

Financial Intelligence

Produced Exclusively for Members of the
Senior Executives Association

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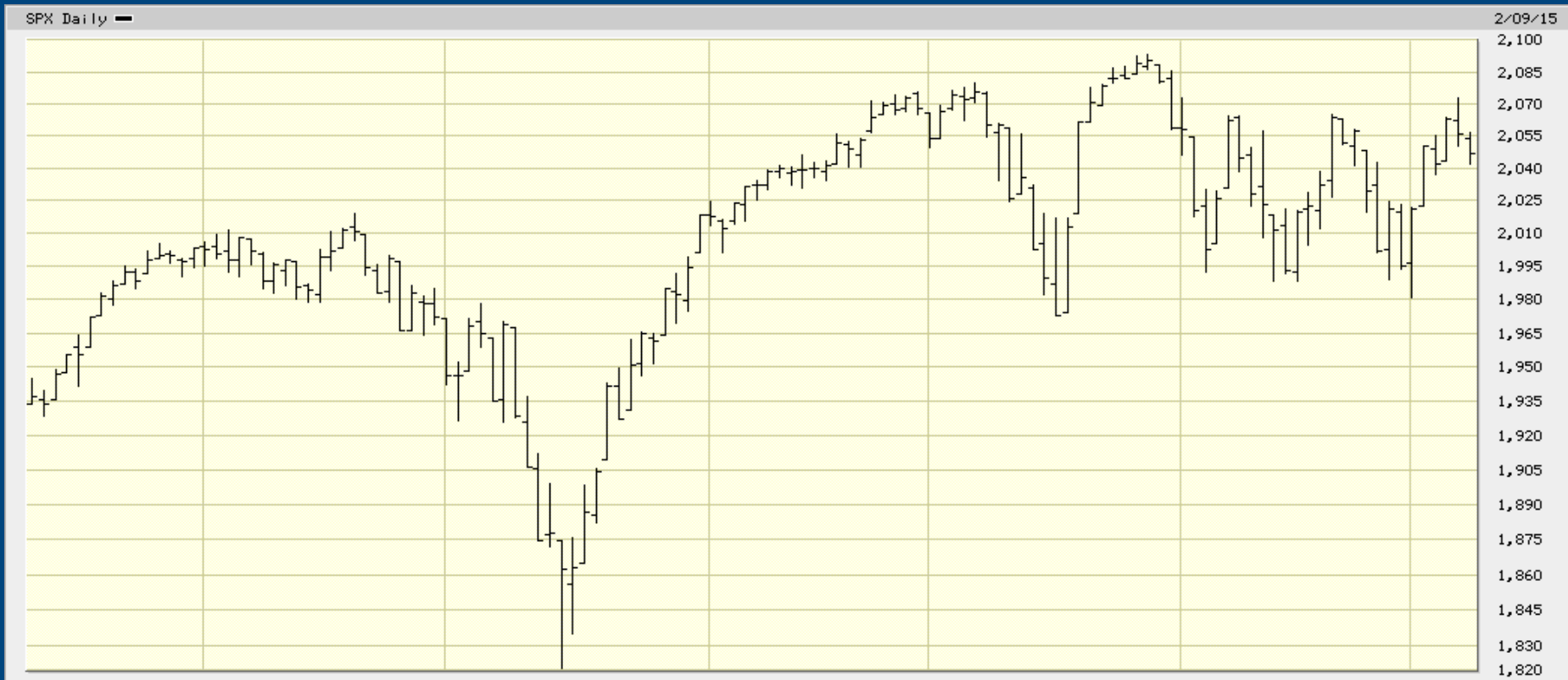
- \$49 Benchmark™ Portfolio Review – **Save \$250**
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- Email Questions to me at mmiles@variplan.com

Contents

1. Market Review
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3. Defining Retirement Resources, Goals and Constraints
5. Questions & Answers

