



RETIREMENT DISTRIBUTION STRATEGIES TO AVOID OUTLIVING YOUR MONEY



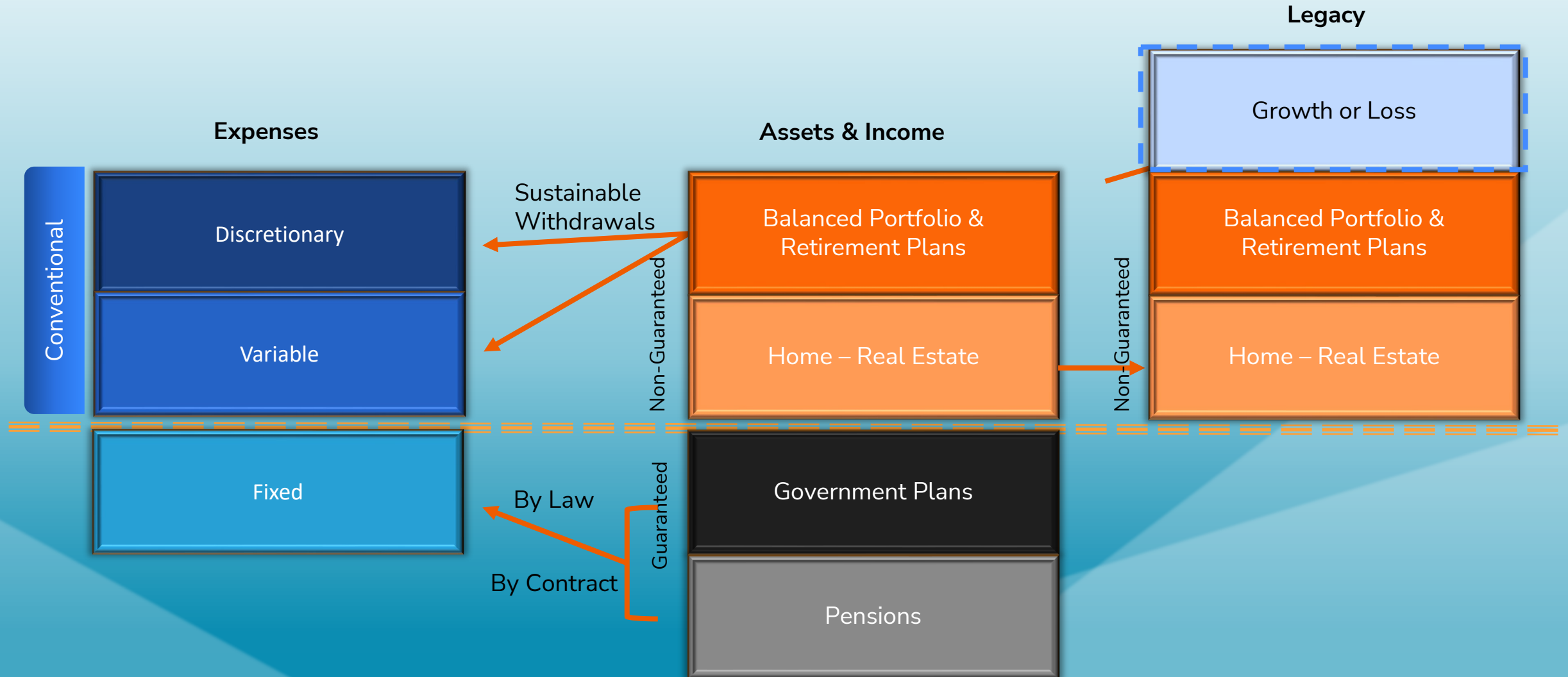
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We are going to examine two different Income Distribution Strategies:

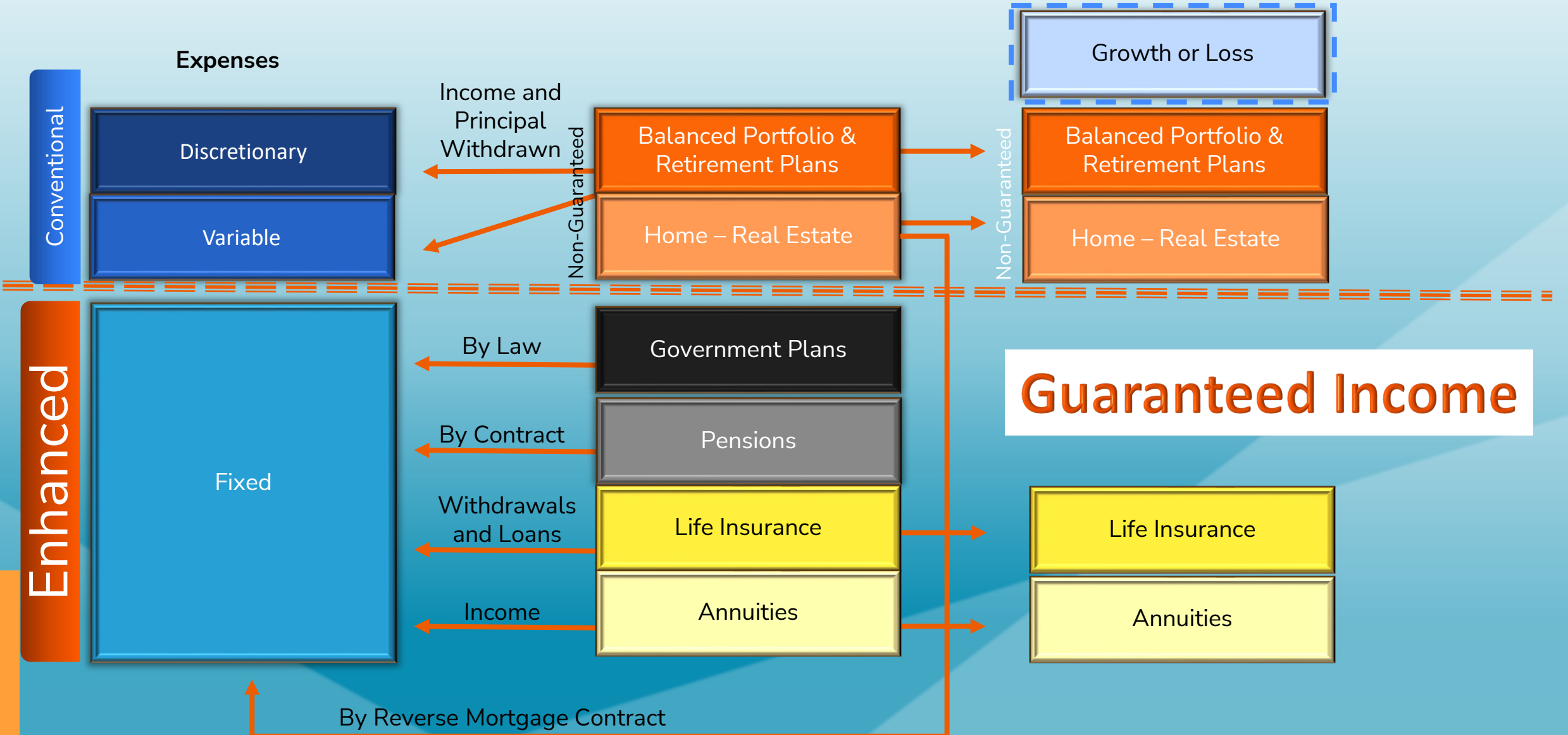


1. **Conventional** Approach
2. **Alternative** Approach

Conventional Retirement Approach



Alternative Retirement Approach



We are going to examine two different Income Distribution Strategies:

What is the Alternative Approach?

