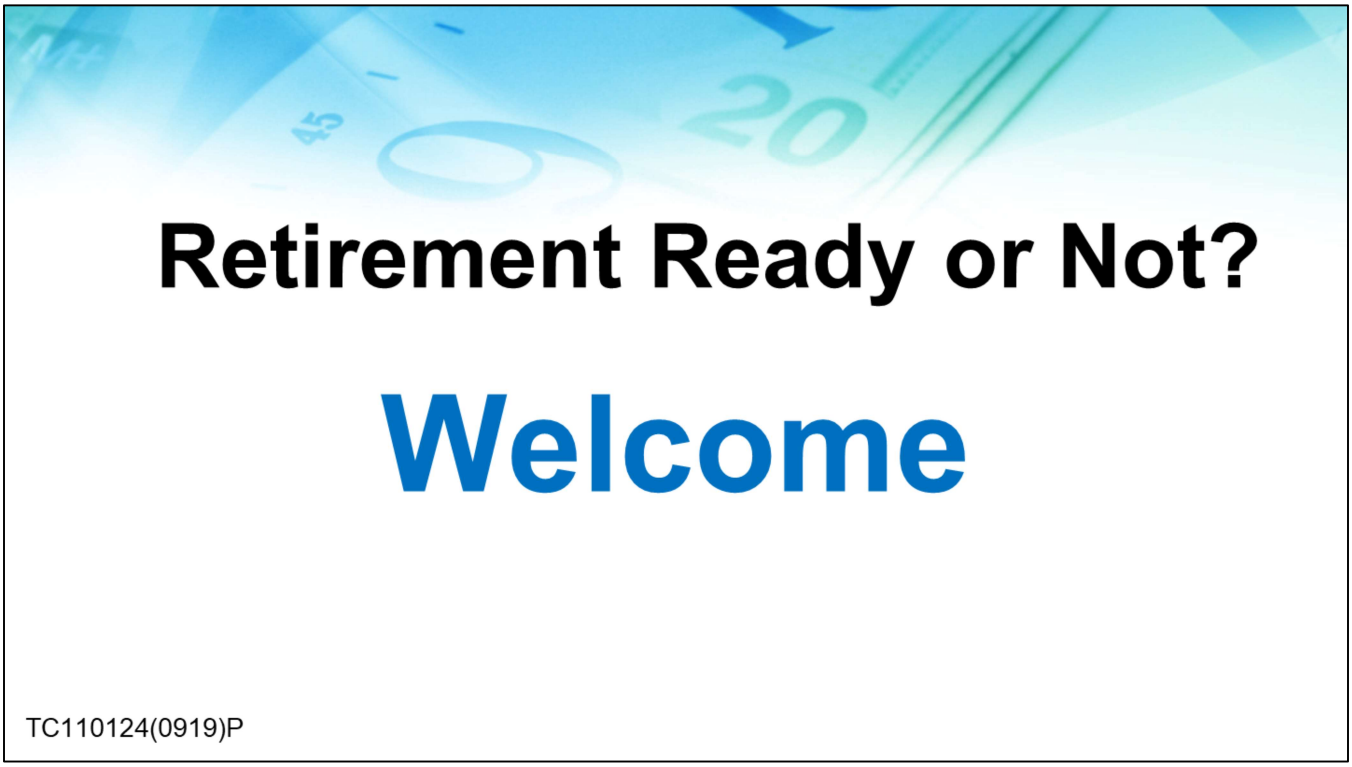
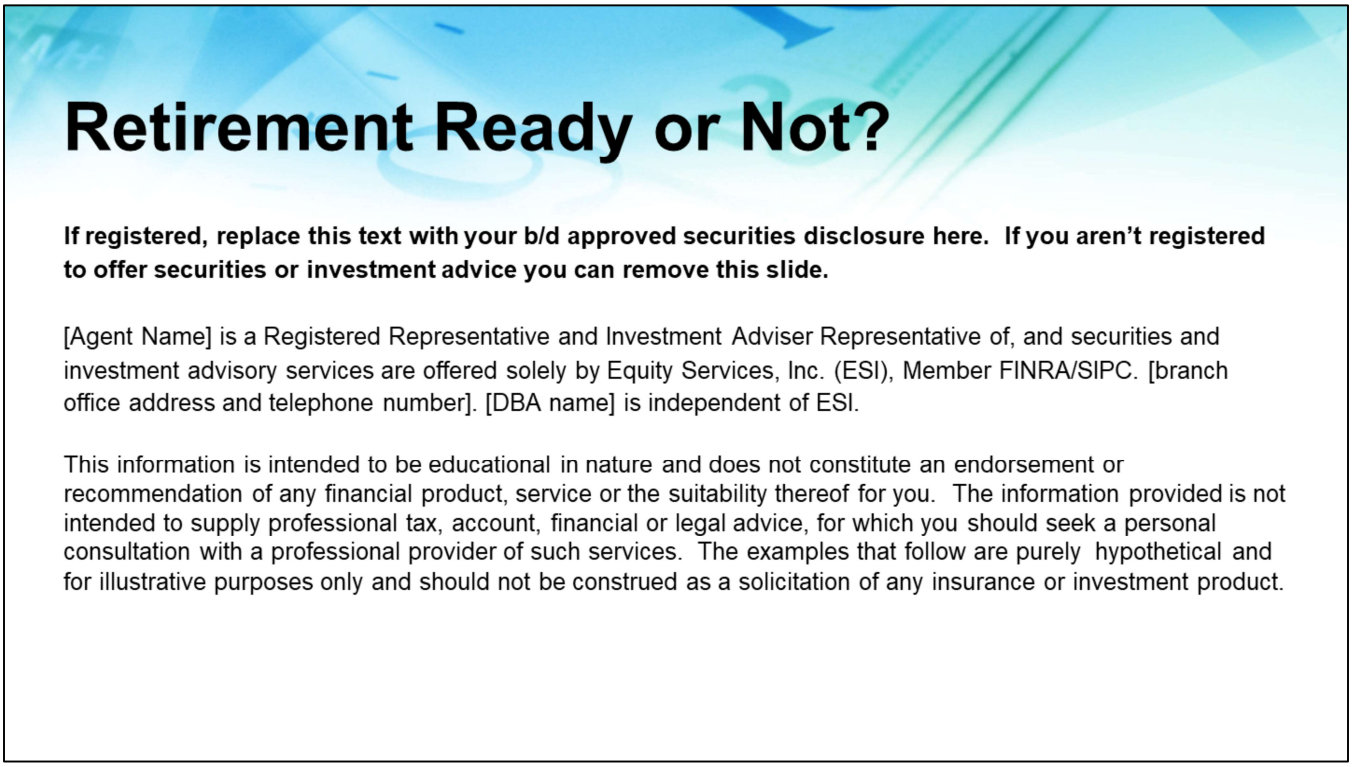


Welcome to our presentation, “Retirement Ready or Not?”

We’re delighted you are here.

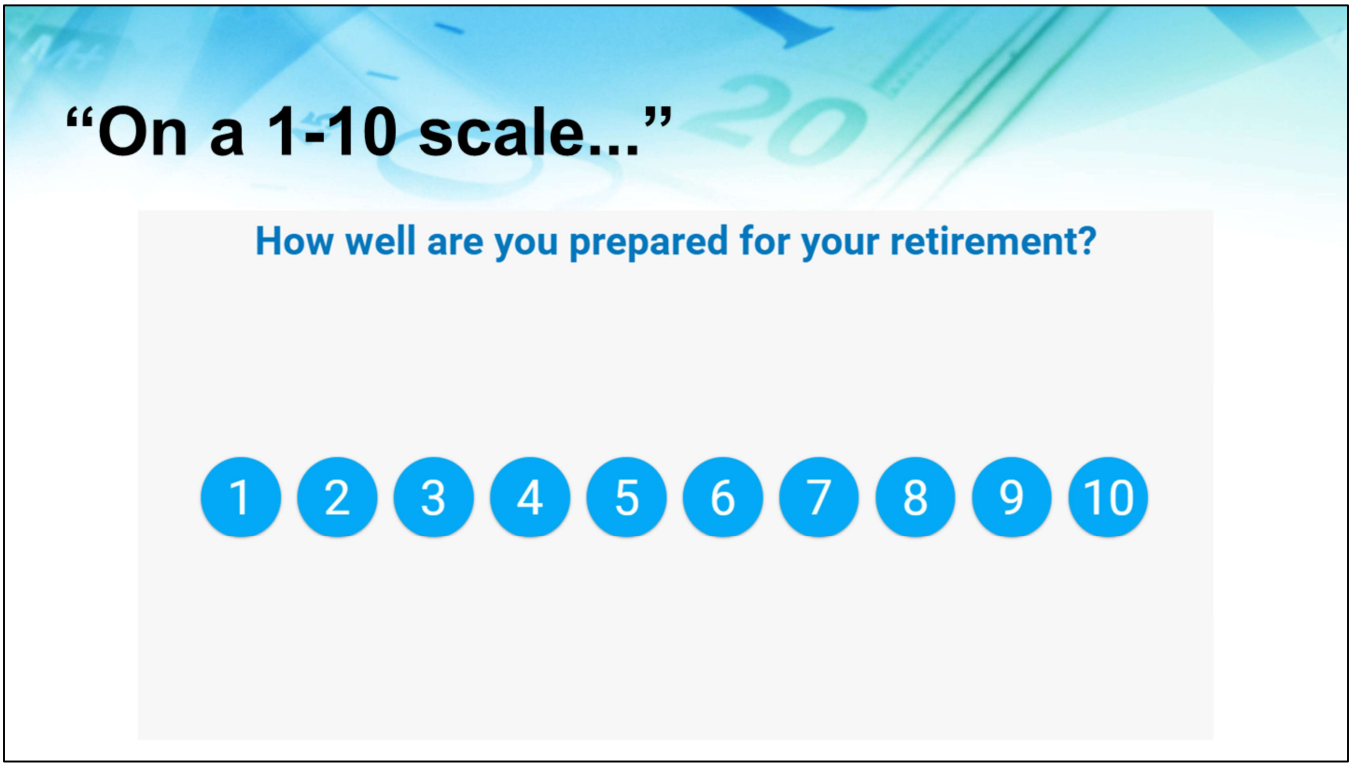
During the next hour or so, we’re going to take you through a presentation that asks the question, “Retirement Ready or Not?”



