

Get Ahead of the Curve with a  
Retirement “Check-Up”

# LIFETIME INCOME CASE STUDY

*Presented by Financial Sense Advisors, Inc.*  
Registered Investment Advisor

Mark & Mandy Long

# 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>	Mark & Mandy Long.
<b>Age:</b>	Mark is age 59. Mandy is age 58.
<b>Retirement:</b>	They both hope to retire in 3-4 years.
<b>Life expectancy:</b>	Mark age 87. Mandy age 92.
<b>Risk tolerance:</b>	Moderate.
<b>Investment objective:</b>	Growth with Capital Preservation.



## WHO ARE MARK & MANDY?

**Name: Mark**

**Age: 59**

**Job: Credit Analyst**

Mark has always made good money and never really worried about budgeting or putting together a financial plan. Recently, he began seriously considering retirement and has decided to seek financial advice from a professional. Mark is a more conservative investor by nature and as a result has kept the majority of his investments primarily in cash and bonds. Since the crisis in 2008, he has never really entered the market since then and is not sure how to proceed at this point. Mark is looking for help to make sure that he is able to retire around age 65 and to ensure that he and his wife are able to maintain their current lifestyle in retirement.

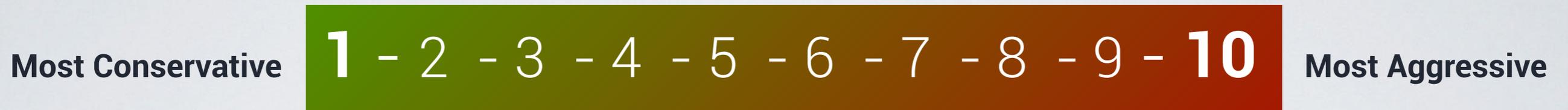
**Name: Mandy**

**Age: 58**

**Job: Office Manager**

Mandy has not been involved in managing the finances over the years. However, she is concerned that they will be unable to afford their desired retirement lifestyle. Mandy wants the financial ability to be able to take trips with her husband and kids in retirement but is uncertain whether they can afford to do so. She has mentioned that they are not very disciplined with budgeting and tend to spend more of their money simply because it's available. Mandy and Mark are both looking for financial guidance in order to help them determine when they can retire and what kind of lifestyle they can afford to live.

