Retirement Portfolio Design for a Changing Economy

Going beyond conventional wisdom to create a better retirement outcome

In 1964, Bob Dylan released an anthem called *The Times They Are A-Changin'* and while Dylan's message was about his views on social injustices, the message of change is really relevant to our economy today and to the 78 million baby boomers who are preparing for, or already in retirement.

Our economy has experienced many changes over the last decade, and we're currently seeing more changes with interest rates at all time lows and volatility on the rise. Our boomer population faces changes and risks unprecedented in history. In response, retirement savvy boomers are embracing a new investment approach in an effort to secure and protect an income that will last a lifetime. Investments and portfolio design strategies *prior* to retirement are very different than *post* retirement. Prior to retirement, the focus is on maximizing portfolio returns with a conventional investment approach. Meanwhile, 5-7 years prior to retirement the approach should be shifting from maximizing your portfolio growth to transitioning the portfolio to an efficient income producing strategy. Endeavoring to solve the income for life equation while *in* retirement requires a completely unconventional approach.

Understanding Retirement Risks

A recent survey by The American College of Financial Services identified 18 distinct risks that retirees face - any one of which, if not addressed with careful planning and portfolio design, could irreparably damage a retirement nest egg. We explain the MAJOR risks or "The Big Five" below that if identified and controlled in advance of retirement, will reduce or eliminate many other risks. Longevity, inflation, volatility, sequence of return and interest rate risk must be addressed in order to give a retiree a much higher probability of success.

The Big Five

Longevity Risk & Inflation Risk

With life expectancy continuing to rise and many retirees living well into their 90's and beyond, the risk of outliving retirement income sources is a real possibility. Coupled with the effect inflation will have on a retirement potentially spanning 20, 30 or more years makes it absolutely essential to account and plan for this possibility. Yet many investors plan for a short stay once in retirement after they exit the workforce. After all, they figure they did their job by saving money in their 401(k) and building a nice nest egg. But with the population living longer, that short sightedness could come at a cost. Both longevity risk and inflation risk are real and without proper planning, many retirees are going to face a big shortfall between the amount they save and how much they actually need.

Just as a quick example; let's say a retiree begins retirement on a total income of $3,000 per month, that same retiree would need $5,432 per month in 20 years at a 3% inflation rate just to maintain their same standard of

income. To put it another way, a loaf of bread that cost $3.00 today would cost $5.00 for that same loaf at a 3% inflationary increase over a 20 period.

"It's imperative to account for longevity and inflation risk in a retirement strategy since many retirees will be funding a retirement that spans longer than they were employed". *Brian H. Saranovitz, Your Retirement Advisor*

What is a retiree to do with this unenviable predicament? The only asset that has historically outpaced inflation has been stocks. The negative to stocks is that they are typically extremely volatile and risky on a year by year basis. As a result, any long-term retirement planning strategy must include a diversified portfolio of stocks to help reduce the effects of inflation and the effect of longevity risk. The portfolio must also have some type risk control measures to reduce risk and volatility.