- Still utilizes the markets for growth but **doesn't rely solely on the markets to sustain** income, protection, and legacy in retirement.
- This Alternative is typically **more strategy driven using various assets types** to reduce income risk and increase Legacy (Legacy is for people who have a desire to pass on money to their heirs, charities, institutions, etc.)
- The objective is to **reduce risk and increase income, protection, and ensure Legacy if desired.**

What are we really talking about??

Target Retirement Income = \$70,000

Pension \$20,000

Social Security + \$25,000

\$45,000

Target Retirement Income = \$70,000 - \$45,000

Investment Income Need is -----

\$25,000

TSP/401(k)/Investments = \$ 25,000



ACCUMULATION

DISTRIBUTION



Retirement Risks



Inflation

Reduces buying power of our dollars over time.



Outliving Money

Need to make sure our money lasts throughout lifetime.



Tax Law Changes

Tax increases reduce spending power of income.



Volatility of Returns

Market fluctuations can negatively impact an investor's net returns and thus reduce future spending power.



Loss of Principal

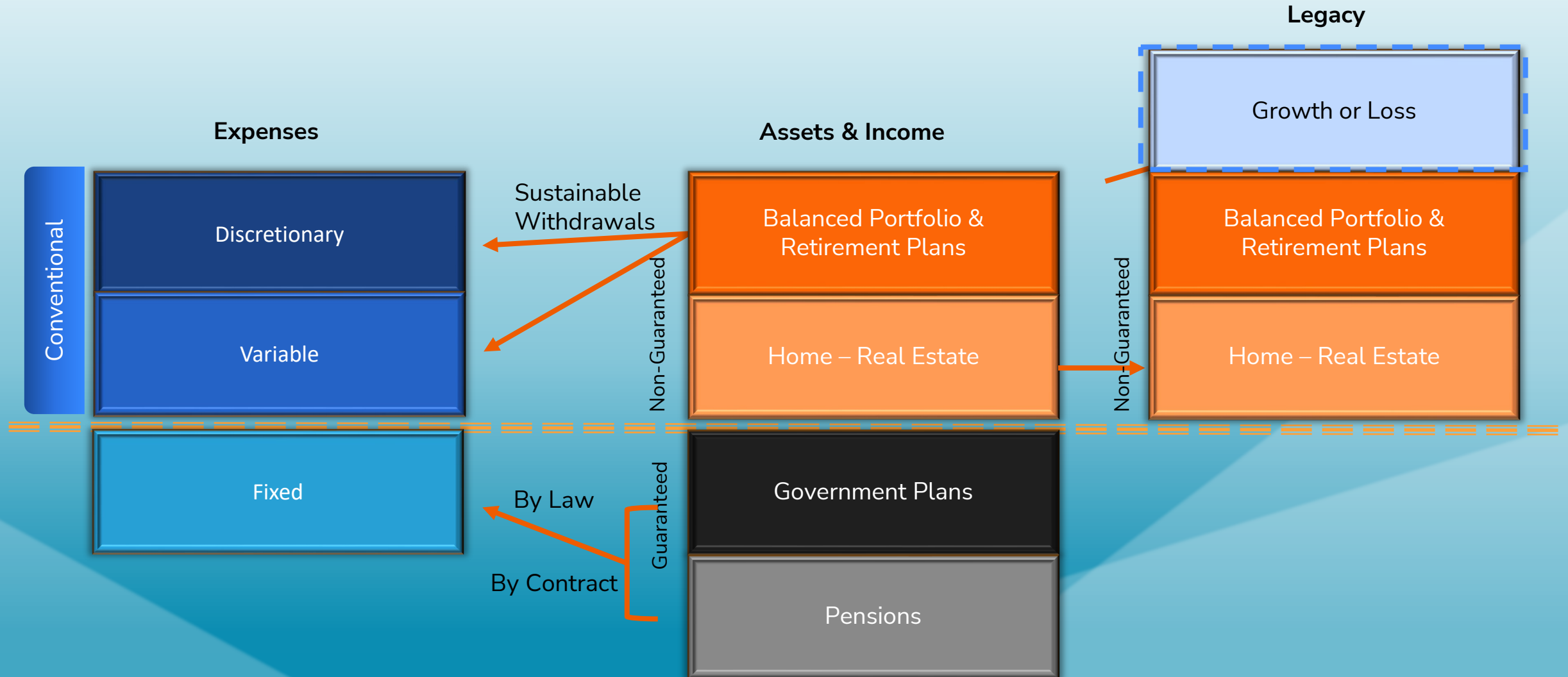
Market fluctuations, unforeseen needs, or other unknowns can reduce total value of your account.



Lifestyle Changes

Technological change, planned obsolescence, and standard of living increases.

Conventional Retirement Approach



Conventional Approach

The problems that are more pronounced in the Conventional method are:

- | | |
|-------------------------|-------------------|
| 1. Market Risk | 3. Sequence Risk |
| 2. Withdrawal Rate Risk | 4. Human Behavior |

MUST HAVE PLAN!

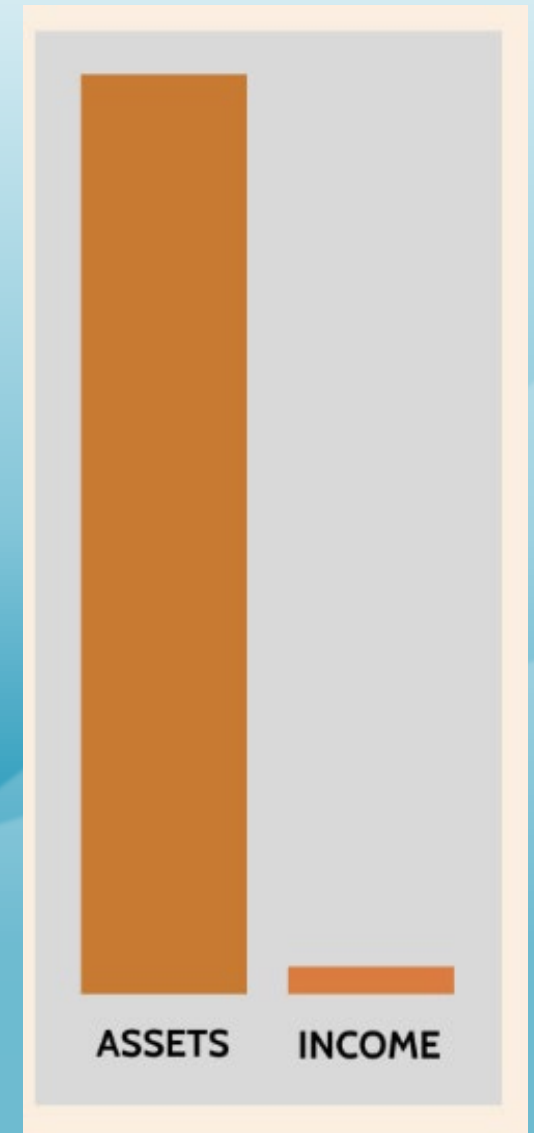
Especially when you are within 10 yrs. of RETIREMENT!!!!