Our firm provides a wide range of services designed to help our clients pursue their financial goals. We believe we can develop a strategy that's tailored to fit your goals, risk tolerance and time horizon.

In today's presentation we're going to take a deep-dive into "Retirement Ready or Not?," a calculator that helps individuals assess their retirement strategy. "Retirement Ready or Not?" is a powerful tool because it helps people visualize where their money is positioned today, and the potential effects of repositioning that money and the potential effects of repositioning that money tomorrow and into the future.

So you can better understand who we are, I've included some information about our firm on this image.



“On a 1-10 scale, how well are you prepared for your retirement?”

We start off the presentation with this question so you can start the self-assessment process. There’s no wrong answer to this question.

If you rate yourself a “2,” we’re glad you’re here today. You’re taking a great step toward preparing for retirement.

If you rate yourself an “8,” we’re also glad you are here today. We believe our calculator can help you better assess your retirement preparation.

At the end of today's presentation, our hope is that you have enough information to begin answering the question, "Retirement Ready or Not?" Also, please remember that our "Retirement Ready or Not?" calculator is just one of many tools that we can use to help assess your retirement situation.

Let's meet RRON

- 65 years old
- No plans to work in retirement
- Accumulated a $3 million portfolio
- Single, no children
- Rates himself an 8 on the 1-10 scale

This is a hypothetical example and is not the story of an actual client.

For today's presentation, I'd like to introduce you to RRON.

RRON is the hypothetical person we are going to discuss throughout the presentation. RRON is an acronym that stands for "Retirement Ready or Not?" And who's likely to forget a name like, "RRON?"

I'm going to guess that RRON would consider himself an 8 on the 1-10 scale. He's worked hard to accumulate a $3 million portfolio and he's looking forward to not working in retirement. He's 65 year old.

For simplicity, we're going to assume RRON is single and has no children.

Keep in mind that RRON is used for illustrative purposes only. His personal finances are not representative of any specific individual, and his portfolio does not reflect any investment or combination of investments.

Retirement Ready or Not?

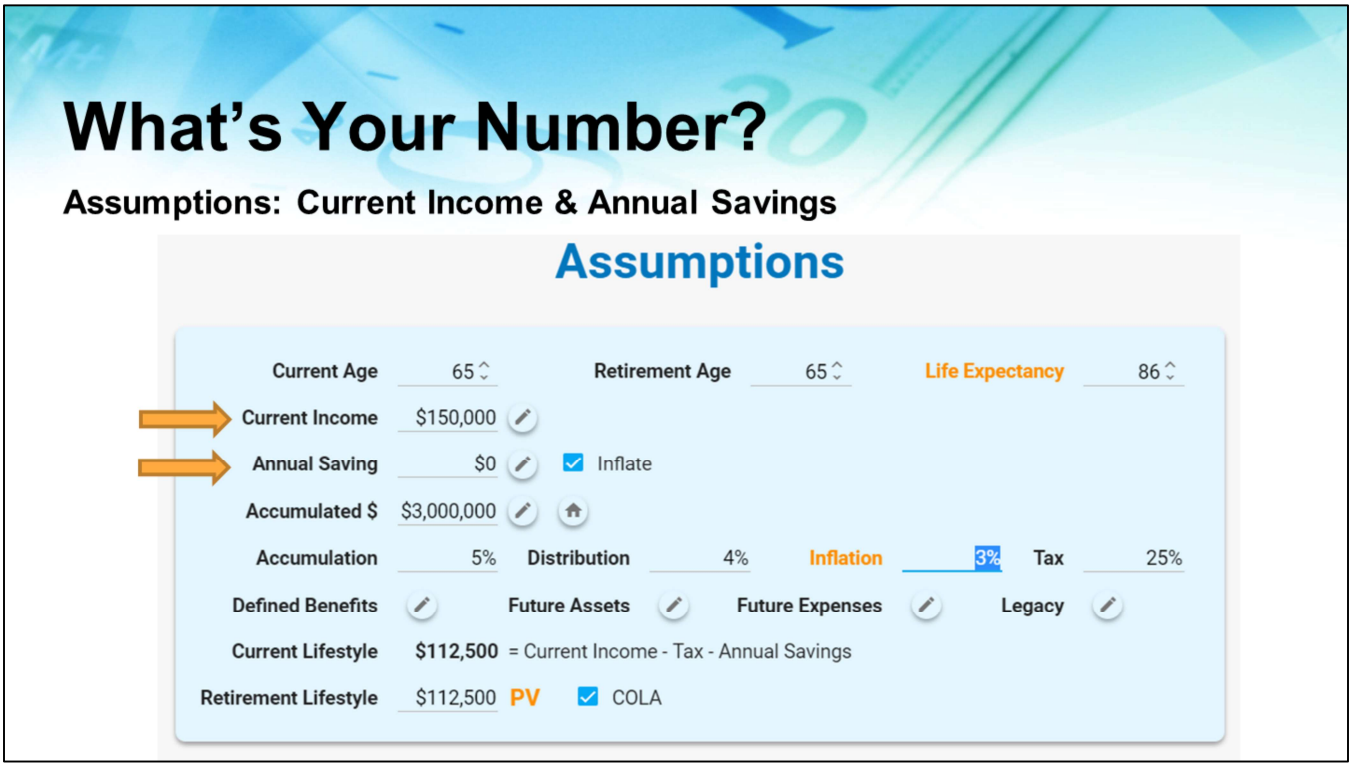
- **What's Your Number?**
- Personal Economic Model
- Retirement, Day 1
- Tinker & Adjust

In What's Your Number?, we're going to take a close look at RRON's retirement situation.

Over the next few images, we're going to complete the Assumptions section of "Retirement Ready or Not?" The Assumptions section is designed to power the calculator and provide the inputs for our spreadsheets, which you'll see near the end of the presentation.

As we mentioned earlier, RRON is 65. He wants to retire when he's 65. RRON has a dream for his future and it does not include working!

RRON's life expectancy is 86. Will he live longer? Maybe. But we need a place to start and 86 is a good number. As you can see, life expectancy is in orange text. If we click on the link, we'll get an age estimate based on the Life Expectancy Tables of Internal Revenue Service Publication 590.

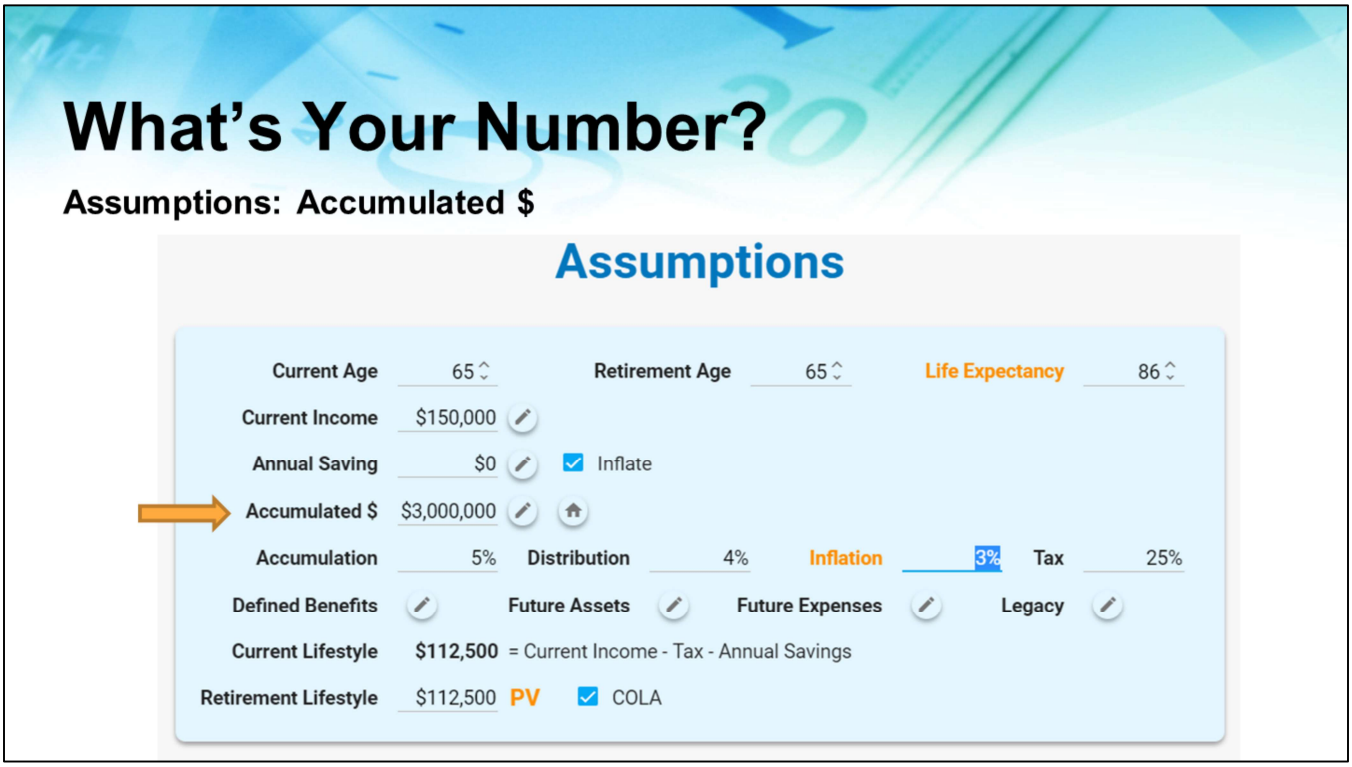


RRON's current income is $150,000. He's an accomplished professional who has grown accustomed to his lifestyle.

