SOFA

THE SOCIETY FOR FINANCIAL AWARENESS

DC Metropolitan Chapter www.dcsofa.org

RETIREMENT DISTRIBUTION STRATEGIES TO AVOID OUTLIVING YOUR MONEY

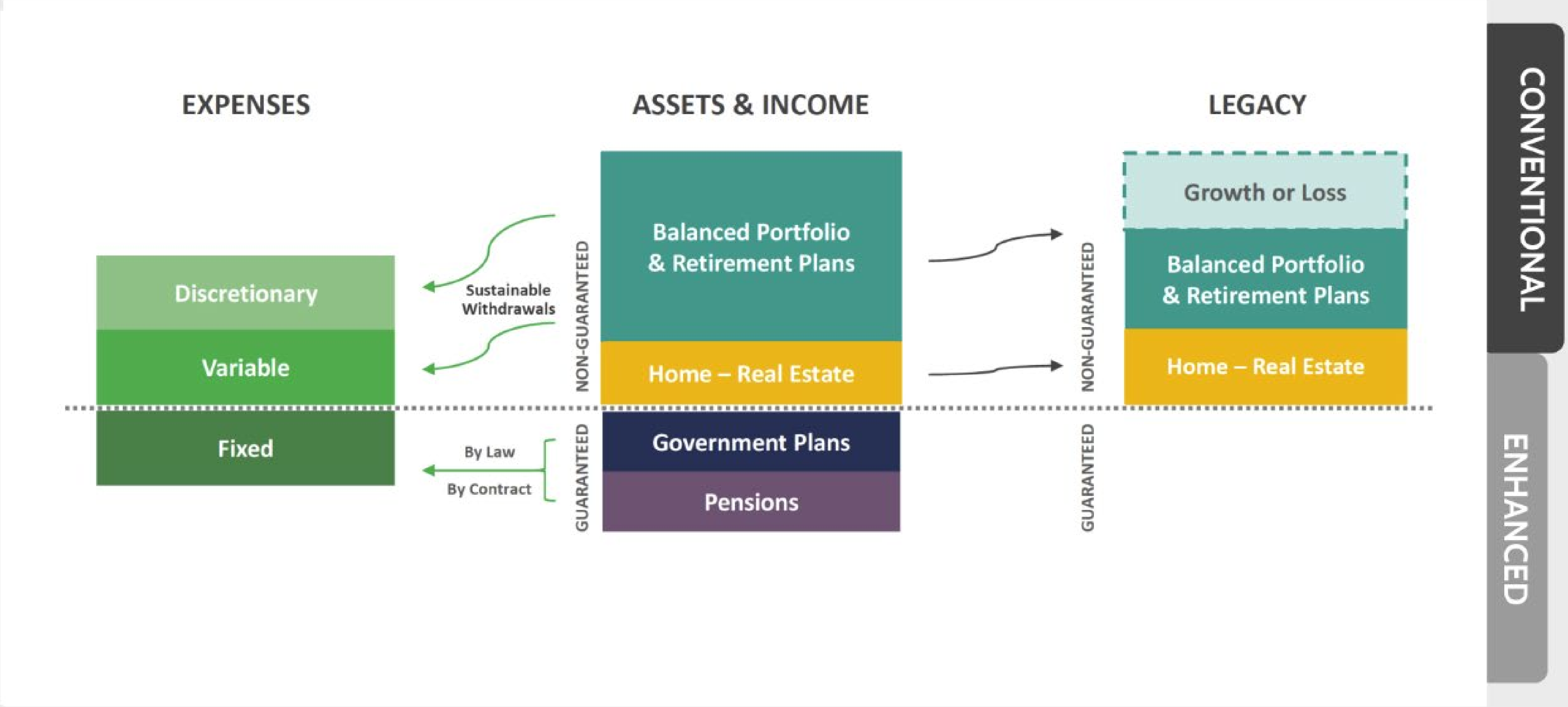
We are Going to Examine Two Different Income Distribution Strategies:

1. Conventional Approach
2. Alternative Approach

What is the Conventional Approach?

- Uses Stocks, Bonds, Cash to distribute your income need through retirement.
- Relies on the Rate of Return of Stocks, Bonds, and Cash to sustain income, protection, and legacy in retirement.
- The majority of the plan is predicated by the ebbs and flows of the markets.

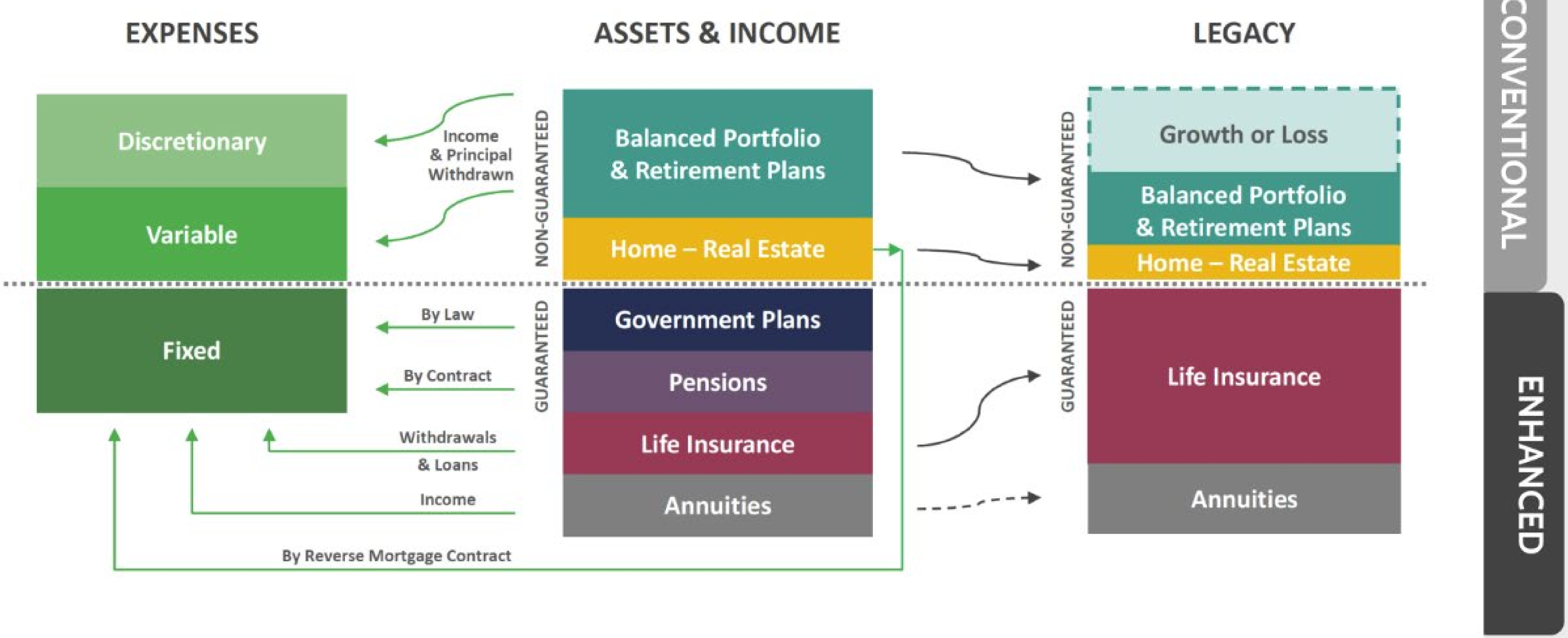
Conventional Retirement Approach



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.

