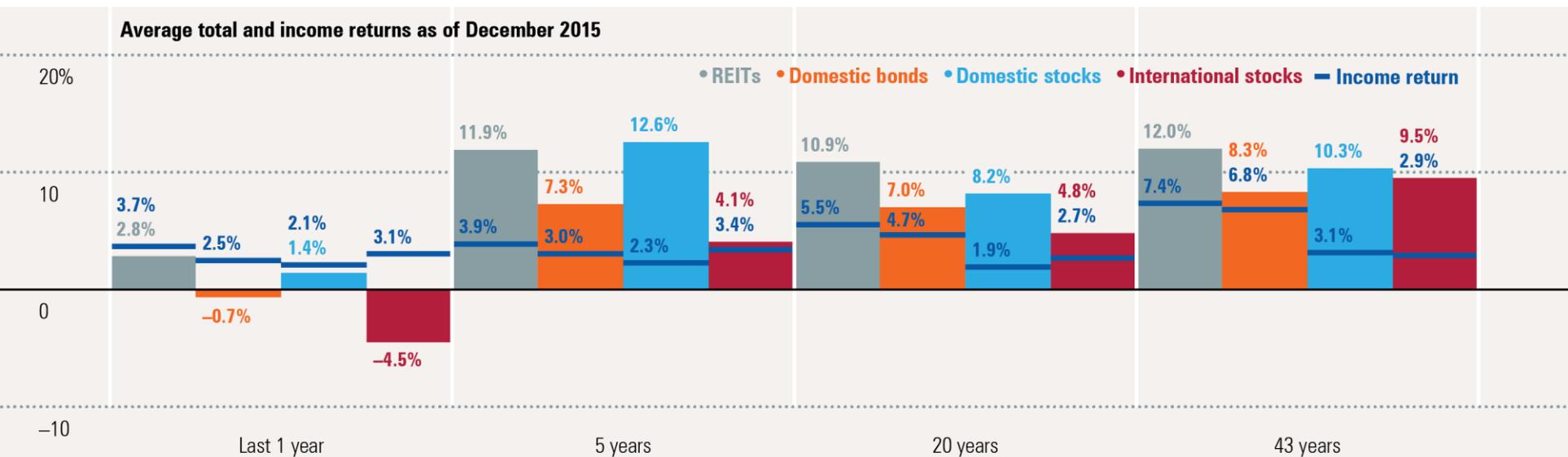


Low-cost—assumes relatively rapid economic growth, low inflation, and favorable (from the standpoint of program financing) demographic and program-specific conditions; Intermediate—represents the Trustees' best estimates of likely future demographic, economic, and program-specific conditions; High-cost—assumes relatively slow economic growth, high inflation, and unfavorable demographic and program-specific conditions.

© Morningstar. All Rights Reserved.