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

Problem: Sustainable Withdrawal Rates

- **Withdrawal rate** research generally identifies **2.5% to 4.5%** as a suggested amount for portfolios to last to life horizon
- For perspective, a **\$1,000,000** portfolio would generate **\$25,000 to \$45,000** of Year 1 income
- Or between **\$2.2 and \$4 million** of assets to produce **\$100,000 of income** per year

Bengen study (1994) and other financial research over the last twenty years



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%

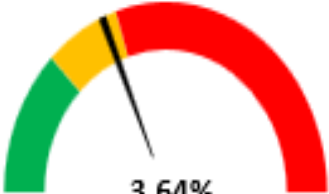
Step #1:

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		 <p>3.64%</p>
0.0%	\$67,511	←		Pensions		
	\$120,286	←		Total Guaranteed Income		
<input checked="" type="checkbox"/> 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		

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%

Recent Investment Returns for the TSP Funds

Rates of return as of December 31, 2024

Year	G Fund Bonds/US Govt Short Term	F Fund Bonds/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	4.42%	6.07%	15.11%	15.61%	16.91%
3 year	4.23%	2.56%	19.66%	15.24%	15.86%
5 year	3.11%	-0.64%	16.61%	11.68%	11.32%
10 year	2.65%	1.88%	13.62%	9.22%	6.78%
Since Inception	4.65%	5.29%	11.19%	9.23%	5.65%

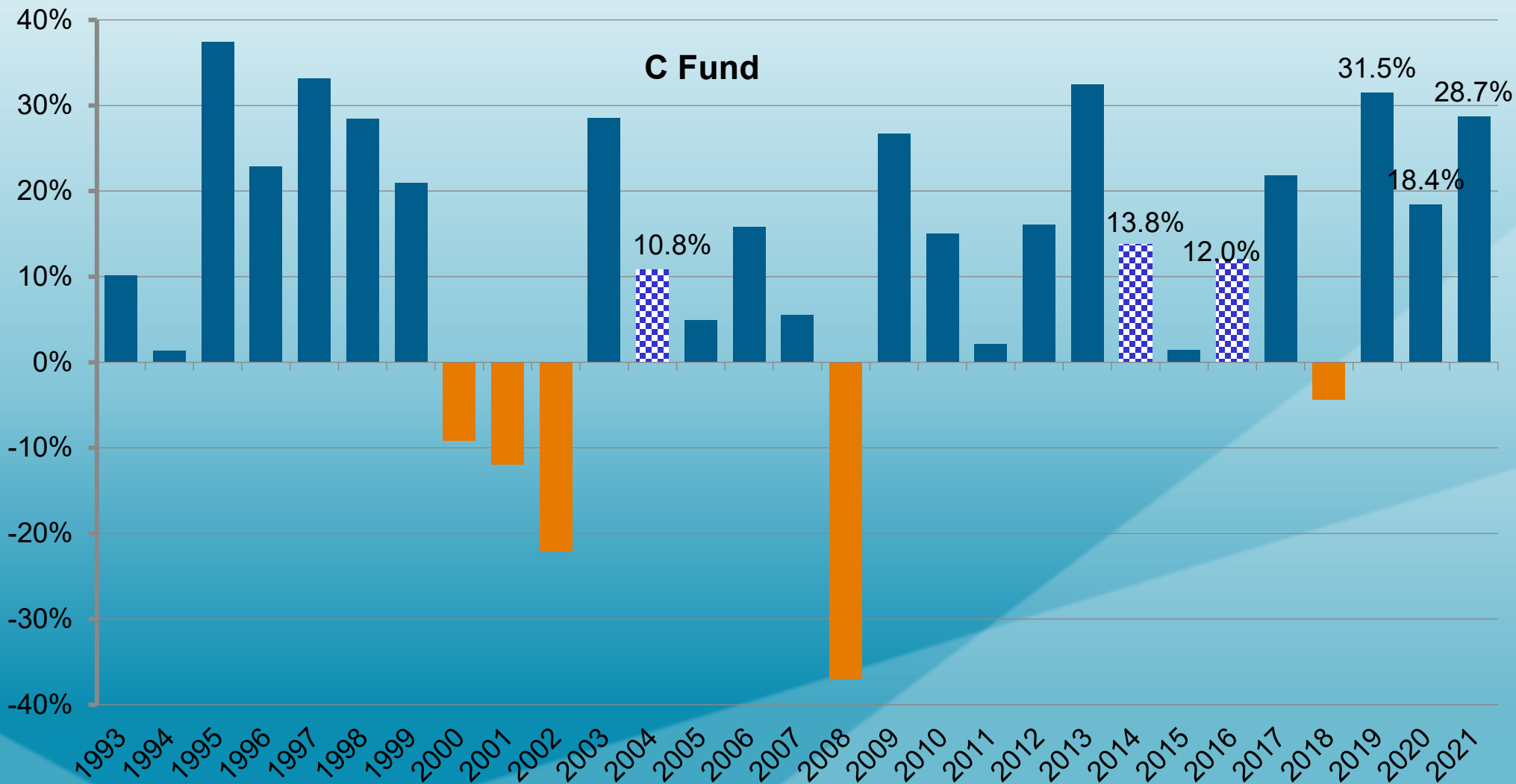
Volatility Illustrated:

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



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	Small Cap	REITs	REITs	Small Cap	EM Equity	Cash	Large Cap	Small Cap	REITs	Com dty.	Large Cap	Large Cap	DM Equity	19.9%	
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	15.6%	
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.	7.0%	
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	6.8%	
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.	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.	5.5%	
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	4.0%	
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	2.1%	
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.	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	-1.8%	
-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%		