Alternative Retirement Approach



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.

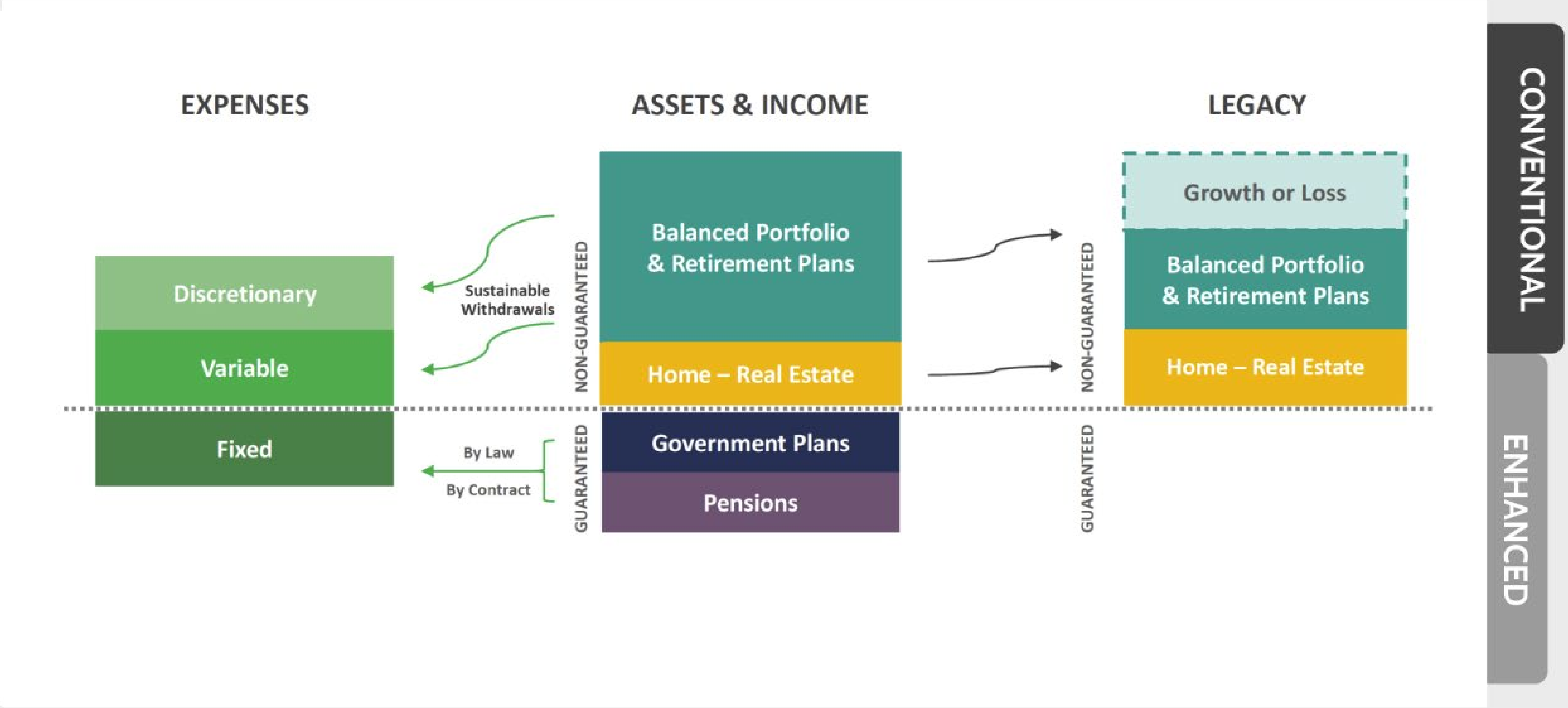
Loss of Principal

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
2. Withdrawal Rate Risk
3. Sequence Risk
4. Human Behavior

MUST HAVE PLAN!

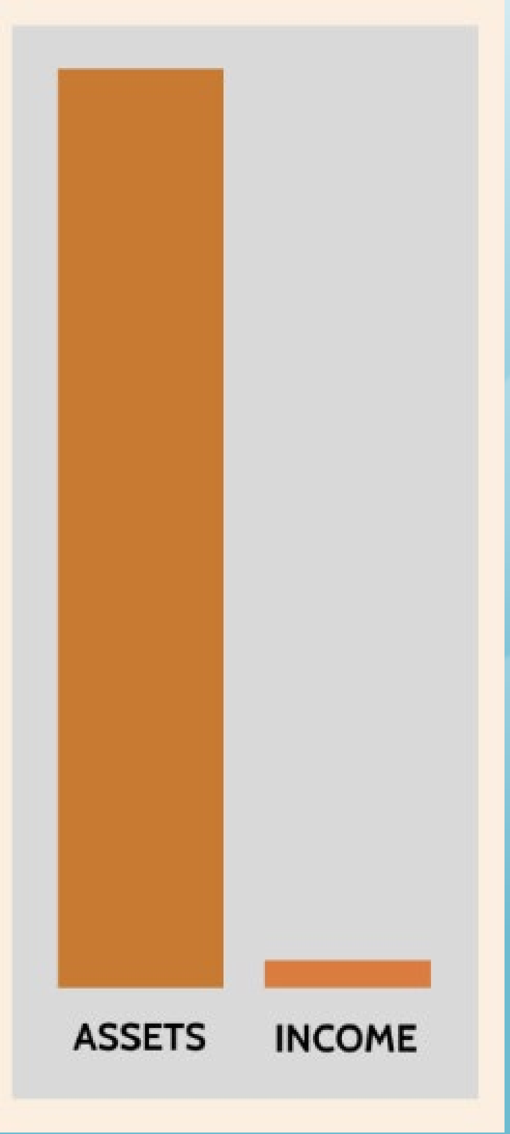
Especially when you are within 10 yrs. of RETIREMENT!!!!!

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%

The Trinity University Study

Step #1:

Understanding Your Target Retirement Income (TRI)

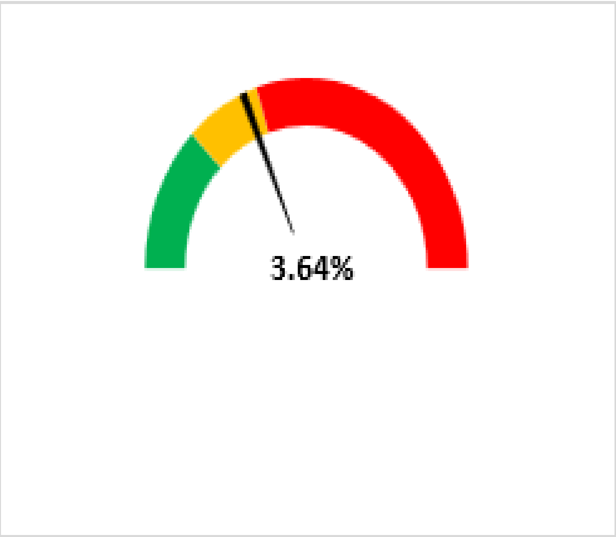
Gross Income – Spouse A	**$150,000**
Gross Income - Spouse B	**$100,000**
Total Gross Income	**$250,000**
Less	
TSP/401(k)	**$27,000**
TSP/401(k)	**$27,000**
Social Security	**$17,540**
Savings	**$0**
Mortgage	**$0**
Roth TSP	**$0**
Roth	**$0**
Non/Qualified IRA	**$0**
College	**$0**
Credit Cards	**$0**
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
0.0%	$52,775		GUARANTEED	Social Security	
0.0%	$67,511		GUARANTEED	Pensions	
	$120,286		GUARANTEED	Total Guaranteed Income	
☑ Auto Adjust	$58,240	3.64%	NON-GUARANTEED	Investment Income $1,600,000	4.0%
	$178,526		NON-GUARANTEED	Total Guaranteed & Non guaranteed Income	
0.0%	$178,460		NON-GUARANTEED	Target Retirement Income	