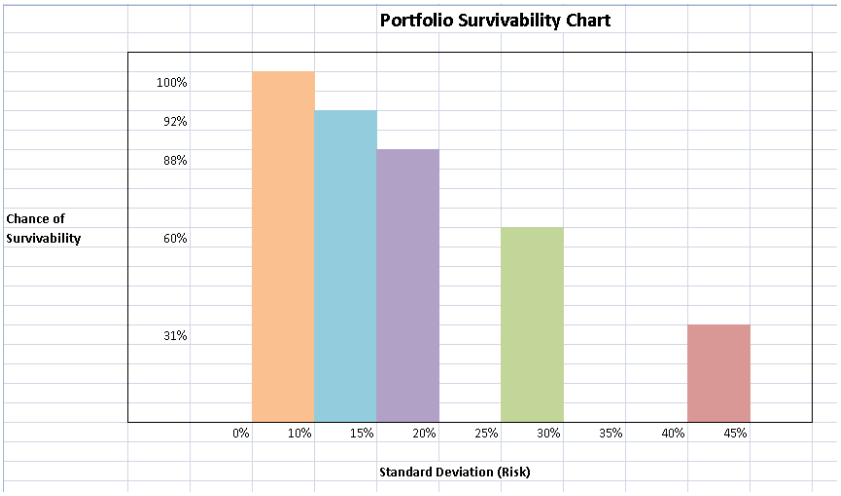
Volatility Risk

When in retirement and withdrawing income from a portfolio it's absolutely imperative to reduce risk and volatility. Recent studies have proven that when withdrawing income from a portfolio, the portfolio with lower volatility will experience a longer lifespan than one with higher volatility. A recent study completed by Sure Dividend, *Why You Must Care About Volatility In Retirement* concluded, "Simply put, the greater the volatility of your portfolio, the greater chance you have of outliving your money all other things being equal. By its nature, higher volatility means greater swings in the value of your portfolio."[1]

Standard Deviation is a statistical measurement that can be applied to measure a portfolios volatility or risk. It is used to determine how much the returns of a portfolio will deviate from the mean or average rate of return from year to year. ***The higher the standard deviation number, the higher the volatility or risk in a portfolio.***

The Sure Dividend study assumed the following:
- Retirement portfolio value: $1,000,000
- Withdrawal amount: $3,333 per month or $40,000. annually (4% withdrawal rate)
- Inflation factor: 3% inflationary increases per year
- Rate of return: 9%
- Retirement duration goal: 30 years (age 65 - 95)

The study results:



"Simply put, the greater the volatility of your portfolio, the greater chance you have of outliving your money all other things being equal". *Sure Dividend Research Study*

The results of the study concluded that the higher the standard deviation or volatility in a portfolio, the greater chance of portfolio failure or "financial ruin". As standard deviation or volatility was lowered, portfolio failure rate was decreased and a higher degree of success (or portfolio survival) was realized.

Sequence of Return Risk

Sequence of return risk is a major risk that must be mitigated by a retiree when beginning to take withdrawals from their retirement portfolio. Sequence of return risk is defined by Investopedia as, "The risk of receiving lower or negative returns early in a period when withdrawals are made from an individual's underlying investments". Dramatic portfolio losses early in retirement will reduce the lifespan of the portfolio. This requires a different way of thinking than when money is invested while accumulating for retirement (without any withdrawals). In the accumulation phase, the sequence of gains makes no difference; at the end you wind up in the same place with the same dollar value.

While sequence of return risk cannot be controlled any more than market volatility, its effect can be mitigated. Having a "safe money" bucket of funds to draw income from in the event of a dramatic downturn in the stock market can be an effective strategy to protect the portfolio from negative sequence of return risk. Research studies have concluded that having this "buffer" to draw from when market losses occur can have a positive effect on the long-term survivability of the overall portfolio.

A major psychological benefit of the income buffer strategy is it will enable a retiree to withstand the temptation to exit the stock market with their retirement funds during a period of market losses, possibly putting the retiree in a market timing guessing game. Such an approach often leads to selling at the market low and buying at the market high, and dramatically underperforming a long-term buy and hold strategy. Numerous studies have shown that the average investor has dramatically underperformed the market returns due to irrational selling and buying decisions.

As an example, during the 2007-2008 stock market downturn, having a safe money buffer or reserve account to withdraw income from (until the stock portion of the portfolio rebounded) would have been a positive step to protect against negative sequence of return risk. As a reference, in an article dated February, 2015 by Wealthfront's Andy Rachleff and Duncan Gilchrist, PhD; the 2007-2009 market loss was 56.39% and took the market 1,485 days or 4.06 years to recover. Since 1911, the average recovery time after a stock market downturn has been 684 days or 1.87 years![2] Based on this fact, it's prudent to have a buffer in place 3-5 years before retirement begins and it should cover approximately 4-5 years of retirement income. A proper buffer can consist of life insurance cash values, a reverse mortgage reserve account, cash or CDs, a guaranteed annuity, or any other account that will have a limited effect when there is a stock market downturn.

In conclusion, portfolio losses just prior to retirement or early in retirement can have a dramatic effect on portfolio survival rates and having a safe money buffer in place can have a substantial effect on reducing potential negative sequence of return risk.

Bonds and Interest Rate Risk

When interest rates rise traditional bonds lose value. As an example, an interest rate rise of 1% will cause a 10-year duration bond to decline by approximately 10% in value. From a historical perspective, current interest rates are at the lowest levels we've seen in over 50 years. Historically, high-quality US government and corporate bonds have returned a 5-6% rate of return, which in this low interest rate environment may be hard to find. In addition, our "safe" bonds are susceptible to substantial losses when interest rates potentially rise.

