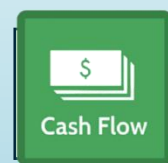




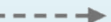
Navigating Uncertainty: A Federal Employee's Guide to Financial Peace of Mind



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Protection



Savings



Growth



P1 Vehicle Insurance	P2 Property Insurance	P3 Liability Insurance
P4 Disability Insurance	P5 Medical Insurance	P6 Government Plans
P7 Wills & Documents	P8 Trust & Owner	P9 Life Insurance
S1 WCA/ Checking	S2 Savings	S3 Credit Union
S4 Savings Bonds	S5 Certificates	S6 Money Market
S7 Tax Deferred	S8 Tax Free	S9 Tax Deductible
G1 Government Bonds	G2 Corporate Bonds	G3 Municipal Bonds
G4 Preferred Stocks	G5 Bluechip Stocks	G6 Growth Securities
G7 Collectibles	G8 Real Estate	G9 Business/ Shelters

MUST HAVE PLAN!

Especially when you are within 10 yrs. of RETIREMENT!!!!

1. What's Your Withdrawal rate need?
2. What's your targeted asset allocation?

THE TSP FUNDS: WHAT IS INSIDE?

The Lifecycle funds

L Income	L 2030	L 2035	L 2040	L 2045	L 2050	L 2055	L 2060	L 2065	L 2070	L 2075
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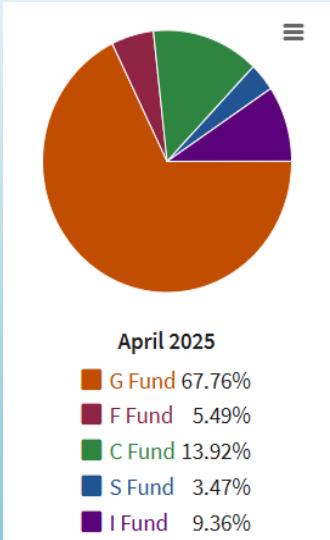
Stocks, bonds and G (savings). The Lifecycle Funds are composed of various combinations of the G, F, C, S and I funds.

The Traditional Funds

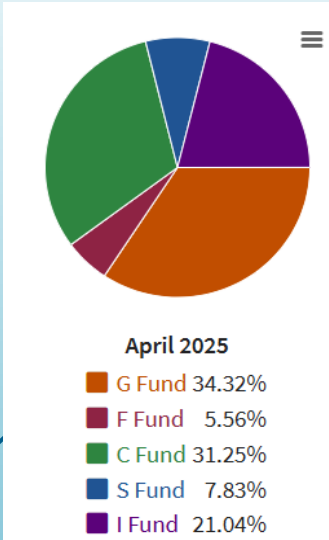
C Fund	S Fund	I Fund	F Fund	G Fund
US Stocks, Large Companies	US Stocks	International Stocks	US Bonds	Savings Type Account