Withdrawal Rate Pressure



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The Trinity University Study

Recent Investment Returns for the TSP Funds

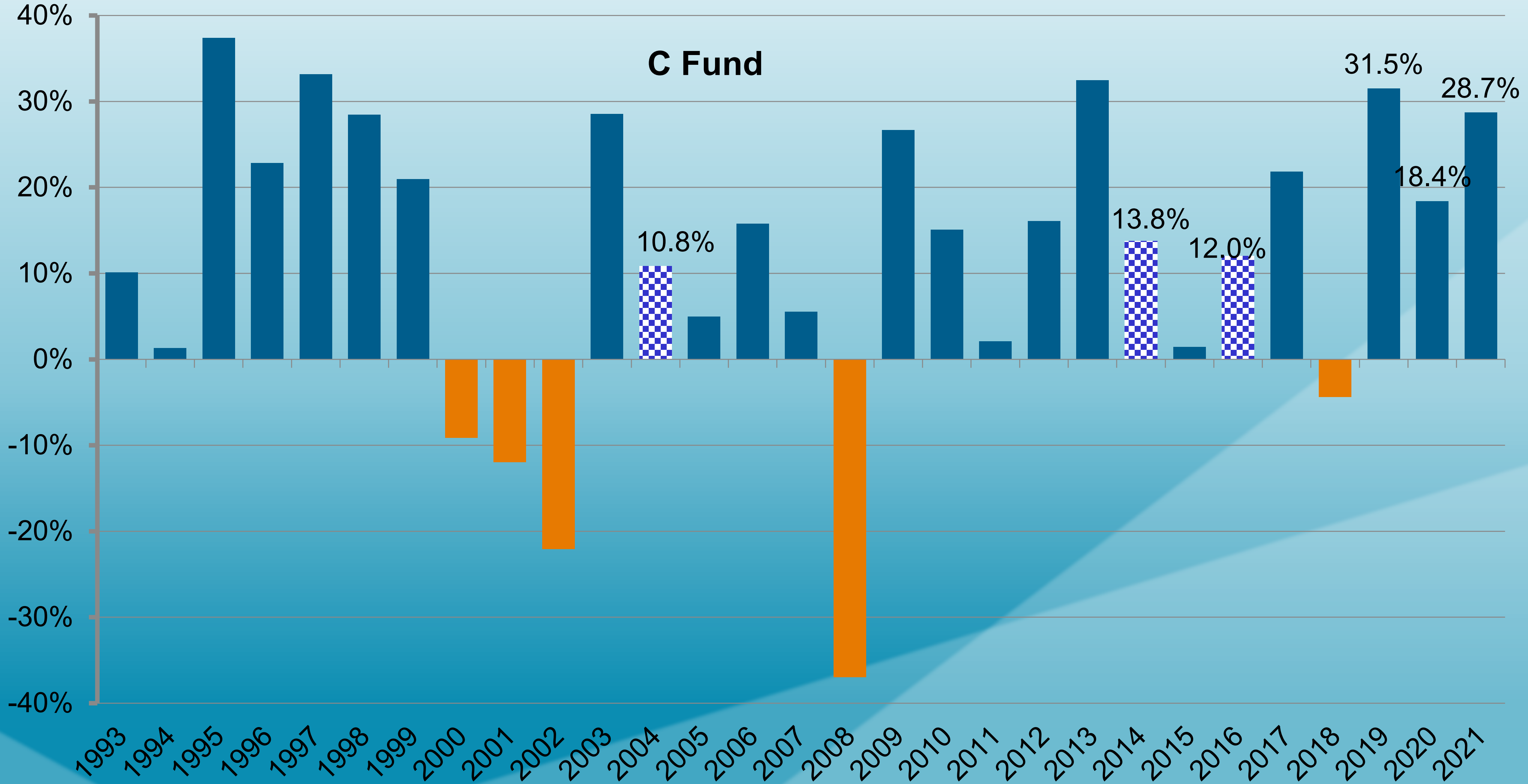
Rates of return as of November 30, 2025

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	4.46%	5.65%	14.96%	4.08%	24.91%
3 year	4.35%	4.54%	20.52%	15.31%	15.91%
5 year	3.42%	-0.22%	15.24%	7.85%	9.75%
10 year	2.74%	2.10%	14.60%	10.66%	8.15%
Since inception	4.65%	5.32%	11.36%	9.47%	5.90%

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

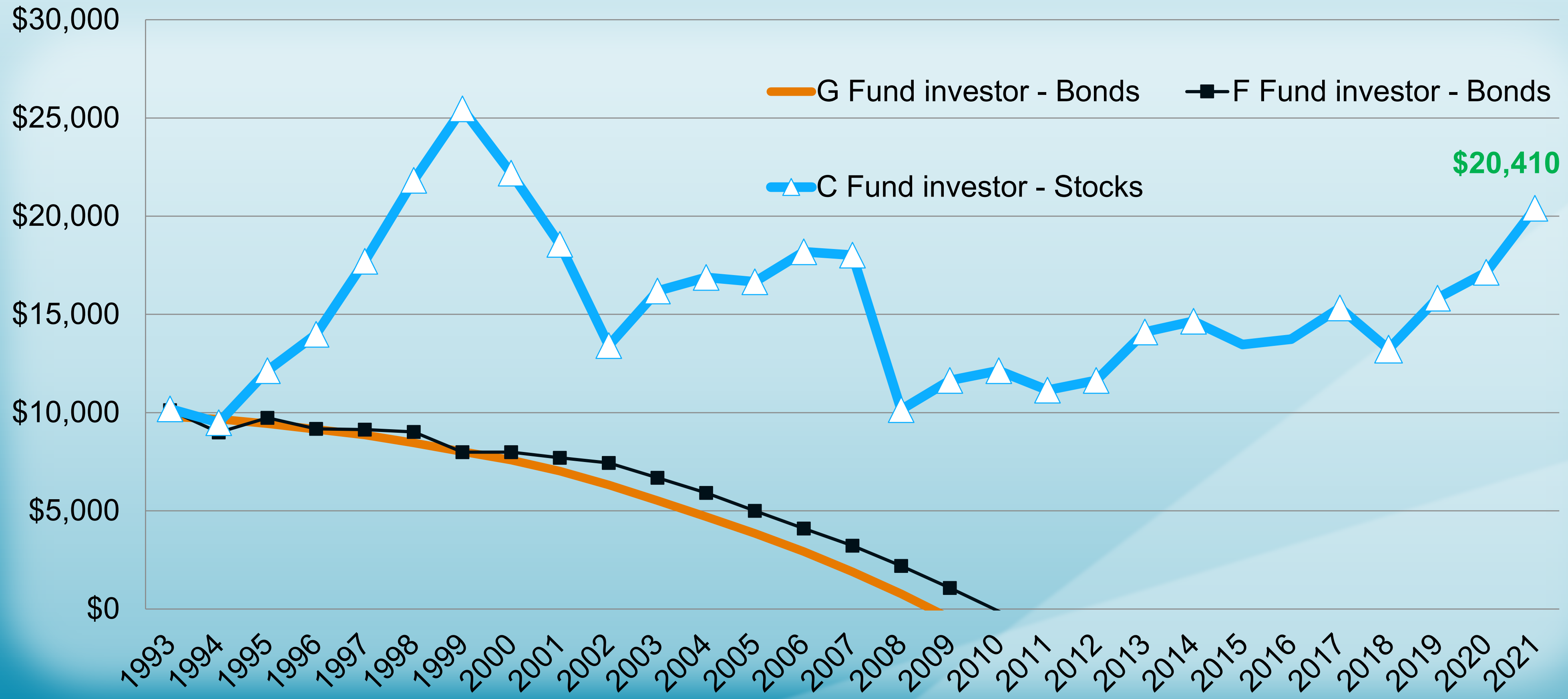
Source: Blackrock via AE Wealth Management