Income Return in Retirement

January 1972–December 2015

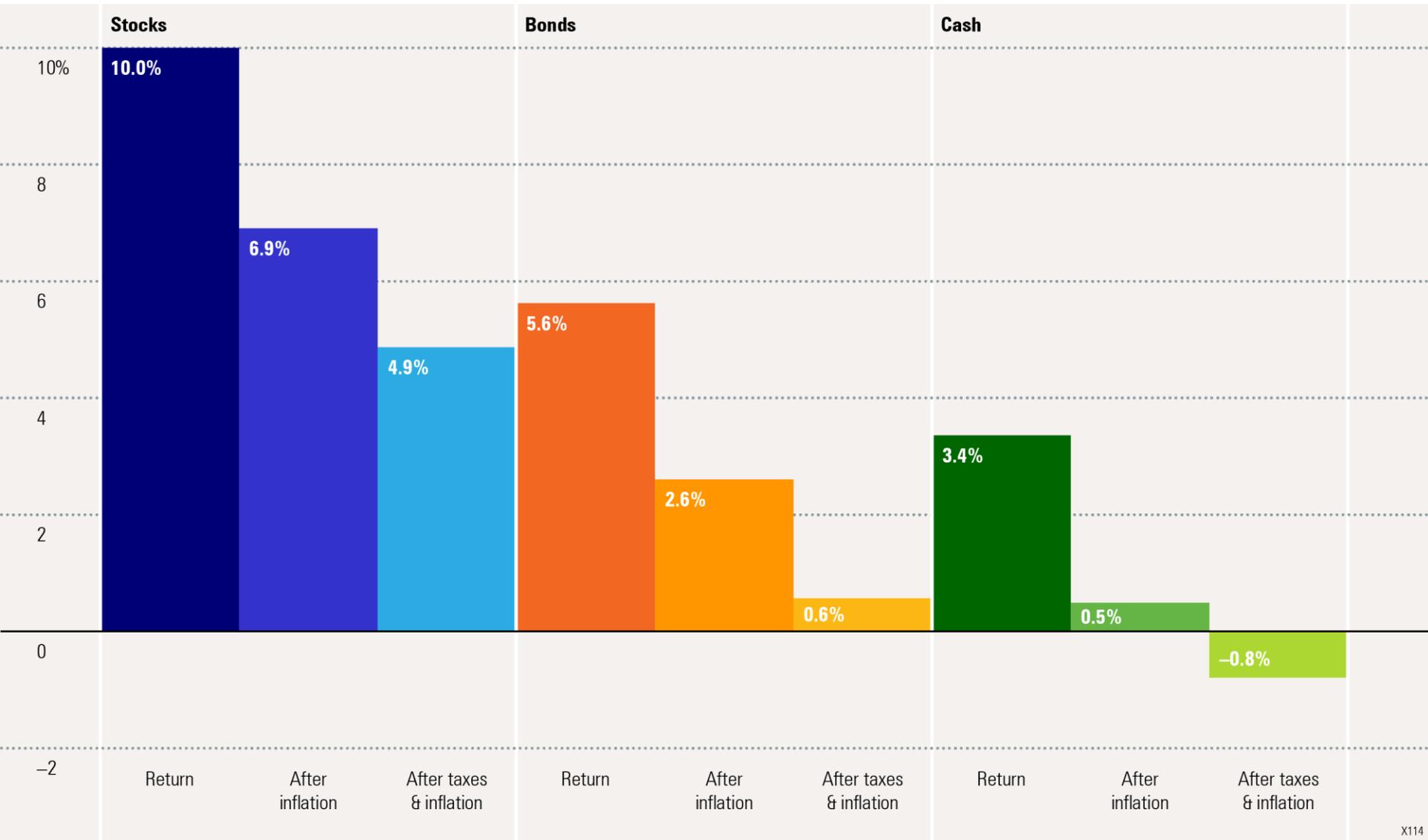


Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



Inflation and Taxes Reduce Returns

Compound annual returns 1926–2015

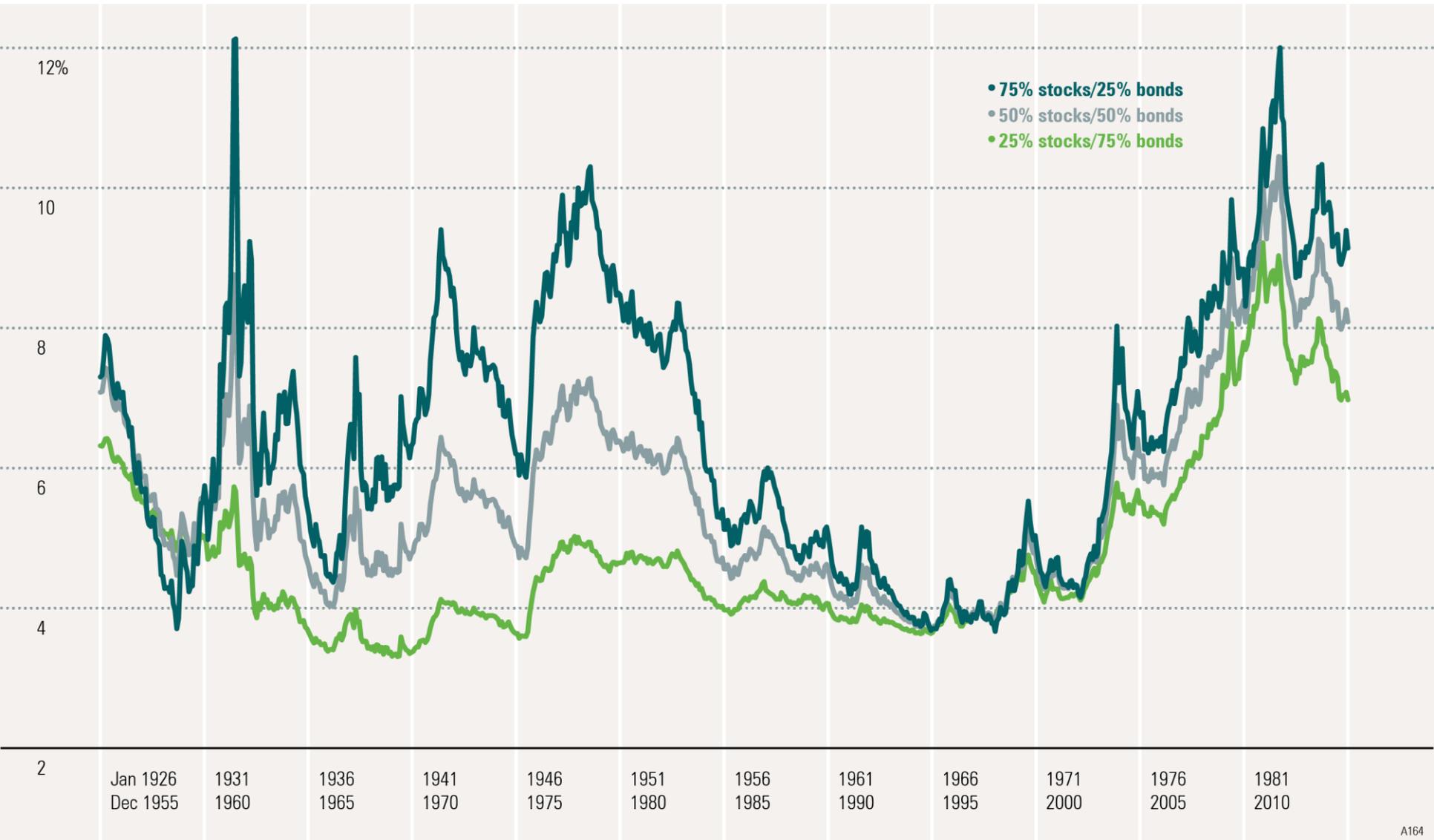


Past performance is no guarantee of future results. Assumes reinvestment of income and no transaction costs. Inflation rate over the time period 1926–2015 was 2.9%. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



