The Sky is FALLING

Will I Be OK?

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IMPORTANT INFORMATION

This presentation includes results for a Sample Retirement Lifestyle Plan, created using MoneyGuidePro financial planning software. MoneyGuidePro is owned and maintained by PIEtech, Inc.
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Tom DeVol offers securities through Sammons Securities Co.®, LLC, member FINRA/SIPC.

This is not intended to be a sales seminar. The purpose of this seminar is to provide you with general information on Long Term Investment Performance.

There will be an opportunity to schedule an appointment for an individual consultation at the end of this seminar which may result in a recommendation of specific financial products that may help you achieve your financial goals.

There is no obligation to schedule an appointment or purchase a product.

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Will I Be OK?

Yes? No? Maybe? How Do You Know?

The only way to find out what all this means to you, your family and your future lifestyle is to . . .

Create your personal **Retirement Lifestyle Plan!**

The Problem

Why does it feel like **The Sky is Falling**?

Because you get constant bad news from . . .

•Media

The Problem

Why does it feel like **The Sky is Falling**?

Because you get constant bad news from . . .

- Media
  - Friends

The Problem

Why does it feel like **The Sky is Falling**?

Because you get constant bad news from . . .

- Media
  - Friends
  - Home Value
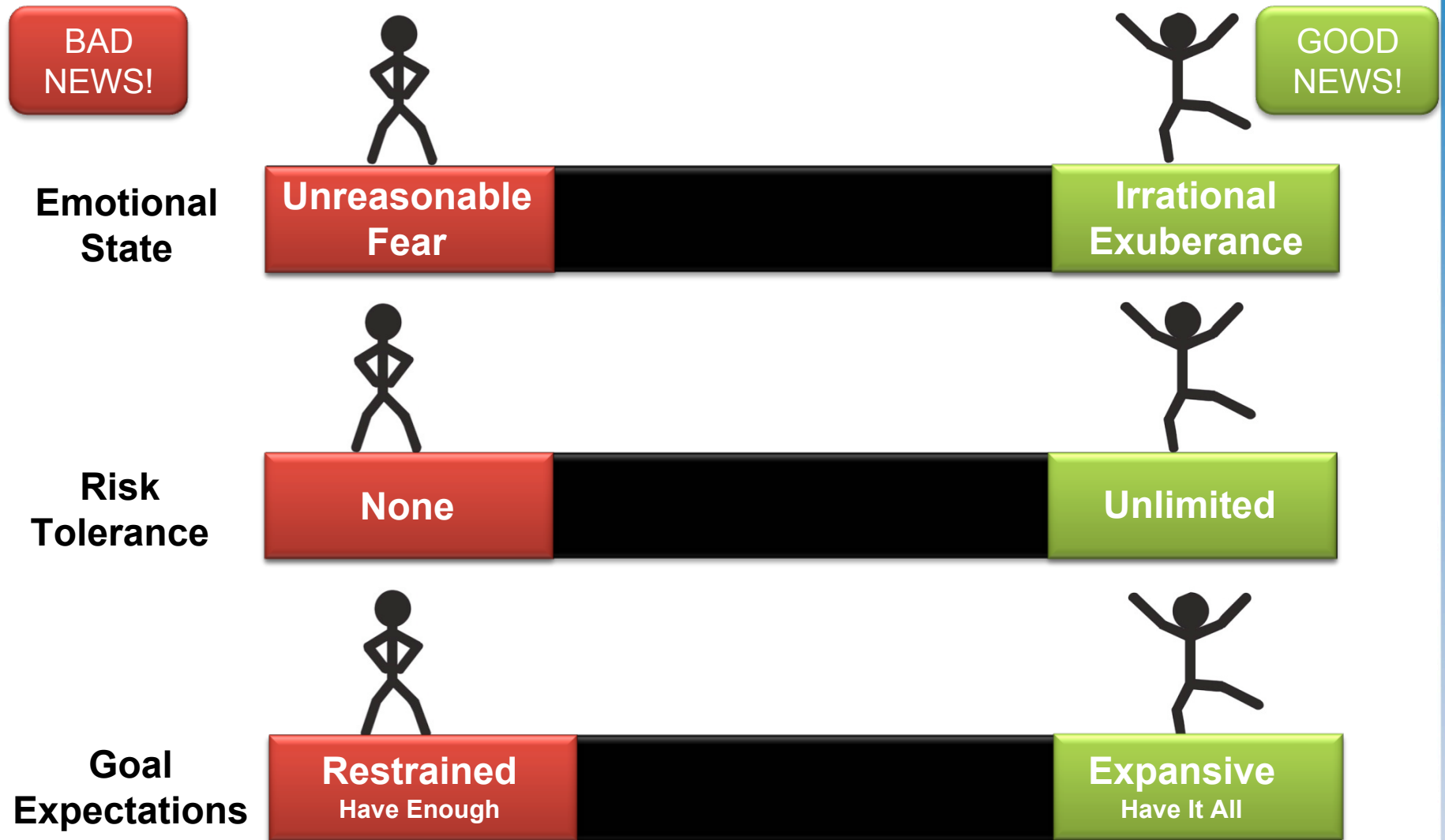
The Problem

