We believe this is a big mistake.

*Key Findings and Issues: Longevity, Society of Actuaries, June 2012

A woman in three expected to reach age 90.*

While that’s certainly good news, it also means your investments may need to last 25 to 30 years or more. Consider

Advances in medicine and healthier lifestyles will allow Americans to live longer and better than ever in retirement.

A Longer Retirement Means Saving More

This could provide you with more income in retirement.

Delaying retirement a few years could dramatically improve your retirement lifestyle. Not only could it provide

this, as it could increase your ending retirement balance by

up to 6% of your salary. You should take full advantage of

Many companies match retire-

fees and commissions, which would reduce the return. Figures rounded average hypothetical annual return. This example doesn't include taxes,

saving for retirement since it may be 30 years away.

You're wealthier than you might think – you have time.

Take Advantage of Your Biggest Asset: Time

Early and Mid-career Investors

Pretax Income over Age 62

Percentage Increase in Pretax "Income"

Social Security

■■

Age (FRA) is 67 (for individuals born after 1959).

Source: Edward Jones.

Prefered Income over Age 62

Portfolio Value

Retirement Income: Initial Withdrawal from Investments (4% Social Security) 5

$26,000

$19,600

$12,200

$16,550

$49,700

$68,200

$79,000

$119,000

$65,000

$10,000

$60,000 salary.

www.ssa.gov. Assumes 75% of post-retirement benefits.

5 Assumes Social Security benefits are 80% of the individual’s pre-retirement average indexed monthly earnings, with 33% of the Social Security benefits subject to tax.

4 Assumes Social Security benefits are 80% of the individual’s pre-retirement average indexed monthly earnings.

3 Earnings distributions from a traditional IRA prior to age 59½ may be subject to a 10% penalty and applicable ordinary income tax.

2 Withdrawals from a traditional IRA prior to age 59½ may be subject to a 10% penalty and applicable ordinary income tax.

1 Withdrawals from a Roth IRA prior to age 59½ may be subject to a 10% penalty and applicable ordinary income tax.

• Your income mix to help ensure it still aligns with your goals and tolerance for risk

• Actual investment performance versus expected performance

• Any insurance, beneficiary designations and legal documents to help ensure they're up-to-date

We may need to make some adjustments to stay on track. It's also important to rebalance your investments periodically back to your stated objectives so you aren't taking too much, or too little, risk necessary to achieve your goals.

Let's take the time to outline your vision for retire-

ment. Together, we can turn your vision of retirement into a strategy to achieve your retirement goals.

Keep Retirement from Being Taxing

Since taxes can significantly impact your portfolio's value, we recommend investing in tax-advantaged accounts as well as diversifying according to tax treatment of both traditional and Roth accounts – as this can provide more flexibility in retire-

ment. Where you focus your contributions may change based on your life stage and tax situation, so it's important to discuss your strategy with your financial advisor and tax professional.

Tax-deferred/tax-free growth is a major benefit when saving for retirement. Every dollar saved in taxes one more year you have to spend in retirement. By allowing your portfolio to grow without the impact of taxes, you can be in a much better position to achieve your goals.

Understanding Your Options

There are two main types of tax-advantaged retirement savings accounts: traditional and Roth. The key differences reside in how and when taxes are paid, with each serving an important role.

Roth Retirement Plans

Traditional Retirement Plans

Features

Tends to be more beneficial if:

• Contributions may be tax-deductible.

• You expect tax rates to be higher in retirement (or at the time of contribution).

• You believe your overall tax burden will increase in retirement.

• You are able to forgo the tax deduction today for the prospect of tax-free income in retirement.

Source: Edward Jones.

Power of Tax Deferral

Tabled Investment Account

Traditional Retirement Account

$750,000

$665,000

Taxable

Inflation

Retirement Accounts (IRAs).

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Features

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• Contributions are tax-deductible. 4

• You expect tax rates to be lower in retirement (or at the time of contribution).

