



Mitigating the Rising Costs of Healthcare

LIFETIME INCOME CASE STUDY

Presented by Puplava Financial Services, Inc.
Registered Investment Advisor

Ruth Williams

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

Client:	Ruth Williams.
Ages:	Ruth is age 55.
Retirement:	Hopes to retire in 5-7 years.
Life expectancy:	Age 90.
Risk tolerance:	Moderate.
Investment objective:	Income with Capital Appreciation.



WHO IS RUTH?

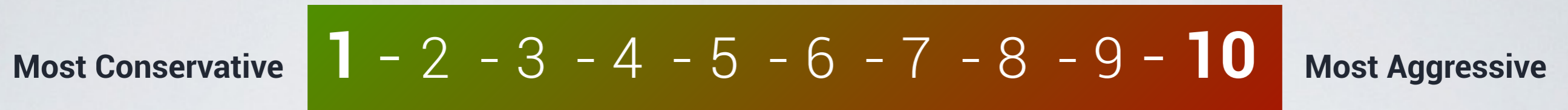
Name: Ruth

Age: 55

Job: Consultant

Ruth had a startup business that she sold a few years ago and now works as a freelance consultant for other companies in the tech industry. She is single and has no plans to get married as she immensely enjoys her lifestyle traveling places and staying active. She is healthy and takes care of herself but she is concerned about paying for future medical costs. Ruth has been impacted by rising healthcare rates currently since she pays them on her own. Her mom had an autoimmune disorder and passed away in her early fifties after needing assisted living for the last 3 years of her life. This disease can be hereditary so she is concerned that something similar may happen to her. Since she has no immediate family, Ruth wants a professional to help develop a plan to address these concerns.

RUTH'S CURRENT RISK STRATEGY



Current Risk Score



Portfolio Risk Score



WHAT IS IMPORTANT TO RUTH?



**Managing future
medical expenses**

Not outliving assets



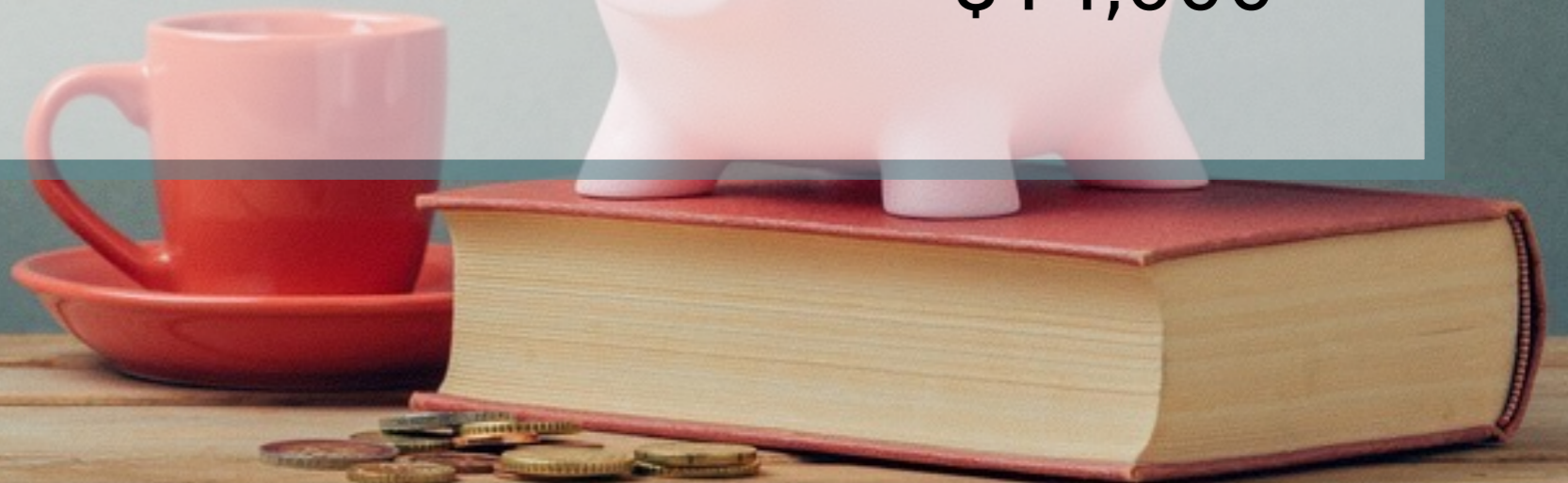
**Potentially retire in
another country**

**Being able to live the
current lifestyle**



RUTH'S CURRENT BUDGET

✓ Essentials:	\$37,000
✓ Discretionary:	\$12,000
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TOTAL:	\$49,000
 Ruth's Salary:	\$51,000
Rental Income:	\$12,000
Surplus:	\$14,000



RUTH'S RETIREMENT BUDGET

✓ Essentials:	\$39,000
✓ Discretionary:	\$14,000
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	TOTAL: \$53,000
Social Security:	\$12,000
Rental Income:	\$12,000
Shortfall:	-\$29,000



RUTH'S ASSETS

Non-Investment Assets

✓	Primary Residence:	\$125,000
✓	Rental Properties (2):	\$523,000

Investment Assets

✓	Ruth's Retirement:	\$175,000
✓	Ruth's Taxable Accounts:	\$598,000
✓	Precious Metals & Cash:	\$470,000

Total Investment Assets	\$1,243,000
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Total Assets:	\$1,891,000
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Liabilities:	-\$10,000
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Net Worth:	\$1,881,000
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RUTH'S FINANCIAL PLAN CHALLENGES

- 1. Managing rising healthcare costs.**
- 2. Creating enough income in retirement to support current lifestyle.**
- 3. Educating her on the basics of personal finance.**
- 4. Helping her set appropriate expectations for retirement.**



RUTH'S RETIREMENT INCOME STRATEGY

Combined Social Security \$12,000/Year
 Rental Income \$12,000/Year

Investment Income

Ruth's Retire.	\$175K	Fixed Income & Dividend Payers @ 2.8% ¹	\$4,900
Ruth's Taxable	\$598K	Fixed Income & Dividend Payers @ 2.8% ²	\$16,744
Proceeds	\$300K	Fixed Income & Dividend Payers @ 2.8% ³	\$8,400
		Total Investment Income	\$30,004
			Grand Total Income \$54,004
			Less Budget \$53,000
			Surplus \$1,004

1 & 2: 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 RUTH

Goal

Strategy

Managing future medical costs

Due to the potential need for long term care, we helped the client complete a 1035 exchange from an old life insurance policy she started when she owned the business and moved it into a new policy with lower premiums and a rider to help with long term care costs if needed.

Maintaining the same retirement lifestyle

Recommended she reduce her exposure to precious metals and diversify the proceeds into income-producing assets. Our strategy was to lower her overall risk and align her portfolio with her investment objective and risk tolerance.

Potentially retiring overseas

We offered to educate her on the countries that would be most advantageous to live part time or to retire in. Additionally, we advised that she focus her travel on the countries she might enjoy and see herself living in. We explained that she needs to focus on the countries with a good medical system and that it may be ideal to live part time in the United States if there are health concerns.

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.

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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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