Why does it feel like **The Sky is Falling**?

Because you get constant bad news from . . .

- Media
    - Friends
    - Home Value
    - And, worst of all, your own Investment Statements

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How Investors React to Good & Bad News

BAD NEWS!

GOOD NEWS!

Emotional State

Unreasonable Fear		Irrational Exuberance

Risk Tolerance

None		Unlimited

Goal Expectations

Restrained Have Enough		Expansive Have It All

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What Should You Do?

Sell Stocks?   Retire Later?   Spend Less?

Fire Your Advisor? Worry More?

First, here's what you should not do.

Don't let **short-term losses** and **unreasonable fear** mislead you into poor investment decisions.

Don't make decisions that may feel good in the moment (like dumping all your stocks), but hurt you in the long-run (like running out of money).

What Should You Do?

Create a **Retirement Lifestyle Plan**!

•It can help you enjoy life today and

•Restore your **CONFIDENCE** in the future

Let's see how we would create a **Retirement Lifestyle Plan** together.

There are 6 Simple Steps.

Step 1: Goals – Goals - Goals

We'll begin with a conversation about your Goals.

You're unique and your Goals are unique.

First, we'll find out (if you're not retired yet)

•the earliest you'd like to retire

•the latest you could retire and still be satisfied

61?   63?   65?   67?

Step 1: Goals – Goals - Goals

Then, most importantly, we'll identify all of your **Retirement Lifestyle Goals**.

These are the purchases and activities that will make your retirement years more enjoyable.

Step 1: Goals

For each Goal, you'll establish Ideal and Acceptable amounts.

Acceptable Range

Lifestyle Goals	Ideal		Acceptable	
Basic Living Expenses	$$$		$	
Car	$$$		$	
Travel	$$$		$	
Boat	$$$		$	

The amount you'd really like

The least that would still be OK

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Step 1: Goals

For each **Lifestyle** Goal, you'll rate it's importance from High (10) to Low (1).
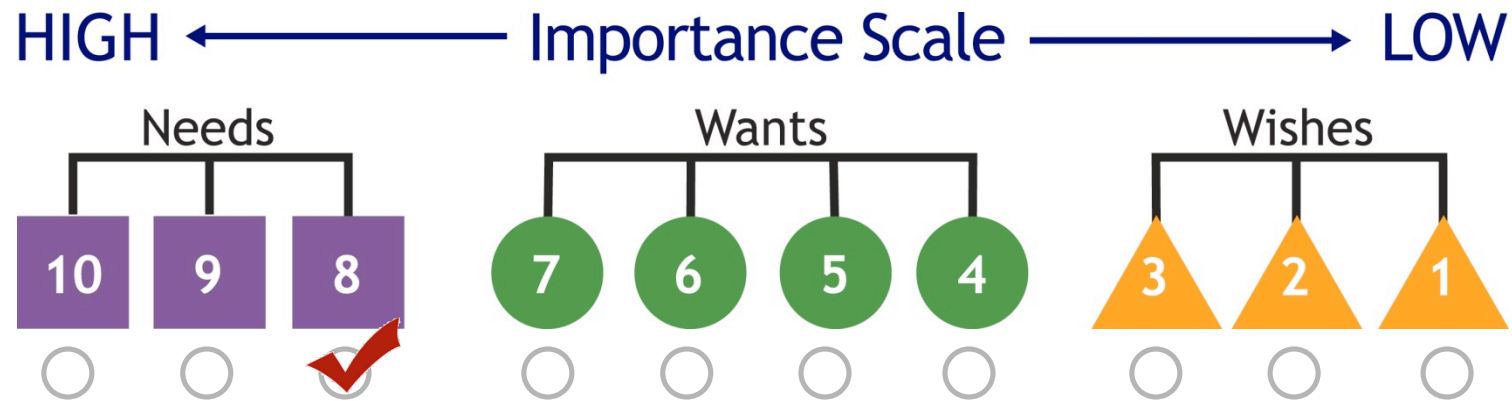
This allows us to group your Goals into…..