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%).

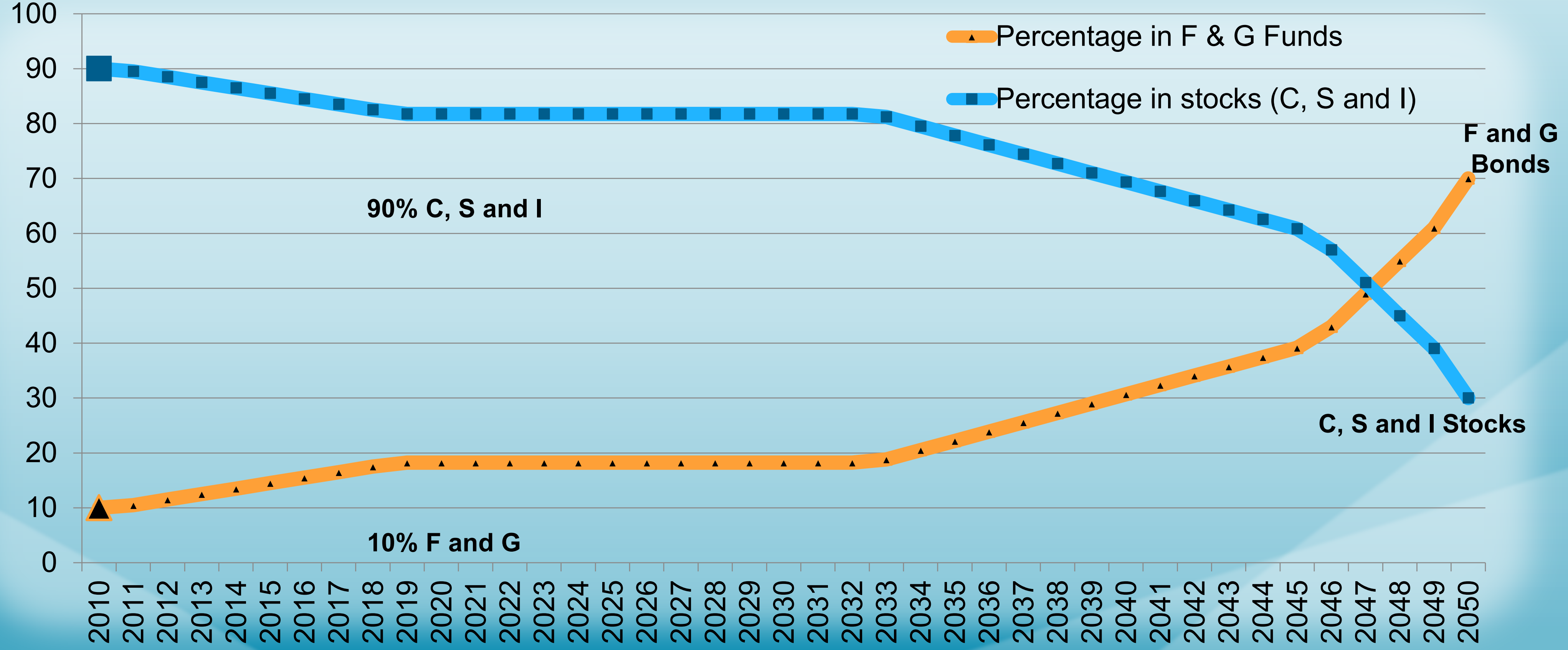


Note: This is for illustration purposes only. Past performance is no guarantee of future performance.

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.

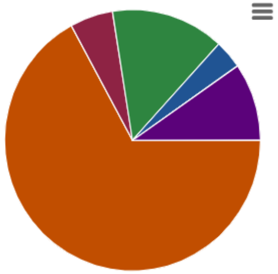
Current percentages for the L Income Fund are

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

The final allocation of the L Income Fund is being adjusted by the TSP. In 2028, the L Income Fund Allocation will be 70% Bonds and 30% Stocks. Source: www.tsp.gov.