Sustainable Withdrawal Rates Vary Over Time

Rolling 30-year periods 1926–2015

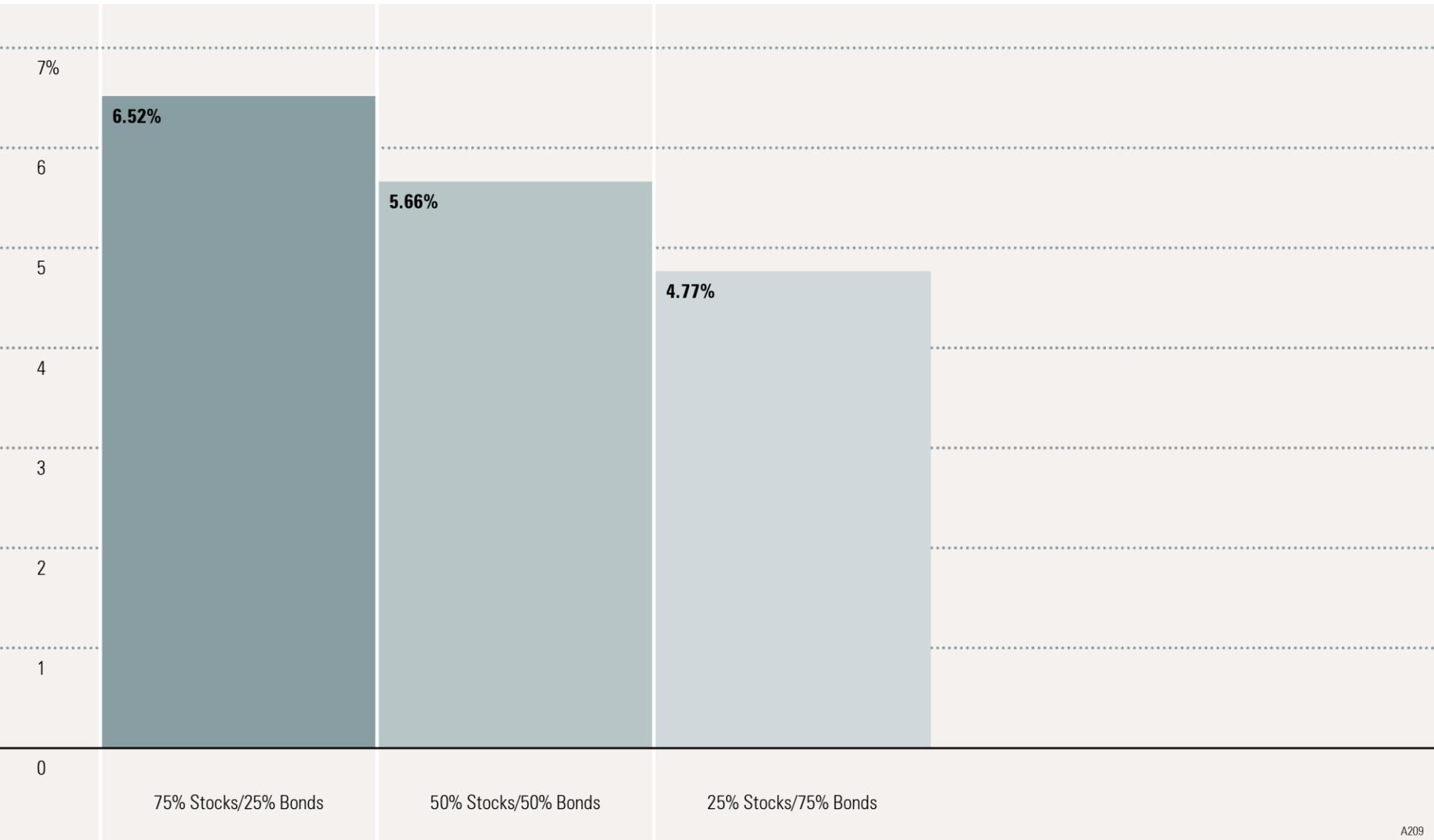


Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



Withdrawal Rate You Can Sustain May Be Lower Than You Think

Average: 1926–2015

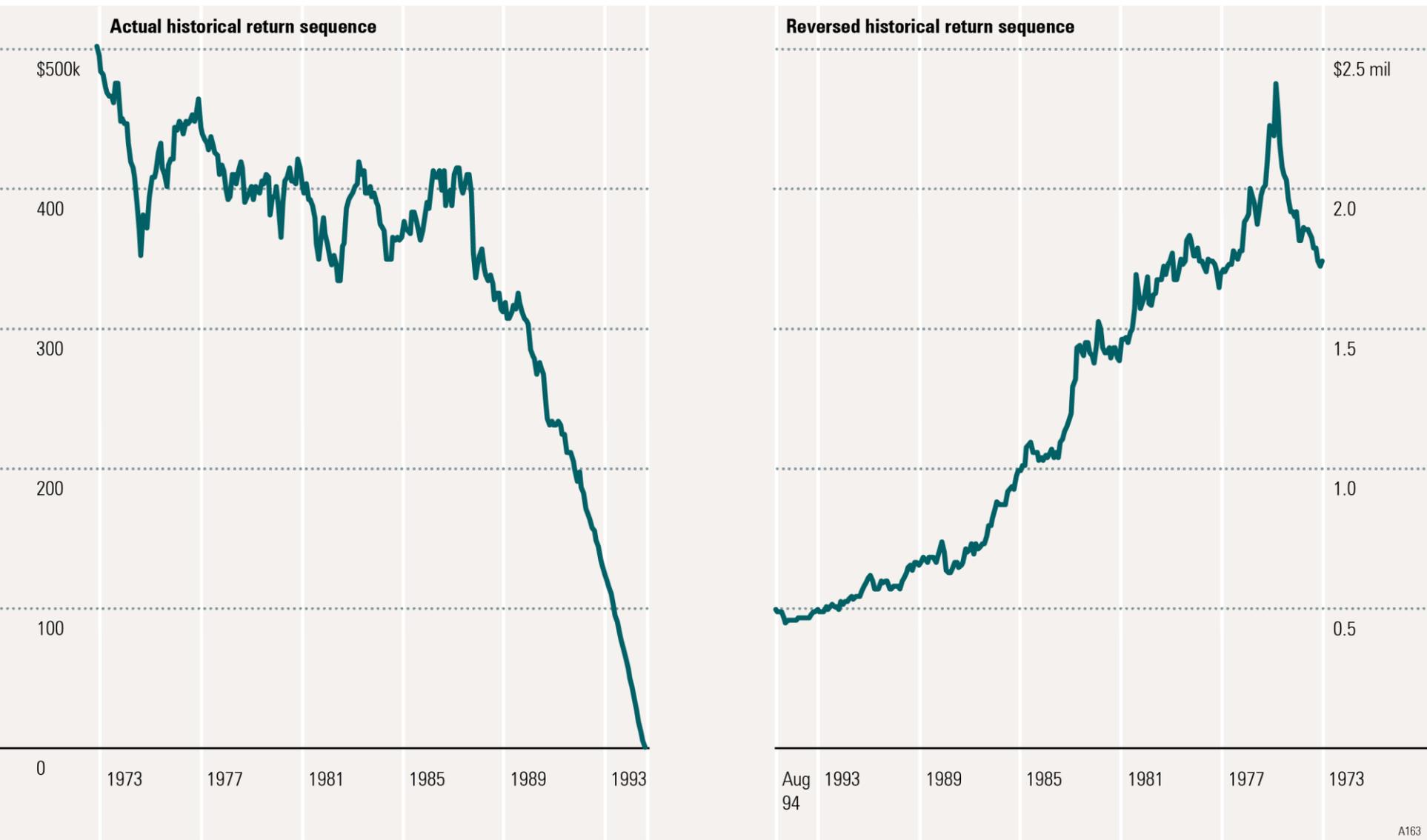


Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



The Sequence of Returns Can Significantly Affect Your Retirement

Sequence of returns matters



Past performance is no guarantee of future results. Hypothetical value of \$500,000 invested at the beginning of 1973 and August 1994. Assumes inflation-adjusted withdrawal rate of 5%. Portfolio: 50% large-company stocks/50% intermediate-term bonds. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