L Funds Allocation Comparison

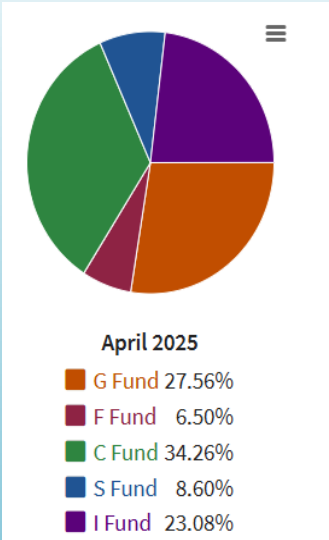
L Income



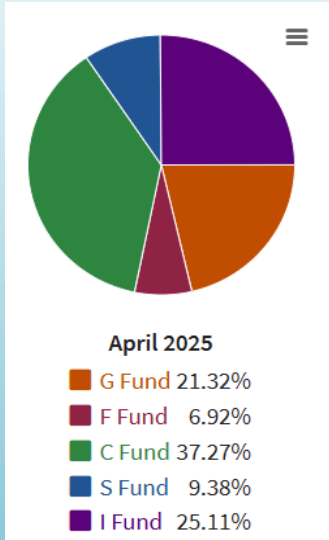
L 2030



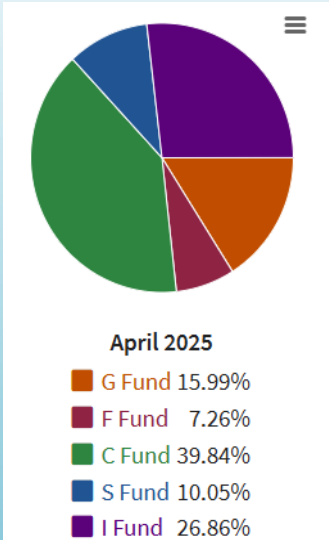
L 2035



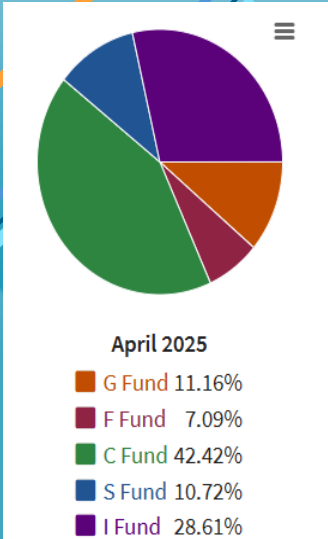
L 2040



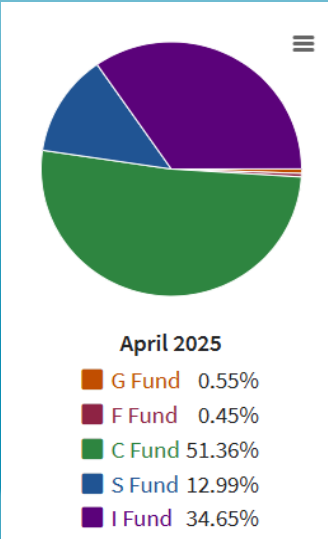
L 2045



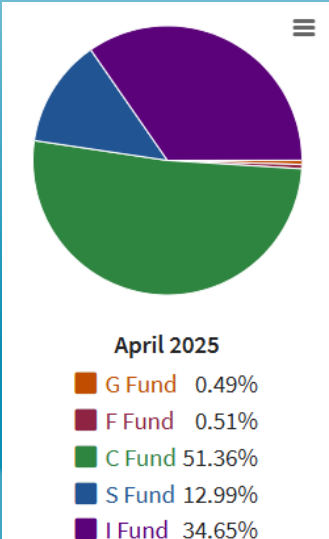
L 2050



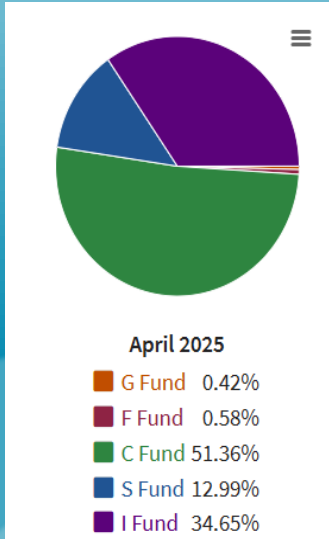
L 2055



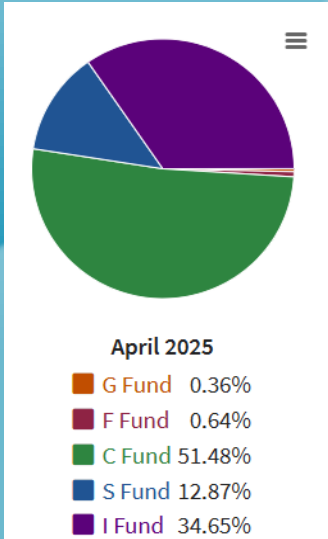
L 2060



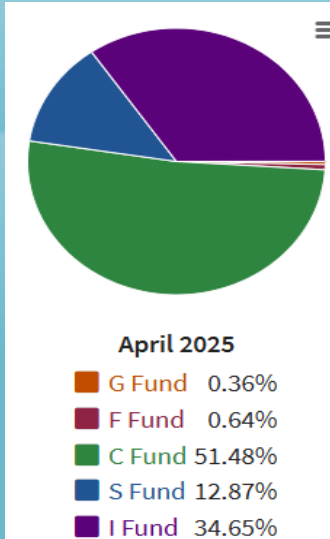
L 2065



L 2070



L 2075



Recent Investment Returns for the TSP Funds

Rates of return as of September 30, 2025

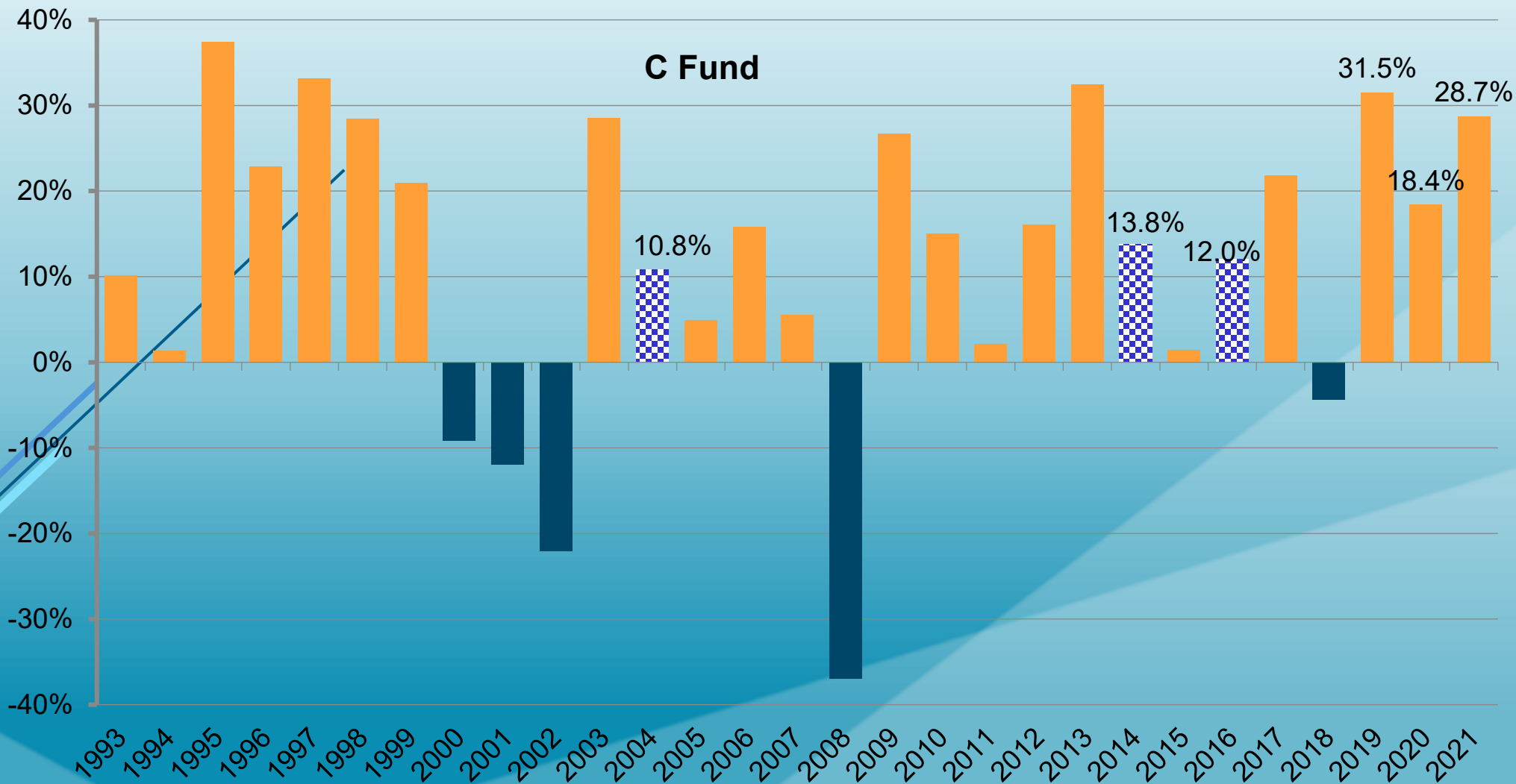
Year	G Fund Bond/US Govt. Short Term	F Fund Bond/US Intermediate	C Fund Stocks – Large US Companies (S&P 500)	S Fund Stocks – Small and Medium US Companies	I Fund Stocks - International
Inception date	4/1/1987	1/29/1988	1/29/1988	5/1/2001	5/1/2001
1 year	4.44%	2.90%	17.55%	16.41%	15.48%
3 year	4.34%	4.92%	24.88%	19.64%	22.32%
5 year	3.30%	-0.36%	16.43%	11.48%	11.49%
10 year	2.71%	1.95%	15.28%	11.38%	8.53%
Since inception	4.65%	5.31%	11.34%	9.51%	5.83%