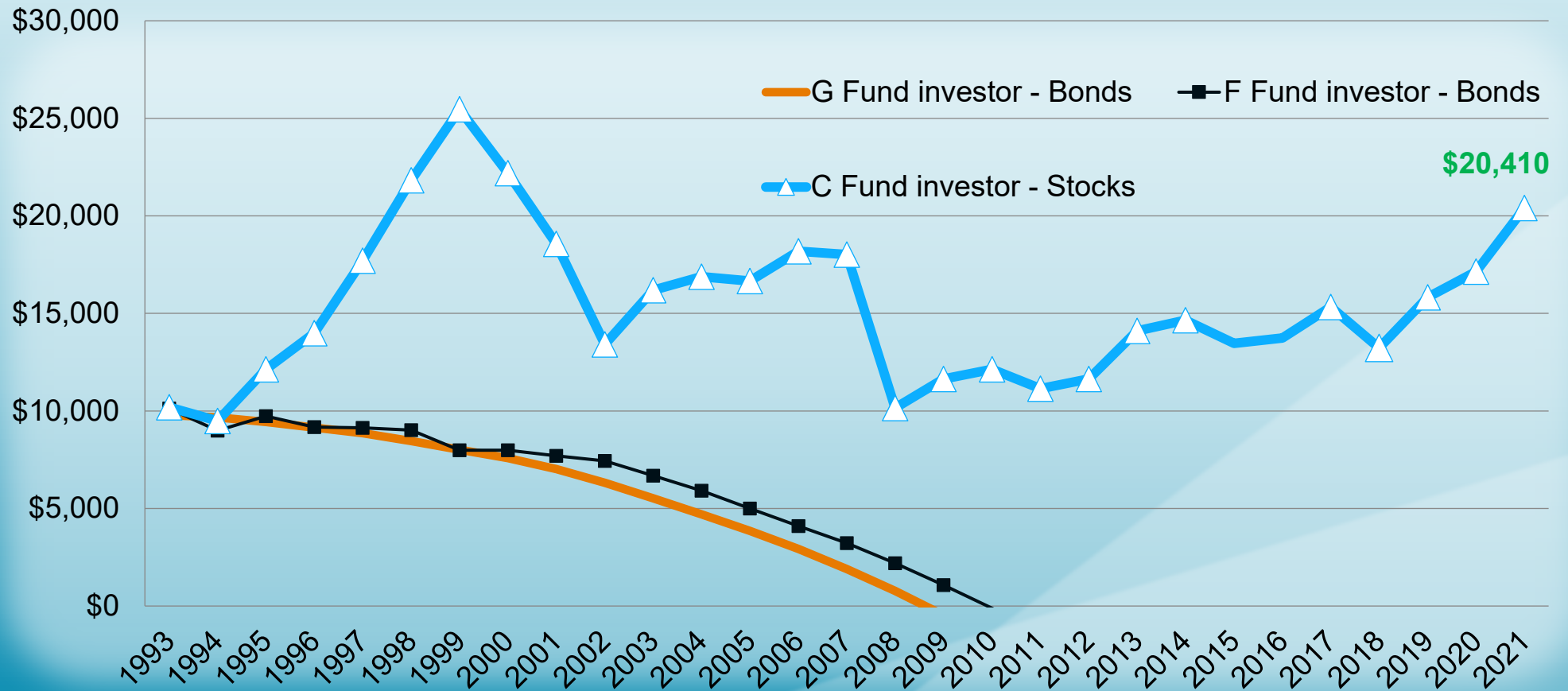
Source: Blackrock via AE Wealth Management

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%).

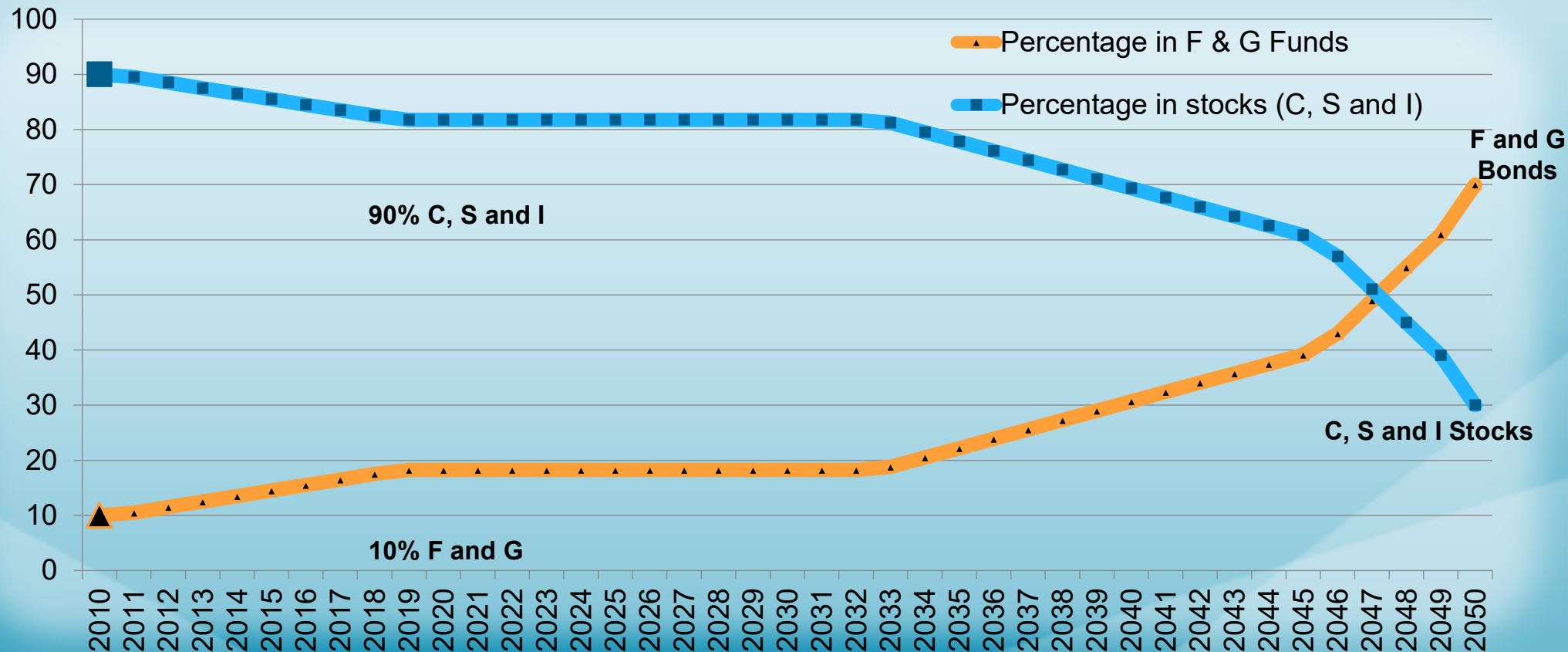


Note: This is for illustration purposes only. Past performance is no guarantee of future performance.

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

Example: L 2050 Lifecycle Fund: Percentages in Stock and Bond Funds

How the L 2050 allocation changes over time



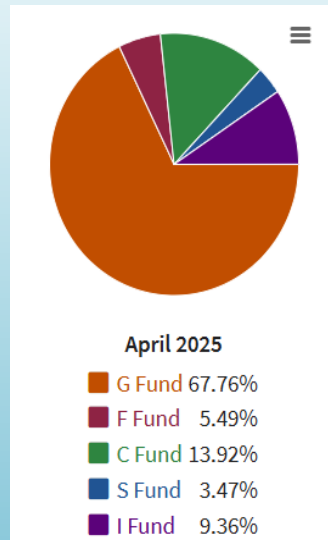
The 2025 – 2050 Lifecycle funds begin with 90% invested in stocks (C, S and I) and 10% in the F and G funds. Over time, the percentage in stocks declines as the percentage in F & G increases. The 2055 – 2065 Lifecycle Funds are more aggressive. The funds eventually “roll into” the L Income Fund.