Discussion of Simulation Criteria and Methodology

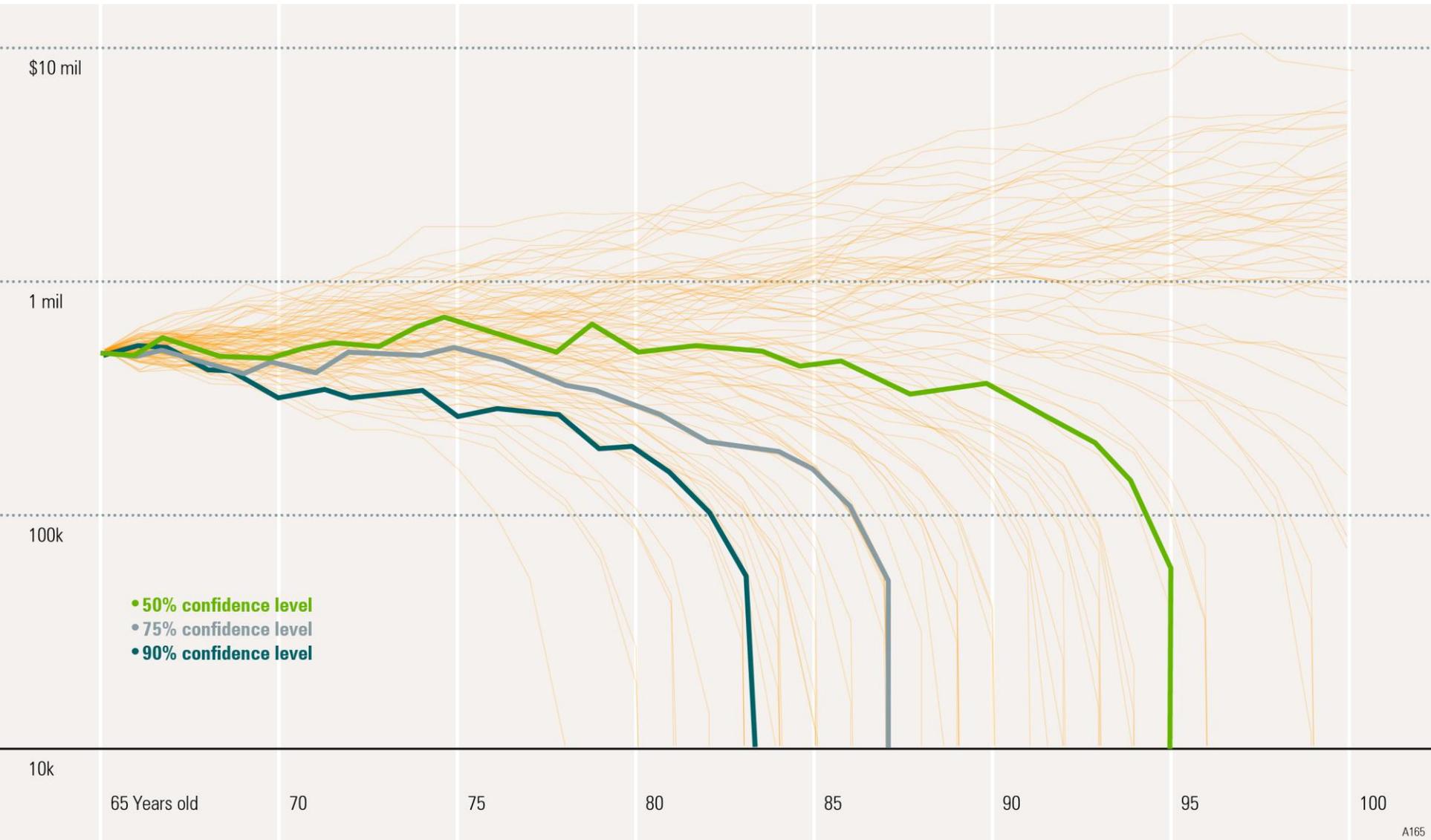
- ▶ Many of the following images were created using Monte Carlo parametric simulation. This model estimates the range of possible outcomes based on a set of assumptions including arithmetic mean (return), standard deviation (risk), and correlation for a set of asset classes. The inputs used herein are hypothetical, based on historical long-term figures. The hypothetical risk and return of each asset class, cross-correlation, and annual average inflation follow. Stocks: risk 20.2%, return 12.1%; Bonds: risk 5.7%, return 5.4%; Correlation 0.00; Inflation: 3.0%.
- ▶ Note that other investments not considered may have characteristics similar or superior to those being analyzed. Each simulation produces 35 randomly selected return estimates consistent with the characteristics of the portfolio to estimate the return distribution over a 35-year period. Each simulation is run 5,000 times, to give 5,000 possible 35-year scenarios. A limitation of the simulation model is that it assumes the distribution of returns is normal. Should actual returns not follow this pattern, results may vary.

Interpreting Confidence Levels in Simulation

Confidence level	Chance of exceeding	Chance of falling short
50%	50%	50%
75%	75%	25%
90% (More conservative)	90%	10%