RRON has had a long, rewarding career and he doesn't have any plans to work in retirement.

His contribution to annual savings will be $0 starting this year. RRON has no plans to set aside any more money for his retirement.

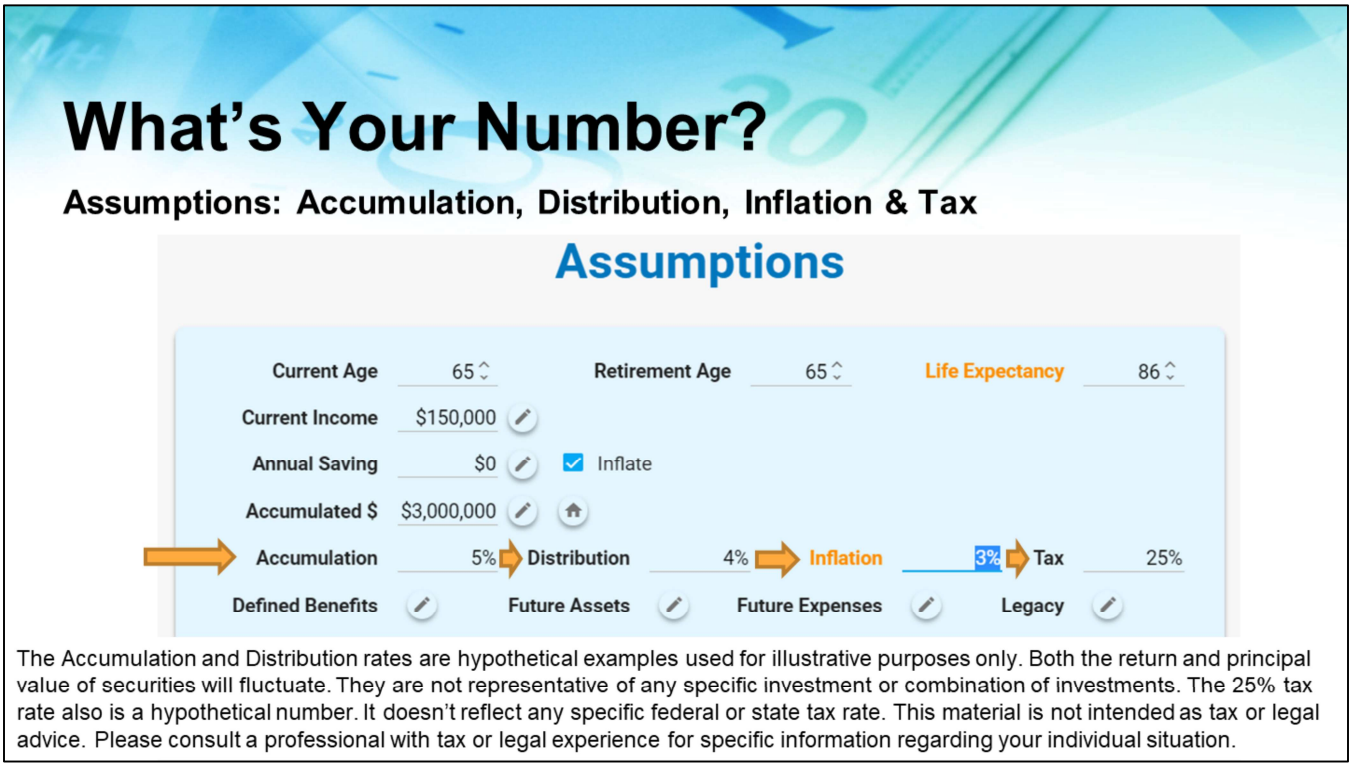
He's ready to transition from accumulating retirement money to living on the money he's set aside.



RRON has $3,000,000 in accumulated assets.

That's the money he has accumulated in retirement plans over the years.

RRON feels great about his money he's set aside for retirement. And he should. He's done a terrific job taking advantage of various retirement plans. He set a goal and he's happy with where he has arrived.



The Accumulation and Distribution rates are hypothetical examples used for illustrative purposes only. Both the return and principal value of securities will fluctuate. They are not representative of any specific investment or combination of investments. The 25% tax rate also is a hypothetical number. It doesn't reflect any specific federal or state tax rate. This material is not intended as tax or legal advice. Please consult a professional with tax or legal experience for specific information regarding your individual situation.

Pay particular attention to this next sequence of numbers.

The first number is accumulation. 5% is the hypothetical annual rate of return RRON assumes his assets will earn before tax over years.

Next is the distribution rate. 4% is the hypothetical annual rate of return on RRON's accumulated assets during his retirement. Could RRON pursue a higher return? Should RRON assume a lower rate? For this example, we're using 4%. As a general rule, we suggest taking a more conservative approach when completing this section of inputs.

For inflation, we've assumed a 3% annual inflation rate and a tax rate of 25%. The Bureau of Labor Statistics in June 2019 reported that seasonally adjust inflation was 1.8%. The 25% tax rate is a hypothetical number. It doesn't reflect any specific federal or state tax rate. We're using a 25% tax rate because for some people it helps when doing quick math. We would use your average tax rate when using this calculator.

As you can see, inflation is in orange text, too. If we click on the link, we'll get an estimate based on many years of Bureau of Labor Statistics numbers.

Source: Bureau of Labor Statistics, June 12, 2019

Some of you in the attendance today may be planning on collecting a defined benefit from your employer. You might also refer to this as a pension.

Others may want to calculate their Social Security benefits. The defined benefits section is our opportunity to add these figures.

For simplicity with RRON, we're going to assume no Social Security and no defined benefits. Is that realistic? Without any other factors considered, we want to see how RRON's retirement strategy is going to work out. At the end of the presentation, we're going to make some changes to the original assumptions. If your retirement is many years away, you may want us to assume no Social Security when looking at your retirement readiness.

This also is the section where we would add any future assets or future expenses. If you were expecting an inheritance, future assets would be the place to add that estimated figure. If you were anticipating a major expense, future expenses is the spot to add that number.

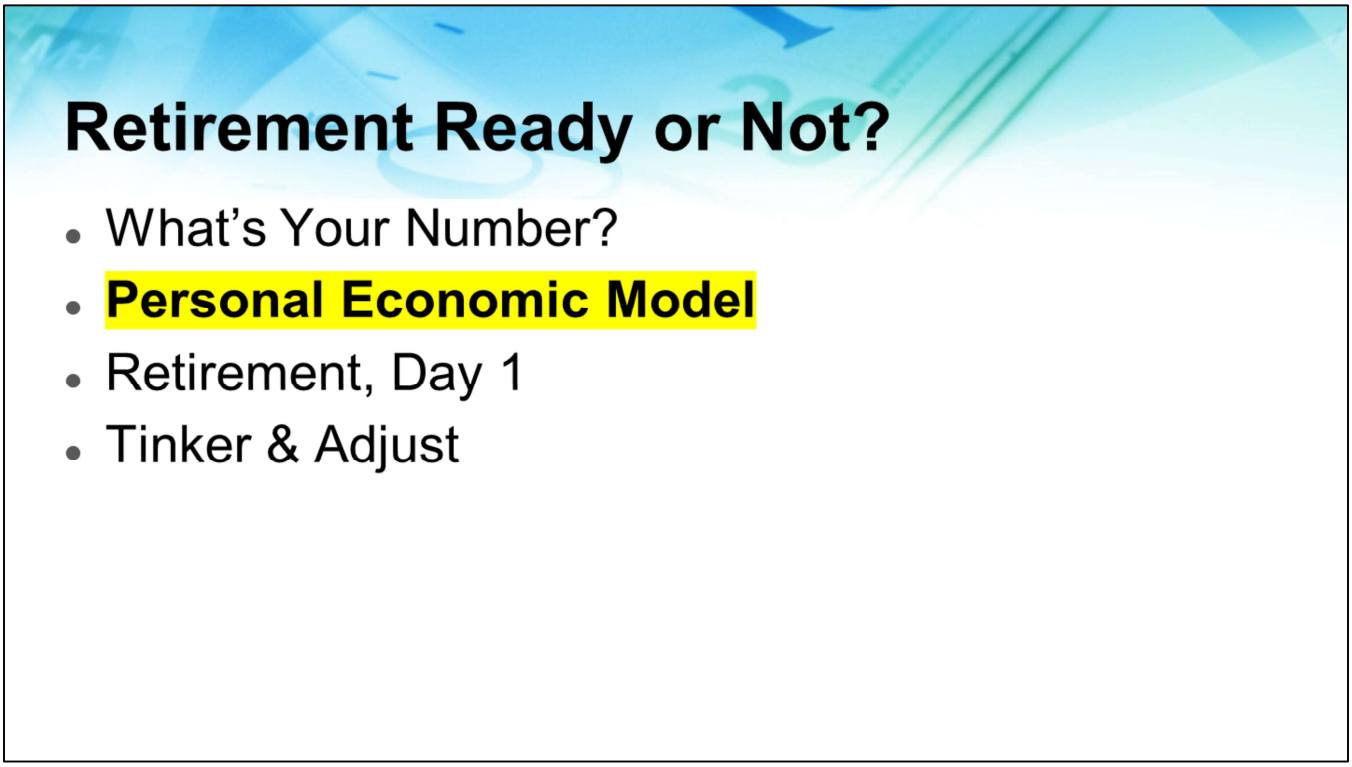
Legacy is where you would add any proposed money you would like to leave behind at your death.

We’re setting all four at zero for RRON’s initial illustration.

Current lifestyle is going to consider RRON's current income, minus taxes and annual savings.

In this example, RRON's current income of $150,000 will be reduced by the 25% tax rate, or $37,500. RRON's last year of income was not reduced by savings, so we're setting that at $0 to get a more realistic picture of his cost of living.