Needs   Wants   Wishes

so we can make certain your most important Goals are funded first.

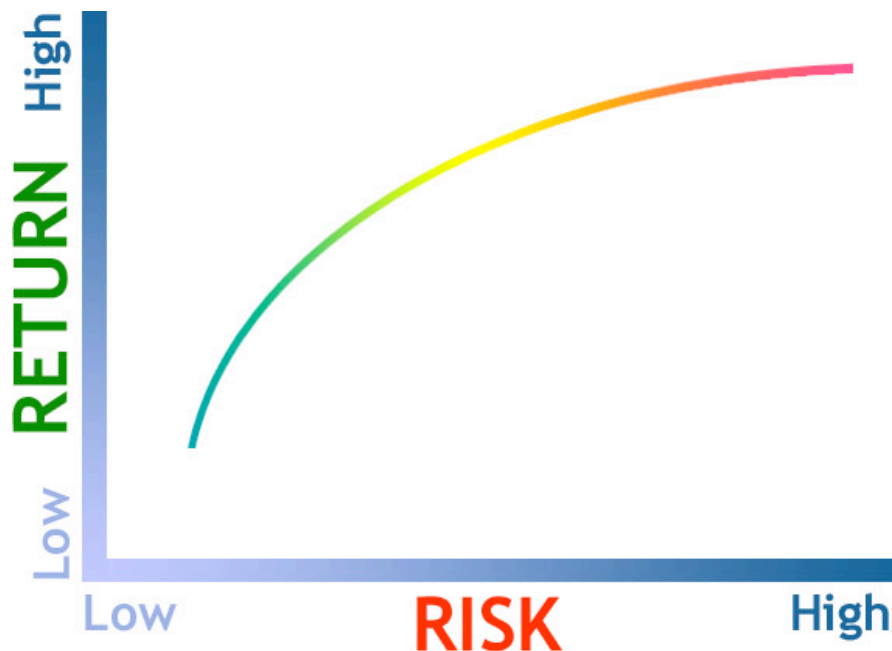# Step 2: Risk & Return Discussion

What kind of investor are you?

| Very Conservative | Conservative | Moderate | Aggressive | Very Aggressive |

Can you get the RETURN you need at the RISK level you're willing to accept?

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Step 2: Risk & Return Discussion

What's the right balance so you can . . .

Sleep Well Now

but still . . .

Eat well in the future

OR   NOT

Step 3: Resources

We'll identify the **RESOURCES** you have to fund your Goals.

Savings & Investments
Retirement Plans
   (401k, 403b)
Brokerage Accounts
IRA
Roth
Bank Accounts
Annuities

Retirement Income
Social Security
Pension
Part-time Work

Other Sources
Property to Sell
Inheritance
Stock Options

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Step 4: Calculate – Analyze - Recommend

Here's where we do the heavy lifting. We will:

