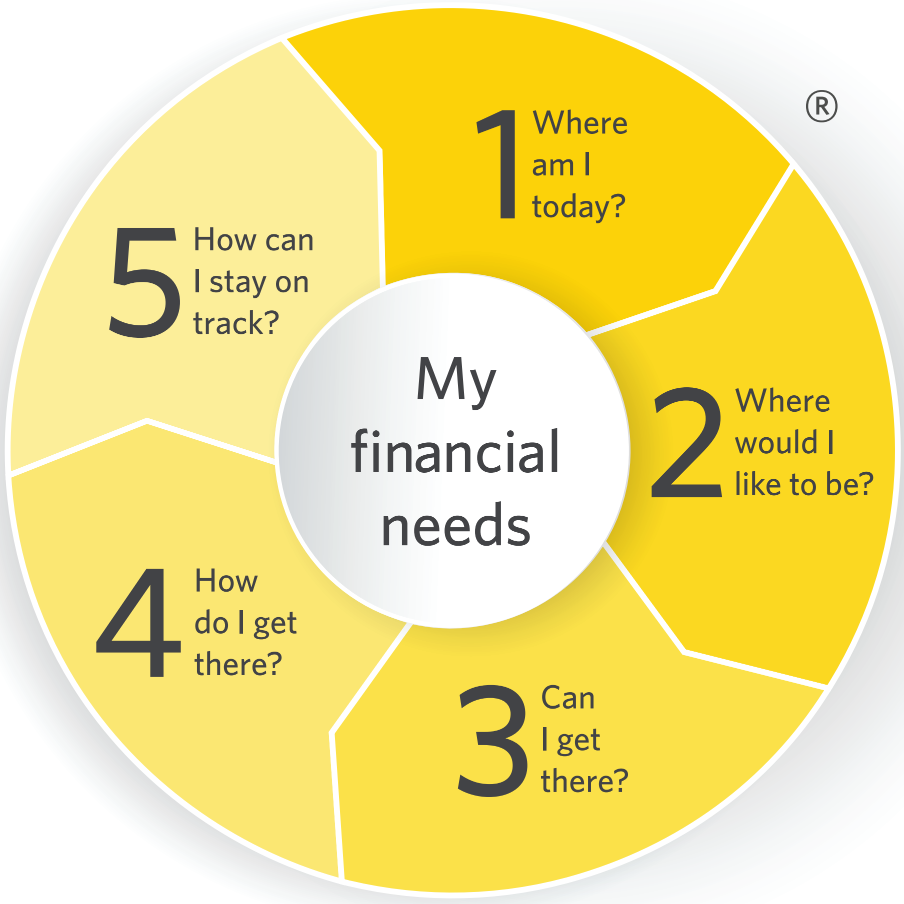
Edward Jones

Retirement: Making Your Money Last

Key steps toward achieving your financial goals



Understand the possibilities

Expenses

Life expectancy

Inflation

Seminar overview

01 Plan for the expected

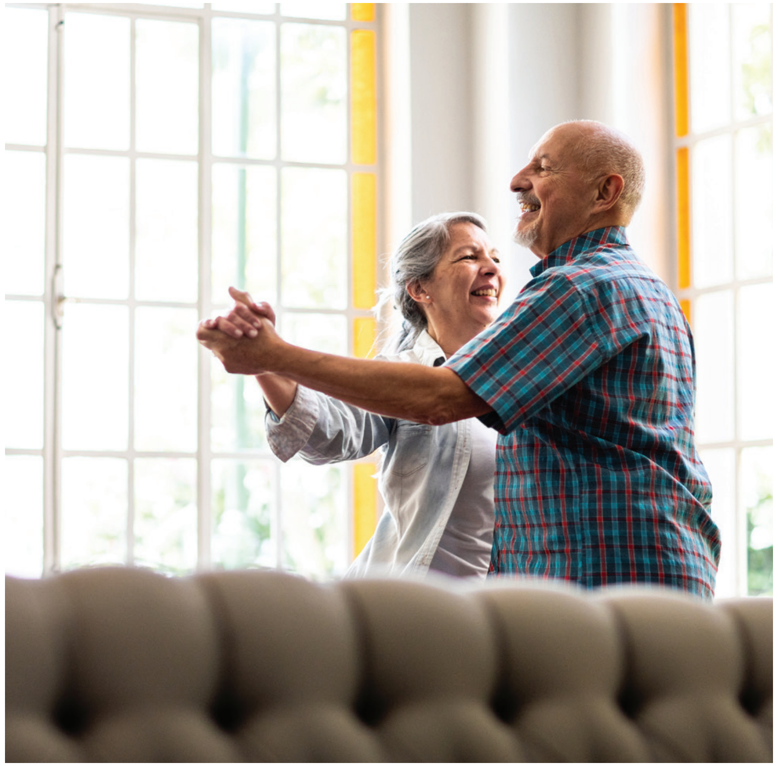