Volatility Illustrated: There Are Not Many “Average” Years for the Stock Market

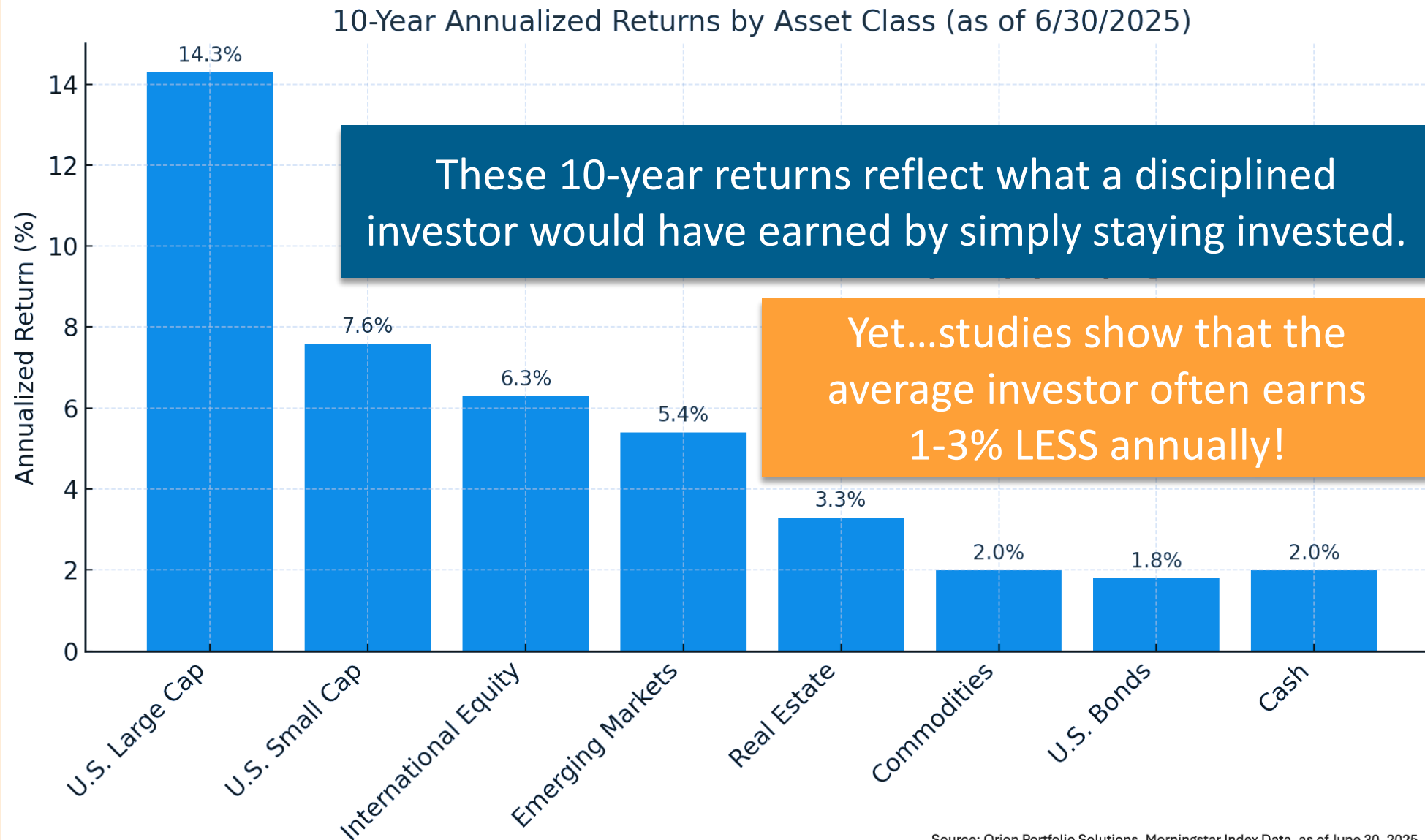
TSP C Fund Calendar Year Returns, 1993 to 2021

The Average Annual Return for the C Fund was 12.3% for the 29-year period. But there were only three years when the returns were close to the average (+1.5% to -1.5%). The returns for all the other years were much higher or lower. That is an example of “volatility,” the high variation in returns compared to the average.

Note: The data assumes no further contributions and reinvestment of all income. It does not account for taxes. Standard & Poor's 500 Index. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. Past performance is no guarantee of future performance. All investments involve the risk of loss. Source: TSP.gov



Behavior Drives Results



Not
because of
poor
investments
...
But
because of
poor
timing!

Asset Class Returns

2010-2024		Ann.	Vol.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Large Cap	Small Cap	REITs	REITs	REITs	REITs	REITs	Small Cap	REITs	REITs	Small Cap	EM Equity	Cash	Large Cap	Small Cap	REITs	Com dty.	Large Cap	Large Cap	DM Equity
13.9%	20.6%	27.9%	8.3%	19.7%	38.8%	28.0%	2.8%	21.3%	37.8%	1.8%	31.5%	20.0%	41.3%	16.1%	26.3%	25.0%	19.9%		
Small Cap	EM Equity	Small Cap	Fixed Income	High Yield	Large Cap	Large Cap	Large Cap	High Yield	DM Equity	Fixed Income	REITs	EM Equity	Large Cap	Cash	DM Equity	Small Cap	EM Equity		
10.3%	17.9%	26.9%	7.8%	19.6%	32.4%	13.7%	1.4%	14.3%	25.6%	0.0%	28.7%	18.7%	28.7%	1.5%	18.9%	11.5%	15.6%		
REITs	REITs	EM Equity	High Yield	EM Equity	DM Equity	Fixed Income	Fixed Income	Large Cap	Large Cap	REITs	Small Cap	Large Cap	Com dty.	High Yield	Small Cap	Asset Alloc.	Asset Alloc.		
9.4%	16.8%	19.2%	3.1%	18.6%	23.3%	6.0%	0.5%	12.0%	21.8%	-4.0%	25.5%	18.4%	27.1%	-12.7%	16.9%	10.0%	7.0%		
Asset Alloc.	DM Equity	Com dty.	Large Cap	DM Equity	Asset Alloc.	Asset Alloc.	Cash	Com dty.	Small Cap	High Yield	DM Equity	Asset Alloc.	Small Cap	Fixed Income	Asset Alloc.	High Yield	High Yield		
7.2%	16.5%	16.8%	2.1%	17.9%	14.9%	5.2%	0.0%	11.8%	14.6%	-4.1%	22.7%	10.6%	14.8%	-13.0%	14.1%	9.2%	6.8%		
High Yield	Com dty.	Large Cap	Cash	Small Cap	High Yield	Small Cap	DM Equity	EM Equity	Asset Alloc.	Large Cap	Asset Alloc.	DM Equity	Asset Alloc.	Asset Alloc.	High Yield	EM Equity	Large Cap		
5.9%	16.1%	15.1%	0.1%	16.3%	7.3%	4.9%	-0.4%	11.6%	14.6%	-4.4%	19.5%	8.3%	13.5%	-13.9%	14.0%	8.1%	6.2%		
DM Equity	Large Cap	High Yield	Asset Alloc.	Large Cap	REITs	Cash	Asset Alloc.	REITs	High Yield	Asset Alloc.	EM Equity	Fixed Income	DM Equity	DM Equity	REITs	Com dty.	Com dty.		
5.7%	15.1%	14.8%	-0.7%	16.0%	2.9%	0.0%	-2.0%	8.6%	10.4%	-5.8%	18.9%	7.5%	11.8%	-14.0%	11.4%	5.4%	5.5%		
EM Equity	Asset Alloc.	Asset Alloc.	Small Cap	Asset Alloc.	Cash	High Yield	High Yield	Asset Alloc.	REITs	Small Cap	High Yield	High Yield	High Yield	Large Cap	EM Equity	Cash	Fixed Income		
3.4%	10.4%	13.3%	-4.2%	12.2%	0.0%	0.0%	-2.7%	8.3%	8.7%	-11.0%	12.6%	7.0%	1.0%	-18.1%	10.3%	5.3%	4.0%		
Fixed Income	High Yield	DM Equity	DM Equity	Fixed Income	Fixed Income	EM Equity	Small Cap	Fixed Income	Fixed Income	Com dty.	Fixed Income	Cash	Cash	EM Equity	Fixed Income	REITs	Cash		
2.4%	9.4%	8.2%	-11.7%	4.2%	-2.0%	-1.8%	-4.4%	2.6%	3.5%	-11.2%	8.7%	0.5%	0.0%	-19.7%	5.5%	4.9%	2.1%		
Cash	Fixed Income	Fixed Income	Com dty.	Cash	EM Equity	DM Equity	EM Equity	DM Equity	Com dty.	DM Equity	Com dty.	Com dty.	Fixed Income	Small Cap	Cash	DM Equity	REITs		
1.2%	4.7%	6.5%	-13.3%	0.1%	-2.3%	-4.5%	-14.6%	1.5%	1.7%	-13.4%	7.7%	-3.1%	-1.5%	-20.4%	5.1%	4.3%	1.8%		
Com dty.	Cash	Cash	EM Equity	Com dty.	Com dty.	Com dty.	Com dty.	Cash	Cash	EM Equity	Cash	REITs	EM Equity	REITs	Com dty.	Fixed Income	Small Cap		
-1.0%	0.9%	0.1%	-18.2%	-1.1%	-9.5%	-17.0%	-24.7%	0.3%	0.8%	-14.2%	2.2%	-5.1%	-2.2%	-24.9%	-7.9%	1.3%	-1.8%		