Current percentages for the L Income Fund are

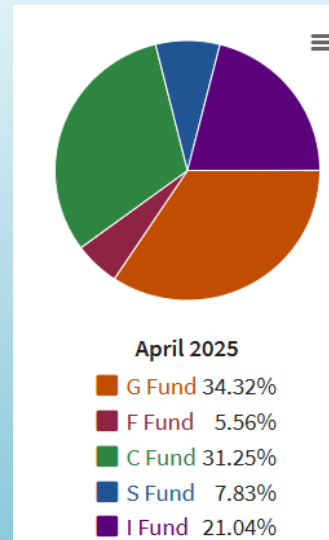
- 70.5% G
- 5.7% F
- 12.5% C
- 3.0% S
- 8.3% I

L FUNDS ALLOCATION COMPARISON

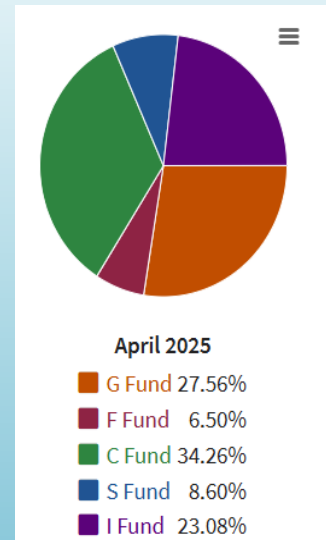
L Income



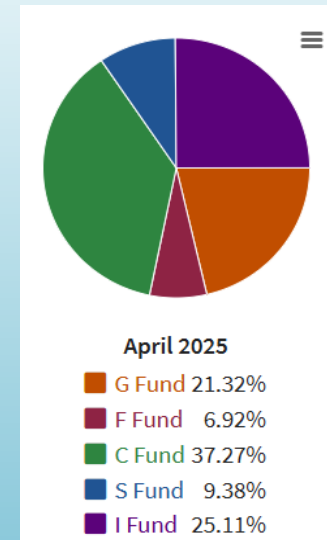
L 2030



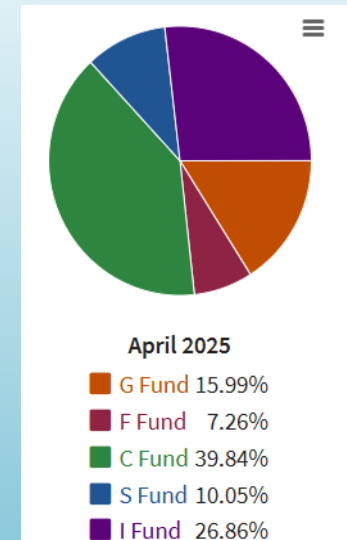
L 2035



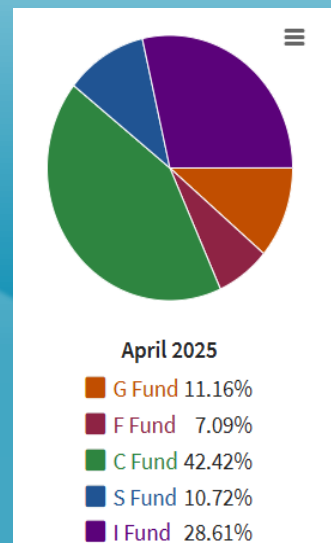
L 2040



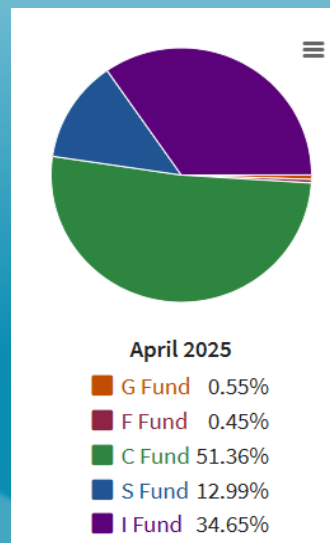
L 2045



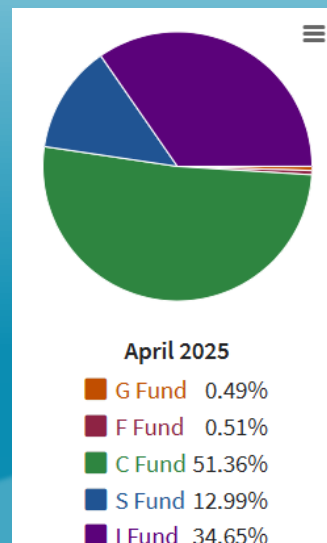
L 2050



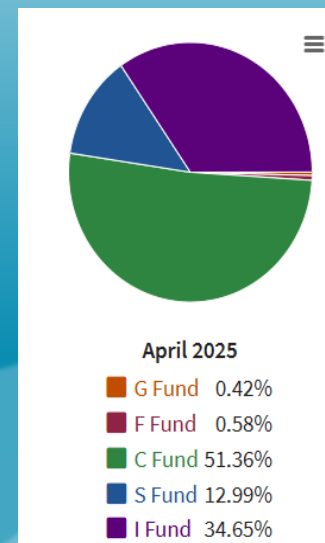
L 2055



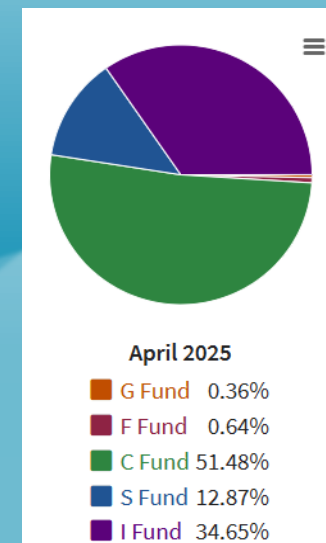
L 2060



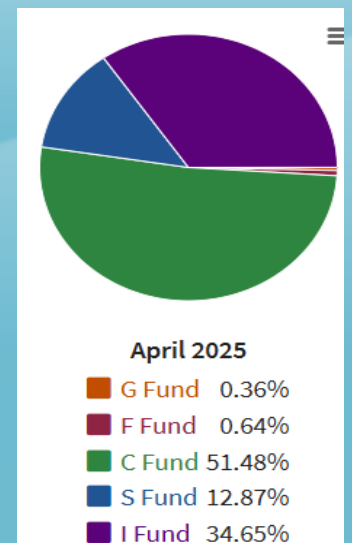
L 2065



L 2070



L 2075



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

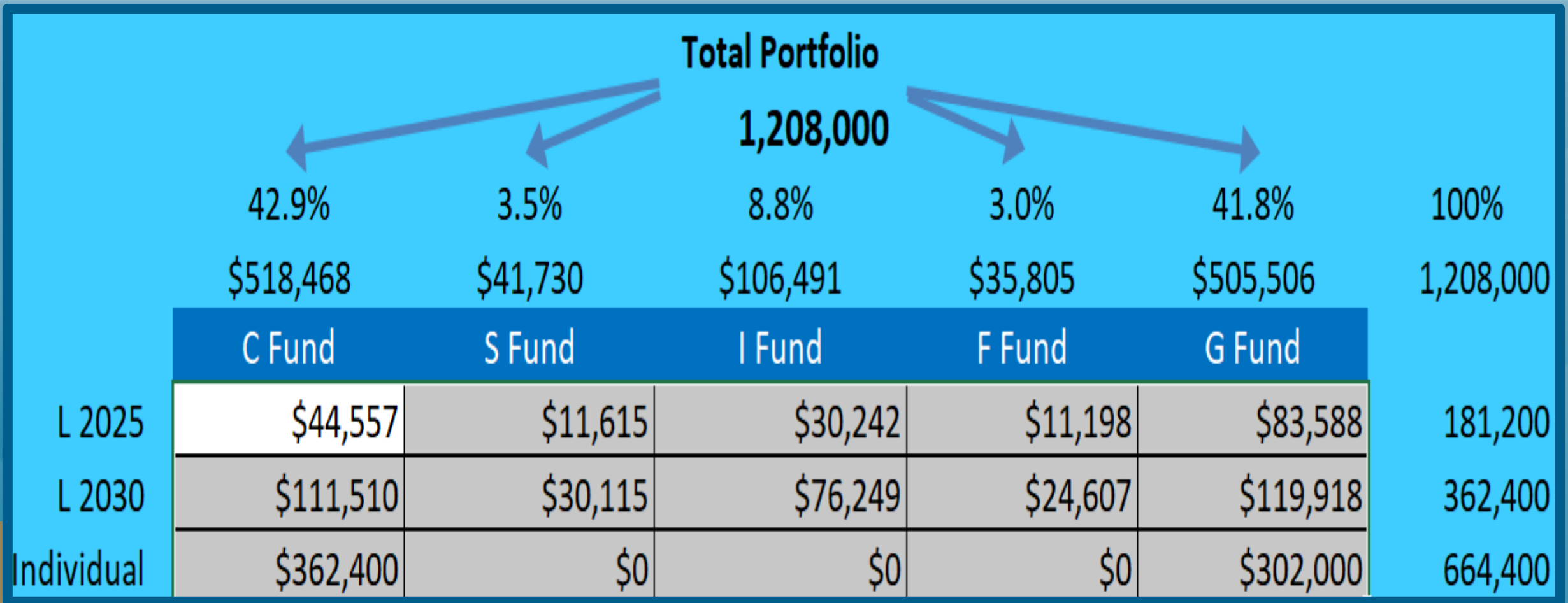
1 – Current TSP 55% / 45%

\$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

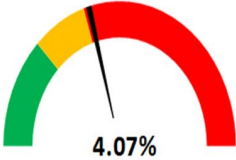

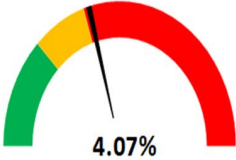

Asset Allocation



Conventional Approach

		Start Age		Age		Total Years	
		67		67		0	
Inflation	Income	W/D	ASSETS & INCOME	ROR	LEGACY	Withdrawal Rate Pressure	Legacy
3.0%	\$52,775	←	Social Security				
2.0%	\$67,511	←	Pensions				
	\$120,286	←	Total Guaranteed Income				
<input checked="" type="checkbox"/> Auto Adjust	\$58,240	← 3.64%	Investment Income \$1,600,000	4.0%	Investments \$1,600,000		