• You believe your overall tax burden will decrease in retirement.

• You are able to take the tax deduction today for the prospect of that income being taxed as you retire.

• Contributions are tax-deductible. 4

• Distributions are tax-free when withdrawn. 1

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Let's take the time to outline your vision for retire-

ment. Together, we can turn your vision of retirement into a strategy to achieve your retirement goals.
Start with a Solid Foundation
The foundation of a solid investment strategy is based on the investment principles of quality, diversification and a longer-term focus. Our goal is to help you adhere to these principles in building a portfolio with the investments, insurance and banking solutions necessary to help achieve your goals and address the risks discussed earlier.

Risk and Your Goals
While you don't control your investment return, you do control your return potential. Generally, the greater the percentage of stocks you own, the more your return potential increases - but so does the risk of market fluctuations. But this may not be as risky as it sounds. Some investors may hold more in cash and short-term investments in an effort to avoid short-term market declines and be “conservative.”

Keep Emotions in Check
Market declines themselves usually don't keep people from achieving their goals - their emotional reaction to the decline does. By understanding your level of comfort with risk, you can better control your emotions and stick to your investment plan along the way.

Building Your Portfolio
Grouped together, in general, if you've been away from retiring, most of your investments should be geared toward those that provide the opportunity for growth, such as stocks and/or stock mutual funds. You generally have more time to weather short-term declines and pursue higher long-term returns.

It's still important, however, to own bonds, which can help smooth out changes in your portfolio’s value over time.

Transferring to Annuity - As you near retirement, it’s harder to weather potential large market declines. Your portfolio should begin becoming more balanced between stocks and bonds in the years before you retire. We'll help you position your investments for the first few years of retirement. As your time needs, balanced with the growth needed to help provide income years later. Remember if you’re behind in your strategy, be aggressive in your time needs.

The Role of Social Security
While there may be adjustments to put the program on more solid footing, Social Security will likely continue to play a key role in retirement. Since when you claim Social Security can affect both your and your spouse’s lifetime payment, it’s critical to work with your financial advisor to determine what makes sense for your situation. While the Social Security Administration’s Retirement Estimator provides your estimated retirement income in retirement, remember that it'll be up to you to fund the majority of your spending in retirement. So a comprehensive savings and investment strategy is essential.

The Role of the 25
Implicit in how much you need to save is how much you intend to spend. The Rule of 25 can also provide a quick estimate. To estimate your retirement savings needs, multiply your annual living expenses by 25. The result is a rough estimate of how much you will need to have saved for retirement to support your lifestyle. The Rule of 25 can then help you develop a strategy designed to achieve your goals. Life can be unpredictable, and you likely have unanticipated challenges along the way. While we work to address these in your “Plan for the Expected,” the unexpected can occur. To prepare, you can either “incorporate” a risk into your investment strategy or “prepare” against it.

Prepare for the Unexpected
Life can be unpredictable, and you likely have unanticipated challenges along the way. While we work to address these in your “Plan for the Expected,” the unexpected can occur. To prepare, you can either “incorporate” a risk into your investment strategy or “prepare” against it.

Prepare for Your Journey
The process for creating a retirement strategy has three major components: Plan for the Expected, Prepare for the Unexpected and Insure Your Goals.

Plan for the Expected
Start by estimating how much income is necessary to lead your desired lifestyle. We’ll focus on where you are today – your income, expenses, assets and debt – and where you want to be. We can then help you develop a strategy designed to achieve your goals.

How Much to Retire? It’s All about Desired Income
This process begins with how much income is necessary to lead your desired retirement lifestyle. Your financial advisor can adjust this estimate for inflation and include outside sources of income to determine how much you need to retire. The Rule of 25 can also provide a quick estimate.

You’re in Control: The Power of Three
Three key variables will directly influence your ability to achieve your goals:

• Time (how long you save)
• Money (how much you save)
• Return (how much your investments earn)

You control both money and time, and your asset allocation helps determine your return potential. Your financial advisor can run different scenarios to show you how small changes in these variables, such as saving more, can make a big difference over the long term.