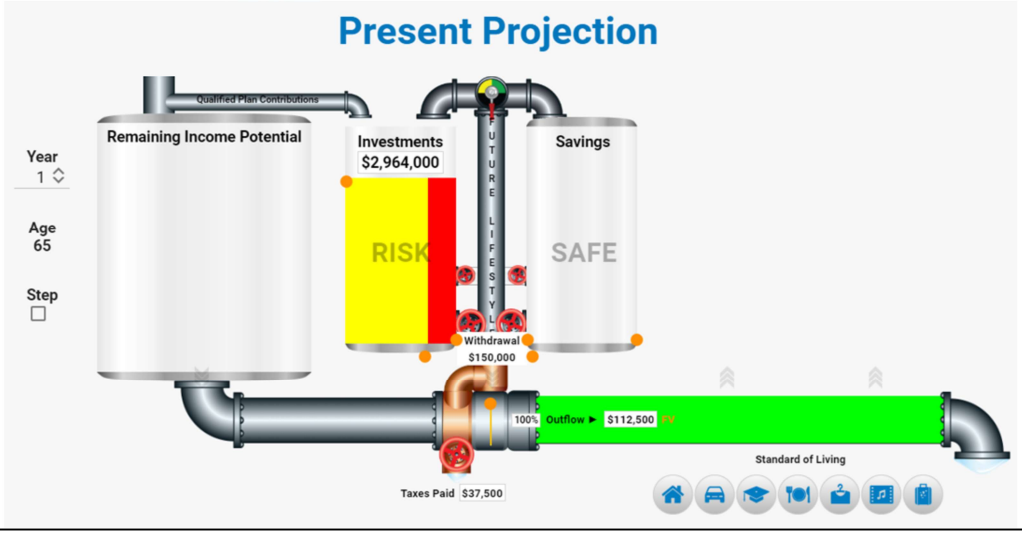
Also, we have the Cost of Living Adjustment (COLA) checked on for this initial illustration. The calculator will increase RRON's needed income 3% each year to keep up with rising prices.



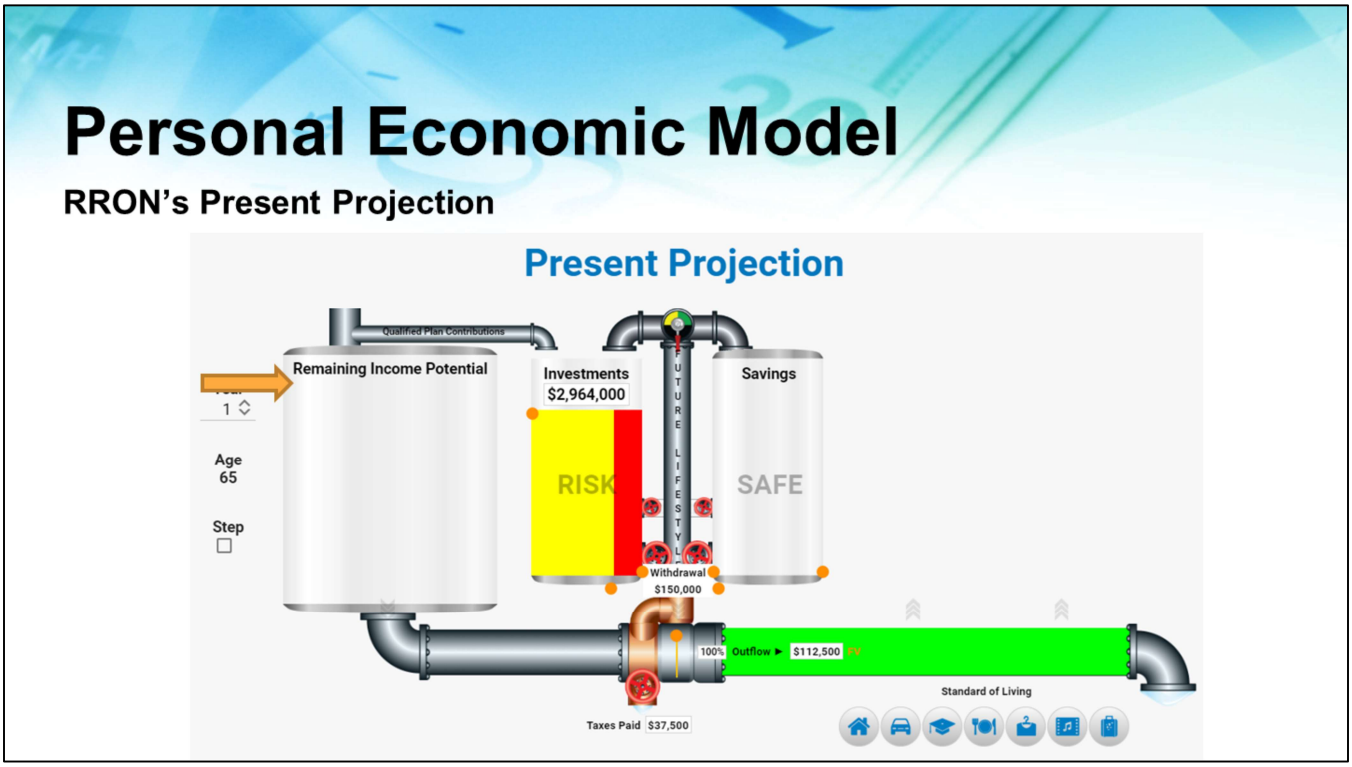
Now that we've populated the Assumptions section, let's move to the Personal Economic Model section.

Personal Economic Model

RRON's Present Projection



Here's where we start to see a more holistic picture of RRON's current situation. This Personal Economic Model provides a visual platform to discuss the flow and storage of RRON's money.



Alright. Let's pick up with our man of the hour, RRON.

Do you see the first tank in the Personal Economic Model is labeled remaining income potential? If RRON planned on working past age 65 he would have some money in this tank.

If this were RRON's first day of retirement, this is what his tanks might look like, and the tool would help us understand the challenges that he might face.

Personal Economic Model

RRON's Present Projection

The Accumulation and Distribution rates are hypothetical examples used for illustrative purposes only. They are not representative of any specific investment or combination of investments. The 25% tax rate also is a hypothetical number. It doesn't reflect any specific federal or state tax rate. This material is not intended as tax or legal advice. Please consult a professional with tax or legal experience for specific information regarding your individual situation.

Let's hop over to investments and check in on RRON's $3,000,000 in accumulated assets, which is the major component of his retirement strategy.

Remember from the assumptions section, RRON's has assigned a hypothetical 4% annual rate of return for his retirement assets. He also wanted to take $150,000 a year in current income. The red portion of the tank reflects the hypothetical 25% tax rate we assigned when completing the assumptions.

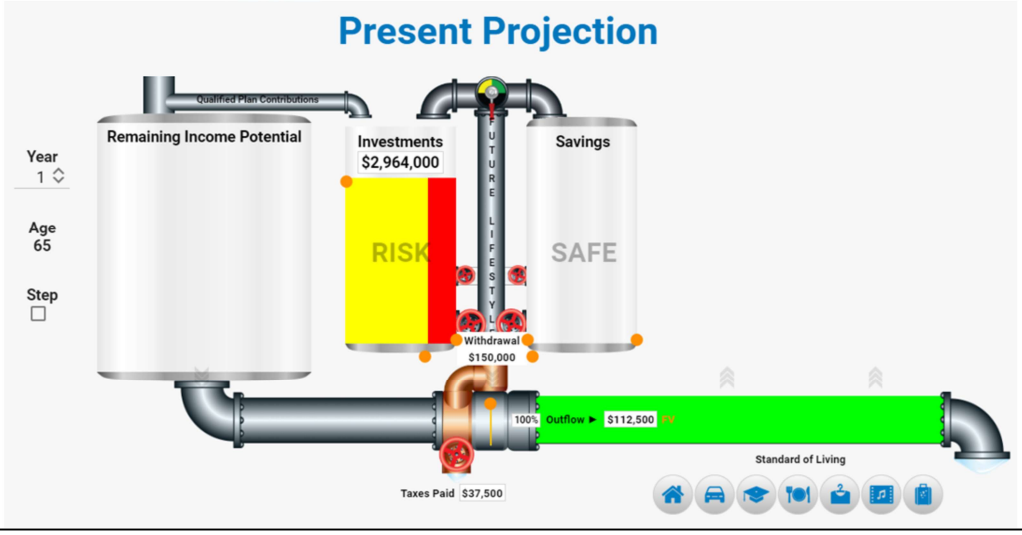
So his Investments were assumed to be $2,964,000 at the end of this first year of the projection. ($3,000,000 minus $150,000, or $2,850,000. Then, $2,850,000 multiplied by 1.04, equals $2,964,000.)

Our illustration helps people visualize what might happen to their retirement assets based on their return and tax assumptions It's important to remember though that if your retirement assets are invested in the market, even conservative return assumptions won't reveal the risk of downturns in the market which could significantly impact assets. But we can at least see what

happens based on RRON's assumptions. What's going to happen to the principal? Will it increase or decrease based on our hypothetical numbers? For RRON, the answer is his retirement assets are expected to see a slight decrease for the year.