In addition, most retirees do not invest directly in bonds, but rather through bond mutual funds or ETF's. A direct buyer of bonds may be able to hold onto the bonds through a bear market, possibly await higher values and eventually receive their par value or initial bond value back. In a bond fund other investors may "bail out" prematurely (once again, individual investors tend to become emotional and mistime the market) to achieve new higher rates, causing net outflows of funds, with the fund manager needing to sell bonds at a loss. In this case, the buy and hold client is forced to "lock-in" the losses caused by their fellow investors.

10 Year Treasury Rate - 54 Year Historical Chart (1962-2017)

The chart above shows the 10 year treasury rate at 4.08% on January 8, 1962 and moving up to a peak of 14.94% on October 12, 1981. During this dramatic rise in interest rates, bonds produced a return well below the historical average. As previously discussed, bonds have an inverse relationship to interest rates; as interest rates rise, bonds lose value and returns are reduced. As interest rates decrease, bonds will gain value and their returns will increase. Additionally the bar chart shows that from January of 1962 to March 20, 2017 interest rates declined from 14.94% to 2.41% which caused bonds to generate returns well above their historical returns.

Most individual investors and investment advisors utilize bond mutual funds for the bond component in their retirement portfolio. As a proxy for high-quality, intermediate duration, treasury bonds we've utilized the Putnam Income Fund (Ticker: PINCX) since it's one of only two such mutual funds that have a documented performance history going back to 1962. The research indicates that from January 1, 1962 through June 30, 2017 (a full bond market cycle), the Putnam Fund averaged 6.08% during this entire period. As illustrated in the graph above, this was a period of rising interest rates during the first 20 years followed by falling interest rates in the remaining years.

Let's review the effects of both rising interest rate and falling interest rate environments on bond returns. From January 1, 1962 through January 1, 1982, interest rates rose from a low of 4.08% to a high of 14.92%. The Putnam Income Fund generated an average return of 1.82% during this period of increasing interest rates. From January 1, 1982 through June 30, 2017 this same bond fund (Putnam Income Fund A) generated an average return of 8.61% in a period of decreasing interest rates. The research proves the point that in a generally increasing interest rate environment our safe money bonds will suffer far lower overall returns than when the interest rate environment is generally falling.

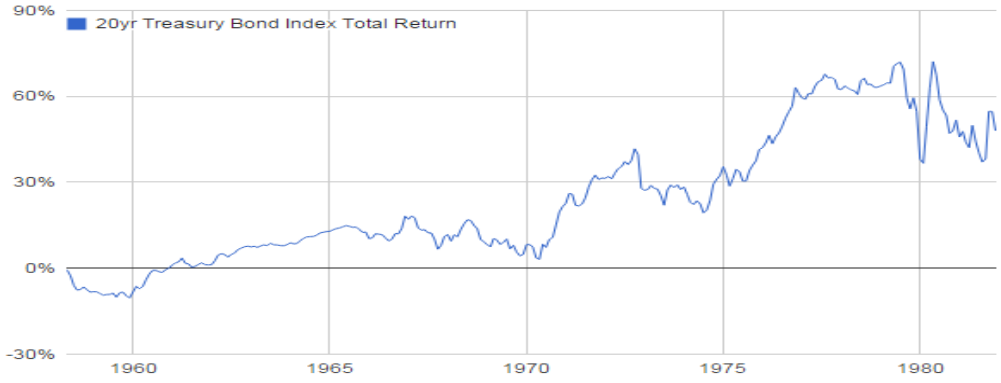
History of bond fund returns: Proxy – Putnam Income Fund A (Ticker: PINCX)

Interest Rate Environment	Average Rate of Return
Full Interest Rates Cycle (01-01-1962 to 06-30-2017)	6.08%
Increasing Interest Rates (01-01-1962 to 01-01-1982)	1.82%
Decreasing Interest Rates (01-01-1962 to 01-01-1982)	8.61%

Source: Morningstar Advisor Workstation, Release date 06-30-2017

Another research report from Investment advisory firm Hedgewise (see chart below), examined the effect rising interest rates had on 20 year treasury bond returns from 1958 through 1982.[3] They concluded in their report, "The overall return for this 23 year period was approximately 48% cumulative return or about 1.7% average annualized return. More importantly, the results were far from consistent, as bonds both rallied and fell for different stretches throughout."