Balancing Goals
Everyone has competing priorities when it comes to saving. You may be balancing your current expenses (like a mortgage or child care costs) with saving for the future – or you may be focusing on saving for retirement and a child’s education. But don’t put off saving for important long-term goals at the expense of shorter-term objectives – your financial advisor can work with you to balance these priorities and adjust your strategy to better position you toward achieving what’s important to you.
Preparing for Your Journey

The process for creating a retirement strategy has three major components:

Plan for the Expected

What's Your Vision?
This begins with your view of retirement, which includes when you want to retire and your desired retirement lifestyle. We'll focus on where you are today - your income, expenses, assets and debt - and where you want to be. We can then help you design a strategy to achieve your goals.

How Much to Retire? It's All about Desired Income
Starting now can help you determine how much monthly income you'll need in retirement. In this step, your advisor will recommend an initial portfolio withdrawal rate of 4% for your strategy - an initial estimate that can help you get a quick estimate for how much you should save. Inflation-adjusted income needed from portfolio

<table>
<thead>
<tr>
<th>Age</th>
<th>Annual Income</th>
<th>Potential Portfolio Value</th>
<th>Ending Portfolio Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>$18,000</td>
<td>$450,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>60</td>
<td>$25,600</td>
<td>$640,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>70</td>
<td>$22,000</td>
<td>$550,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>80</td>
<td>$22,000</td>
<td>$550,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>90</td>
<td>$39,600</td>
<td>$990,000</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

The Rule of 25

Instead of how much you need to save, think about how much you can withdraw each year. To ensure your money will last as long as you need it, you should plan to withdraw 4% of your initial portfolio value in the first year of retirement, and adjust this amount each year to account for inflation. If you are in your 20s or 30s, you may be looking to balance your current expenses (like a mortgage or child care costs) with saving for the future - or you may be looking to prioritize what you're saving for (like retirement or your desired retirement lifestyle). Your financial advisor can help you toward achieving what's important to you.

What's Your Vision?

objectives – your financial advisor can work with you to balance these priorities and adjust your strategy to better position

You're In Control: The Power of Three

• Time
• Money
• Returns (how much your investments earn)

Life can be unpredictable, and you may face unanticipated challenges along the way. While we work to address these in your "Plan for the Expected," the unexpected can occur. To prepare, you can either "incorporate" a risk into your investment strategy or "guard" against it.

Prep for the Unexpected

Life is filled with unexpected events. The key is to protect your assets from potential losses. Your financial advisor can walk you through your options and help you decide what will work for you and your family.

Prevent Inflation

Inflation-adjusted income needed from portfolio

Balancing Goals

Everyone has competing priorities when it comes to saving. You may be balancing your current expenses (like a mortgage or child care costs) with saving for the future - or you may be looking to prioritize what you're saving for (like retirement or your desired retirement lifestyle). Your financial advisor can help you toward achieving what's important to you.

You Can’t Predict, But You Can Still Prepare

The principle of diversification is that you can’t predict the future. If past performance is any indication, you may not be able to predict the future. extra 5 years

The Rule of 25

The Rule of 25

$405,000

It’s still important, however, to own bonds, which can help smooth out changes in your portfolio’s value over time.

Transferring to Annuity - As you near retirement, it’s harder to weather potential larger market declines. Your portfolio should begin becoming more balanced between stocks and bonds in the years before you retire. We’ll help you position your investments for the first few years of your retirement needs, balanced with the growth needed to help provide income years later. Remember, if you are behind in your strategy, be aggressive.

The Role of the 25%

While you are still working, your ability to earn income into the future is incredibly valuable. Life insurance can help you protect this “asset” by helping to ensure your family will have the financial resources they need should you pass away at an early age.