•Calculate your results in many different ways

•Analyze, compare, and test many scenarios

•Recommend a scenario that meets your needs

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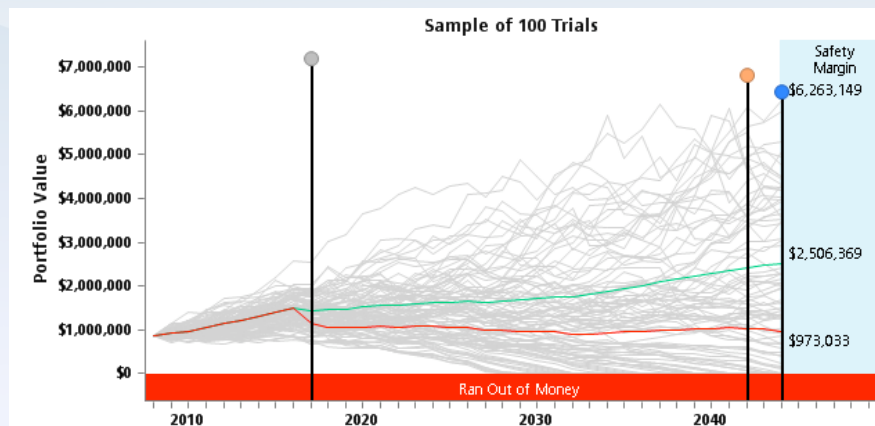
Step 5: Present and Review Results

You'd like to be **CERTAIN** you'll have enough money to reach your Goals!

Unfortunately, because **FUTURE RETURNS ARE UNPREDICTABLE,** you can never be **CERTAIN**. But you can be **CONFIDENT**.

Here's how. . .

SAMPLE

Probability of Success = **78%**

We'll simulate thousands of Trials using different return sequences.

Each Trial represents one possible outcome for your plan.

Your Probability of Success equals the percentage of Trials that funded all your Goals.

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We'll Put You In Your Confidence Zone

SAMPLE

We'll create a plan with a Probability of Success in your **Confidence Zone***.

When you're in the Zone, you can be **CONFIDENT** (but still not certain) you'll have enough money to fund your future Goals without sacrificing more than necessary today.

Likelihood of Funding All Goals

Probability of Success: **78%**

In Confidence Zone

*The Confidence Zone is the range of probabilities that you and your advisor select as your target range for the Probability of Success result in your plan.

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Step 5: Present and Review Results

Being in your **Confidence Zone** is not quite enough.

We'll also test your plan several ways:

- **Acceptable Goal Result** – What's the likelihood you can attain your Acceptable Goals?

- **Loss Cushion** – How much could you lose today and still be confident you can attain your goals?

Sample: Retirement Lifestyle Plan

Meet John and Ann

- 57 year old couple

- They live in Richmond, Virginia.

- They have a 3-year-old grandson, Timmy, and a handsome German Shepherd

Sample: Retirement Lifestyle Plan

Acceptable Range

Retirement Age	Ideal	Acceptable	How willing are you to retire later?
John	64	66	Very Willing
Ann	64	66	Very Willing

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Sample: Retirement Lifestyle Plan

Acceptable Range

Importance	Lifestyle Goals	Ideal	Acceptable
🟪 Needs			
10	Basic Living Expense	$70,000	$66,000
8	Ann's Lexus	$30,000	$25,000
🟢 Wants			
7	Annual Travel Fund	$18,000	$12,000
6	John's Saturn	$25,000	$25,000
🔺 Wishes			
3	Renovate Kitchen	$50,000	$25,000
2	Gifts to Timmy	$10,000	$0
Total Spending for Life of Plan		**$2,615,000**	**$2,130,000** **19% < Ideal**

Sample: Retirement Lifestyle Plan

After a discussion of Risk and Return, John and Ann felt comfortable with a moderate level of risk. They selected a Target Portfolio with 55% stock.