Performance of 20 Year Treasury Bonds: May 1958 through January 1982



Must Bond Investors Fear Rising Interest Rates? Insights from 1958 To 1982, Dec. 3, 2014 Hedgewise , registered investment advisor

In conclusion, investors expecting bond funds to perform as well in the next ten years as they have in the last ten will be disappointed. As previously discussed, bonds can play an important role in retirement portfolios, reducing volatility and increasing the predictability of returns. However, the stellar performance of bonds from 1982 through 2017 (decreasing interest rate environment) will be not be repeated anytime soon. In fact, there is even the risk of *negative* returns.

At the current low interest rate environment (10 year treasury yield of 2.41%), it's imperative to find a safe alternative or accept much lower overall portfolio returns. Another alternative is to utilize a far more aggressive portfolio mix and accept greater volatility. This strategy is detrimental to the survivability of a portfolio when taking with withdrawals, as previously discussed.

More Changes - The Safe Withdrawal Rule

The "safe withdrawal rule" is commonly known as the percentage of a portfolio that can be safely withdrawn annually (adjusted for inflation), keeping the portfolio intact for a retiree's lifetime. The widely accepted 4% "safe withdrawal rule " was established by William Bengen's research in 1994. Bengen based his findings on historical data dating back to 1926 and a portfolio that was invested 50% in S&P 500 stocks and 50% in intermediate term government bonds. Based upon the today's low interest rate environment, many recent studies have refuted the 4% rule and Bengen's findings. A 2013 landmark research report conducted by

Morningstar Investment Management entitled, *Low Bond Yields and Safe Portfolio Withdrawal Rates* belies the 4% rule and adjusts the "safe withdrawal" rate down to 2.4% when investing in a 60% stock/40% bond portfolio with a 30 year retirement time horizon.[4]

The Morningstar executive summary states the following: "Yields on government bonds are well below historical averages. These low yields will have a significant impact for retirees who tend to invest heavily in bonds. This is because portfolio returns in the earliest years of retirement have a larger impact on the likelihood that a retirement income strategy will succeed than returns later in retirement; this is known as sequence risk."

The executive summary continues, "We find a significant reduction in 'safe' initial withdrawal rates, with a 4% initial real withdrawal rate having approximately a 50% probability of success over a 30 year period."

In today's low interest rate environment and the high probability of increasing interest rates (interest rate risk), where do we find a viable alternative to "safe money" bonds?

The Traditional 60/40 Portfolio Doesn't Work in Retirement

Using the "conventional" 60/40 portfolio (60% stock for growth/40% high quality bonds for "safe money") reduces the probability for success for today's retiree. Research studies prove that today's markets are more volatile than ever before and utilizing a traditional stock and bond portfolio is not the most efficient method to reduce the volatility and sustain portfolio life. As previously discussed, the portfolio with lower volatility, when taking withdrawals, will survive longer in retirement.

As we all witnessed during the 2001-2002 and 2007-2008 economic downturns, a portfolio of stocks and bonds lost more than 30% value in each of these periods. A Morningstar analysis indicated that a portfolio consisting of 60% global stocks and 40% high quality bonds experienced a 30.12% loss in value from March of 2008 to February of 2009.[5] A traditional 60/40 retirement portfolio employed by most advisors or individual retirees yields potentially higher volatility and dramatically reduced bond returns. This conventional portfolio does not bode well for today's retirees.

A New "Safe Money" Strategy???

In light of the current interest rate environment, many individual investors and advisors are looking for "safe money" alternatives to traditional treasury bonds. It's imperative to understand that there are many different type of bonds and each has its own unique risk and return characteristics. Many advisors and individuals utilize high yield bonds, convertible bonds, and floating-rate loans as a replacement for the safe treasury bonds in an effort to increase the yield and total return potential. These aggressive bond types do offer much higher yield and growth potential than traditional "conservative" treasury bonds. However, as evidenced in the 2008 market downturn, they expose investors to much higher volatility and loss potential (see chart below).