# MARK & MANDY'S CURRENT RISK STRATEGY



***Current Risk Score***



***Portfolio Risk Score***



# WHAT IS IMPORTANT TO MARK & MANDY?



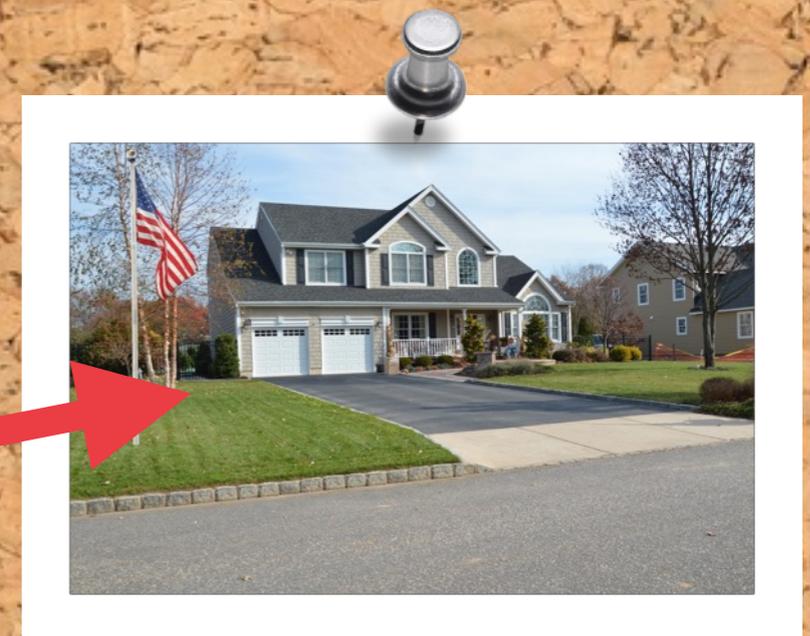
**Maximizing income**

**Reducing taxes**



**Saving for retirement**

**Maintaining a similar lifestyle in retirement**



# MARK & MANDY'S CURRENT BUDGET

✓ Essentials:	\$72,100
✓ Discretionary:	\$38,000
	<hr/>
	TOTAL: \$110,100
Mark's Salary:	\$70,000
Mandy's Salary:	\$52,000
	<hr/>
Surplus:	\$11,900



# MARK & MANDY'S RETIREMENT BUDGET

✓ Essentials:	\$60,000
✓ Discretionary:	\$25,000

---

TOTAL: \$85,000

Combined Social Security: \$52,000

---

Shortfall: -\$33,700



# MARK & MANDY'S ASSETS

## Non-Investment Assets

✓	Primary Residence:	\$470,000
✓	Other Real-Estate Holdings:	\$100,000

## Investment Assets

✓	Mark's Retirement:	\$607,000
✓	Mandy's Retirement:	\$265,000
✓	Cash & Money Markets:	\$416,000

---

<b>Total Investment Assets</b>	\$1,288,000
--------------------------------	-------------

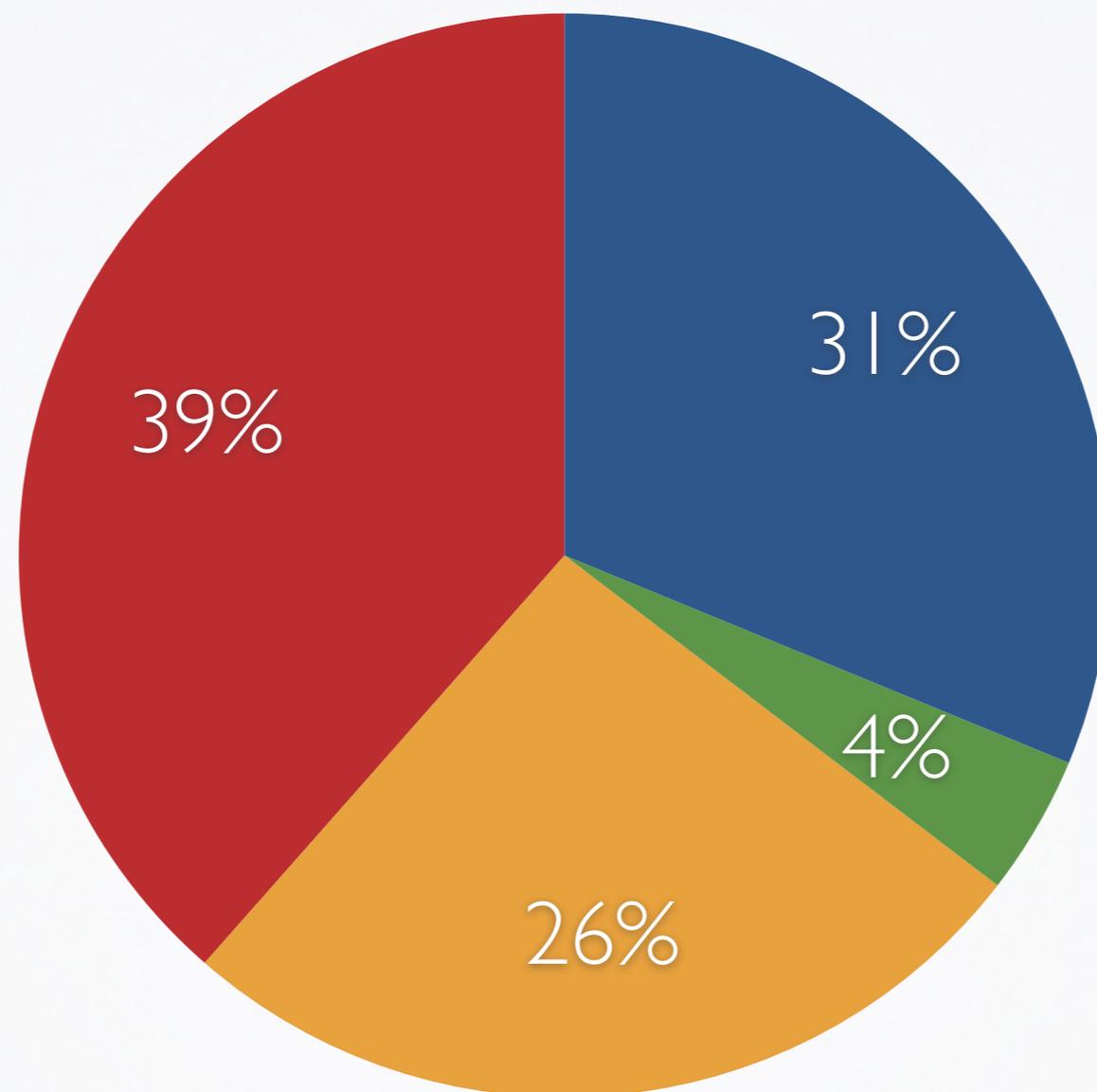
Total Assets:	\$1,858,000
---------------	-------------