	\$178,526	←	Total Guaranteed & Non guaranteed Income		Total Legacy		
3.0%	\$178,460	←	Target Retirement Income		\$1,600,000		

Conventional Approach

		Start Age		Age		Total Years	
		67		71		4	
Inflation	Income	W/D	ASSETS & INCOME	ROR	LEGACY	Withdrawal Rate Pressure	Legacy
3.0%	\$59,399	←	Social Security				
2.0%	\$73,076	←	Pensions				
	\$132,475	←	Total Guaranteed Income				
<input checked="" type="checkbox"/> Auto Adjust	\$68,467	← 4.07%	Investment Income \$1,600,000	4.0%	Investments \$1,682,230		
	\$200,942	←	Total Guaranteed & Non guaranteed Income		Total Legacy		
3.0%	\$200,858	←	Target Retirement Income		\$1,682,230		

Problem: Markets Can Behave Badly

- Having enough money can overcome financial risks
- But it may not reduce financial concerns
- **Negative market returns** can undo the best laid plans
 - It's not a matter of *if* but *when*
 - *"Past performance is not an indication of future results"*

25 Down Markets since 1928

1929	1930	1931
1932	1934	1937
1939	1940	1941
1946	1953	1957
1962	1966	1969
1973	1974	1977
1981	1990	2000
2001	2002	2008
2018	Courtesy of Leap Systems	

S&P 500 Total Return since inception

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

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.