Historical Return Chart: Morningstar data as of release date 06-30-2017

Asset Class	2008 Return	I yr return	3 yr return	5 yr return	10 yr return
Aggressive Stocks					
S&P 500 Index	**-37.00%**	17.89%	9.61%	14.63%	7.18%
Aggressive Bonds					
High Yield Bond Index (HYBs)	**-26.13%**	12.75%	4.48%	6.92%	7.54%
LSTA Leveraged Loan Trust (FRLs)	**-29.10%**	7.43%	3.35%	4.58%	4.48%
Bank of Am Convertible Bond Index (CBs)	**-29.44%**	21.27%	6.57%	12.26%	7.89%
Conservative Government Bonds					
Barclays Govt Bond Index - 1-5 Yr Trust	**8.41%**	-.52%	1.00%	.86%	2.64%

Similar to stocks, high yield bonds (HYBs), convertible bonds (CBs) and floating-rate loans (FRLs) are susceptible to high volatility. In the market downturn of 2008 HYBs lost 26.13%, CBs lost 29.44% and FRLs were down 29.10% respectively. During the same year (2008), stocks lost 37% while government treasuries (safe money) gained 8.41%. It's important to understand that there are many different types of bonds, and each has its place in a retirement strategy. However, these aggressive bonds are better utilized for the aggressive portion of the portfolio, diversifying within the stock component rather than as safe money alternatives. Trying to get extra return from these aggressive bonds adds additional risk and volatility which is never good for a retirement portfolio. On the surface, these bonds may look attractive, but after further review they are not the best solution for your safe money alternative.

In today's low interest rate environment and with the potential for increasing interest rates, the traditional solution is to utilize ultra-short duration, high-quality corporate or government bonds. The negative consequence of very low bond yields is the need for larger amounts of retirement savings to generate the desired retirement income.

Enter a New Asset Class: FIAs Offer a Viable Alternative

Fixed indexed annuities (FIAs) can be an exceptional "non-traditional" bond alternative since they offer principle protection with reasonable returns, and they work well as a "safe money" alternative. A 2009 Princeton Wharton School of Economics study suggests, "The fixed indexed annuity may be considered a separate asset class, when compared to taxable bond funds and fixed annuities."[6]

FIAs are a type of fixed annuity that is backed by some of the largest and most financially solid life insurance companies in the world. The FIAs interest is tied or "plugged into" an external index like the S&P 500, the EAFE international stock index, or a combination stock and bond index. An FIA credits interest as a percentage of the index return they are plugged into. Typically, the more aggressive the index, the lower the "participation rate" or percentage of gains in the selected index. Conversely, the lower the volatility of the index plugged into, the higher the "participation rate" or percentage of gain the FIA will credit.

"Fixed Index Annuity (FIA) product design is unique. Using FIAs, retirees have the potential to receive a percentage of the index return as interest credits with no risk of loss due to market declines (guaranteed principle). Returns from FIAs have been steady since 1999. Fixed indexed annuities averaged a 4.63% annualized return for all five-year holding periods from 1999– 2015".[7]

It's very important to understand that FIAs are a "safe money" alternative to bonds offering absolute principle guarantees. This means that if the index loses value, the FIA will receive a 0% interest credit in that year, but it will not suffer a loss to the original principle value. They are designed to offer competitive returns commensurate with bonds and are NOT an alternative to the stock market. FIAs calculate interest based on the insurance companies hedging strategy utilized to protect the principle value of the investment. Ultimately, the cost of the hedging strategy to protect against loss from the index selected will determine the crediting rate paid to the FIA owner. Various forms of crediting strategies exist from the FIA contract universe such as participation rates, caps and spreads. High-quality, low cost FIAs designed for accumulation can offer highly competitive interest rates with absolute guarantees.

A recent research report entitled, *The Role of FIAs in an Optimized Portfolio* completed by WealthVest concluded; "Investors who want to avoid losses in the years immediately before retirement or during retirement, may be able to reduce overall portfolio risk and optimize performance by adding FIAs to their portfolios. During periods of rising interest rates the value of outstanding bonds usually falls." The report continues, "During periods of rising interest rates, adding FIAs and reducing or eliminating bond exposure helped improve risk-adjusted performance.