Liabilities:	-\$103,000
--------------	------------

Net Worth:	\$1,755,000
------------	-------------

# MARK & MANDY'S CURRENT ASSET ALLOCATION

● Real Estate   ● Stocks   ● Bonds   ● Cash



# MARK & MANDY'S FINANCIAL PLAN CHALLENGES

1. Conservative investment allocation.
2. Lack of budgeting.
3. No diversification of assets.
4. Insufficient retirement savings.



# MARK & MANDY'S RETIREMENT INCOME STRATEGY

Combined Social Security \$52,000/Year

## Investment Income

Mark's Retire.	\$607K	Fixed Income & Dividend Payers @ 3.2% <sup>1</sup>	\$19,424
Mandy's Retire.	\$265K	Fixed Income & Dividend Payers @ 3.2% <sup>2</sup>	\$8,480
Joint/ROS Acct.	\$416K	Fixed Income & Dividend Payers @ 3.2% <sup>3</sup>	\$13,312
		<b>Total Investment Income</b>	<b>\$41,216</b>
		<b>Grand Total Income</b>	<b>\$93,216</b>
		Less Budget	\$85,000
		<b>Surplus</b>	<b>\$8,216</b>

1,2 & 3: Yields are for current portfolio yields as of 10/31/17. Please see disclosures at the end of this presentation for security risks.

# GOAL BASED RECOMMENDATIONS FOR MARK & MANDY

## Goal

## Strategy

### **Developing a budget**

We developed a budget and put a system in place so that Mark and Mandy could monitor their spending. This allowed them to develop more realistic spending habits before entering retirement.

### **Increasing diversification**

We advised Mark and Mandy to invest their large amount of free cash into a conservative investment portfolio of stocks and bonds to create income and moderate growth potential.

### **Maximizing retirement savings**

We recommended that they increase their savings to each of their 401(k)s and that they either delay retirement from 62 to age 65 or find part-time work at age 62 until age 65.

# 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.*

# Financial Sense<sup>®</sup> Advisors, Inc.

Registered Investment Advisor

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

**(858) 487-3939**

*We're happy to speak with you.*

Post Office Box 503147 - San Diego, CA 92150-3147

10809 Thornmint Road 2nd Floor - San Diego, CA 92127-2403

(888) 486-3939 Toll Free (858) 487-3939 Tel (858) 487-3969 Fax

*Advisory services offered by Financial Sense<sup>®</sup> Advisors, Inc.  
An SEC Registered Investment Advisor.*