02 Prepare for the unexpected

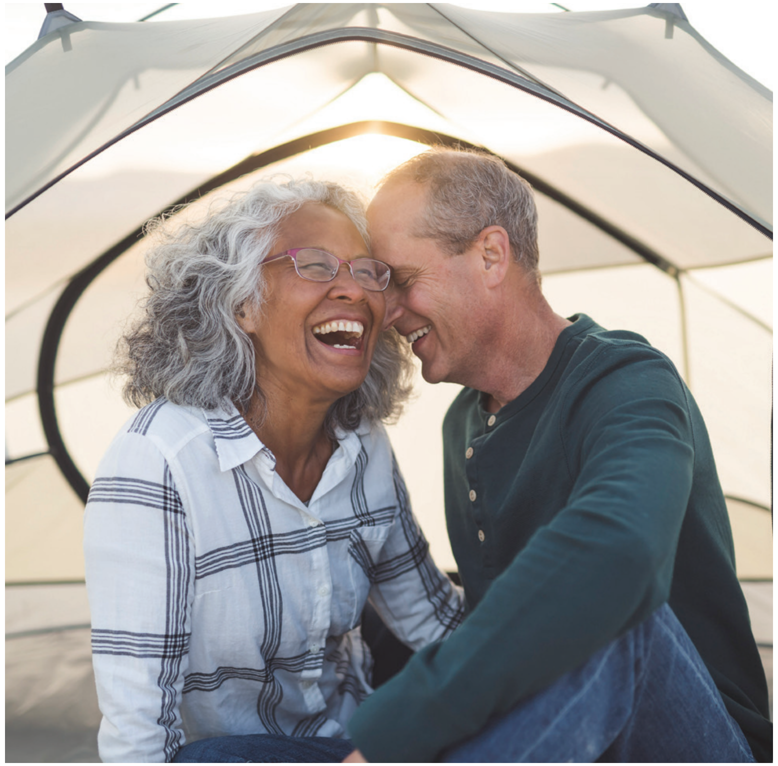
03 Position the portfolio for both

04 Don’t forget to review

Plan for the expected

Picture your retirement





How much will it cost?

Necessary expenses

Discretionary expenses

Taxes

Where will the money come from?