COMPARE

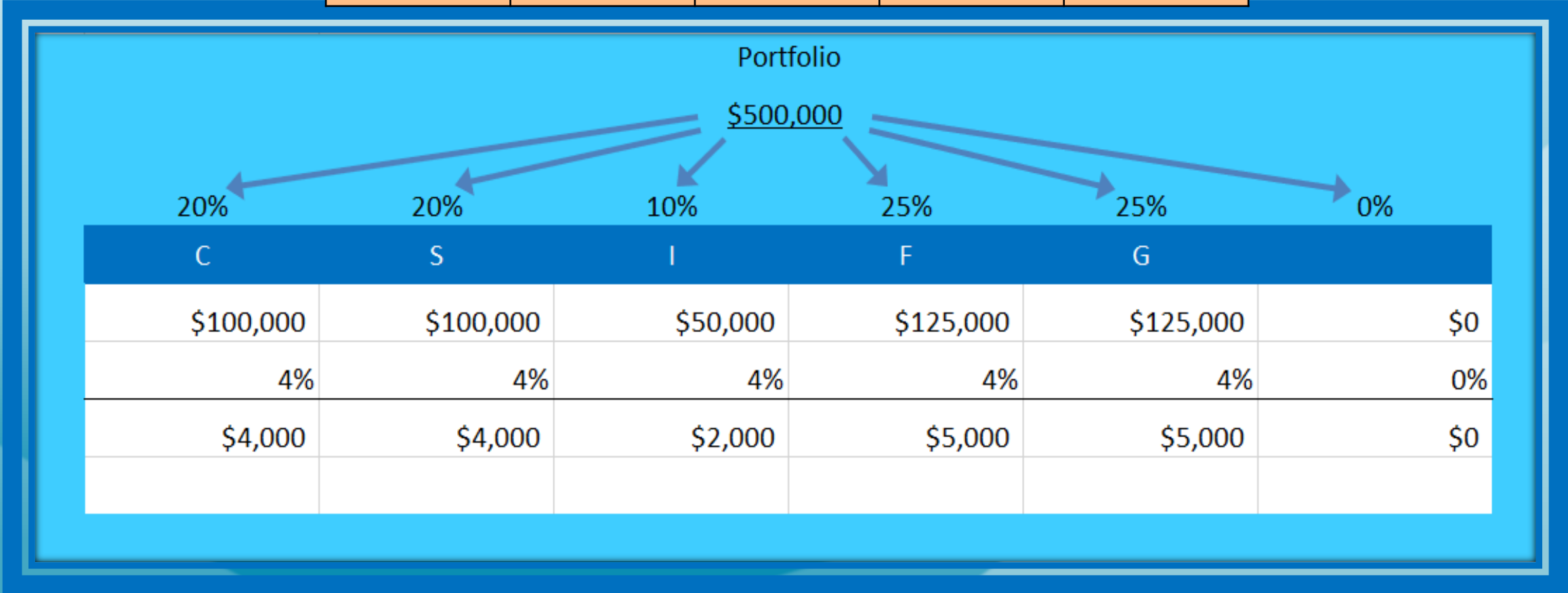
NO DEFENSE

WITH DEFENSE



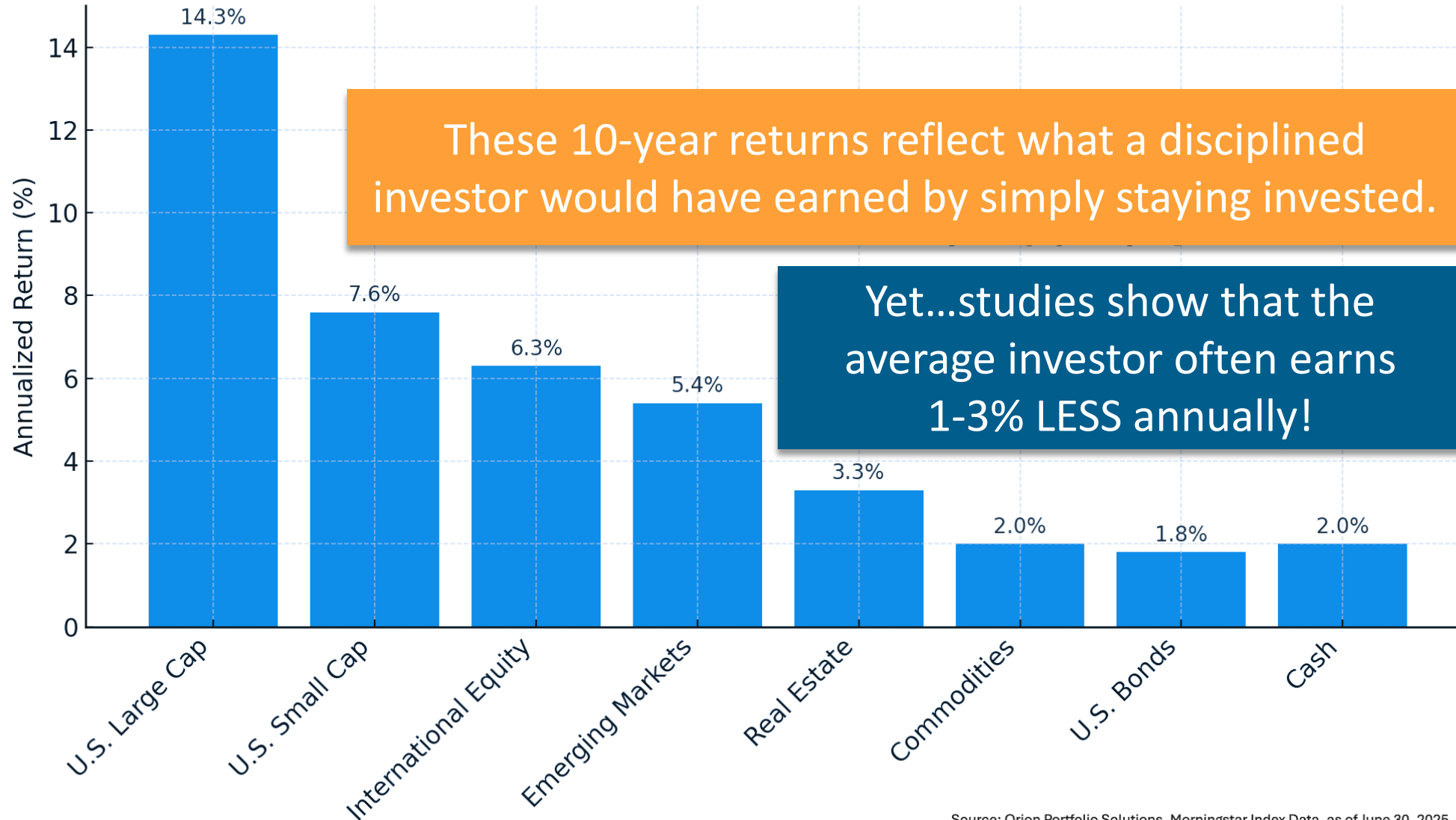
Example: What if You Had to take Distributions in 2022 ?

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



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!

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."

What is the Alternative Approach?

- Still utilizes the markets for growth but **doesn't rely solely on the markets to sustain** income, protection, and legacy in retirement.
- This alternative is typically **more strategy driven using various assets types** to reduce income risk and increase legacy (Legacy is for people who have a desire to pass on money to their Ares, charities, institutions, etc.)
- The objective is to **reduce risk and increase income, protection, and ensure legacy if desired.**