While there may be adjustments to put the program on more solid footing, Social Security will likely continue to play a key role in retirement. Since when you claim Social Security benefits you can choose the timing of when to start receiving benefits, it’s critical to work with your financial advisor to determine what makes sense for your situation. While the Social Security Administration provides Social Security retirement benefits based on the amount of retirement income in retirement, remember that it’ll be still be responsible for funding the majority of your spending in retirement. So a comprehensive savings and investment strategy is essential.

Prepare for the Unexpected

• Health insurance through employer or outside coverage
• Access to line of credit for additional liquidity
• Automatic increase in savings rate each year
• Annuities with guaranteed income when approaching retirement
• Health insurance with long-term care benefit
• Financial planning and conservative investing

The Rule of 25

The Rule of 25

The Role of the 25%
Preparing for Your Journey

The process for creating a retirement strategy has three major components:

1. **Prepare for the Expected**
   - This is about balancing your priorities and setting a course for your financial future. Your financial advisor can help you understand how much you need to save and invest for your retirement, and how to do it efficiently. This involves planning for predictable expenses, such as retirement or your child’s education, and understanding your priorities.

2. **Prepare for the Unexpected**
   - This involves addressing the unknowns in life, such as illness, job loss, and the unexpected expenses. It’s about building a strong financial foundation and ensuring you have a plan in place for any eventuality.

3. **Start with a Solid Foundation**
   - This foundation of solid investment strategy is built on the investment principles of quality, diversification and a long-term focus. Your goal is to help you adhere to these principles in building a portfolio with the investments, insurance and banking solutions necessary to help achieve your goals and address the risks discussed earlier.

### What's Your Vision?

This begins with how much income you believe your investments can produce to support a retirement lifestyle you enjoy. Your advisor can work with you to refine this plan and help you maintain your lifestyle throughout your retirement.

### How Much to Retire?

The process of retirement planning begins with understanding how much you need to save to fund your retirement. Your financial advisor can help you determine how much you need to save based on your retirement goals, such as the age you plan to retire and how much monthly income you want to have.

### Risk and Your Goals

While you don’t control your investment return, you do control your return potential. Generally, the greater the potential for a higher return, the more money you need to save. So, choosing a strategy that can help you reach your goals is important.

### Prepare for Long-Term Success

- **Balancing Goals**
  - **Time**
    - How long you save
  - **Return**
    - What return you can expect to achieve

### The Rule of 25

This rule suggests that you can spend 25% of your pre-retirement income each year of your retirement. It’s a simple way to estimate how much you need to save and invest for retirement.

### Balancing Goals

- **Time**
  - How long you save
- **Return**
  - What return you can expect to achieve

### Life Can Be Unpredictable

Life is unpredictable, and you’ll face unknown challenges along the way. While we work to address these in your “Plan for the Expected,” the unexpected can occur. To prepare, you can either “incorporate” a risk into your investment strategy or “hedge” against it.

### Expected Inflation

- **Inflation-Adjusted Income Needed from Portfolio**
- **Expected Inflation**

### Building Your Portfolio

- **Risk vs. Return**
  - Risk introduces the potential for higher returns.
  - Return introduces the potential for higher income.

### Social Security

- **Maximize Your Benefits**
  - Your retirement age
  - The age at which you claim Social Security

### Life Insurance

- **The Role of Insurance**
  - Protection against the unexpected

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### The Role of Social Security

- **Maximize Your Benefits**
  - Retirement age
  - Claiming strategy

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  - Claiming strategy
We believe this is a big mistake.

**Key Findings and Issues: Longevity, Woman in three expected to reach age 90.**

This means that half of the population can expect to live beyond these averages, with almost one man in five and one woman in three expected to reach age 90. At age 65, American men can, on average, expect about 17 more years of life and women almost 20 years. This shows that you may have more flexibility than you think to save more.

### Delaying Retirement Means Saving More

When you delay your retirement, you have more time to save more and earn a return on your investments, but it could also increase your Social Security benefits.