Outside income

Savings and investment

The income gap

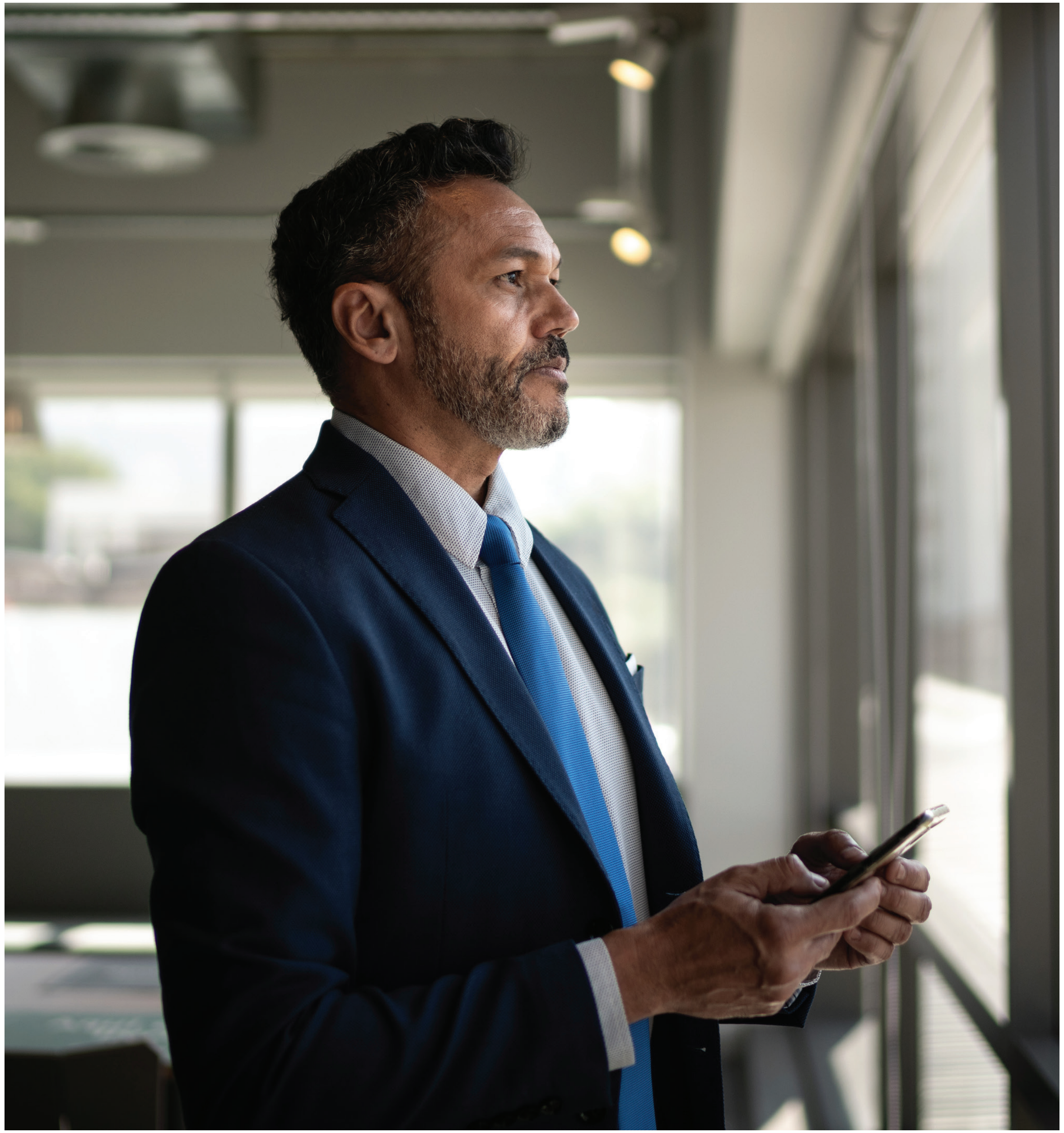
Withdrawal rate

Initial withdrawal guidance		
Age in retirement	**More conservative**	**Less conservative**
Early 60s	3.0%	3.5%
Late 60s	3.5%	4.0%
Early 70s	4.0%	5.0%
Late 70s	5.0%	7.0%
80s+	6.0%	8.0%

Withdrawal rate guidance is based on estimates of the probability of different portfolio allocations lasting to age 92. Assumes withdrawals increase by 3% annually for inflation. We assume the portfolios have a mix of cash, fixed income and equities. Expected returns based on long-term capital market expectations for cash of 2.46%, fixed income of 3.10% to 5.56%, U.S. stocks of 6.72% to 8.19%, and international stocks of 8.49% to 9.72%. We also assume an annual fee of 1%. Withdrawal rates can include the withdrawal of principal. If preservation of principal is a high priority, you may need a lower withdrawal rate. In general, the higher your withdrawal rate, the greater the risk your money may not last throughout your time horizon.

Reliance rate

The more you rely on your portfolio, the more sensitive you could be to market fluctuation.