L FUNDS ALLOCATION COMPARISON

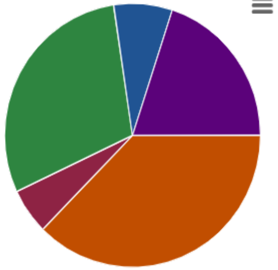
L Income



January 2026

- G Fund 67.06%
- F Fund 5.44%
- C Fund 14.30%
- S Fund 3.57%
- I Fund 9.63%

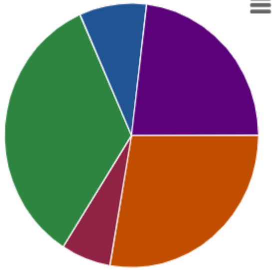
L 2030



January 2026

- G Fund 37.38%
- F Fund 5.62%
- C Fund 29.64%
- S Fund 7.41%
- I Fund 19.95%

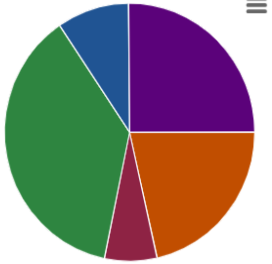
L 2035



January 2026

- G Fund 27.74%
- F Fund 6.32%
- C Fund 34.29%
- S Fund 8.57%
- I Fund 23.08%

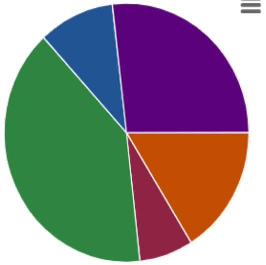
L 2040



January 2026

- G Fund 21.47%
- F Fund 6.78%
- C Fund 37.31%
- S Fund 9.33%
- I Fund 25.11%

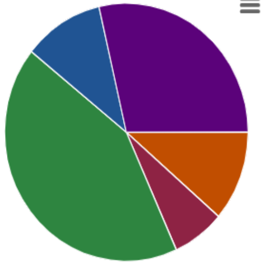
L 2045



January 2026

- G Fund 16.16%
- F Fund 7.09%
- C Fund 39.91%
- S Fund 9.98%
- I Fund 26.86%

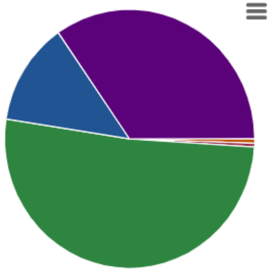
L 2050



January 2026

- G Fund 11.33%
- F Fund 6.92%
- C Fund 42.51%
- S Fund 10.63%
- I Fund 28.61%

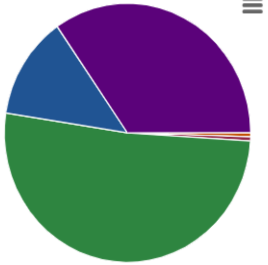
L 2055



January 2026

- G Fund 0.56%
- F Fund 0.44%
- C Fund 51.48%
- S Fund 12.87%
- I Fund 34.65%

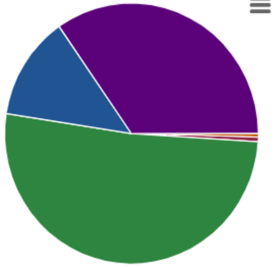
L 2060



January 2026

- G Fund 0.50%
- F Fund 0.50%
- C Fund 51.48%
- S Fund 12.87%
- I Fund 34.65%

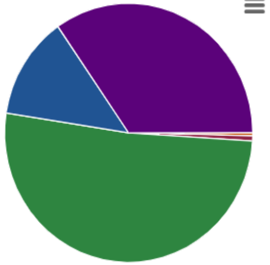
L 2065



January 2026

- G Fund 0.44%
- F Fund 0.56%
- C Fund 51.48%
- S Fund 12.87%
- I Fund 34.65%

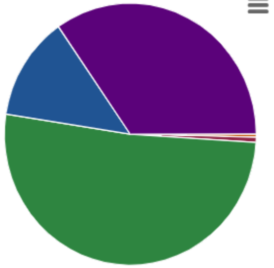
L 2070



January 2026

- G Fund 0.36%
- F Fund 0.64%
- C Fund 51.48%
- S Fund 12.87%
- I Fund 34.65%

L 2075



January 2026

- G Fund 0.36%
- F Fund 0.64%
- C Fund 51.48%
- S Fund 12.87%
- I Fund 34.65%

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

Total Portfolio

1,208,000

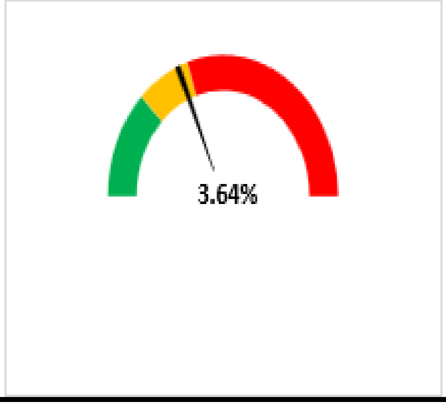
	C Fund	S Fund	I Fund	F Fund	G Fund	
	42.9%	3.5%	8.8%	3.0%	41.8%	100%
	$518,468	$41,730	$106,491	$35,805	$505,506	1,208,000
L 2025	$44,557	$11,615	$30,242	$11,198	$83,588	181,200
L 2030	$111,510	$30,115	$76,249	$24,607	$119,918	362,400
Individual	$362,400	$0	$0	$0	$302,000	664,400

Conventional Approach

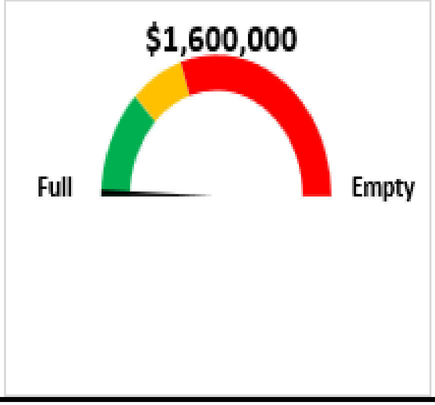
Start Age	Age	Total Years
67	67	0

Inflation	Income	W/D		ASSETS & INCOME	ROR		LEGACY
3.0%	$52,775		GUARANTEED	Social Security		GUARANTEED	
2.0%	$67,511			Pensions			
	$120,286			Total Guaranteed Income			
☑ Auto Adjust	$58,240	3.64%	NON-GUARANTEED	Investment Income $1,600,000	4.0%	NON-GUARANTEED	Investments $1,600,000
	$178,526			Total Guaranteed & Non guaranteed Income			Total Legacy
3.0%	$178,460			Target Retirement Income			$1,600,000

Withdrawal Rate Pressure



Legacy

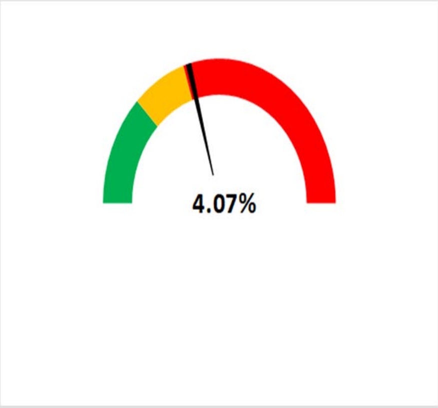


Conventional Approach

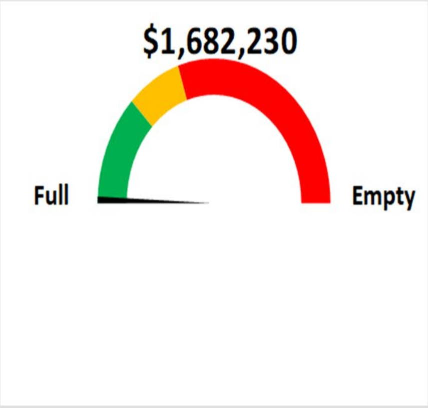
Start Age	Age	Total Years
67	71	4

Inflation	Income	W/D		ASSETS & INCOME	ROR		LEGACY
3.0%	$59,399		GUARANTEED	Social Security		GUARANTEED	
2.0%	$73,076			Pensions			
	$132,475			Total Guaranteed Income			
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

Withdrawal Rate Pressure



Legacy



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**

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 ?