Target Portfolio - Moderate

2%

43%

55%

Cash   Bonds   Stocks

RETURN   High
Low

Low   RISK   High
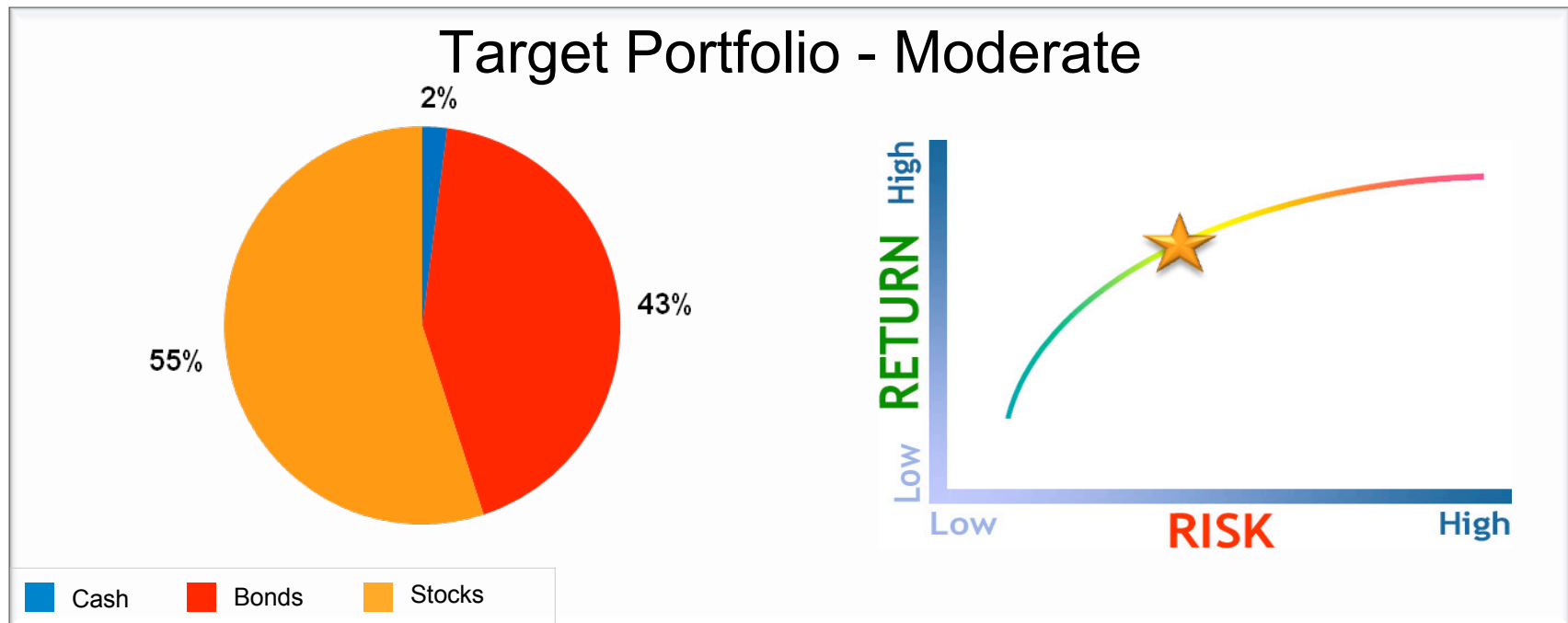
Sample: Retirement Lifestyle Plan

Resources	John	Ann
Investment Assets	$850,000	
Annual Savings	$18,000	
Social Security	$28,000	$22,000

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Sample: Results

Current Plan

Retirement Age		Goals (Total Spending for Life of Plan)	Savings	Investment	
John	64	$2,615,000	$18,000	44% Stock	$850,000
Ann	64				

Likelihood of Funding All Goals
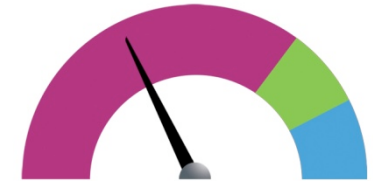
Probability of Success: **40%**

Below Confidence Zone

Recommended Plan

Retirement Age		Goals (Total Spending for Life of Plan)	Savings	Investment	
John	65	$2,479,785	$22,805	55% Stock	$850,000
Ann	65	5% < Ideal			

Likelihood of Funding All Goals

Probability of Success: **78%**

In Confidence Zone

Sample: Acceptable Goal Result

Result for Recommended Plan

Likelihood of Funding All Goals

Probability of Success: **78%**

In Confidence Zone

Portfolio
$850,000

Set All Goals To Acceptable

Result with Acceptable Goals

Likelihood of Funding All Goals

Probability of Success: **99%**

Above Confidence Zone

Portfolio
$850,000

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Sample: Loss Cushion

Acceptable Goals Result Now

Likelihood of Funding All Goals

Probability of Success: **99%**

Above Confidence Zone

Portfolio
$850,000

Loss Cushion

How big is your **LOSS**

What's the most you
tomorrow and still be

-44%

Loss
-$371,875

Acceptable Goals Result After Loss

Likelihood of Funding All Goals

Probability of Success: **72%**

In Confidence Zone

Portfolio
$478,125

Sample: Loss Cushion

When you have a good Loss Cushion:

- You can enjoy life more today, and
- Be more confident you'll meet your future goals.