Personal Economic Model

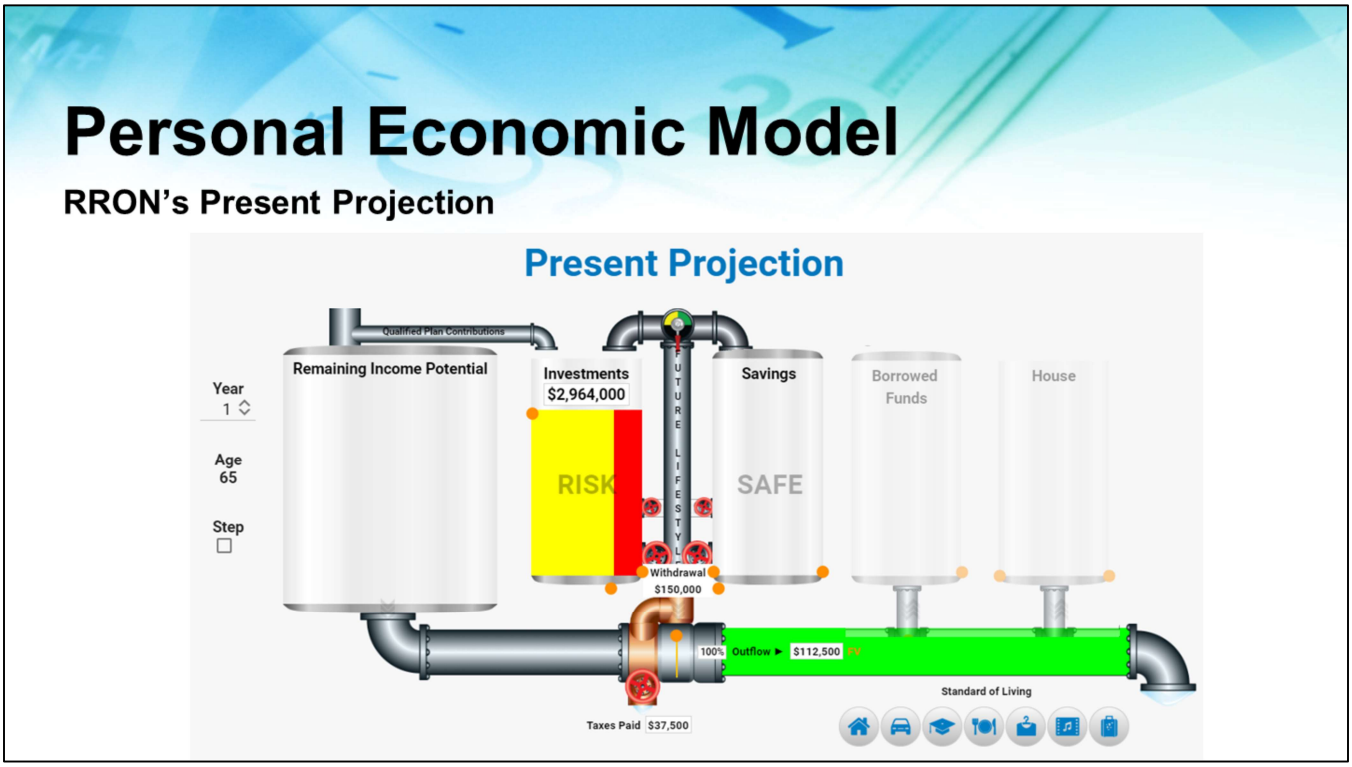
RRON's Present Projection



RRON's savings bucket also is empty. This refers to assets not at risk of market losses, such as bank accounts.

When we completed RRON's assumptions, he chose to show his retirement assets of $3,000,000 as being entirely in the risk tank, otherwise known as the investments tank. He plans to have no money in cash or cash equivalents.

Is that a good decision? It likely wouldn't be in real life, but it's a good starting point for the calculator. Our first pass through the calculator helps people visualize their decisions.

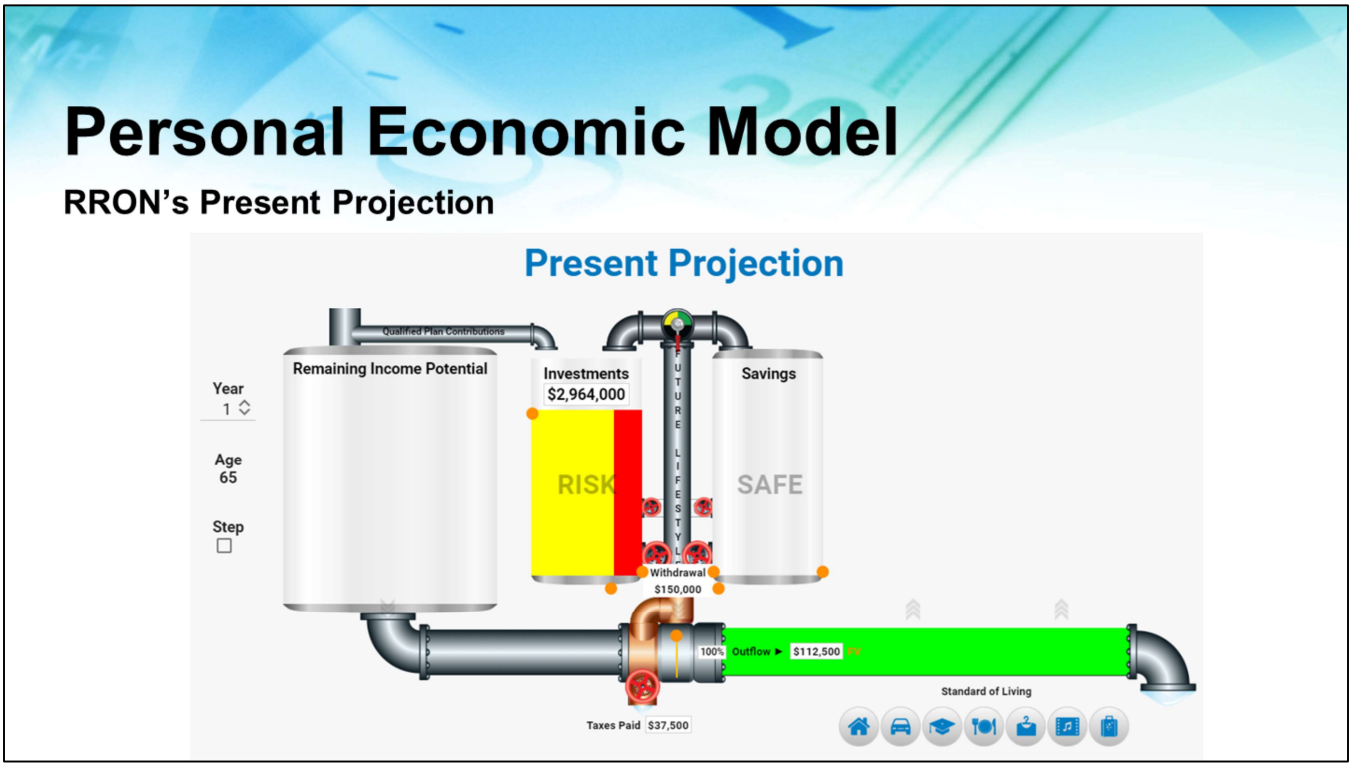


On the right-hand side, you can see two ghosted images.

The first one discusses any borrowed funds. We're not going to discuss that potential liability in today's presentation.

The second ghosted image relates to housing. If the tank were shown, and volume were added to it, that would represent the potential asset value of a home. But we're also not going to discuss housing in this initial illustration.

This calculator can be a valuable illustration tool. The first time through, however, we believe it's best to keep the assumptions section simple so it's easier to "follow the money."



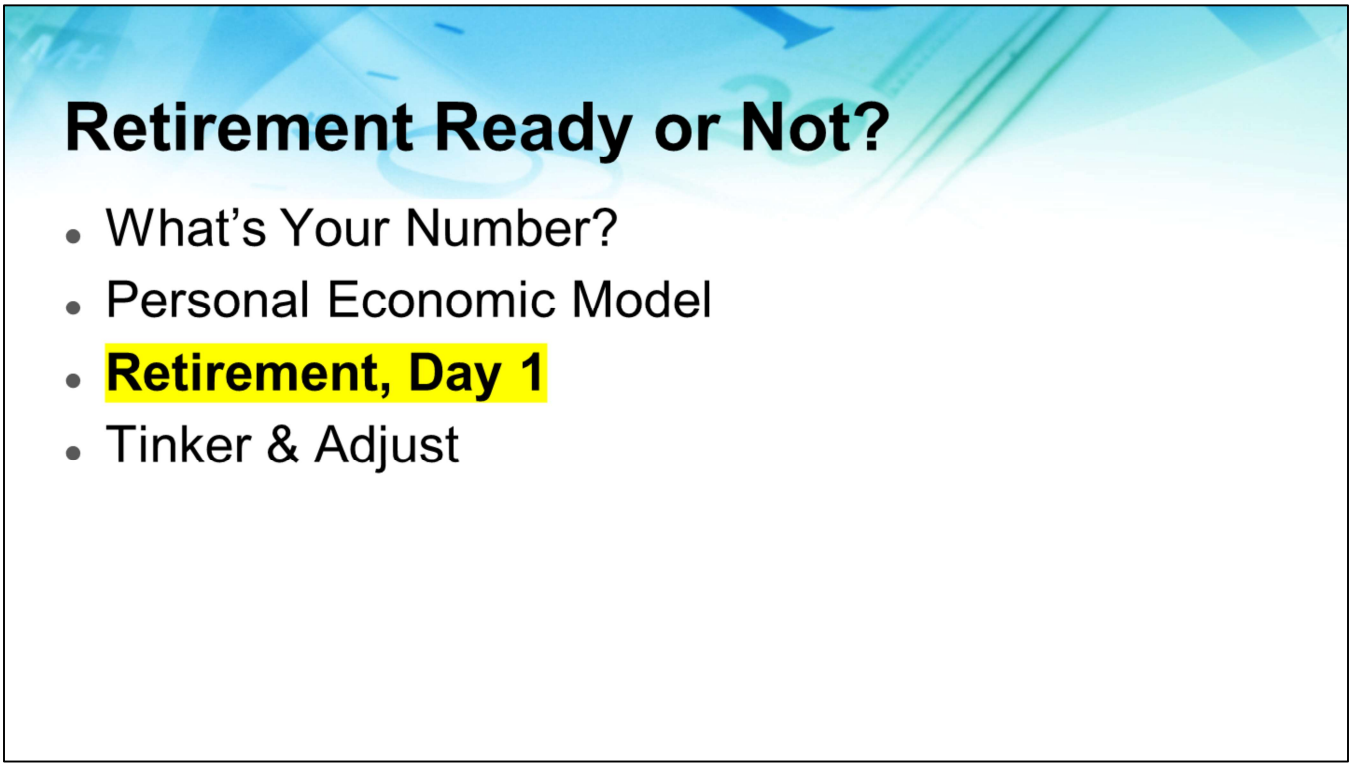
The last item is the most important -- withdrawal.

It's RRON's annual income. It's the money he plans to use to pay for his retirement lifestyle.