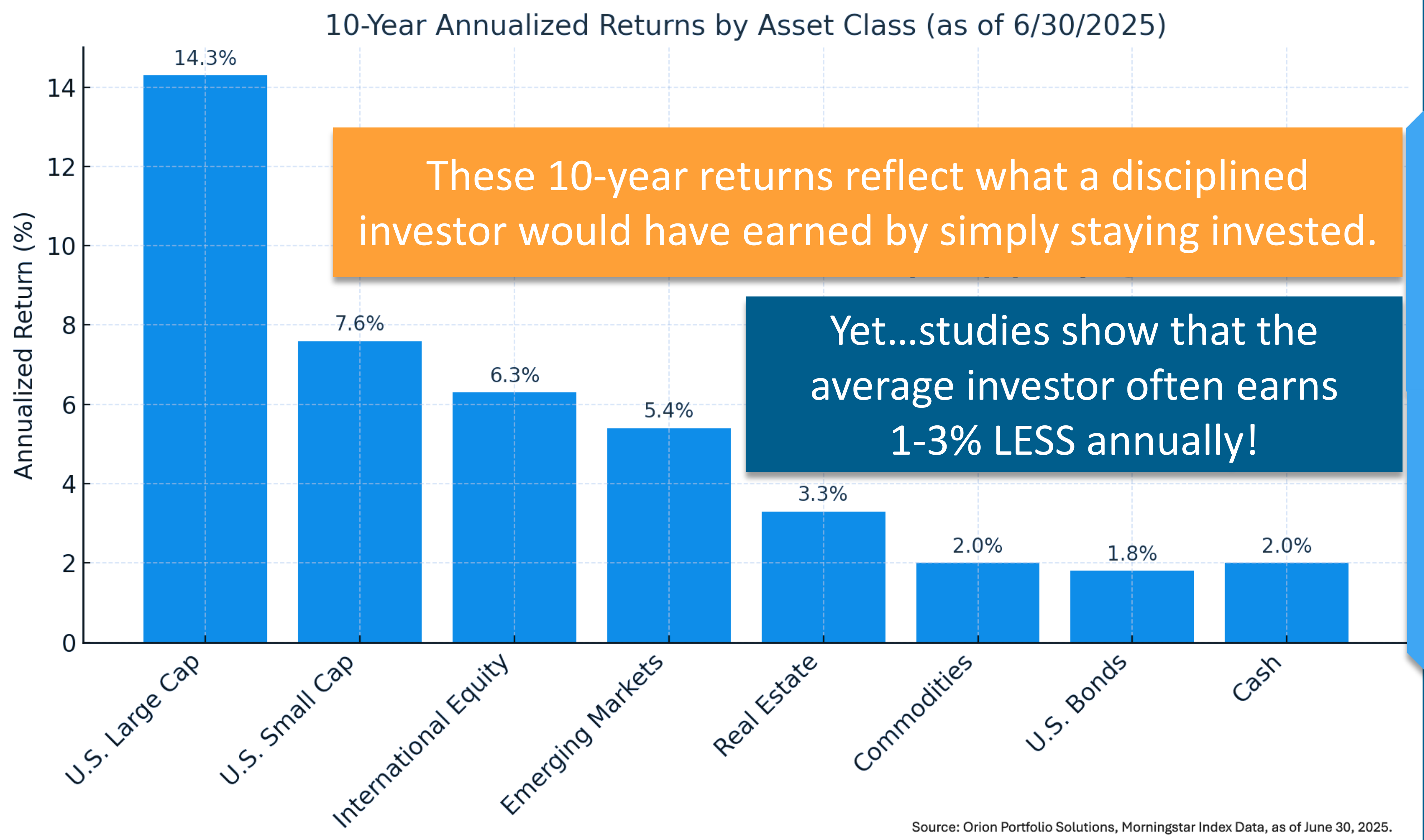
G Fund	F Fund	C Fund	S Fund	I Fund
2.98%	-12.83%	-18.13%	-26.26%	-13.94%

Portfolio

$500,000

20%	20%	10%	25%	25%	0%
C	S	I	F	G	
$100,000	$100,000	$50,000	$125,000	$125,000	$0
4%	4%	4%	4%	4%	0%
$4,000	$4,000	$2,000	$5,000	$5,000	$0

Behavior Drives Results



These 10-year returns reflect what a disciplined investor would have earned by simply staying invested.

Yet…studies show that the average investor often earns 1-3% LESS annually!

Source: Orion Portfolio Solutions, Morningstar Index Data, as of June 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."

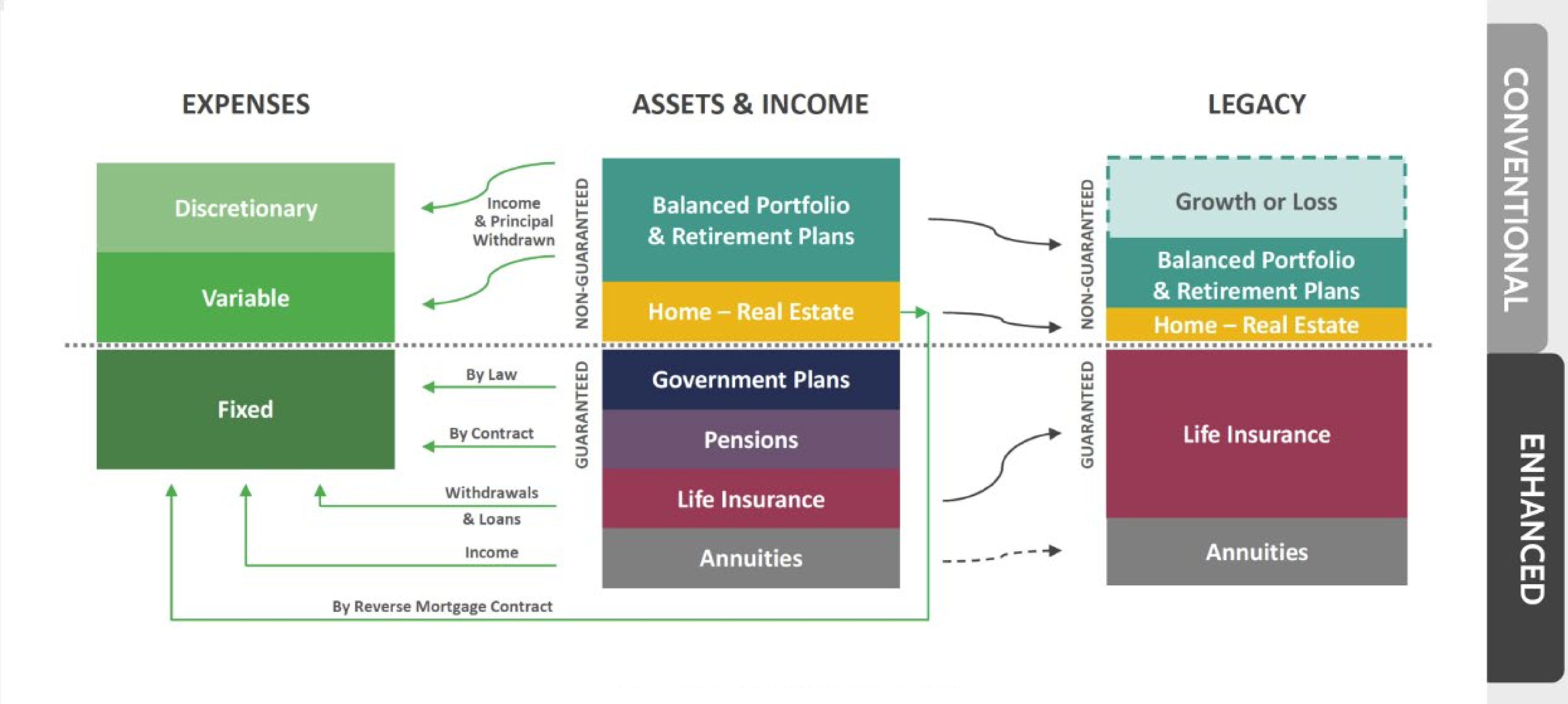
What is the Alternative Approach?