Source: Blackrock via AE Wealth Management

ASSET ALLOCATION

Choosing Your Investment Mix

Consider...

Risk and Return

Buy and Hold

Diversify



F, C, S, I



G



Time = Sustained Risk

Review and Rebalance

Understanding the 4% Withdrawal Rule

If an investor withdraws a fixed percentage of their assets annually for retirement expenses, what is the likelihood that they will outlive their savings?

Withdrawal Rate	100/0	75/25	50/50	25/75	0/100
3%	100%	100%	100%	100%	84%
4%	98%	100%	96%	80%	35%
5%	80%	82%	67%	31%	22%
6%	62%	60%	51%	22%	11%
7%	55%	45%	22%	7%	2%
8%	44%	35%	9%	0%	0%

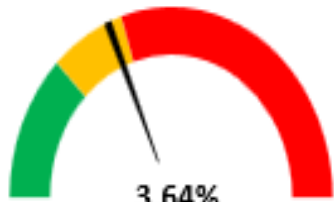
Step #1:

Understanding Your Target Retirement Income (TRI)

Gross Income – Spouse A	\$150,000
Gross Income - Spouse B	\$100,000
Total Gross Income	\$250,000
Less	
TSP/401(k)	\$27,000
TSP/401(k)	\$27,000
Social Security	\$17,540
Savings	\$0
Mortgage	\$0
Roth TSP	\$0
Roth	\$0
Non/Qualified IRA	\$0
College	\$0
Credit Cards	\$0
Tax Equivalent	\$0
Total Payments	\$71,540
Target Retirement Income	\$178,460

Step #2: Understanding Your Investment Income Need

Target Retirement Income	\$178,460
Social Security	(\$52,775)
Pension	(\$67,511)
Investment Income Needed	\$58,174

Inflation	Income	W/D		ASSETS & INCOME	ROR	Withdrawal Rate Pressure
0.0%	\$52,775	←	GUARANTEED	Social Security		 3.64%
0.0%	\$67,511	←		Pensions		
	\$120,286	←		Total Guaranteed Income		
☒ Auto Adjust	\$58,240	← 3.64%	NON-GUARANTEED	Investment Income \$1,600,000	4.0% →	
	\$178,526	←		Total Guaranteed & Non guaranteed Income		
0.0%	\$178,460	←		Target Retirement Income		

Asset Allocation

Lifecycle Fund	Stocks	Bonds
L-2050	84%	16%
L-2030	64%	36%
L-Income	25%	75%

Asset Allocation

☒ Percent ☐ \$ Value

TSP: \$1,208,000

CJC Annuity:

How are you Invested In TSP:

		Allocation (%)	Contribution (\$)
C Fund:		30	362400
S Fund:			
I Fund:			
F Fund:			
G Fund:		25	302000
L Fund:	L 2025	15	181200
L Fund:	L 2030	30	362400
L Fund:			
Total		100.0	\$1,208,000