Alternative Method

**Paydown
vs. Interest
Only**

**Reduce
Pressure
on Capital**

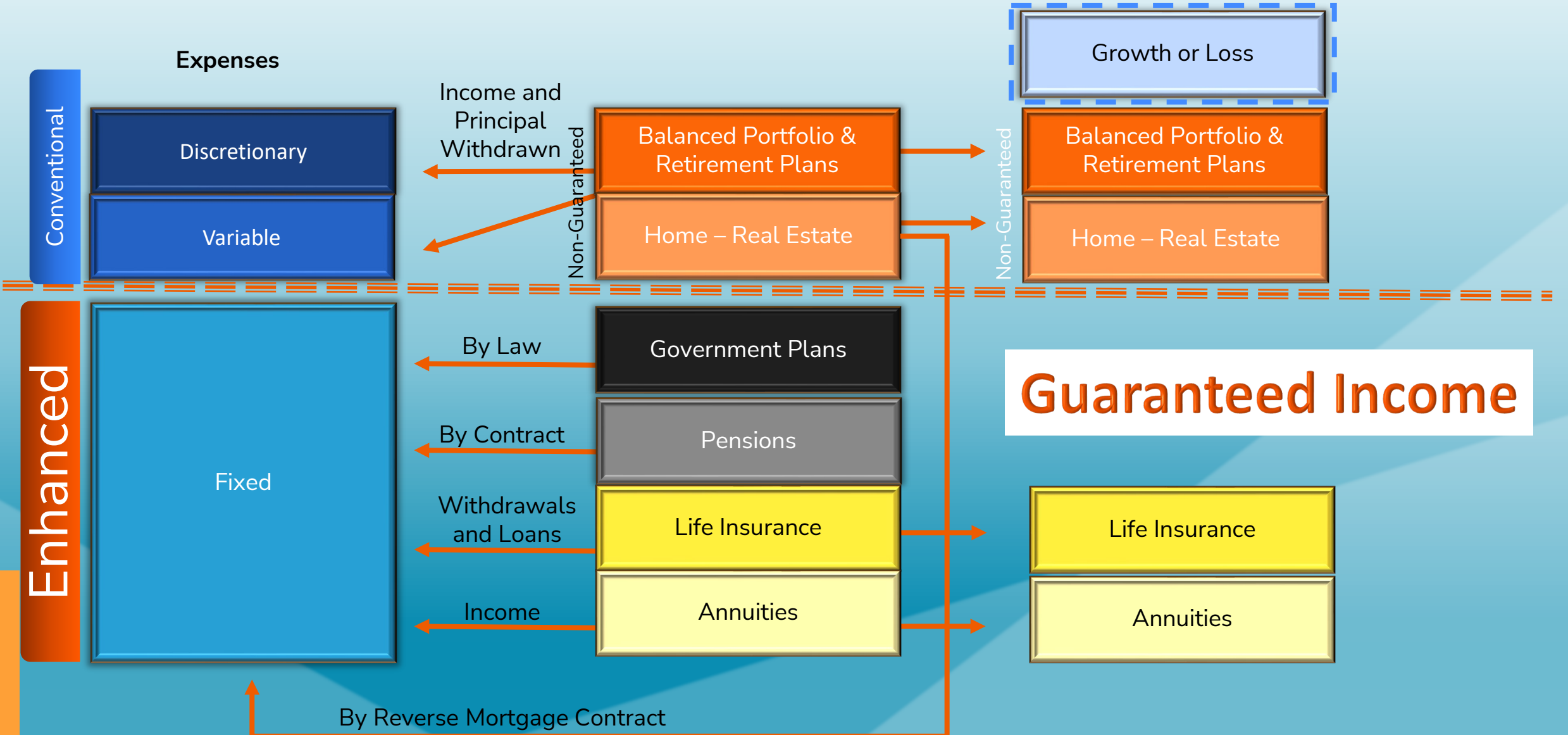
**Reduce
Pressure of
Withdrawal
Rates**

**Reduce
Income
Risks**

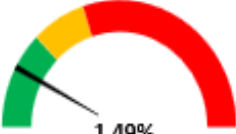

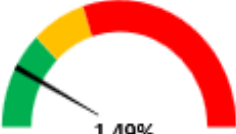

**Reduce
Fear**

**Inflation
Protection**

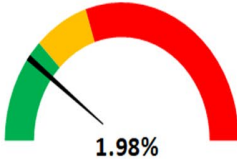

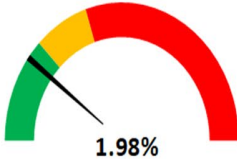

Alternative Retirement Approach



Alternative Approach

		Start Age		Age		Total Years	
		67		67		0	
Inflation	Income	W/D	ASSETS & INCOME	ROR	LEGACY	Withdrawal Rate Pressure	Legacy
3.0%	\$52,775	←	Social Security				
2.0%	\$67,511	←	Pensions				
<input type="checkbox"/> Increasing	\$39,235	←	Annuities \$315,000	1.0%	GUARANTEED Annuities \$315,000		
	\$159,521	←	Total Guaranteed Income				
	\$19,042	← 1.49%	Investments \$1,278,000	4.0%	NON-GUARANTEED Investments \$1,278,000		
	\$178,563	←	Total Guaranteed & Non guaranteed Income		Total Legacy		
3.0%	\$178,460	←	Target Retirement Income		\$1,593,000		

Alternative Approach

		Start Age		Age		Total Years	
		67		71		4	
Inflation	Income	W/D	ASSETS & INCOME	ROR	LEGACY	Withdrawal Rate Pressure	Legacy
3.0%	\$59,399	←	Social Security				
2.0%	\$73,076	←	Pensions				
<input type="checkbox"/> Increasing	\$39,235	←	Annuities \$315,000	1.0%	Annuities \$166,887		
	\$171,710	←	Total Guaranteed Income				
	\$29,284	← 1.98%	Investments \$1,278,000	4.0%	Investments \$1,478,967		
	\$200,993	←	Total Guaranteed & Non guaranteed Income		Total Legacy		
3.0%	\$200,858	←	Target Retirement Income		\$1,645,854		

Conventional Approach

		Start Age		Age		Total Years	
		67		67		0	
Inflation	Income	W/D	ASSETS & INCOME	ROR	LEGACY	Withdrawal Rate Pressure	Legacy
3.0%	\$52,775	←	Social Security				
2.0%	\$67,511	←	Pensions				
	\$120,286	←	Total Guaranteed Income				
<input checked="" type="checkbox"/> Auto Adjust	\$58,240	← 3.64%	Investment Income \$1,600,000	4.0%	Investments \$1,600,000		
	\$178,526	←	Total Guaranteed & Non guaranteed Income		Total Legacy		
3.0%	\$178,460	←	Target Retirement Income		\$1,600,000		

Alternative Approach

		Start Age		Age		Total Years	
		67		67		0	
Inflation	Income	W/D	ASSETS & INCOME	ROR	LEGACY	Withdrawal Rate Pressure	Legacy
3.0%	\$52,775	←	Social Security				
2.0%	\$67,511	←	Pensions				
<input type="checkbox"/> Increasing	\$39,235	←	Annuities \$315,000	1.0%	Annuities \$315,000		
	\$159,521	←	Total Guaranteed Income				
	\$19,042	← 1.49%	Investments \$1,278,000	4.0%	Investments \$1,278,000		
	\$178,563	←	Total Guaranteed & Non guaranteed Income		Total Legacy		
3.0%	\$178,460	←	Target Retirement Income		\$1,593,000		

Conventional Approach

Start Age

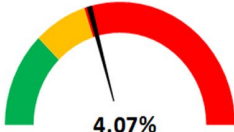

67

Age

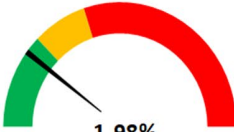

71

Total Years

4

Inflation	Income	W/D	ASSETS & INCOME		ROR	LEGACY		Withdrawal Rate Pressure	Legacy
3.0%	\$59,399	←	GUARANTEED	Social Security		GUARANTEED			
2.0%	\$73,076	←		Pensions					
	\$132,475	←		Total Guaranteed Income					
<input checked="" type="checkbox"/> Auto Adjust	\$68,467	← 4.07%	NON-GUARANTEED	Investment Income \$1,600,000	4.0%	NON-GUARANTEED	Investments \$1,682,230		
	\$200,942	←		Total Guaranteed & Non guaranteed Income			Total Legacy		
3.0%	\$200,858	←		Target Retirement Income			\$1,682,230		

Alternative Approach

Inflation	Income	W/D	ASSETS & INCOME		ROR	LEGACY		Withdrawal Rate Pressure	Legacy
3.0%	\$59,399	←	GUARANTEED	Social Security		GUARANTEED			
2.0%	\$73,076	←		Pensions					
<input type="checkbox"/> Increasing	\$39,235	←		Annuities \$315,000	1.0%		Annuities \$166,887		
	\$171,710	←	NON-GUARANTEED	Total Guaranteed I Income		NON-GUARANTEED			
	\$29,284	← 1.98%		Investments \$1,278,000	4.0%		Investments \$1,478,967		
	\$200,993	←		Total Guaranteed & Non guaranteed Income			Total Legacy		
3.0%	\$200,858	←		Target Retirement Income			\$1,645,854		

Guaranteed Income Amount	→	\$39,235
Withdrawal Rate	→	4%
Future Value	→	\$980,875
Present Value	→	\$250,000
Years	→	10
Rate of Return Needed	→	<u>14.65%</u>
Future Value	→	981,026

Characteristics of Consumers who like one strategy over the other

Conventional

1

Comfortable with Market Volatility

2

Like Full Control

3

Legacy is important to them.

4

Driven by watching the portfolio grow

5

Comfortable with all the moving pieces

- Understands how to rebalance.
- Understands how to navigate income distributions in good and bad markets.
- Understands how to navigate RMD's when the time comes.

Alternative

1

Not as comfortable with market volatility

2

Like less management

3

Not as driven to pass on Legacy

4

Overwhelmed by the finance.

5

Like simplicity
- Not a lot of moving pieces

6

Conservative to very conservative with investments that require a withdrawal rate need of 3-4%

A chessboard with various pieces is shown in the background. Overlaid on the board are five colored boxes, each containing a retirement-related topic. The boxes are arranged in two rows: three in the top row and two in the bottom row. The colors of the boxes are green, orange, blue, grey, and pink.

Retirement
Pressures

Retirement
Risks

Build
a Better
Retirement

Retire on
Your Terms

Next
Steps

**The Closer you get to retirement the
more conservative you should get!**

**Just don't take more than 4%
from your investments and you
will be fine in retirement!**

You can do this all yourself!

Don't pay fees!

I'm just going to self-Insure!

Long Term Care is Too expensive!

I'll get to that when I retire!

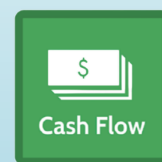
**I'll wait to I get closer to
retirement!**



ACCUMULATION

DISTRIBUTION





Protection

Savings

Growth





Thank you for your time today. Kindly fill out our feedback survey:
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