- 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 heirs, 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

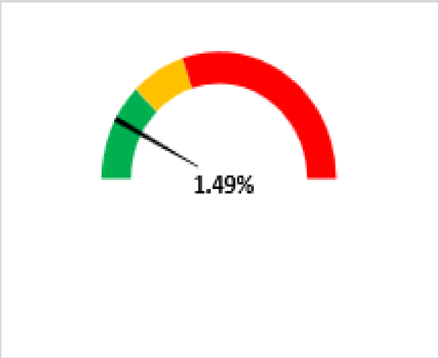


Alternative Approach

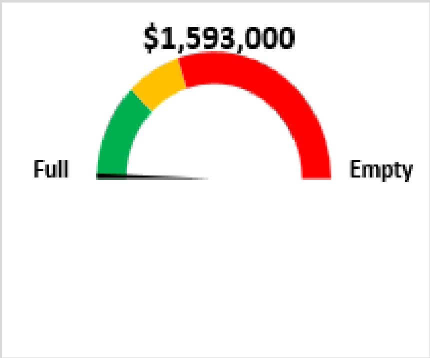
Start Age	Age	Total Years
67	67	0

Inflation	Income	W/D		ASSETS & INCOME	ROR		LEGACY
3.0%	$52,775		GUARANTEED	Social Security		GUARANTEED	Annuities $315,000
2.0%	$67,511			Pensions			
☐ Increasing	$39,235			Annuities $315,000	1.0%		
	$159,521			Total Guaranteed l Income			
	$19,042	1.49%	NON-GUARANTEED	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

Withdrawal Rate Pressure



Legacy

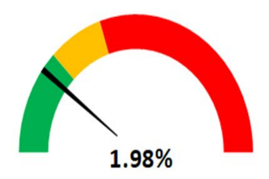


Alternative Approach

Start Age	Age	Total Years
67	71	4

Inflation	Income	W/D		ASSETS & INCOME	ROR		LEGACY
3.0%	$59,399		GUARANTEED	Social Security		GUARANTEED	Annuities $166,887
2.0%	$73,076			Pensions			
☐ Increasing	$39,235			Annuities $315,000	1.0%		
	$171,710			Total Guaranteed l Income			
	$29,284	1.98%	NON-GUARANTEED	Investments $1,278,000	4.0%	NON-GUARANTEED	Investments $1,478,967
	$200,993			Total Guaranteed & Non guaranteed Income			Total Legacy
3.0%	$200,858			Target Retirement Income			$1,645,854

Withdrawal Rate Pressure



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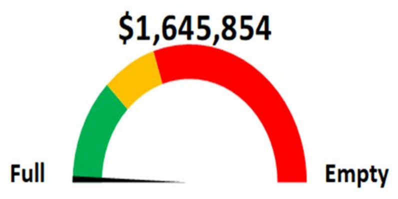
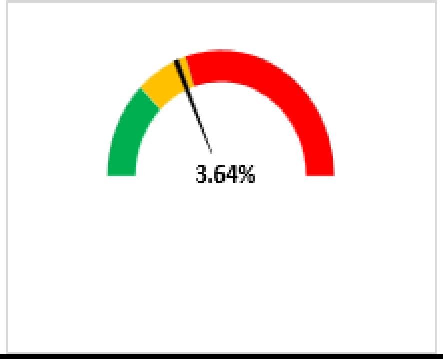


Conventional Approach

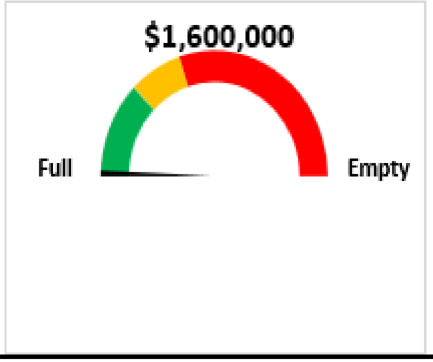
Start Age	Age	Total Years
67	67	0

Inflation	Income	W/D		ASSETS & INCOME	ROR		LEGACY
3.0%	$52,775		GUARANTED	Social Security		GUARANTED	
2.0%	$67,511			Pensions			
	$120,286			Total Guaranteed Income			
☑ Auto Adjust	$58,240	3.64%	NON-GUARANTED	Investment Income $1,600,000	4.0%	NON-GUARANTED	Investments $1,600,000
	$178,526			Total Guaranteed & Non guaranteed Income			Total Legacy
3.0%	$178,460			Target Retirement Income			$1,600,000

Withdrawal Rate Pressure



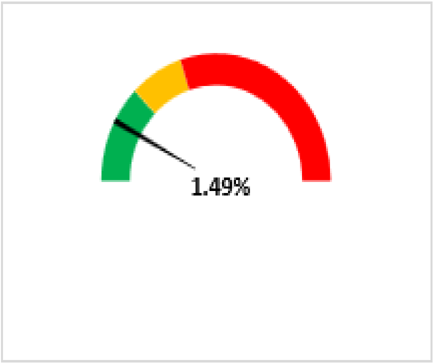
Legacy



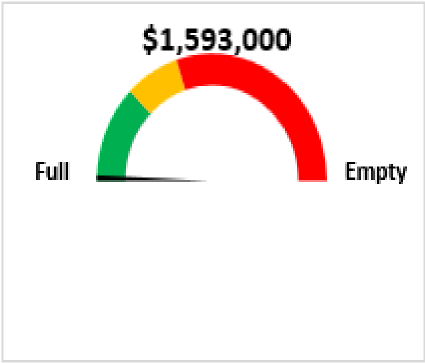
Alternative Approach

Inflation	Income	W/D		ASSETS & INCOME	ROR		LEGACY
3.0%	$52,775		GUARANTED	Social Security		GUARANTED	Annuities $315,000
2.0%	$67,511			Pensions			
☐ Increasing	$39,235			Annuities $315,000	1.0%		
	$159,521			Total Guaranteed l Income			
	$19,042	1.49%	NON-GUARANTED	Investments $1,278,000	4.0%	NON-GUARANTED	Investments $1,278,000
	$178,563			Total Guaranteed & Non guaranteed Income			Total Legacy
3.0%	$178,460			Target Retirement Income			$1,593,000