If you look closely, you can see that withdrawal passes through taxes paid, which we set at 25% in the assumptions section.

RRON has a projected need for $150,000 income, minus the $37,500 in taxes paid. It's important to note that the $112,500 is the same as RRON's last working year.

It's also important to note that RRON's income -- $150,000 -- will need to increase 3% each year to keep up with rising prices. We "turned on" the Cost of Living Adjustment (COLA) when we completed the "Assumptions." section.

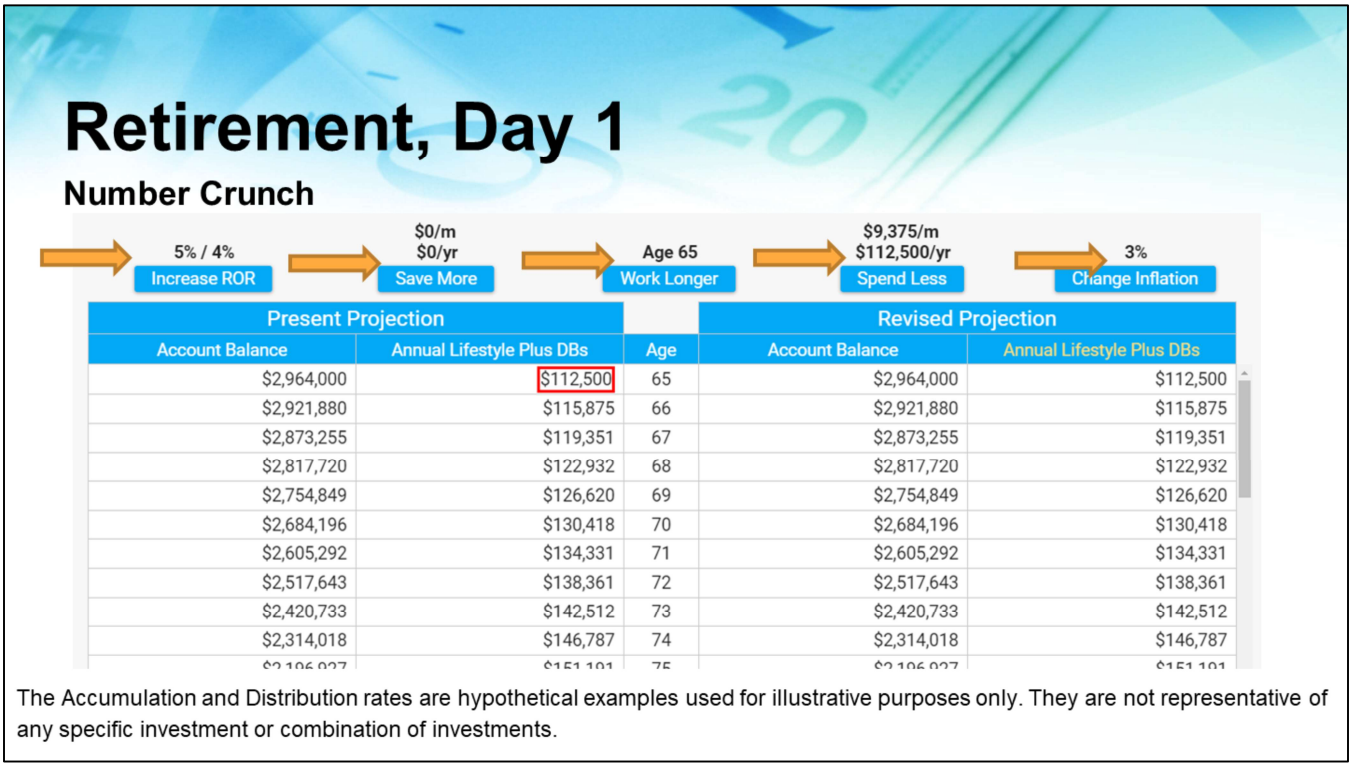


The next section is called, Retirement, Day 1.

In this section, we're going to see how RRON's strategy is projected to work over time.

We're going to take a year-by-year look at what RRON can expect, based on the assumptions and the hypotheticals we applied to his money.

This section will appeal to the left-brain thinkers in the audience. We ask that the right-brain thinkers bear with us for a few minutes while we run through the spreadsheets.



The Accumulation and Distribution rates are hypothetical examples used for illustrative purposes only. They are not representative of any specific investment or combination of investments.

Across the top of the page, you'll see many of RRON's assumptions that were completed at the beginning of the presentation.

Let's recap them quickly before we dive into the spreadsheet.

RRON has assigned a hypothetical 4% rate of return for his $3,000,000 investments. He's also planning to take $150,000 -- $112,500 after taxes -- in current income in his first year. Plus an additional 3% each following year to keep pace with inflation. RRON is comfortable assuming a hypothetical 3% inflation rate throughout his retirement.

He's not planning to save more, and he's planning to stop working at 65.

The present projections are on the left side of the page.

Let's first look at the account balance part of the spreadsheet. You can see the balance trends lower. RRON has projected a hypothetical 4% annual rate of return on his $3,000,000 in accumulated retirement assets.

Let's now look at the Annual Lifestyle Plus Defined Benefits section. He also projected $150,000 in current income, or $112,500 after taxes. Remember back in the assumptions section, we added a 3% inflation rate. We "turned on" the Cost of Living Adjustment box.

It didn't seem like a big deal at the time. But now we can see that each year, RRON is going to need to withdraw a little more to keep up with rising prices. Each year, RRON is taking a bit more from his Investments.

As we scroll down the spreadsheet, we can see that RRON's account balance goes to zero when he reaches 86.

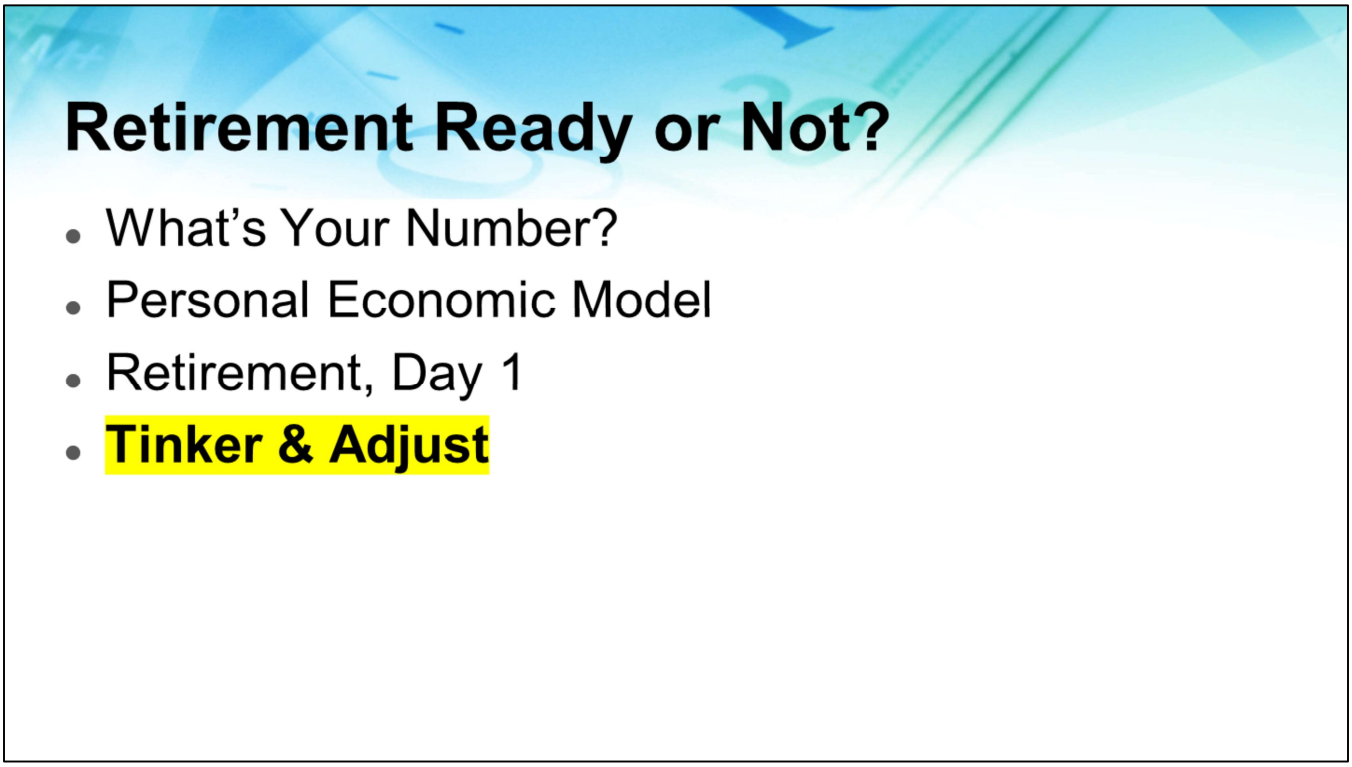
Whew. That's a relief. RRON's life expectancy is 86. Perfect timing. That works out great.

But not for RRON. He thinks that's cutting it a bit close. And we do, too.

So what's RRON going to do? First, RRON is in an enviable spot. He's done a terrific job of preparing or retirement.

Second, our calculator can help RRON model a number of different retirement scenarios.

On the right side of the page, the revised projections are positioned. We're not going to use that section today. Instead, we're going to go back to the assumptions section to make the changes so everyone can see how slight changes can potentially change RRON's strategy.

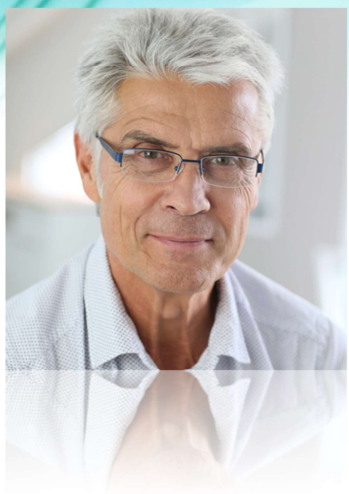


That's a great segway to our final section, Tinker & Adjust

RRON wants to tinker and adjust with a couple of his assumptions and see how that changes his retirement scenario.