Asset Allocation

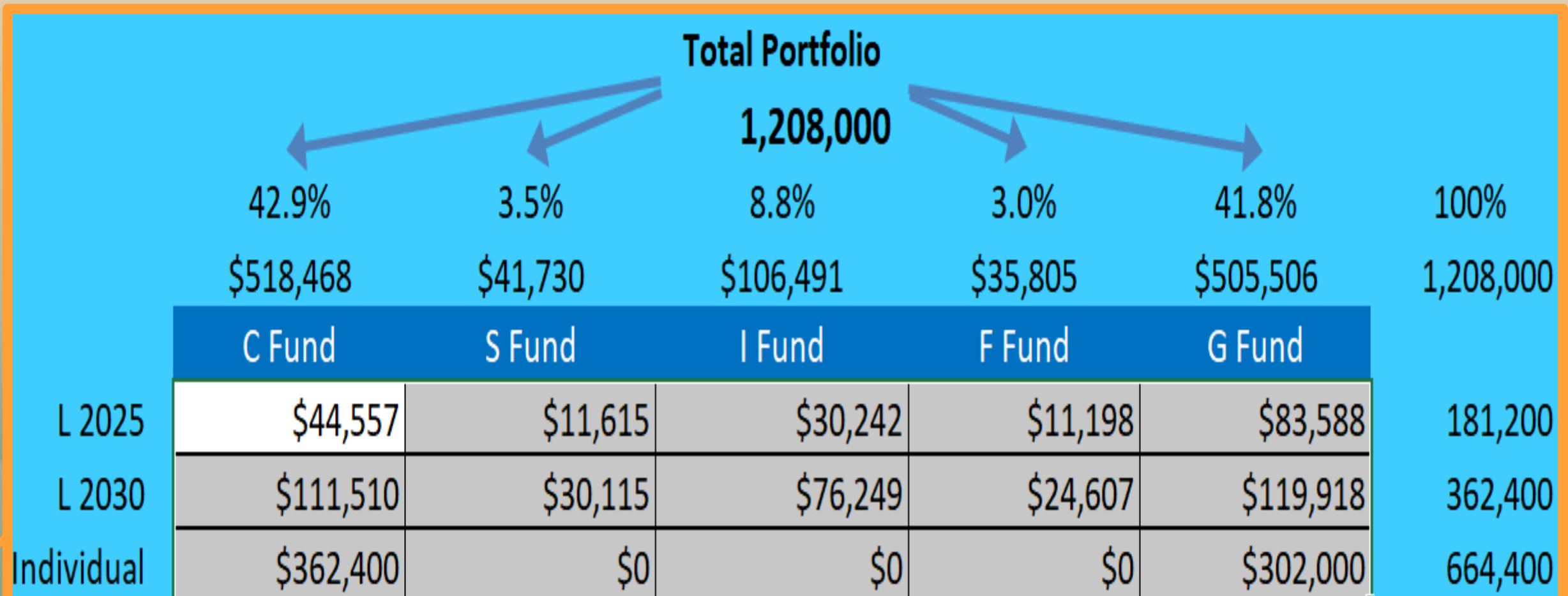
1 – Current TSP 55% / 45%

\$1,208,000



42.9%	3.5%	8.8%	3.0%	41.8%
C	S	I	F	G
\$518,468	\$41,730	\$106,491	\$35,805	\$505,506
0%	0%	0%	0%	0%
\$0	\$0	\$0	\$0	\$0

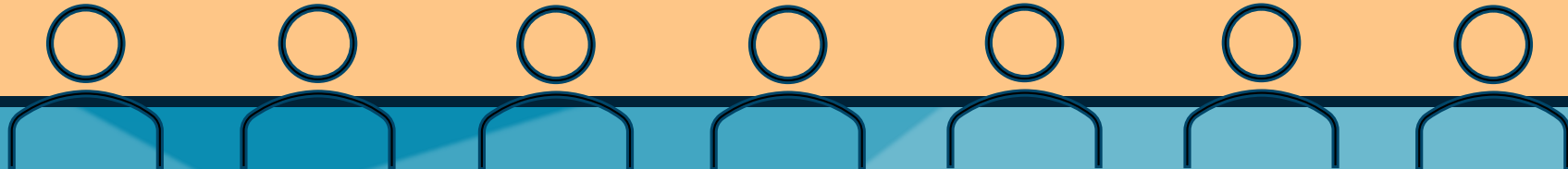
Asset Allocation



Have you heard....

The CLOSER you get
to retirement...

The MORE
conservative
you get

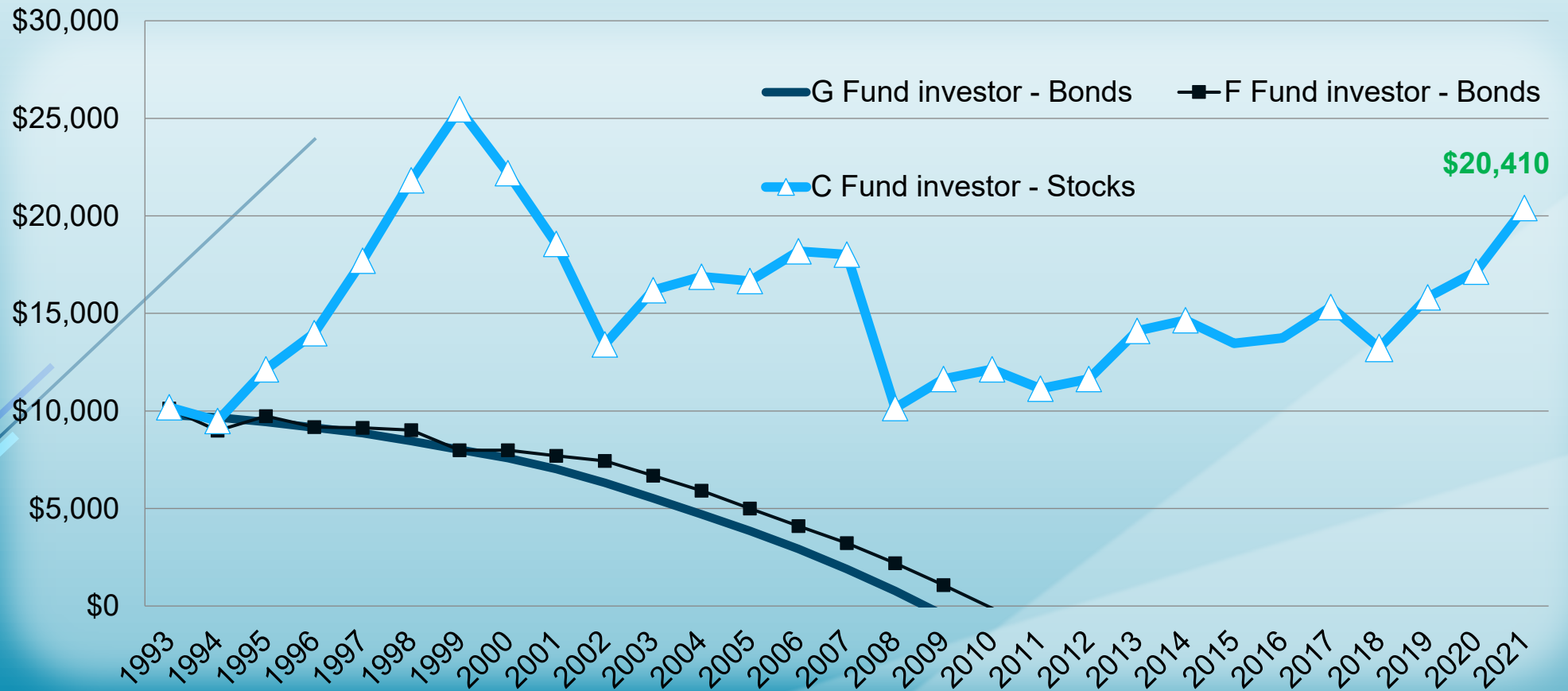


Loss of Purchasing Power: What Happens When You Start Spending?

Example:

At the beginning of 1993, retirees Bill, Jack and Mary each have \$10,000 in the TSP. They each invest in one fund: Bill in G, Jack in F and Mary in C.

They annually withdraw enough to buy 2000 first class stamps (after paying taxes of 30%).



Note: This is for illustration purposes only. Past performance is no guarantee of future performance.

All investments involve the risk of loss. The data assumes reinvestment of all income.

Problem: Sequence of Return Risk

Year	BOY Balance	Return	Withdrawal	EOY Balance
1973	\$1,000,000	-14.67%	\$79,713	\$785,281
1974	\$785,281	-26.31%	\$79,713	\$519,934
1975	\$519,934	37.14%	\$79,713	\$603,719
1976	\$603,719	23.81%	\$79,713	\$648,772
1977	\$648,772	- 7.19%	\$79,713	\$528,144
1978	\$528,144	6.52%	\$79,713	\$477,670
1979	\$477,670	18.45%	\$79,713	\$471,380
1980	\$471,380	32.45%	\$79,713	\$518,764
1981	\$518,764	- 4.88%	\$79,713	\$417,625
1982	\$417,625	21.50%	\$79,713	\$410,564

Year	BOY Balance	Return	Withdrawal	EOY Balance
1983	\$410,564	22.46%	\$79,713	\$405,161
1984	\$405,161	6.22%	\$79,713	\$345,691
1985	\$345,691	31.64%	\$79,713	\$350,134
1986	\$350,134	18.62%	\$79,713	\$320,774
1987	\$320,774	5.18%	\$79,713	\$253,548
1988	\$253,548	16.61%	\$79,713	\$202,710
1989	\$202,710	31.69%	\$79,713	\$161,975
1990	\$161,975	-3.10%	\$79,713	\$79,713
1991	\$79,713	30.47%	\$79,713	\$ 0
19 Yrs.	Average ROR	12.98%	\$1,514,547	DEPLETED

COMPARE

1973 - 1991

1991 - 1973

Courtesy of Leap Systems

Figure 2: Forward running return sequence of \$1,000,000 – S&P 500 portfolio with annual withdrawals of \$79,713
Other starting years, rate of return sequences, market indexes, and life horizons will produce different results.