Simulation Can Illustrate the Probability of Achieving Outcomes

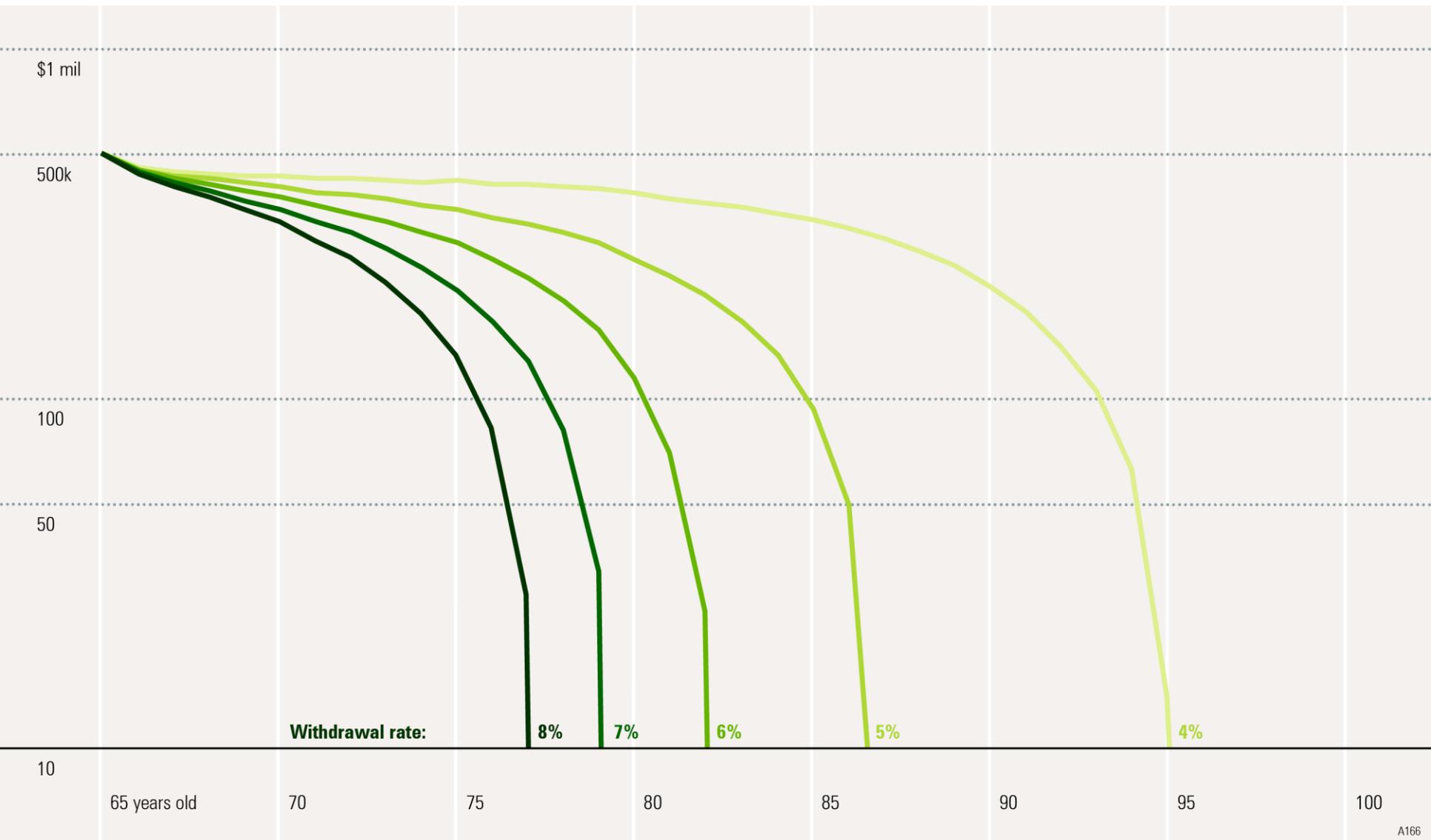
A visual interpretation of confidence levels in simulation



IMPORTANT: Projections generated by Morningstar regarding the likelihood of various investment outcomes using the Ibbotson Wealth Forecasting Engine are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary over time and with each simulation. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.

High Withdrawal Rates Will Quickly Deplete Your Assets

Simulated portfolio values (90% confidence level)