Tinker & Adjust

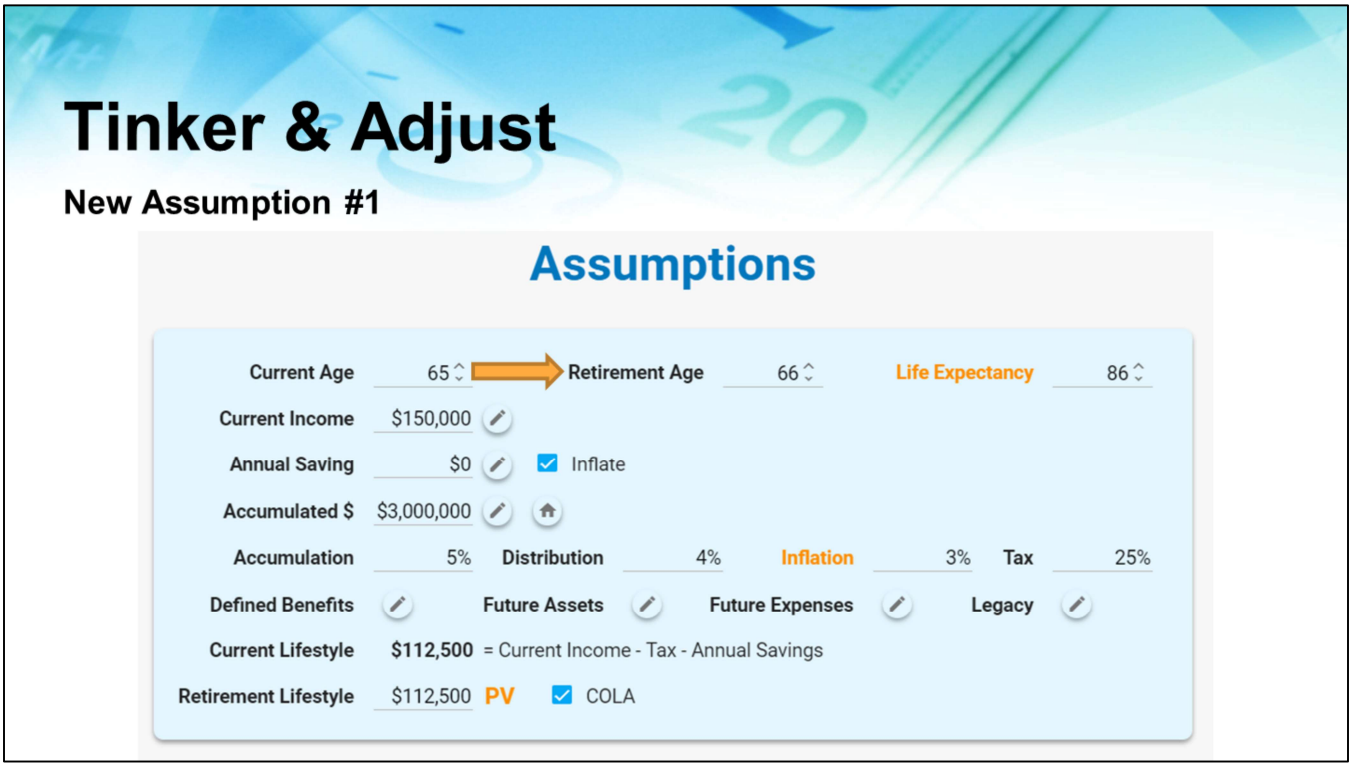
- **New Assumption #1**
  - Retire at 66, not 65
  - Not changing any other variable



One of the popular headlines these days encourages people to postpone retirement. Is RRON going to want to hear that suggestion? (Audience should have mixed answers.)

Let's go back to the assumptions page and have RRON working until he's 66, not 65. One more year. 12 months to help his employer train a new employee.

RRON's employer would love to have him work a little longer. So let's model what that would look like.



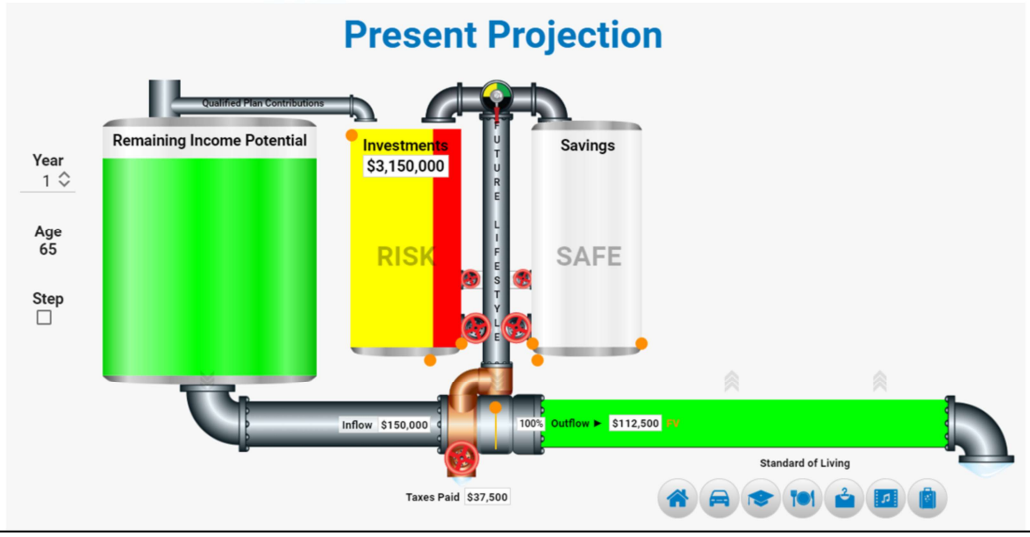
Back on the assumptions section, RRON retirement age moves to 66 from 65.

That's it. One simple adjustment. 12 more months of working.

The beauty of the calculator is "we can see what it looks like." We can take this idea for a test drive. We're not committing to any idea at this point. We're helping RRON explore various ideas. We can keep changing the assumptions until we find the numbers that help RRON feel comfortable.

Tinker & Adjust

New Assumption #1



Our revised assumptions cause some changes to “Your Present Projection.”

In the first tank, RRON’s Remaining Income Potential, shows his income for the next 12 months.

More importantly, by working for 12 more months, RRON's investments won't be touched for another year. ($3,000,000 multiplied by 1.05 equals $3,150,000.)

Tinker & Adjust

New Assumption #1

5% / 4%	$0/m $0/yr	Age 66	$9,656/m $115,875/yr	3%
Increase ROR	Save More	Work Longer	Spend Less	Change Inflation

Present Projection			Revised Projection	
Account Balance	Annual Lifestyle Plus DBs	Age	Account Balance	Annual Lifestyle Plus DBs
$1,185,197	$191,524	83	$1,185,197	$191,524
$959,058	$197,269	84	$959,058	$197,269
$715,667	$203,188	85	$715,667	$203,188
$454,087	$209,283	86	$454,087	$209,283
$173,339	$215,562	87	$173,339	$215,562
$0	$130,004	88	$0	$130,004
$0	$0	89	$0	$0
$0	$0	90	$0	$0
$0	$0	91	$0	$0
$0	$0	92	$0	$0
$0	$0	93	$0	$0
$0	$0	94	$0	$0
$0	$0	95	$0	$0

The revised spreadsheet shows that RRON's Account Balance won't reach zero until he's nearly 88. Is RRON going to be happy with that outcome? (Audience should have mixed answers.)

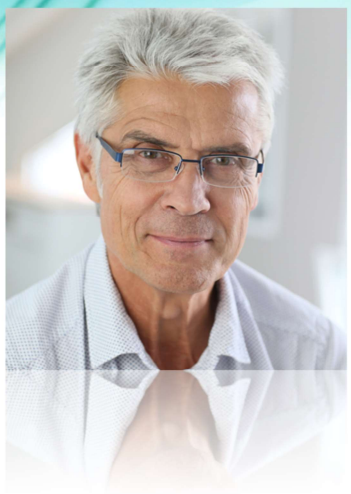
As we mentioned earlier, the beauty of the calculator is we can see what it looks like. We took working longer for a test drive. We're not committing to that idea.

RRON wants to see another scenario.

He wants to live on less money in retirement.