Withdrawal Rate Pressure



Legacy

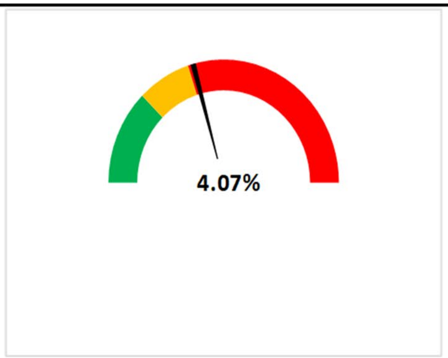


Conventional Approach

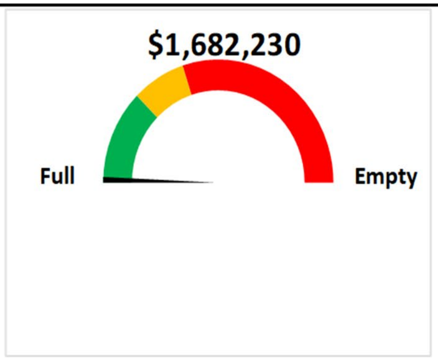
Start Age	Age	Total Years
67	71	4

Inflation	Income	W/D		ASSETS & INCOME	ROR		LEGACY
3.0%	$59,399		GUARANTED	Social Security		GUARANTED	
2.0%	$73,076			Pensions			
	$132,475			Total Guaranteed Income			
☑ Auto Adjust	$68,467	4.07%	NON-GUARANTED	Investment Income $1,600,000	4.0%	NON-GUARANTED	Investments $1,682,230
	$200,942			Total Guaranteed & Non guaranteed Income			Total Legacy
3.0%	$200,858			Target Retirement Income			$1,682,230

Withdrawal Rate Pressure



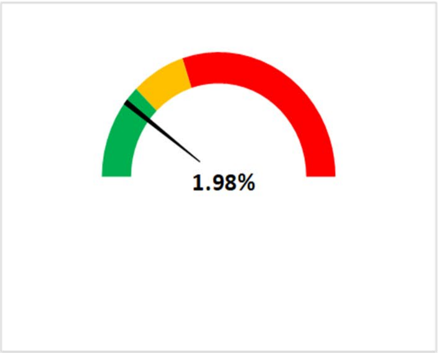
Legacy



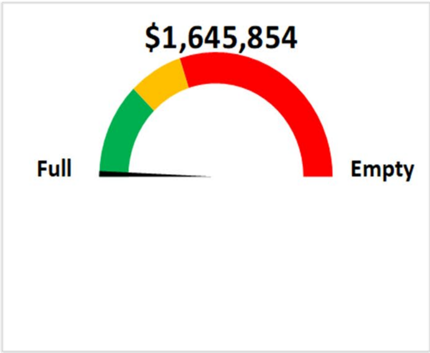
Alternative Approach

Inflation	Income	W/D		ASSETS & INCOME	ROR		LEGACY
3.0%	$59,399		GUARANTED	Social Security		GUARANTED	
2.0%	$73,076			Pensions			
☐ Increasing	$39,235			Annuities $315,000	1.0%		Annuities $166,887
	$171,710			Total Guaranteed I Income			
	$29,284	1.98%	NON-GUARANTED	Investments $1,278,000	4.0%	NON-GUARANTED	Investments $1,478,967
	$200,993			Total Guaranteed & Non guaranteed Income			Total Legacy
3.0%	$200,858			Target Retirement Income			$1,645,854

Withdrawal Rate Pressure



Legacy



Guaranteed Income Amount →	$39,235
Withdrawal Rate →	4%
Future Value →	$980,875
Present Value →	$250,000
Years →	10
Rate of Return Needed →	**14.65%**
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%


Retirement Pressures
Retirement Risks
Build a Better Retirement
Retire on Your Terms
Next Steps
Legal ▶
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The Closer you get to retirement the more conservative you should get!

Long Term Care is Too expensive!

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

I'll get to that when I retire!

You can do this all yourself!

I'll wait to I get closer to retirement!

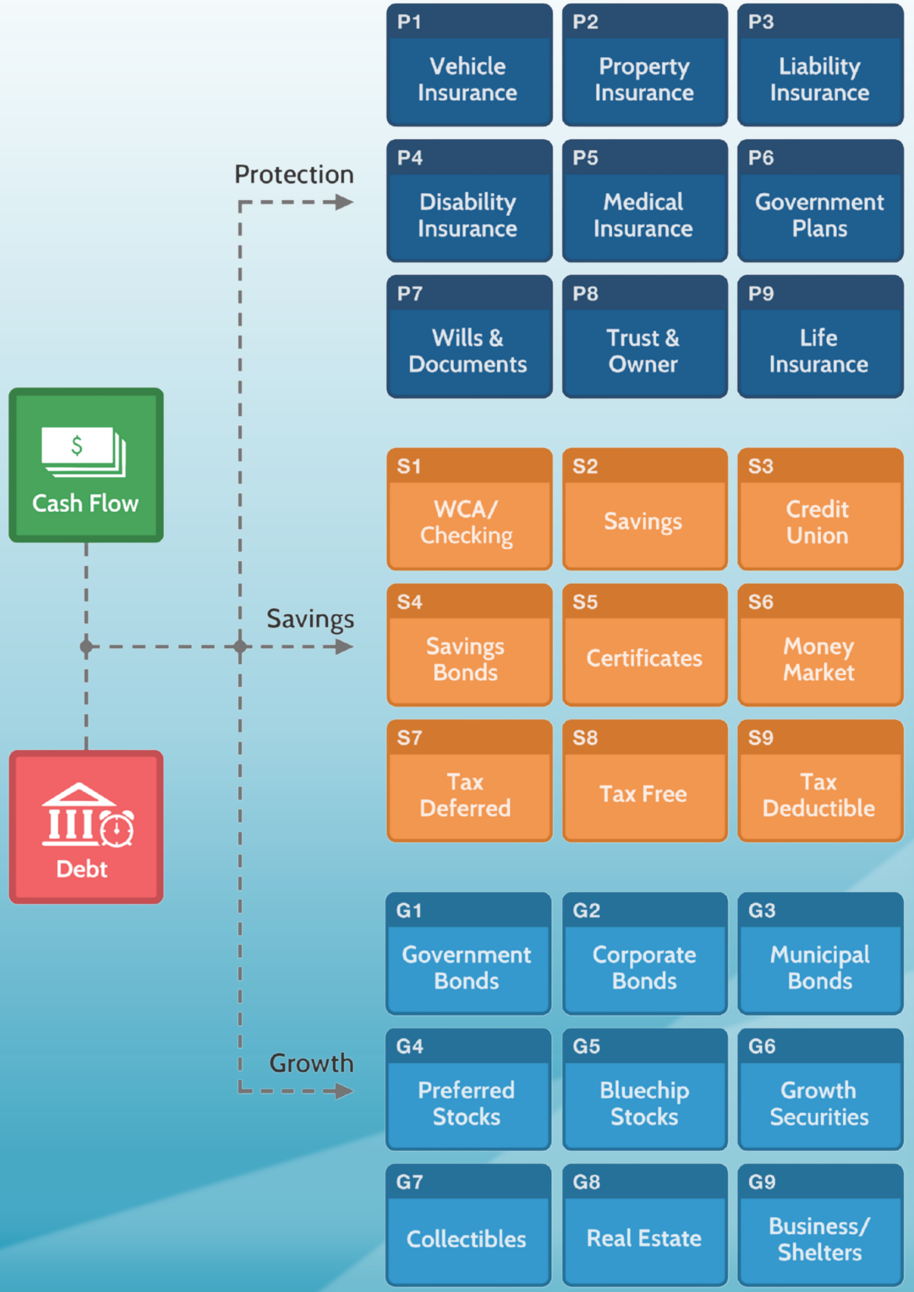
Don't pay fees!

I'm just going to self-Insure!

ACCUMULATION

DISTRIBUTION

leap®


Cash Flow
$
Debt
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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