The Sky ~~is~~ *isn't!* **Falling**

. . . but these are challenging times.

So, what should you do?

Take control of your future with a
Retirement Lifestyle Plan.

Retirement Lifestyle

Likelihood of Funding All Goals

Probability of Success: **78%**

In Confidence Zone

With a **Retirement Lifestyle Plan**, you're likely to discover that:

- While you might not be as well-off as you'd like . . .

- You're usually better-off than you feared

- And, with some good planning, you can be **OK.**

Retirement Lifestyle

Likelihood of Funding All Goals

Probability of Success: **78%**

In Confidence Zone

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IMPORTANT DISCLOSURE INFORMATION

IMPORTANT DISCLOSURE INFORMATION ABOUT MONEYGUIDEPRO

IMPORTANT: The projections or other information generated by MoneyGuidePro regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.

The return assumptions in MoneyGuidePro are not reflective of any specific product, and do not include any fees or expenses that may be incurred by investing in specific products. The actual returns of a specific product may be more or less than the returns used in MoneyGuidePro. It is not possible to directly invest in an index. Financial forecasts, rates of return, risk, inflation, and other assumptions may be used as the basis for illustrations. They should not be considered a guarantee of future performance or a guarantee of achieving overall financial objectives. Past performance is not a guarantee or a predictor of future results of either the indices or any particular investment.

MoneyGuidePro results may vary with each use and over time.

Information Provided by You

Information that you provide about your assets, financial goals, and personal situation are key assumptions for the calculations and projections in a Retirement Lifestyle Plan. You can review these assumptions in the "Personal Information and Summary of Financial Goals," "Current Allocation," and "Tax and Inflation Options" sections of the Plan Report. If any of the assumptions are incorrect, you should notify your financial advisor. Even small changes in assumptions can have a substantial impact on the results shown in a Retirement Lifestyle Plan. The information provided by you should be reviewed periodically and updated when either the information or your circumstances change.

Assumptions and Limitations

MoneyGuidePro offers several methods of calculating results, each of which provides one outcome from a wide range of possible outcomes. All results in a Retirement Lifestyle Plan are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. All results use simplifying assumptions that do not completely or accurately reflect your specific circumstances. No Plan or Report has the ability to accurately predict the future. As investment returns, inflation, taxes, and other economic conditions vary from the MoneyGuidePro assumptions, your actual results will vary (perhaps significantly) from those presented in a Retirement Lifestyle Plan.

IMPORTANT DISCLOSURE INFORMATION

All MoneyGuidePro calculations use asset class returns, not returns of actual investments. When using historical returns, the average annual asset class returns are calculated using the indices listed in the Retirement Lifestyle Plan, which serve as proxies for their respective asset classes. When using projected returns, the average return for each asset class is an estimate developed by your advisor or your advisor's firm, and is listed in the Retirement Lifestyle Plan. Portfolio returns are calculated by weighting individual return assumptions for each asset class according to your portfolio allocation. The portfolio returns may have been modified by including adjustments to the total return and the inflation rate. The portfolio returns assume reinvestment of interest and dividends at net asset value without taxes, and also assume that the portfolio has been rebalanced to reflect the initial recommendation. No portfolio allocation eliminates risk or guarantees investment results.

MoneyGuidePro does not provide recommendations for any products or securities.

Risks Inherent in Investing

Investing in fixed income securities involves interest rate risk, credit risk, and inflation risk. Interest rate risk is the possibility that bond prices will decrease because of an interest rate increase. When interest rates rise, bond prices and the values of fixed income securities fall. When interest rates fall, bond prices and the values of fixed income securities rise. Credit risk is the risk that a company will not be able to pay its debts, including the interest on its bonds. Inflation risk is the possibility that the interest paid on an investment in bonds will be lower than the inflation rate, decreasing purchasing power.