Two Competing Disciplines: Insurance vs. Investments

The retirement industry has two competing disciplines vying for a retiree's money; Insurance, which offers absolute guarantees, and Investments, which are based on probabilities and statistical analysis. Typically, you hear both camps utilizing some sort of "fear tactics" to try to gain a competitive advantage over the other.

We recently saw an online banner ad that caught our attention. It read, "I would rather die and go to hell before I would ever sell an annuity." The advertiser, Fisher Investments, is a stock market bigot who obviously doesn't sell insurance. They make their money investing people's money in the stock market. Fisher's erroneous claims have been refuted by retirement research backed by some of the industry's greatest academic researchers. As explained by John H. Robinson's article, *Why Annuities Hate Ken Fisher. And You Should Too*, Advisor Perspectives magazine, 2014, "Fisher's claims are at odds with a growing body of empirical research published in peer-reviewed academic and professional journals." He continues, "Empirical research has found that variable annuities can be useful in protecting investors from the twin retirement threats of sequence of return risk (the risk of sharply negative market returns early in retirement) and longevity risk."[10]

On the flipside, we found a book that promotes the use of Index Universal Life (IUL) insurance as the single solution to ALL retirement issues. As a "fear tactic", the book's authors issue several warnings about the dangers of stocks with the ultimate warning on page 34 stating, "All my savings were in the stock market and I had no control over how that market performed. In fact, there was a very real risk that I could lose *all my money*". The book, *Wealth Beyond Wall Street*, written by two insurance brokers is the epitome of misinformation and half-truths.[11] The book attempts to convince retirees that an insurance-only solution is the only way to retirement success. The rhetoric continues throughout the book warning readers that the government, Wall Street and the entire investment industry is robbing retirees of their wealth. It's a sad testament of what some individuals will do to try to build their own wealth through half-truths while ultimately hurting retirees and their retirement outcomes.

The study found that adding indexed annuities to a portfolio and reducing the percentage of bonds helped improve Sharpe ratios. We may be on the cusp of a period of rising interest rates."[8]

Not Many FIAs Make the Grade

As with any product, companies price annuities to make a profit. Expenses, including commissions are included in that pricing. The higher the commission for a product with the same contract provisions, the less money is left over to credit interest on the policy or provide other policy benefits. Therefore, it's imperative to utilize high-quality, low cost FIAs. Many FIAs pay high commissions which ultimately reduce the effectiveness and the return potential. Additionally, it's important to utilize high-quality, low cost FIAs that are "consumer friendly". FIAs have many moving parts and are fairly complex. It's extremely important to understand the nuances between the many contracts and company products available. As with any investment (stocks, bonds, mutual funds, ETFs or annuities) there are the good, the bad and the ugly, and proper due-diligence and analysis is essential for optimal performance.

The Optimized Retirement Portfolio

A recent research study commissioned by Nationwide Financial and completed by Morningstar Investment Management LLC, compared a traditional 60/40 stock and bond portfolio to a portfolio consisting of stocks, bonds and fixed indexed annuities (FIAs). The study concluded that by repositioning a traditional retirement portfolio consisting of 60% equities and 40% bonds to a portfolio consisting of 36% equities, 24% bonds and 40% fixed indexed annuities (FIAs) offers virtually the same return, but with a 40% reduction in potential portfolio risk and volatility...both of which are the number one objectives for your portfolio as you head into retirement. The study utilized Nationwide's New Heights fixed indexed annuity in combination with stock and bond indexes to compile the results.[9]

This new "unconventional" portfolio design combining traditional investments (stocks and bonds) with an allocation to FIAs (for portfolio volatility reduction) offers the optimum blend of growth and risk reduction for maximum retirement portfolio sustainability.

Additionally, this alternative portfolio addresses the challenges of the economy and the myriad of risk retirees will face as they enter a new phase of life. This combination approach of "turbo charging" a portion of the portfolio through stocks, while providing for safe money through

bonds *and* insurance (FIAs), strikes the proper balance between risk and return to provide a reliable and sustainable income stream for life.