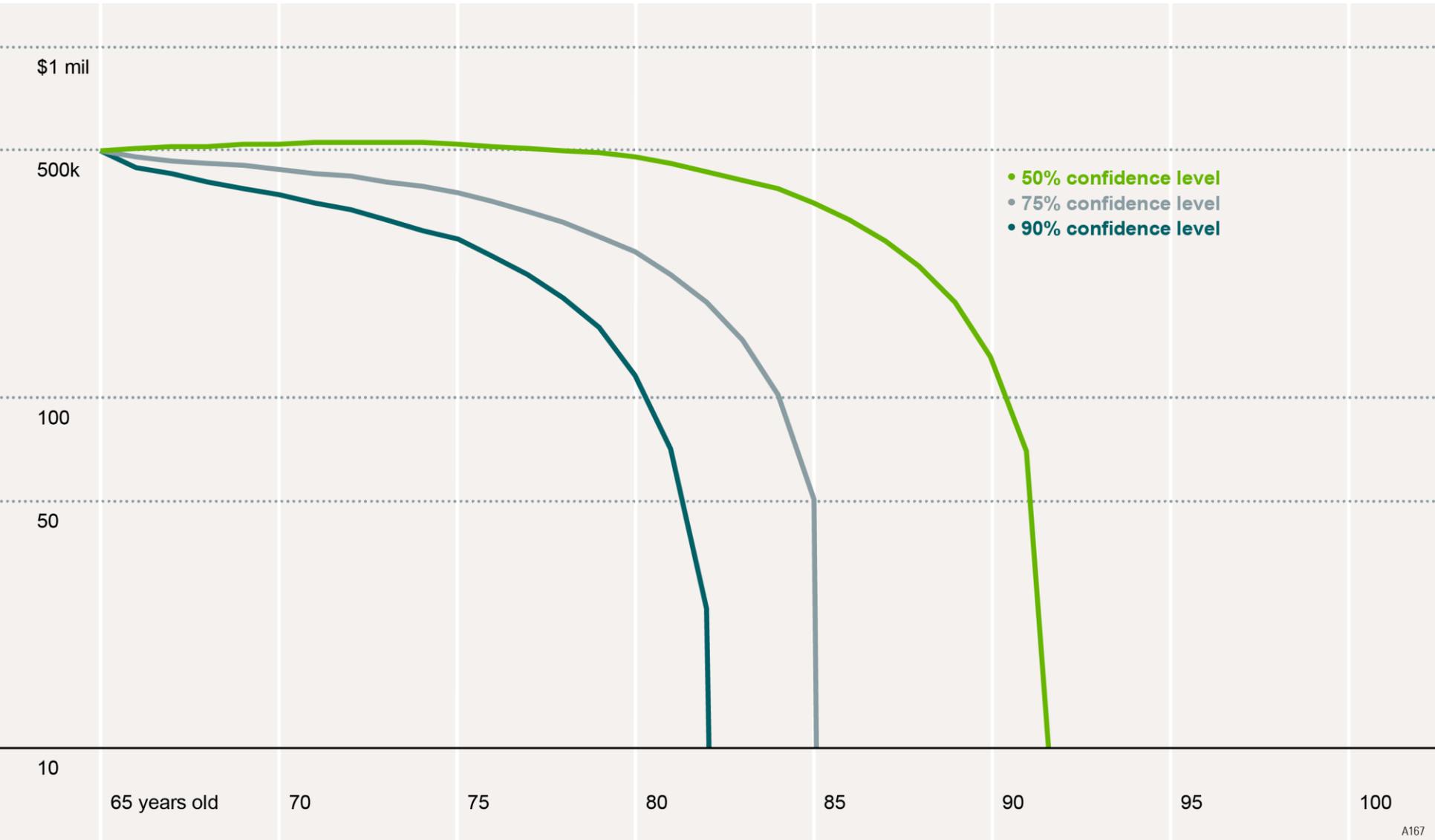


IMPORTANT: Projections generated by Morningstar regarding the likelihood of various investment outcomes using the Ibbotson Wealth Forecasting Engine are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary over time and with each simulation. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



Market Performance Affects Chance of Portfolio Shortfall

Six percent inflation-adjusted withdrawal at three confidence levels

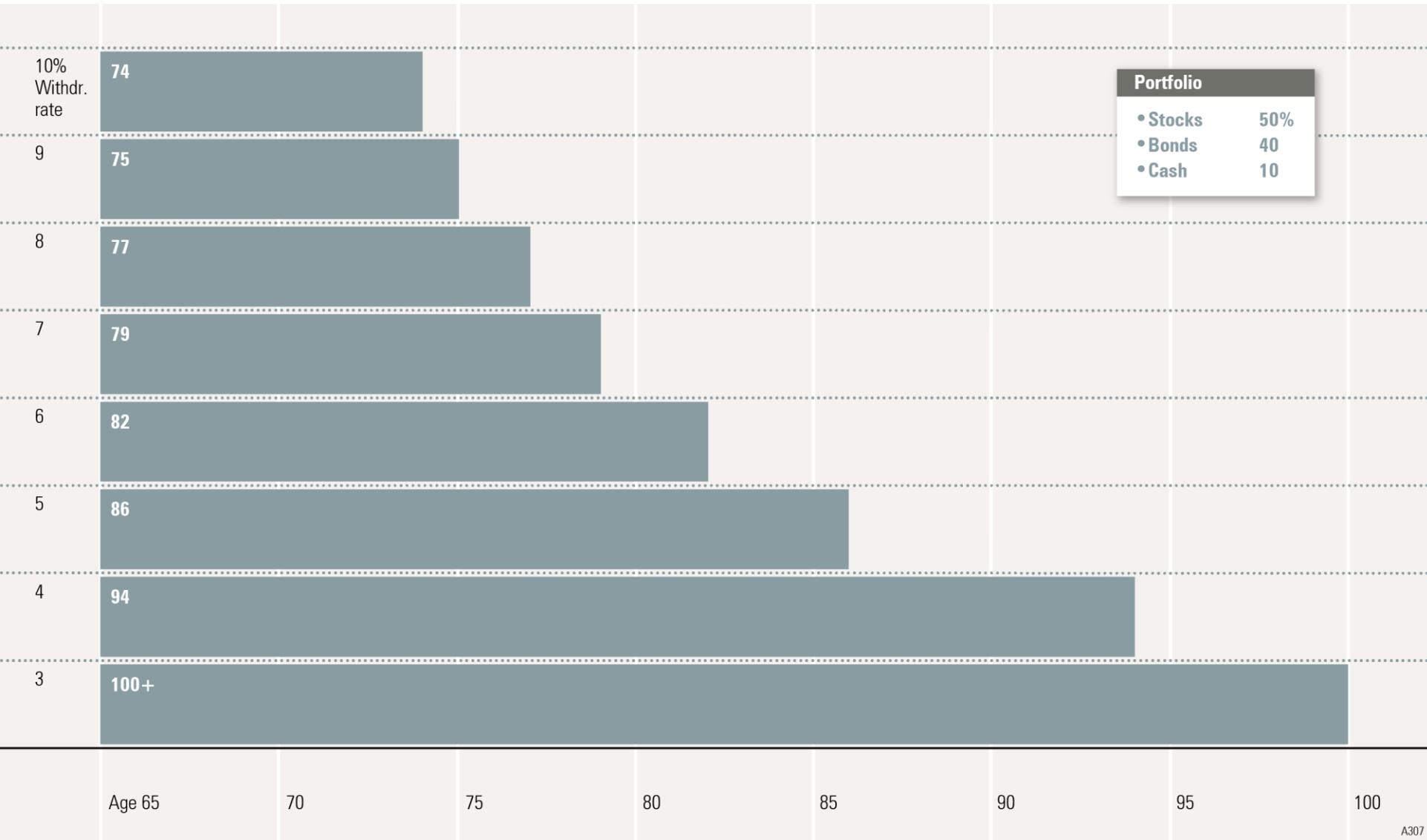


IMPORTANT: Projections generated by Morningstar regarding the likelihood of various investment outcomes using the Ibbotson Wealth Forecasting Engine are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary over time and with each simulation. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