Investing in stock securities involves volatility risk, market risk, business risk, and industry risk. The prices of most stocks fluctuate. Volatility risk is the chance that the value of a stock will fall. Market risk is chance that the prices of all stocks will fall due to conditions in the economic environment. Business risk is the chance that a specific company's stock will fall because of issues affecting it. Industry risk is the chance that a set of factors particular to an industry group will adversely affect stock prices within the industry.

International investing involves additional risks including, but not limited to, changes in currency exchange rates, differences in accounting and taxation policies, and political or economic instabilities that can increase or decrease returns.

Plan Is a Snapshot and Does Not Provide Legal, Tax, or Accounting Advice

A Retirement Lifestyle Plan provides a snapshot of your current financial position and can help you to focus on your financial resources and goals, and to create a plan of action. Because the results are calculated over many years, small changes can create large differences in future results. A Retirement Lifestyle Plan can help you to focus on the factors that are most important to you. A Retirement Lifestyle Plan does not provide legal, tax, or accounting advice. Before making decisions with legal, tax, or accounting ramifications, you should consult appropriate professionals for advice that is specific to your situation.

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Glossary

Acceptable Goal Amount

For each financial goal, you enter an Ideal Amount and an Acceptable Amount. The Acceptable Amount is the minimum amount that would be acceptable to you for funding this goal. The Ideal Amount is the most that you would expect to spend on this goal, or the amount that you would like to have.

Acceptable Goal Result

The Acceptable Goal Result shows your Monte Carlo Probability of Success when each financial goal is funded at its Acceptable Goal Amount. The Acceptable Goal Result is often used in combination with the Loss Cushion.

Acceptable Range

For a financial goal, the range of values from your ideal Goal Amount to your Acceptable Goal Amount. For retirement age, the range of values from your Ideal Retirement Age to your Acceptable Retirement Age.

Acceptable Retirement Age

You can enter both an Ideal and an Acceptable Retirement Age. The Acceptable Age is the latest you are willing to retire. The Ideal Age is the age at which you would like to retire.

Asset Allocation

Asset Allocation is the process of determining what portions of your portfolio holdings are to be invested in the various asset classes.

Asset Class

Asset Class is a standard term that broadly defines a category of investments. The three basic asset classes are Cash, Bonds, and Stocks. Bonds and Stocks are often further subdivided into more narrowly defined classes. Some of the most common asset classes are defined below.

Cash

Cash and Cash Equivalents are investments of high liquidity and safety with a known market value and a very short-term maturity. Examples are treasury bills and money market funds. (An investment in a money market fund is not insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in a money market fund.)

Glossary

Bonds

Bonds are either domestic (U.S.) or global debt securities issued by either private corporations or governments.

Domestic government bonds are backed by the full faith and credit of the U.S. Government and have superior liquidity and, when held to maturity, safety of principal. Domestic corporate bonds carry the credit risk of their issuers and thus usually offer additional yield. Domestic government and corporate bonds can be sub-divided based upon their term to maturity. Short-term bonds have an approximate term to maturity of 1 to 5 years; intermediate-term bonds have an approximate term to maturity of 5 to 10 years; and, long-term bonds have an approximate term to maturity greater than 10 years.

Stocks

Stocks are equity securities of domestic and foreign corporations.

Domestic stocks are equity securities of U.S. corporations. Domestic stocks are often sub-divided based upon the market capitalization of the company (the market value of the company's stock). "Large cap" stocks are from larger companies, "mid cap" from the middle range of companies, and "small cap" from smaller, perhaps newer, companies. Generally, small cap stocks experience greater market volatility than stocks of companies with larger capitalization. Small cap stocks are generally those from companies whose capitalization is less than $500 million, mid cap stocks those between $500 million and $5 billion, and large cap over $5 billion.

Large cap, mid cap and small cap may be further sub-divided into "growth" and "value" categories. Growth companies are those with an orientation towards growth, often characterized by commonly used metrics such as higher price-to-book and price-to-earnings ratios. Analogously, value companies are those with an orientation towards value, often characterized by commonly used metrics such as lower price-to-book and price-to-earnings ratios.