FIAs vs. High -Quality Government Bonds

Relationship to interest rate movements:

- Bonds have an inverse relationship to interest rates:
  - As interest rates rise, bonds generally lose value
  - As interest rates decline, bonds generally gain capital appreciation potential
- FIAs typically have a positive relationship to interest rate movements
  - As interest rates rise, FIA renewal rates generally increase
  - As interest rates decline, FIA renewal rates will generally decline

In summary, if interest rates hold at the 2.42% level (as of 3/20/17) or increase over the foreseeable future, FIAs will offer value over high-quality bonds. If interest rates decline over the foreseeable future, bonds will pick up capital appreciation and will be a viable "safe money" alternative. In this low interest rate environment, with the high probability of an increasing rates, FIAs are a viable "safe money" alternative to bonds.

The Unconventional Portfolio Design offers LESS, but MORE

When in retirement and taking withdrawals, LESS is MORE…LESS risk brings MORE portfolio value. The truth is in the research that backs the Optimized Retirement Portfolio to create an unconventional 36/24/40 portfolio design as validated in the Nationwide/Morningstar study. This multi-discipline approach (traditional investments and insurance) includes both guarantees for safety and security (FIAs), and globally diversified stocks for growth and inflation protection. Rational retirement solutions backed by research and retirement analysis are what retirees need, NOT fear.

As concluded in the research, a combination of stocks, bonds and FIAs can potentially offer better risk-adjusted returns than a traditional stock and bond portfolio alone. Reduced portfolio volatility leads to longer portfolio life expectancy when taking income from the portfolio, which in turn could offer retirees a better retirement outcome.

It's important to understand that retirement planning is not a “one size fits all” proposition. Some individuals require more guaranteed income sources within the income distribution strategy developed and would like to incorporate either Single Premium Immediate Annuities (SPIAs) or a Guaranteed Income Rider (GIR) to accommodate this requirement. Others are more aggressive and would like to utilize more traditional investments that can offer more growth potential, but with less guaranteed income. Regardless of the strategy utilized, it's imperative to “stress test” the strategy (utilizing sophisticated analytics software tools) versus several actual market environments and sequence of return risk scenarios to assure the portfolio, and ultimately the income stream, will last a lifetime under all circumstances.

Proponents of the Unconventional Optimized Retirement Portfolio

So, who are the proponents of the Optimized Retirement Portfolio? Certainly not insurance agents and certainly not investment advisors. Why? Two possible reasons; 1) they aren't properly licensed and/or they don’t understand the interrelationship of investments and insurance in retirement planning and the intricacies of each discipline.

We believe that any advisor or company that discounts or dismisses an entire discipline or industry as "bad for you" is either ignorant to the research or just simply biased to one extreme or the other. The empirical research as discussed in this whitepaper (and a myriad of additional academic retirement studies) indicates that a strategy that employs both insurance-based products and traditional investments will offer the best retirement outcome in almost all retirement situations. It's truly a travesty when an investment professional proclaims that “annuities are bad” or an insurance agent claims “the stock market is too risky”. These false, biased claims have NO independent backed research, and ultimately harm retirees trying to find the proper retirement solutions.

Our Retirement Solved™ Multi-Disciplined Retirement Strategy

Our Retirement Solved Multi-Disciplined Retirement Strategy (MDRS) is a powerful optimized retirement portfolio solution. Following the research (as highlighted in this paper), our MDRS combines FIAs, SPIAs and Globally diversified stocks in combination to offer the lowest potential risk, highest potential return and highest probability of retirement success.

How can you implement this progressive, unconventional, research based portfolio design? You can try to do it yourself (which is quite complex and requires a deep understanding of the many financial disciplines) or work with a qualified retirement advisor who understands how each discipline integrates together. It's important to make sure that he/she is experienced not only with this type of portfolio strategy, but also in retirement planning and in the use of sophisticated retirement and investment planning software. Few advisors have the knowledge, licensing and software tools to offer this unbiased strategy.

Your Retirement Advisor's MDRS is employed by an affiliated network of retirement specialists that are vetted and trained on the intricacies of this strategy. Our mission is to help you better prepare for retirement and prosper in retirement. Our proprietary Retirement Solved system can help you design and implement the new unconventional MDRS portfolio. We also focus on incorporating tax minimization and optimal Social Security filing strategies in conjunction with the MDRS to get the best potential retirement outcome.

Your Retirement Advisor affiliated advisors are available for complimentary income and portfolio assessments.

You can read more about the importance of working with a Hybrid Advisor in our blog post, *Why Financial Advice is Like Religion & Politics and Why the Middle Way Leads to Wisdom.*

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