



The Retirement Efficiency Assessment (REA)

When is your Financial Freedom date???

Will your assets last a lifetime is perhaps the biggest fear of people approaching retirement. As life expectancies increase and healthcare costs continue to rise the risk of outliving your assets has increased as well.

When is your financial freedom date and is your current retirement plan designed to effectively provide an inflation adjusted income for life? Our Retirement Efficiency Assessment (REA) will help you determine if you have enough to provide for a successful retirement. The REA is powerful technology that will demonstrate the “before and after” impact of our **Multi-Discipline Retirement Strategies (MDRS) Strategies** on your retirement outcome.

Knowing your Financial Freedom Date is truly liberating, knowing with certainty that you control your financial future!

The REA helps answer your most pressing questions:

1. How will you efficiently generate retirement income and will it last a lifetime?
2. How to properly invest retirement assets for growth, while minimizing portfolio volatility and preserving principle?
3. When to apply for Social Security to maximize income benefits?
4. How can you reduce taxes during retirement and increase your portfolios survival?
5. What are the effects an unforeseen health care event could have on my retirement?

Alpha Efficient Strategies

Combining Alpha Efficient Strategies into a cohesive retirement program can have a dramatic impact on your long-term retirement success or failure. Many recent studies from Vanguard, Fidelity Investments, Morningstar and Investnet have determined that employing Alpha Efficient strategies can have the same effect as increasing your investment returns by as much as 3%. Building a successful retirement is much more than simply managing your retirement portfolio and involves a much higher level of planning.

Alpha Efficient Strategies:

- ▶ **Alpha Strategy #1:** Reduced Portfolio Management Fees
- ▶ **Alpha Strategy #2:** Behavioral Coaching
- ▶ **Alpha Strategy #3:** Evidence-Based Planning and Investing
- ▶ **Alpha Strategy #4:** Investment Management
- ▶ **Alpha Strategy #5:** Multi-Disciplined Retirement Strategy
- ▶ **Alpha Strategy #6:** Income Buffer Strategy
- ▶ **Alpha Strategy #7:** Social Security Maximization
- ▶ **Alpha Strategy #8:** Tax Efficient Withdrawal Strategy

REA Income Projection Inputs and Outputs

To analyze your retirement scenario all relevant variables are input into the REA system including; retirement income sources, fixed expenses, discretionary expenses, savings and investments as well as inflationary impact on retirement income. Without these components a true income optimization report cannot be produced.

The REA is Your Retirement Advisor's sophisticated interactive retirement projection utilized by our affiliate advisors to test a variety of inputs and variables to build the optimal retirement outcome. It gives you valuable insight to help make educated and calculated decisions about your future.



REA - Areas of Assessment

Income Distribution

Income distribution planning for retirement can be a very complex and stressful process for many. Taking income from your portfolio is much more involved than simply growing your assets over time. At the same time, retirees today face some formidable challenges when entering what we call The Retirement Danger Zone. This is the time shortly before or shortly after retirement when the retiree can, inadvertently, either “make it or break it” by making key retirement decisions.

Investments

Your Retirement Advisor affiliate advisors collaborate with and follow the principles and theories of leading financial academics. Time tested and up to date research is critical to determining your investment philosophy. This philosophy includes proper diversification across different asset classes (stocks, bonds, equity indexed annuities and alternative investments), asset allocation and active withdrawal strategies. The primary goal of your investment strategy should be to reduce volatility while getting the highest return possible.

Based on the outcome of the REA, your advisor will make recommended portfolio adjustments or other changes by presenting a Portfolio Reallocation Grid. Portfolio costs have a direct impact on portfolio performance. Therefore, our advisors strive to keep total expenses as low as possible by using a number of different strategies. We efficiently structure your portfolio to give you the highest net after-tax value over time.

Because of the proprietary nature of our Alpha strategy, advisors are able to create customized combinations of products that can potentially significantly increase your outcome. Our affiliated advisors research hundreds of products and test them against your goals and variables to find just the right combination of risk reward and cost.

Tax-Efficient Retirement Plan Distributions

Many individuals have most of their retirement assets in tax-deferred accounts and when taking income are subject to ordinary income tax. It's important to shift tax-deferred accounts to tax free accounts using Roth conversions so that you can have more control over taxes once in retirement as well as reduce or eliminate potential Social Security taxation. When completing a Roth conversion you prepay the taxes on the amount converted, allowing you to benefit from all future growth and income, tax free. Our tax efficiency calculation program creates an efficient and intelligent schedule of conversions to ultimately reduce or in some instances eliminate taxes while in retirement.

Social Security

There are a plethora of Social Security filing strategies based on your personal situation. We take into consideration many factors when determining the timing of your filing. Based on your situation, our Social Security timing report and REA will give you the most advantageous filing choices.

Tax Planning

A REA without considering tax implications is ignoring a factor that can have a significant impact. Tax laws are extremely complex, and taxes in retirement and on retirement assets can be even more complicated. We also employ tax efficient strategies such as tax diversification, tax loss harvesting and other strategies such as defined contributions and benefit plans, tax efficient portfolio re-balancing, charitable giving, and real estate strategies.

Our REA takes tax effects into consideration and helps you make key decisions so that you keep more of your assets.

Health Care & Long-Term Care Expenses

The Retirement Efficiency Assessment also incorporates health care costs and long term care costs. The escalating cost of health care and the unlikely event of a Long-Term Care event can devastate the best retirement plan. Analyzing the effects and then reducing or mitigating these potential risks is paramount to a successful retirement plan.

Retirement Plan “Stress Testing”

After all financial information is input into the REA, the plan is then “stress tested” versus several market conditions to assess how the retirement plan will react against both negative and positive market conditions. Numerous recent studies prove mathematically that portfolios with lower volatility, having the same rates of return, will outlast those with higher volatility when taking income from the portfolio. Reducing volatility in a retirement portfolio while maintain growth potential is paramount to increasing the lifespan of the portfolio as you begin taking income. It is imperative to analyze your retirement outcome against many different simulated market environments (both negative and positive) to assure your portfolio will last a lifetime regardless of what economic environment unfolds.

This is why the REA offers this unique stress test feature to assure the retirement plan developed will survive regardless of what type of market environment we retire into.

The REA...Your Retirement Benchmark

The REA is perhaps your most valuable retirement benchmark...helping you understand where you are, where you want to be and what changes need to happen in order to get you there. As Your Retirement Advisor, we suggest that you include a REA as the foundation of your Retirement Solved strategy. There may be tools in the marketplace you can use to reach similar REA results, or perhaps your current advisor can offer this type of analysis, but we have yet to find another tool as comprehensive as the REA **Contact Your Retirement Advisor for your customized Retirement Efficiency Assessment.**



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