International stocks are equity securities from foreign corporations. International stocks are often sub-divided into those from "developed" countries and those from "emerging markets." The emerging markets are in less developed countries with emerging economies that may be characterized by lower income per capita, less developed infrastructure and nascent capital markets. These "emerging markets" usually are less economically and politically stable than the "developed markets." Investing in international stocks involves special risks, among which include foreign exchange volatility and risks of investing under different tax, regulatory and accounting standards.

Asset Mix

Asset Mix is the combination of asset classes within a portfolio, and is usually expressed as a percentage for each asset class.

Glossary

Confidence Zone: See Monte Carlo Confidence Zone

Ideal Goal Amount

For each financial goal, you can enter both an Ideal Amount and an Acceptable Amount. The Ideal Amount is the most that you would expect to spend on this goal, or the amount that you would like to have. The Acceptable Amount is the minimum amount that would be acceptable to you for funding this goal.

Ideal Retirement Age

You can enter both an Ideal and an Acceptable Retirement Age. The Ideal Age is the age at which you would like to retire. The Acceptable Age is the latest you are willing to retire.

Loss Cushion

The Loss Cushion shows how much of your portfolio you could lose today and still be able to fund your Acceptable Goals (i.e., each financial goal funded at its Acceptable Goal Amount). The Loss Cushion is often used in combination with the Acceptable Goal Result.

Monte Carlo Confidence Zone

The Monte Carlo Confidence Zone is the range of probabilities that you (and/or your advisor) have selected as your target range for the Monte Carlo Probability of Success in your Plan. The Confidence Zone reflects the Monte Carlo Probabilities of Success with which you would be comfortable, based upon your Plan, your specific time horizon, risk profile, and other factors unique to you.

Monte Carlo Probability of Success / Probability of Failure

The Monte Carlo Probability of Success is the percentage of trials of your Plan that were successful. If a Monte Carlo simulation runs your Plan 10,000 times, and if 6,000 of those runs are successful (i.e., all your goals are funded and you have at least $1 of Safety Margin), then the Probability of Success for that Plan, with all its underlying assumptions, would be 60%, and the Probability of Failure would be 40%.

Glossary

Monte Carlo Simulations

Monte Carlo simulations are used to show how variations in rates of return each year can affect your results. A Monte Carlo simulation calculates the results of your Plan by running it many times, each time using a different sequence of returns. Some sequences of returns will give you better results, and some will give you worse results. These multiple trials provide a range of possible results, some successful (you would have met all your goals) and some unsuccessful (you would not have met all your goals).

Needs / Wants / Wishes

In MoneyGuidePro, you choose an importance level from 10 to 1 (where 10 is the highest) for each of your financial goals. Then, MoneyGuidePro divides the importance levels into three groups: Needs, Wants, and Wishes. Needs are the goals that you consider necessary for your lifestyle, and are the goals that you must fulfill. Wants are the goals that you would really like to fulfill, but could live without. Wishes are the "dream goals" that you would like to fund, although you won't be too dissatisfied if you can't fund them. In MoneyGuidePro, Needs are your most important goals, then Wishes, then Wants. Since you can specify Ideal and Acceptable amounts for all your financial goals, there can be many possible combinations of funding levels among your Needs, Wants, and Wishes.

Portfolio Return

A Portfolio Return is determined by weighting the return assumption for each Asset Class according to the Asset Mix. If you choose, you or your advisor can override this return on the What If Worksheet, by entering your own return.

Safety Margin

The Safety Margin is the estimated value of your assets at the end of a Plan, based on all the assumptions provided by you. Only you can determine if that Safety Margin is sufficient for your needs.

Willingness

In MoneyGuidePro, in addition to specifying Ideal and Acceptable Goal Amounts, Ideal and Acceptable Savings Amounts, and Ideal and Acceptable Retirement Ages, you specify a Willingness to adjust from an Ideal Amount (or Age) to an Acceptable Amount (or Age). The Willingness choices are Slightly Willing, Somewhat Willing, and Very Willing. If you are unwilling to adjust from your specified Ideal Amount or Age, enter the same value for Ideal and Acceptable.