### Consider the Benefits of Waiting

Delaying retirement a few years could dramatically improve your retirement lifestyle. Not only could it provide you with more income in retirement. This could provide you with more income in retirement. Delaying retirement a few years could dramatically improve your retirement lifestyle. Not only could it provide you with more income in retirement.

### Consider the Benefits of Waiting

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### Keep Retirement from Being Taxing

Since taxes can significantly impact your portfolio’s value, we recommend investing in tax-advantaged accounts as well as diversifying accounts by tax treatment—with both traditional and Roth accounts—as this can provide more flexibility in retirement. Where you focus your contributions may change based on your life stage and tax situation, so it’s important to discuss your strategy with your financial advisor and tax professional.

### Tax-deferred/fee-free growth is a major benefit when saving for retirement. Every dollar saved in taxes in one more year you have to spend in retirement. By allowing your portfolio to grow without the impact of taxes, you can be in a much better position to achieve your goals.

### Understanding Your Options

There are two main types of tax-advantaged retirement savings accounts: traditional and Roth. The key differences reside in how, and when, taxes are paid, with each serving an important role.

### Power of Tax Deferral

You may need to make some adjustments to stay on track. It’s also important to reevaluate your investments periodically back to your stated objectives: you aren’t saving too much, too little, risk necessary to achieve your goals.

### Let’s take the time to outline your vision for retirement. Together, we can turn your vision of retirement into a strategy to achieve your retirement goals.

---

**Early and Mid-career Investors**

**Take Advantage of Your Biggest Asset: Time**

Early on, your financial assets may be modest. However, you’re wealthier than you might think – you’re time. Many people save for retirement goals and then saving for retirement since it may be 30 years away. We believe this is a big mistake.

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**The Potential Benefits of Waiting**

**The Potential Benefits of Waiting**

<table>
<thead>
<tr>
<th>Retirement Income</th>
<th>Portfolio Value</th>
<th>Age 64</th>
<th>Age 67</th>
<th>Age 70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Withdrawal from Investments (4%)</td>
<td>$910,000</td>
<td>$1,250,000</td>
<td>$1,650,000</td>
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</tr>
<tr>
<td>Initial Withdrawal from Investments (5%)</td>
<td>$910,000</td>
<td>$1,250,000</td>
<td>$1,650,000</td>
<td></td>
</tr>
<tr>
<td>Initial Withdrawal from Investments (6%)</td>
<td>$910,000</td>
<td>$1,250,000</td>
<td>$1,650,000</td>
<td></td>
</tr>
</tbody>
</table>

### A Longer Retirement Means Saving More

Advances in medicine and healthier lifestyles allow Americans to live longer and better than ever in retirement. While that’s certainly good news, it also means your investments may need to last 20 to 30 years or more. Consider this: At age 65, American men can, on average, expect about 17 more years of life and women almost 20. This means that half of the population can live to be higher ages. One man in five and one woman in three expected to reach age 65. This shows that you may have more flexibility than you think to save more. At age 65, American men can, on average, expect about 17 more years of life and women almost 20 years. This shows that you may have more flexibility than you think to save more.
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Review and Rebalance

The review may be the most important part of the process. Inevitably there will be some surprises along the way. We’ll need to review your strategy regularly, including:

• Any life events or changes to your retirement goals
• Your investment mix to help ensure it still aligns with your goals and tolerance for risk
• Actual performance versus expected performance
• Any insurance, beneficiary designations and legal documents to help ensure they’re up-to-date

We may need to make some adjustments to stay on track. It’s also important to reevaluate your investments periodically back to your stated objectives as you won’t be thinking too much, too little, riskiness or achieving your goals.

Take this time to outline your vision for retirement. Together, we can turn your vision of retirement into a strategy to achieve your retirement goals.

Preparing for Retirement

A Successful Foundation

Investment Policy Guidance Report

INVESTMENT POLICY GUIDANCE REPORT

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