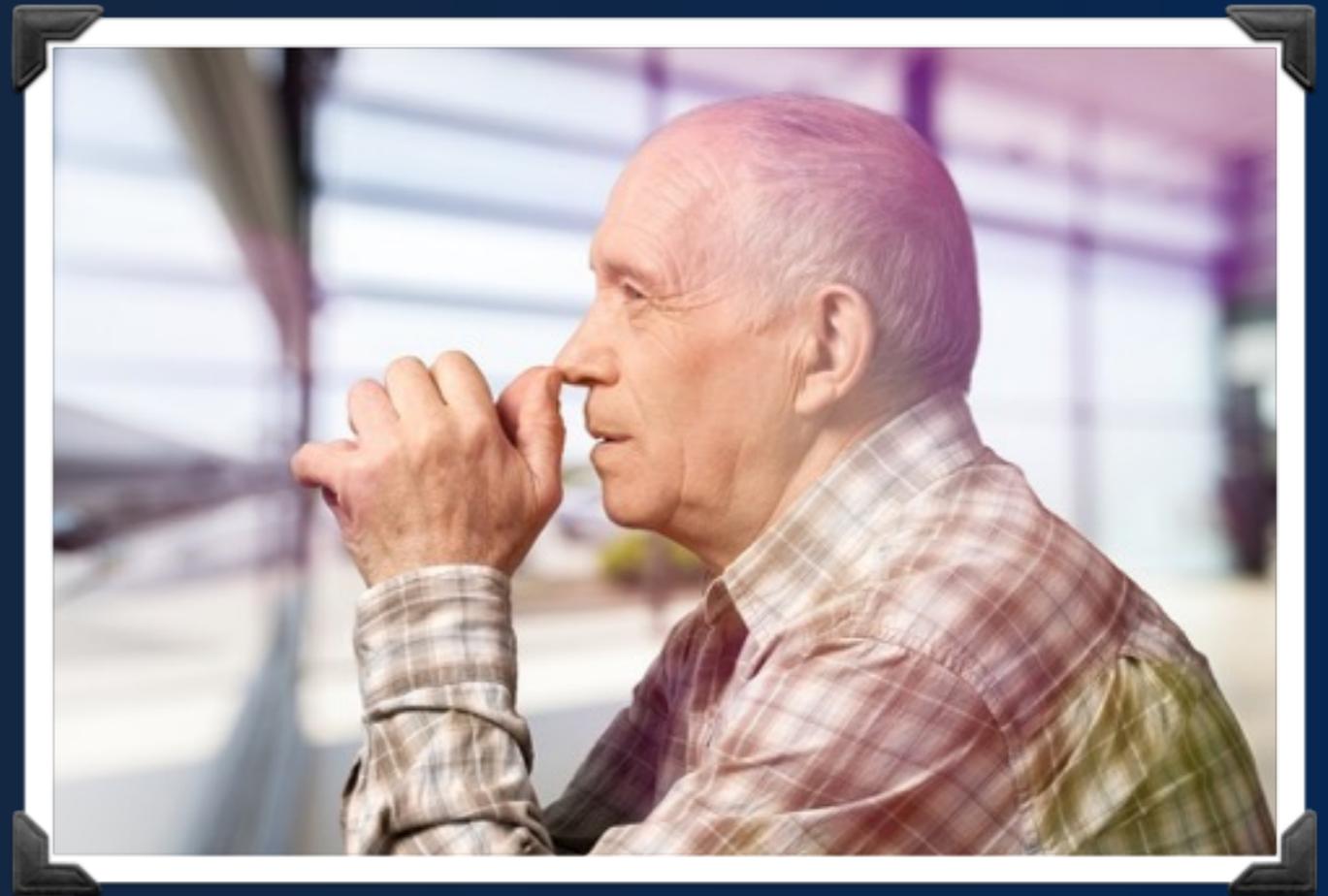


**Do You Have  
Disaster Insurance?**



# LIFETIME INCOME CASE STUDY

*Presented by Puplava Financial Services, Inc.*  
Registered Investment Advisor

Bob Green

# Important Notice:

*This is a hypothetical illustration based on real life examples. Names and circumstances have been changed. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments or strategies may be appropriate for you, consult with a financial advisor prior to investing.*

# ESSENTIAL INFORMATION

<b>Client:</b>	Bob Green.
<b>Age:</b>	Bob is age 66.
<b>Retirement:</b>	He is retired.
<b>Life expectancy:</b>	Age 93.
<b>Risk tolerance:</b>	Moderately Conservative.
<b>Investment objective:</b>	Income with Capital Preservation.



# WHO IS BOB?

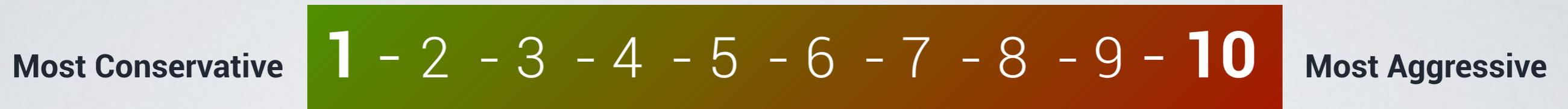
**Name: Bob**

**Age: 66**

**Job: Government Contractor**

Bob has been a government contractor for over 30 years and just recently retired. Bob has managed his own finances and considers himself a moderately conservative investor mainly investing in ETFs and bond funds. Bob never married and has greatly enjoyed the single life. Unfortunately, he was just recently diagnosed with a rare autoimmune disorder. Given Bob's recent shift in his life's circumstances, he's decided to take some time for himself to travel the world and enjoy life while he remains healthy. Bob would like to maintain the same lifestyle without making any sacrifices or lowering his living expenses. He is somewhat concerned about longevity given that his parents and grandparents all lived well into their 90s. Bob is also concerned about the costs of Long Term Care given his medical condition.