Tinker & Adjust

- **New Assumption #2**
- Live on 80% of last year's income of $150,000

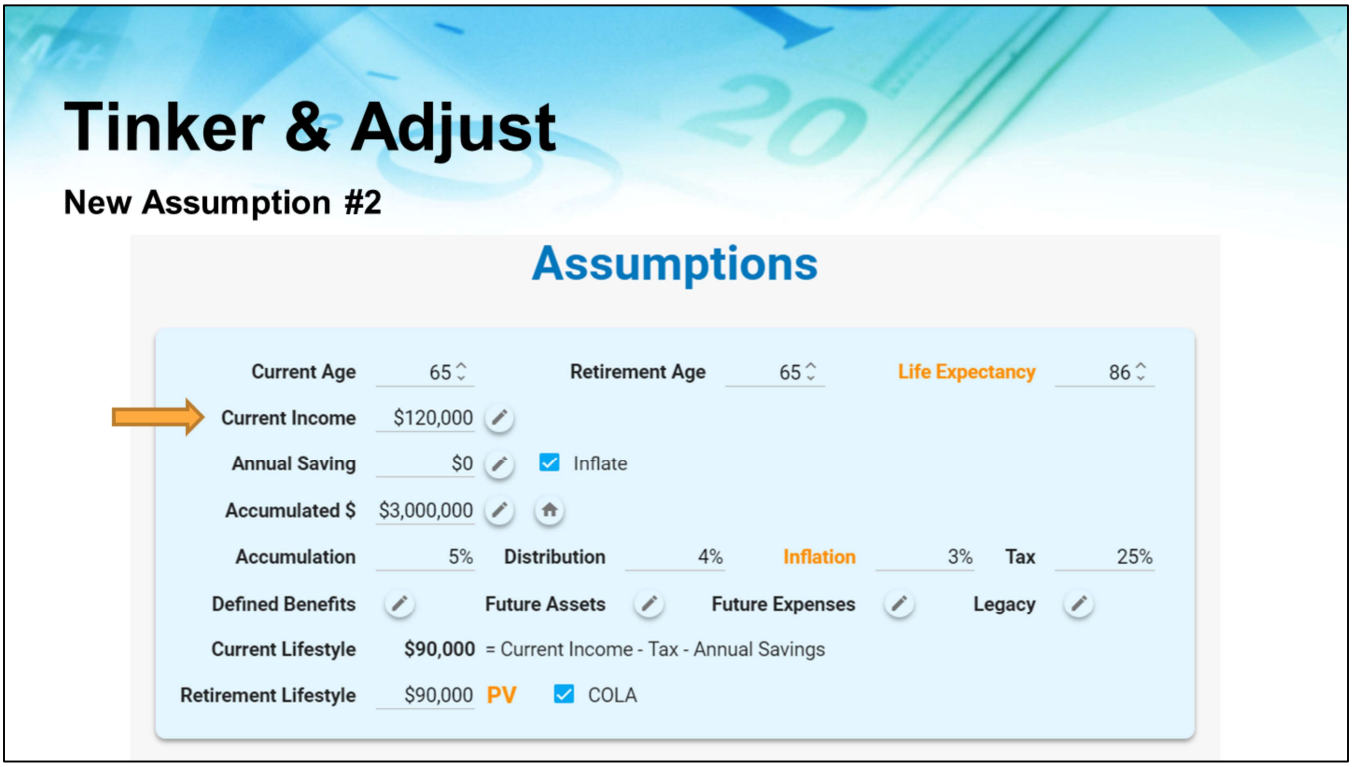


Let's set up our new assumptions for scenario 2.

RRON is back to retiring at 65. He's flexible, but he wants to start the next illustration at age 65.

He's read that some retirees plan on living on 80% of their last year's income, so he'd like to model what that looks like.

The 25% tax rate will still apply, so his current lifestyle will leave him with $9,000 a year, or $7,500 a month.

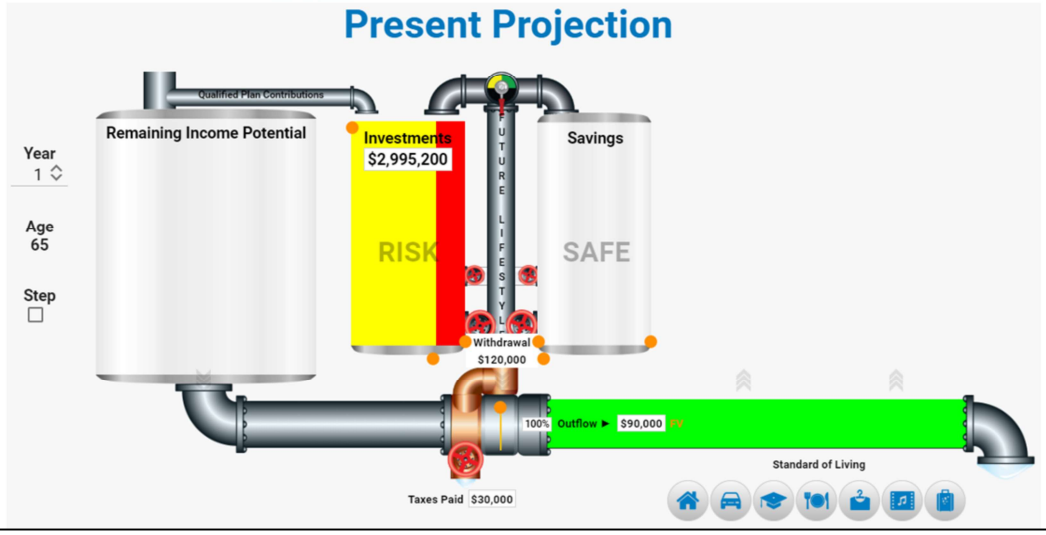


Back to the assumptions section, notice that current income is now $120,000, not $150,000.

We're not committing to any idea at this point. We're helping RRON explore ideas. We can keep changing the assumptions until we find the numbers that may help RRON feel comfortable.

Tinker & Adjust

New Assumption #2



On “Your Present Projection,” RRON’s Investments tank changes a bit.

He’s withdrawing only $120,000 a year from his Investments, not the $150,000 in his initial illustration. ($3,000,000 minus $120,000, or $2,880,000. Then $2,880,000 multiplied by 1.04 equals $2,995,200.)

You can see that taxes paid is $30,000, and the outflow is $90,000, or $7,500 a month.

Tinker & Adjust

New Assumption #2

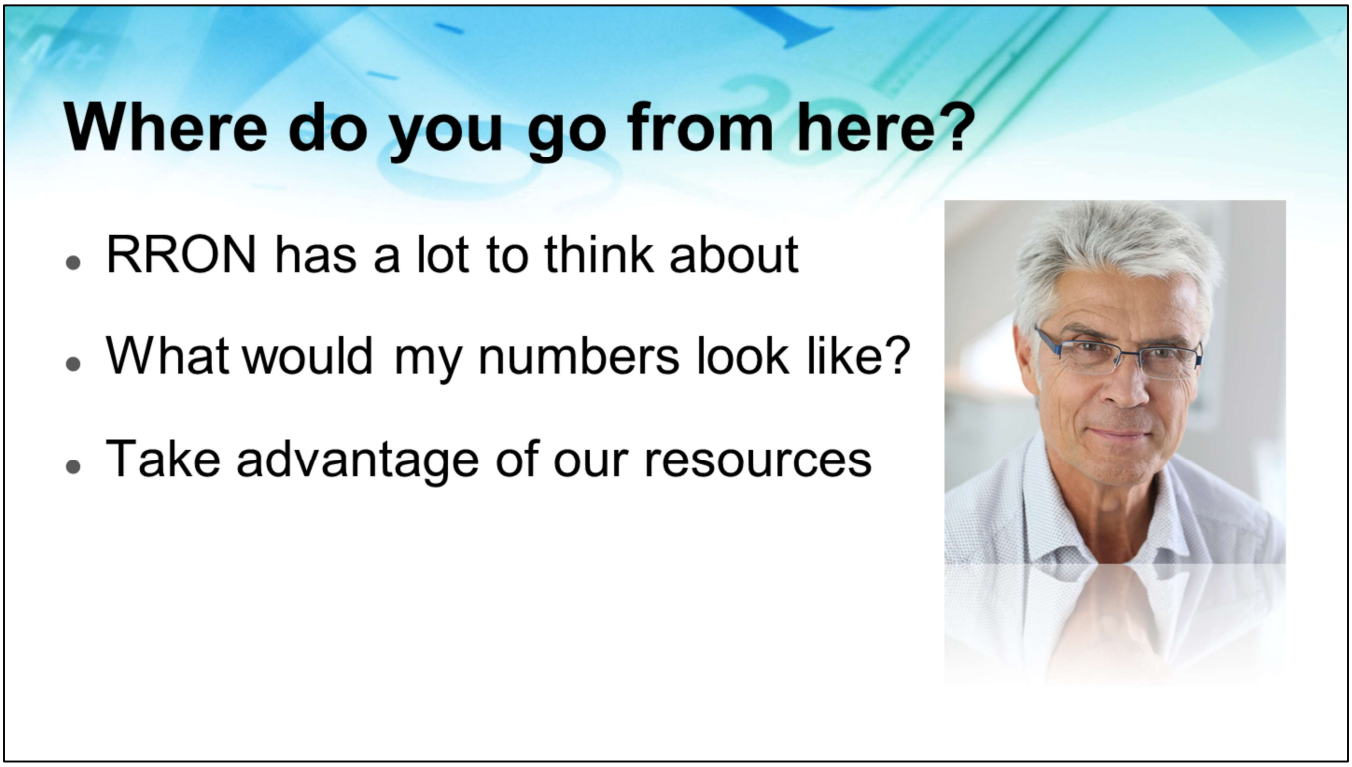
5% / 4% Increase ROR	$0/m $0/yr Save More	Age 65 Work Longer	$7,500/m $90,000/yr Spend Less	3% Change Inflation

Present Projection			Revised Projection	
Account Balance	Annual Lifestyle Plus DBs	Age	Account Balance	Annual Lifestyle Plus DBs
$1,069,147	$177,623	88	$1,069,147	$177,623
$858,220	$182,951	89	$858,220	$182,951
$631,245	$188,440	90	$631,245	$188,440
$387,353	$194,093	91	$387,353	$194,093
$125,630	$199,916	92	$125,630	$199,916
$0	$94,222	93	$0	$94,222
$0	$0	94	$0	$0
$0	$0	95	$0	$0
$0	$0	96	$0	$0
$0	$0	97	$0	$0
$0	$0	98	$0	$0
$0	$0	99	$0	$0

The revised spreadsheet shows that RRON's account balance won't reach zero until he's nearly 93

Is RRON going to be happy with that outcome? (Audience should have mixed answers.)

The next step for RRON may be to change two variables and see how that approach influences his account balance.



RRON has a lot to think about.

He’s done an amazing job preparing for retirement and now he has a better idea about his position and some of the choices he can consider.

I’m certain as many of you were watching you were thinking, “What would my numbers look like?”

As you may imagine, there are a number of considerations beyond the “Retirement Ready or Not? calculator you should bear in mind when preparing for retirement.

That’s where our firm comes in.

We specialize in helping people just like you assess their retirement situation.

Take advantage of our resources and schedule an appointment. Let’s run your retirement strategy through the calculator and see the results

Retirement Ready or Not?

Thank you

If registered, replace this text with your b/d approved securities disclosure here. If you aren't registered to offer securities or investment advice you can remove this slide.

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Thank you for attending today's presentation.

We look forward to meeting you.