Problem: Sequence of Return Risk

Year	BOY Balance	Return	Withdrawal	EOY Balance
1991	\$1,000,000	30.47%	\$79,713	\$1,200,698
1990	\$1,200,698	-3.10%	\$79,713	\$1,086,235
1989	\$1,086,235	31.69%	\$79,713	\$1,325,489
1988	\$1,325,489	16.61%	\$79,713	\$1,452,699
1987	\$1,452,699	5.18%	\$79,713	\$1,444,107
1986	\$1,444,107	18.62%	\$79,713	\$1,618,444
1985	\$1,618,444	31.84%	\$79,713	\$2,028,663
1984	\$2,028,663	6.22%	\$79,713	\$2,070,174
1983	\$2,070,174	22.46%	\$79,713	\$2,437,519
1982	\$2,437,519	21.50%	\$79,713	\$2,864,734

Year	BOY Balance	Return	Withdrawal	EOY Balance
1981	\$2,864,734	-4.88%	\$79,713	\$2,649,112
1980	\$2,649,112	32.45%	\$79,713	\$3,403,169
1979	\$3,403,169	18.45%	\$79,713	\$3,939,634
1978	\$3,939,634	6.52%	\$79,713	\$4,108,392
1977	\$4,108,392	-7.19%	\$79,713	\$3,739,017
1976	\$3,739,017	23.81%	\$79,713	\$4,530,585
1975	\$4,530,585	37.14%	\$79,713	\$6,103,925
1974	\$6,103,925	-26.31%	\$79,713	\$4,439,925
1973	\$4,439,925	-14.67%	\$79,713	\$3,719,986
19 Yrs. Average ROR		12.98%	\$1,514,547	\$3,719,986

COMPARE

1973 - 1991

1991 - 1973

Courtesy of Leap Systems

Figure 3: Backward running return sequence of \$1,000,000 - S&P 500 portfolio with annual withdrawals of \$79,713
Other starting years, rate of return sequences, market indexes, and life horizons will produce different results.

Solution: Sequence Defense

Year	BOY Balance	Return	Withdrawal	EOY Balance
1973	\$1,000,000	-14.67%	\$79,713	\$ 785,281
1974	\$ 785,281	-26.31%	\$ 0	\$ 578,673
1975	\$ 578,673	37.14%	\$ 0	\$ 793,593
1976	\$ 793,593	23.81%	\$79,713	\$ 883,855
1977	\$ 883,855	-7.19%	\$79,713	\$ 746,324
1978	\$ 746,324	6.52%	\$ 0	\$ 794,984
1979	\$ 794,984	18.45%	\$79,713	\$ 847,239
1980	\$ 847,239	32.45%	\$79,713	\$1,016,588
1981	\$1,016,588	-4.88%	\$79,713	\$ 891,155
1982	\$ 891,155	21.50%	\$ 0	\$1,082,754

Year	BOY Balance	Return	Withdrawal	EOY Balance
1983	\$1,082,754	22.46%	\$79,713	\$1,228,324
1984	\$1,228,324	6.22%	\$79,713	\$1,220,054
1985	\$1,220,054	31.64%	\$79,713	\$1,501,145
1986	\$1,501,145	18.62%	\$79,713	\$1,686,103
1987	\$1,686,103	5.18%	\$79,713	\$1,689,601
1988	\$1,689,601	16.61%	\$79,713	\$1,877,290
1989	\$1,877,290	31.69%	\$79,713	\$2,367,229
1990	\$2,367,229	-3.10%	\$79,713	\$2,126,603
1991	\$2,126,603	30.47%	\$ 0	\$2,892,002
19 Yrs.	Average ROR	12.98%	\$1,115,982	\$2,892,002

COMPARE

NO DEFENSE

WITH DEFENSE



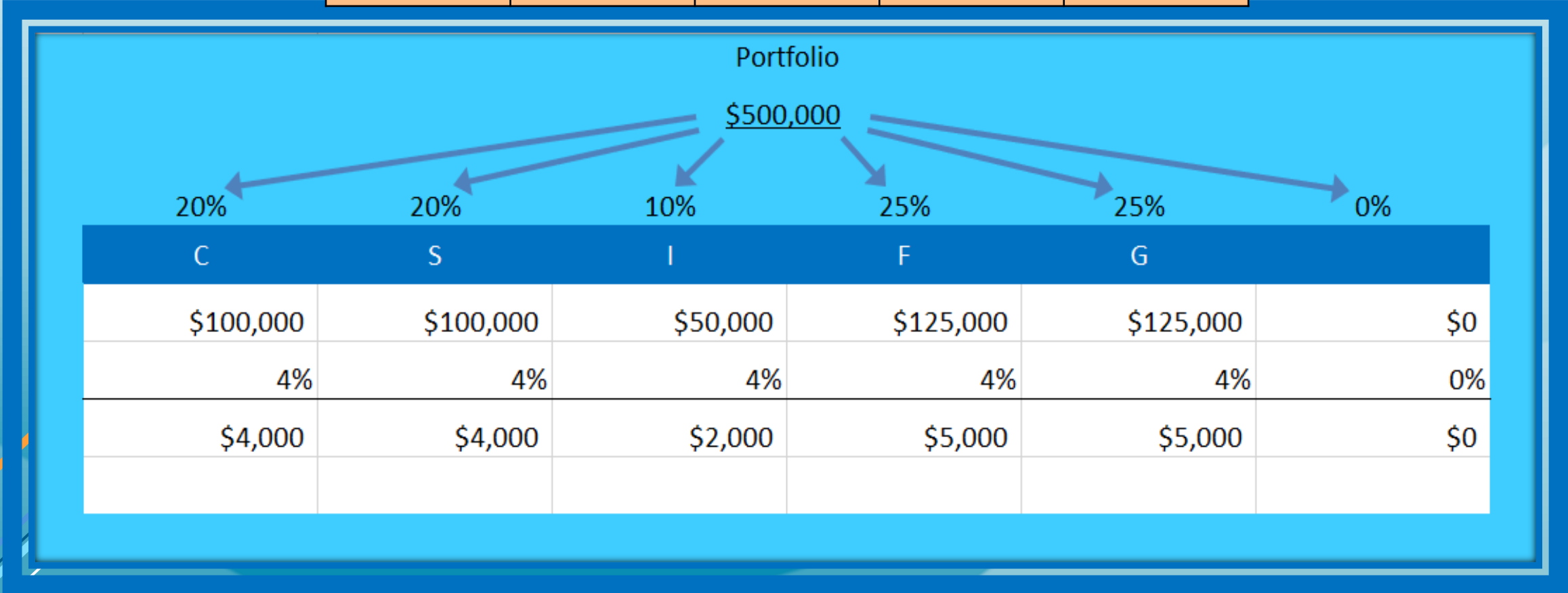
Courtesy of Leap Systems

\$398,565 funded from Sequence Defense Resources. Total withdrawal of \$1,514,547.