# BOB'S CURRENT RISK STRATEGY



***Current Risk Score***



***Portfolio Risk Score***



# WHAT IS IMPORTANT TO BOB?



**Managing the costs of assisted living**

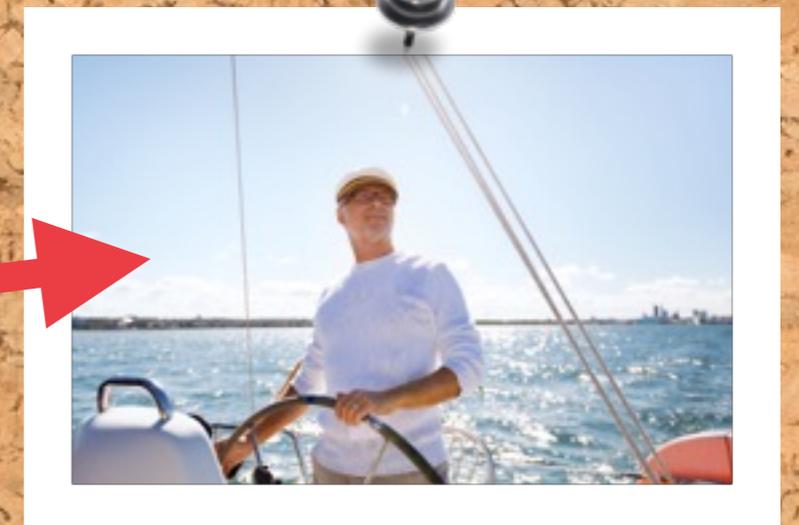
**Maximizing income**



**Maintaining the same lifestyle**



**Taking care of his health**



# BOB'S RETIREMENT BUDGET

✓ Essentials:	\$45,000
✓ Discretionary:	\$32,000
	<hr/>
TOTAL:	\$77,000
Bob's Pension:	\$42,000
Social Security:	\$24,000
Shortfall:	-\$11,000



# ANTICIPATED MEDICAL COSTS

✓ Projected Medical Costs \$257,000

✓ Assisted Living (4 Years @ \$96k/yr): \$384,000

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TOTAL: \$641,000



# BOB'S ASSETS

## Non-Investment Assets

✓ Primary Residence: \$480,000

## Investment Assets

✓ Bob's Retirement: \$315,000

✓ Bob's Individual: \$940,000

✓ CD's & Cash: \$100,000

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**Total Investment Assets:** \$1,355,000

Total Assets: \$1,835,000

Liabilities: -\$250,000

Net Worth: \$1,585,000

# BOB'S FINANCIAL PLAN CHALLENGES

1. Covering the anticipated medical costs in retirement
2. Maintaining current lifestyle in retirement
3. Managing risk of outliving assets



# BOB'S RETIREMENT INCOME STRATEGY

Bob's Pension	\$42,000/Year
Bob's Social Security	\$24,000/Year

## Investment Income

Bob's Retire.	\$315K	Fixed Income & Dividend Payers @ 2.8% <sup>1</sup>	\$8,820
Bob's Individual	\$940K	Fixed Income & Dividend Payers @ 2.8% <sup>2</sup>	\$26,320
CD's & Cash	\$100K		
		<b>Total Investment Income</b>	<b>\$35,140</b>
		<b>Grand Total Income</b>	<b>\$101,140</b>
		Less Budget	-\$77,000
		<b>Surplus</b>	<b>\$24,140</b>

1, 2, & 3: Yields are for current portfolio yields as of 4/31/17. Please see disclosures at the end of this presentation for security risks.

# GOAL BASED RECOMMENDATIONS FOR BOB

## Goal

## Strategy

### Covering Medical Costs

Due to the the diagnosis, he does not qualify for LTC. Instead, we used a portion of his assets for an indexed annuity that had special riders for long-term care needs. This would help meet any further needs to better manage the expenses.

### Managing Healthcare Costs

Reviewed current Medicare supplements to make sure they met his needs and were cost efficient.

### Maintain Current Lifestyle in Retirement

Reallocated assets to focus on income and reduce overall risk. Also recommended he reduce annual expenses in down market years.

### Not Outliving Assets

If longevity becomes more a concern, then he could sell his home or consider a reverse mortgage to meet funding shortfall.

# Disclosures:

- 1. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.*
- 2. The payment of dividend is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time.*
- 3. Fixed annuities are long-term investment vehicles for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59 1/2 are subject to a 10% IRS penalty tax and surrender charges may apply.*

# Puplava Financial Services, Inc.

Registered Investment Advisor

If you have any specific questions or comments, please give us a call at

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*We're happy to speak with you.*

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