Tom and Julie

Tom and Julie's income gap

Expenses	$65,000
Social Security	$20,000
Income gap	**$45,000**

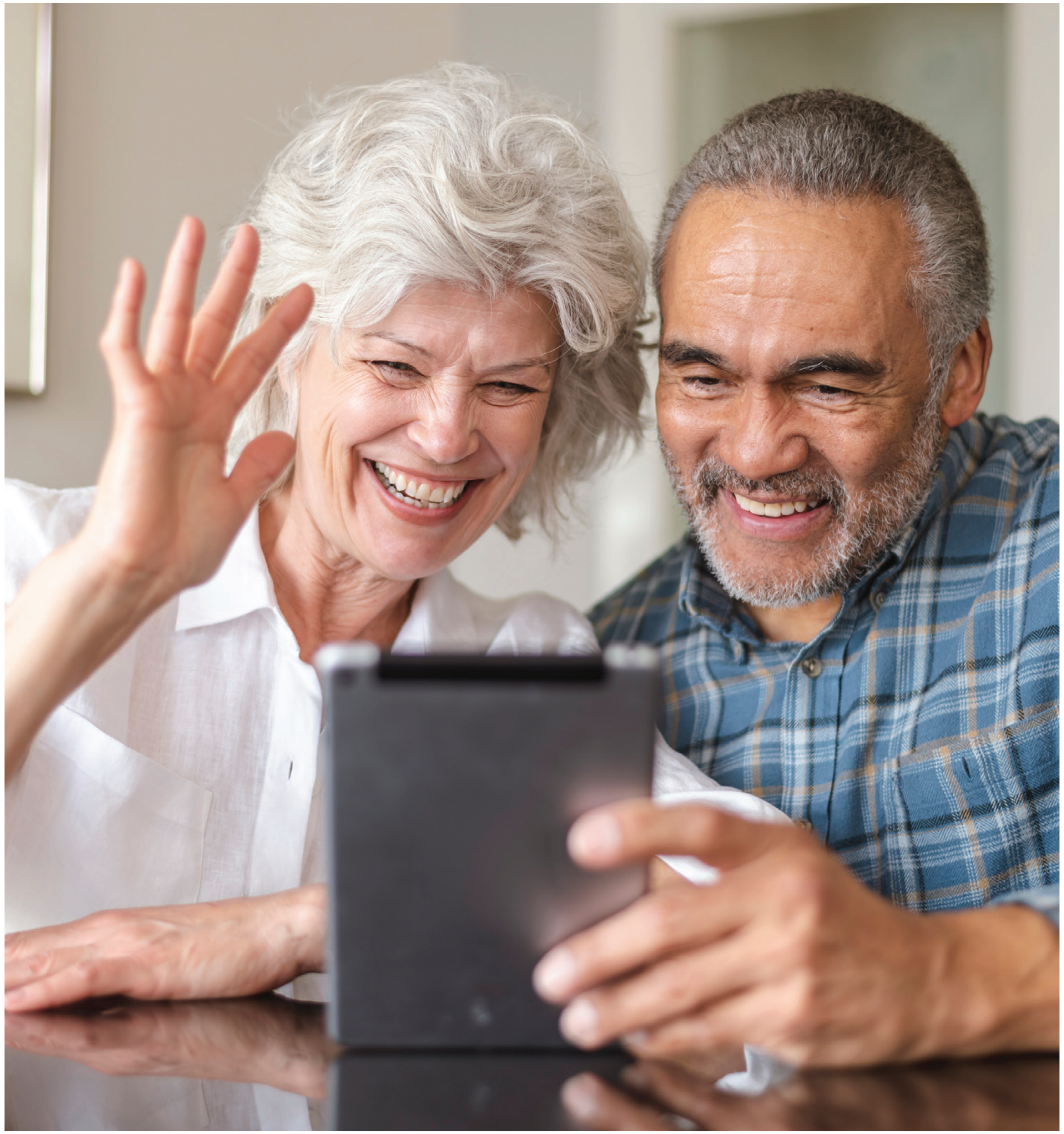
Tom and Julie's withdrawal strategy

$$\frac{\$45{,}000}{\$750{,}000} = \mathbf{6\%}$$

Possible trade-offs

- Reduce spending goals
- Delay retirement
- Work part-time

Flexibility is key



Prepare for the unexpected

risks

long-term care

living longer
than expected

premature death

market declines

incorporate
vs. insure

leaving a legacy

inflation

health
care

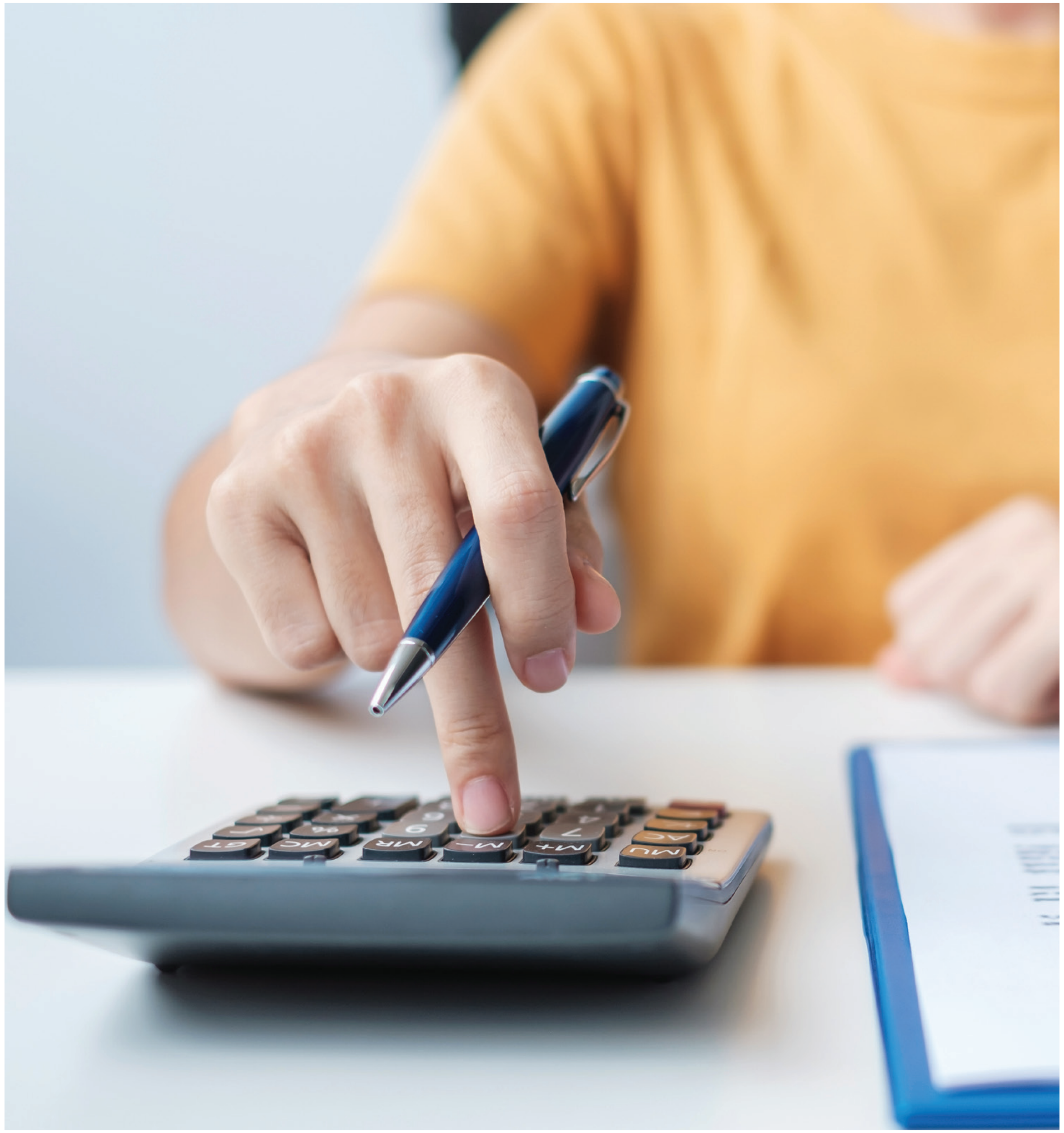
Helen

Options to consider

- Manage spending
- Budget for Medicare/health insurance
- Include health expenses in budget
- Consider supplemental health insurance
- Consider long-term care/life insurance*

*Edward Jones is a licensed insurance producer in all states and Washington, D.C., through Edward D. Jones & Co., L.P., and in California, New Mexico and Massachusetts through Edward Jones Insurance Agency of California, L.L.C.; Edward Jones Insurance Agency of New Mexico, L.L.C.; and Edward Jones Insurance Agency of Massachusetts, L.L.C.

Position the portfolio for both



Growth still matters

Maintain your balance

Equities	Fixed income

Your review

Any questions?

Please complete your evaluation now.