Retirement Assets Deplete Faster with Higher Withdrawal Rates

Age to which a portfolio may last based on withdrawal rate (90% confidence level)

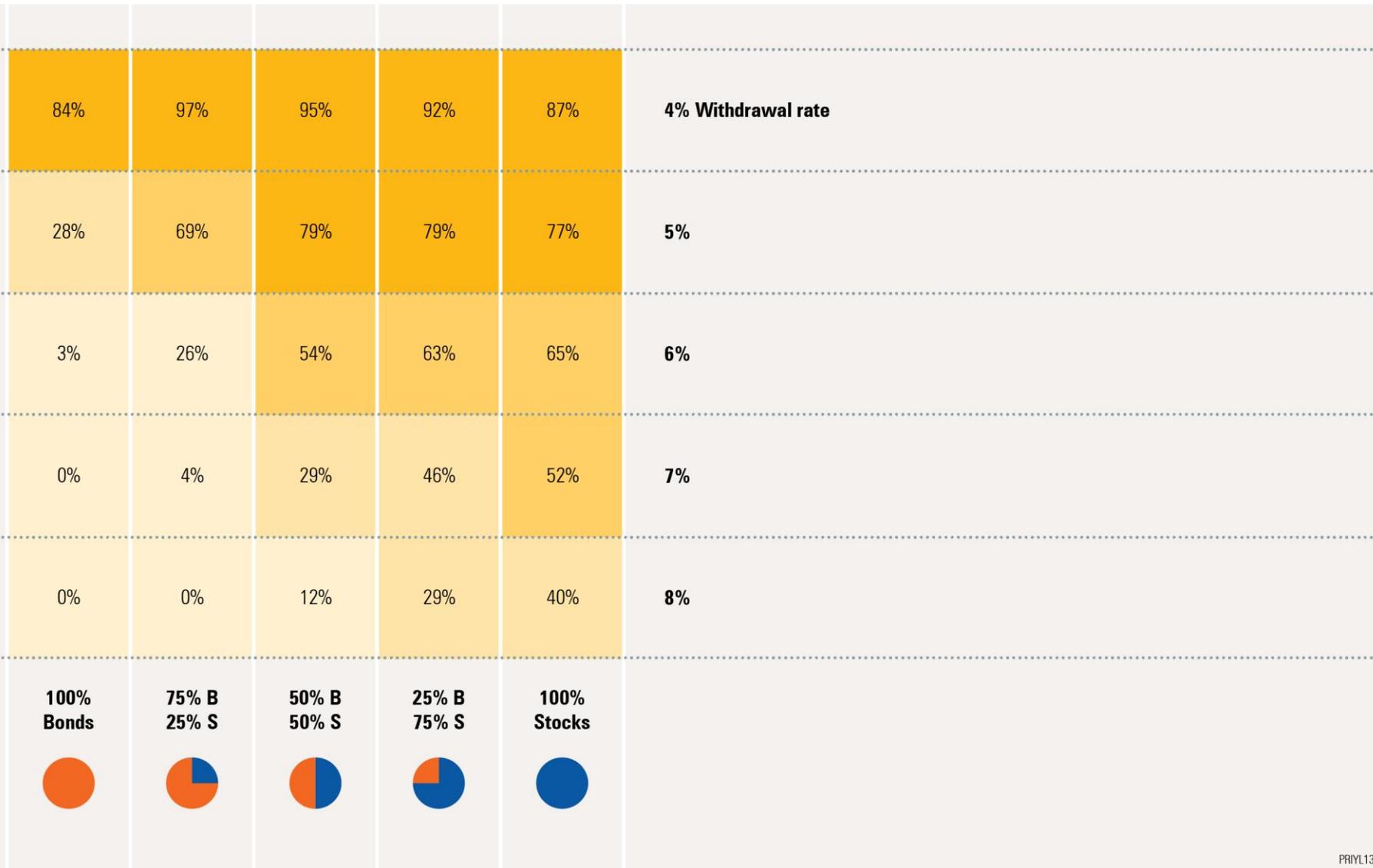


IMPORTANT: Projections generated by Morningstar regarding the likelihood of various investment outcomes using the Ibbotson Wealth Forecasting Engine are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary over time and with each simulation. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



Probability of Meeting Income Needs

Various withdrawal rates and portfolio allocations over a 25-year retirement



PRIVL13

IMPORTANT: Projections generated by Morningstar regarding the likelihood of various investment outcomes using the Ibbotson Wealth Forecasting Engine are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary over time and with each simulation. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



Important Disclosures

This material is of a general nature and should not be construed as investment advice. All information is at a point in time, it may or may not have changed based on the advisor's opinions, Morningstar and or any other limitations. Morningstar and ARWA does not guarantee the accuracy of the information provided. ARWA will provide all prospects and or clients with the firms ADV part 2, A or B sections. Past performance or holdings are not indicative of present or future results. Morningstar and or ARWA may or may not have implemented any of the above strategy or processes. This information is provided for educational purposes only. ARWA or its employees do not provide legal or tax advice. Please call Atlantic Retirement & Wealth Advisors LLC at 877-774-3892 with questions.