Figure 6: Same sequence with withdrawals from portfolio in green. Sequence Defense employed following down year. Other starting years, rate of return sequences, market indexes, and life horizons will produce different results.

Example: What if You Had to take Distributions in 2022 ?

G Fund	F Fund	C Fund	S Fund	I Fund
2.98%	-12.83%	-18.13%	-26.26%	-13.94%



TSP Fund - 2

Year	G Fund	F Fund	C Fund	S Fund	I Fund
2022	2.98%	-12.83%	-18.13%	-26.26%	-13.94%
2018	2.91%	0.15%	-4.41%	-9.26%	-13.43%
2008	3.75%	5.45%	-36.99%	-38.32%	-42.43%
2002	5.00%	10.27%	-22.05%	-18.14%	-15.98%
2001	5.39%	8.61%	-11.94%		
2000	6.42%	11.67%	-9.14%		

What Type of Fed Are You?

Do It Yourselfer

You love coming to financial seminars.

You can't wait to be your own full-time advisor in retirement.

Not Sure

You can handle the finances but not sure you want to.

You can tolerate financial speak but unclear if you want to think about this in retirement.

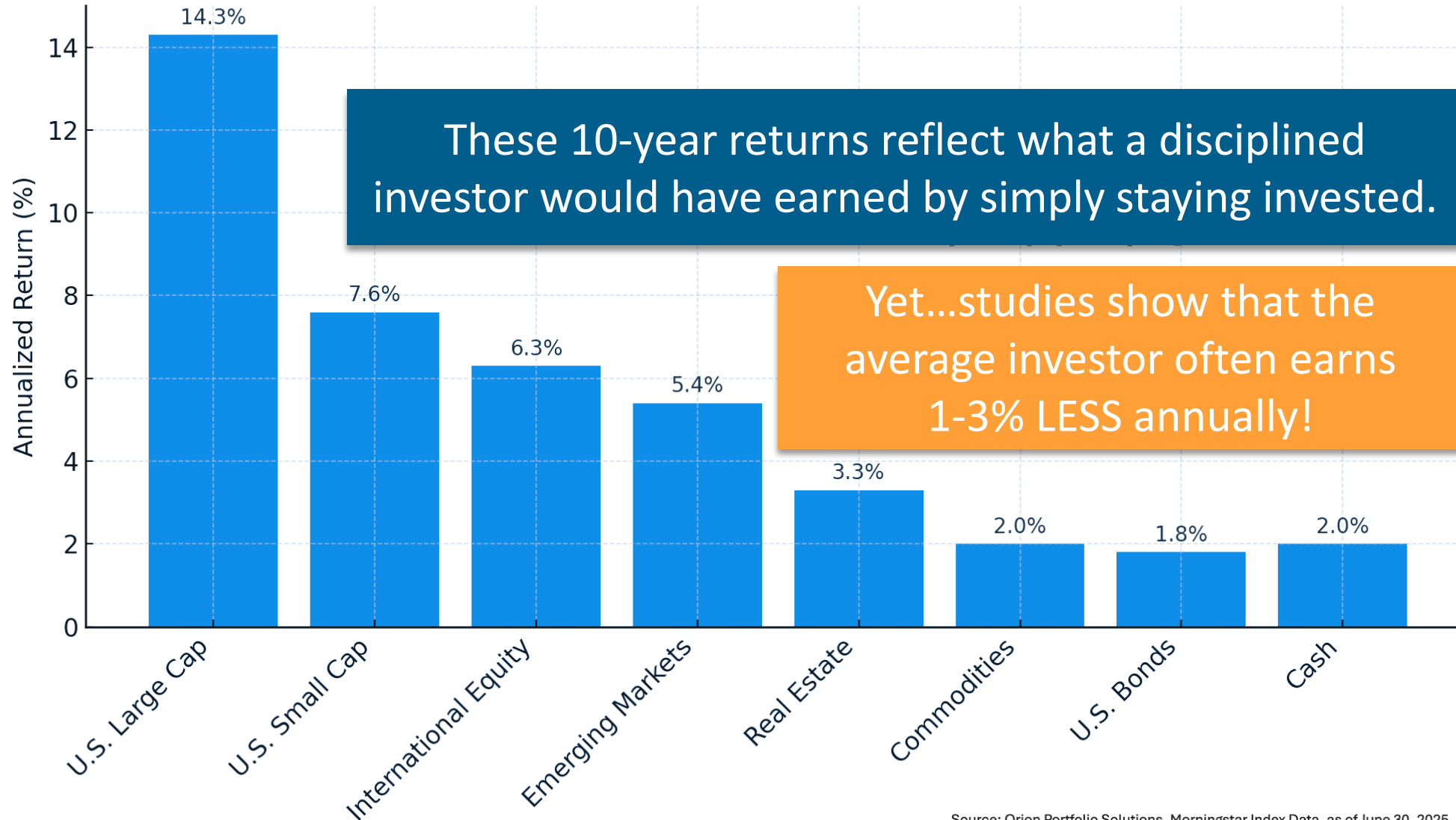
100% I'm Not Doing It!

You are in pursuit of finding the right advisor and relationships matter to you.

Have you ever had someone tell you "Oh it's not hard, you can do it."

Behavior Drives Results

10-Year Annualized Returns by Asset Class (as of 6/30/2025)



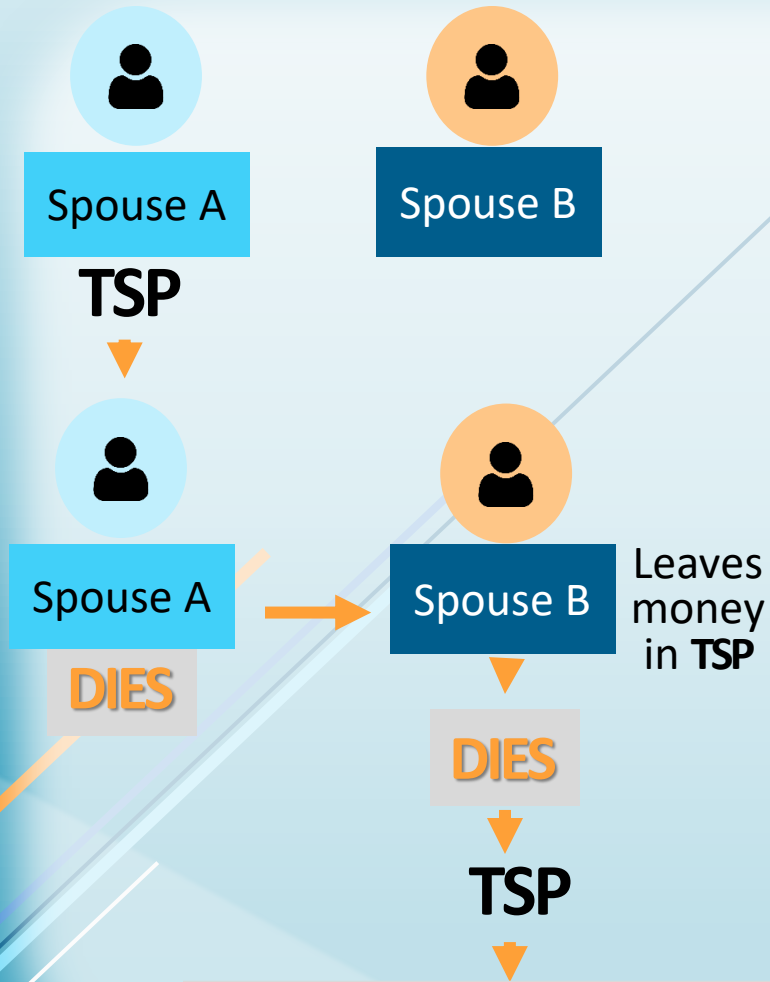
Not
because of
poor
investments
...
But
because of
poor
timing!

Stretch IRA is Back



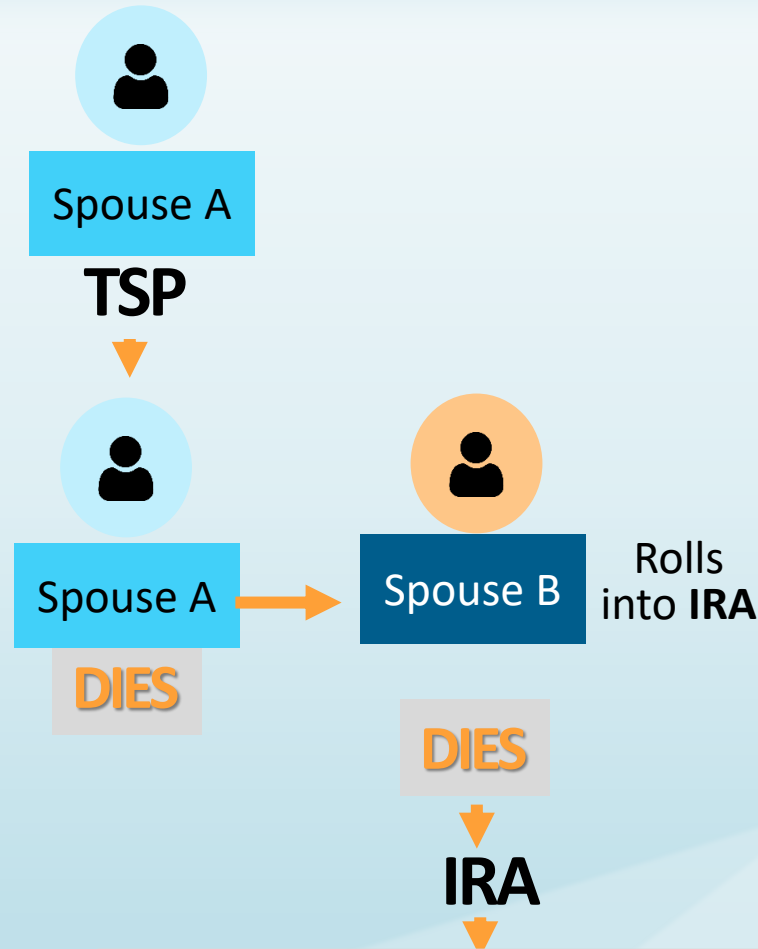
Secure Act 2.0

Scenario 1



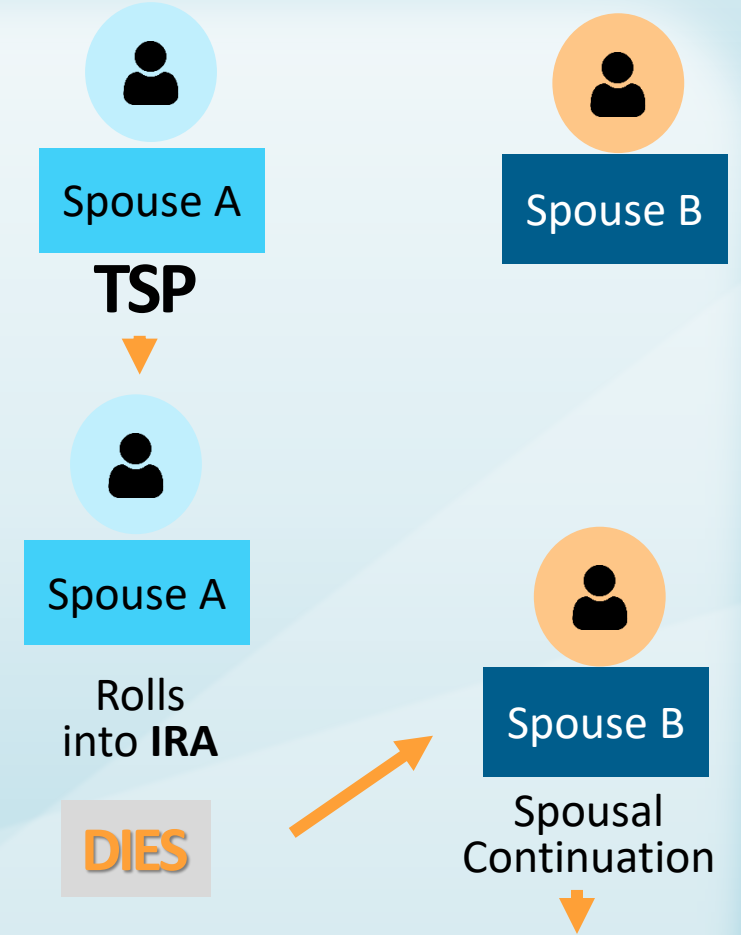
All Taxable at Once

Scenario 2



10 Yrs. Spend Down

Scenario 3

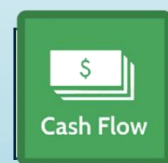


Stretch IRA

The image features a dark silhouette of a mountain peak against a light blue background with geometric shapes. Two hikers, each with a large backpack and using trekking poles, are positioned on the peak. The hiker on the left is standing on a higher part of the peak, while the hiker on the right is on a lower part. The word 'ACCUMULATION' is written in bold black capital letters on the left side, and 'DISTRIBUTION' is written in bold black capital letters on the right side. Several diagonal lines in orange, blue, and white are visible on the left side of the image.

ACCUMULATION

DISTRIBUTION



Protection

Savings

Growth

P1 Vehicle Insurance	P2 Property Insurance	P3 Liability Insurance
P4 Disability Insurance	P5 Medical Insurance	P6 Government Plans
P7 Wills & Documents	P8 Trust & Owner	P9 Life Insurance
S1 WCA/ Checking	S2 Savings	S3 Credit Union
S4 Savings Bonds	S5 Certificates	S6 Money Market
S7 Tax Deferred	S8 Tax Free	S9 Tax Deductible
G1 Government Bonds	G2 Corporate Bonds	G3 Municipal Bonds
G4 Preferred Stocks	G5 Bluechip Stocks	G6 Growth Securities
G7 Collectibles	G8 Real Estate	G9 Business/ Shelters



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