How to Submit Your Questions

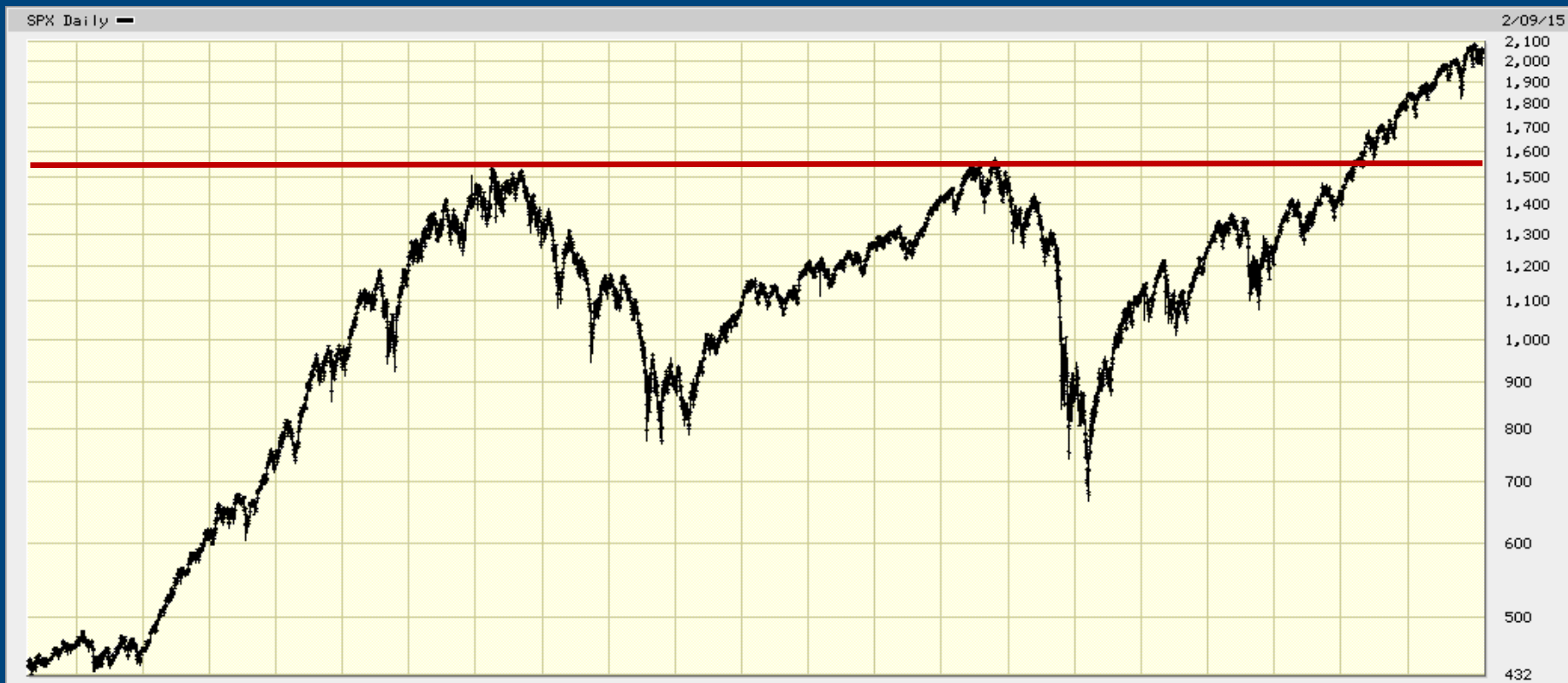
Market Review – Stocks (6 months)



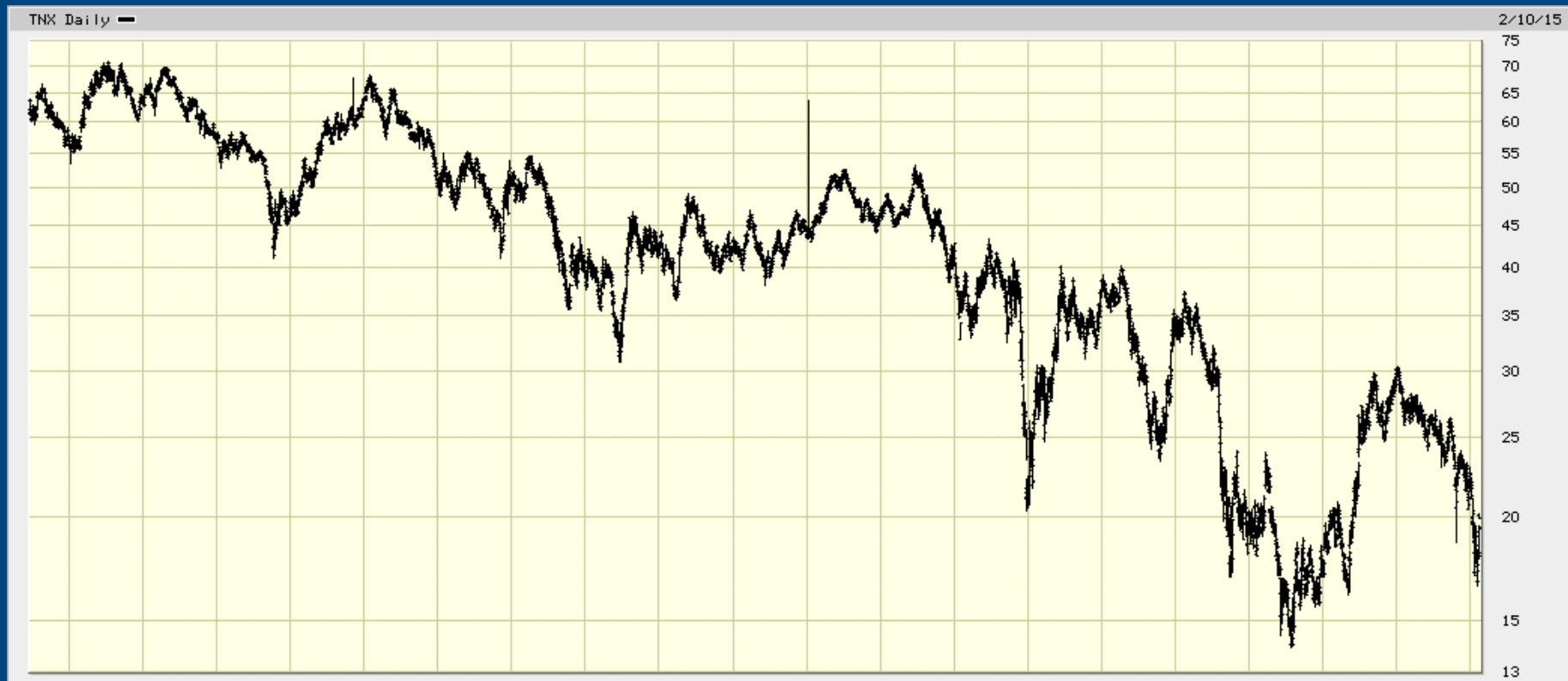
Market Review – Stocks (5 Years)



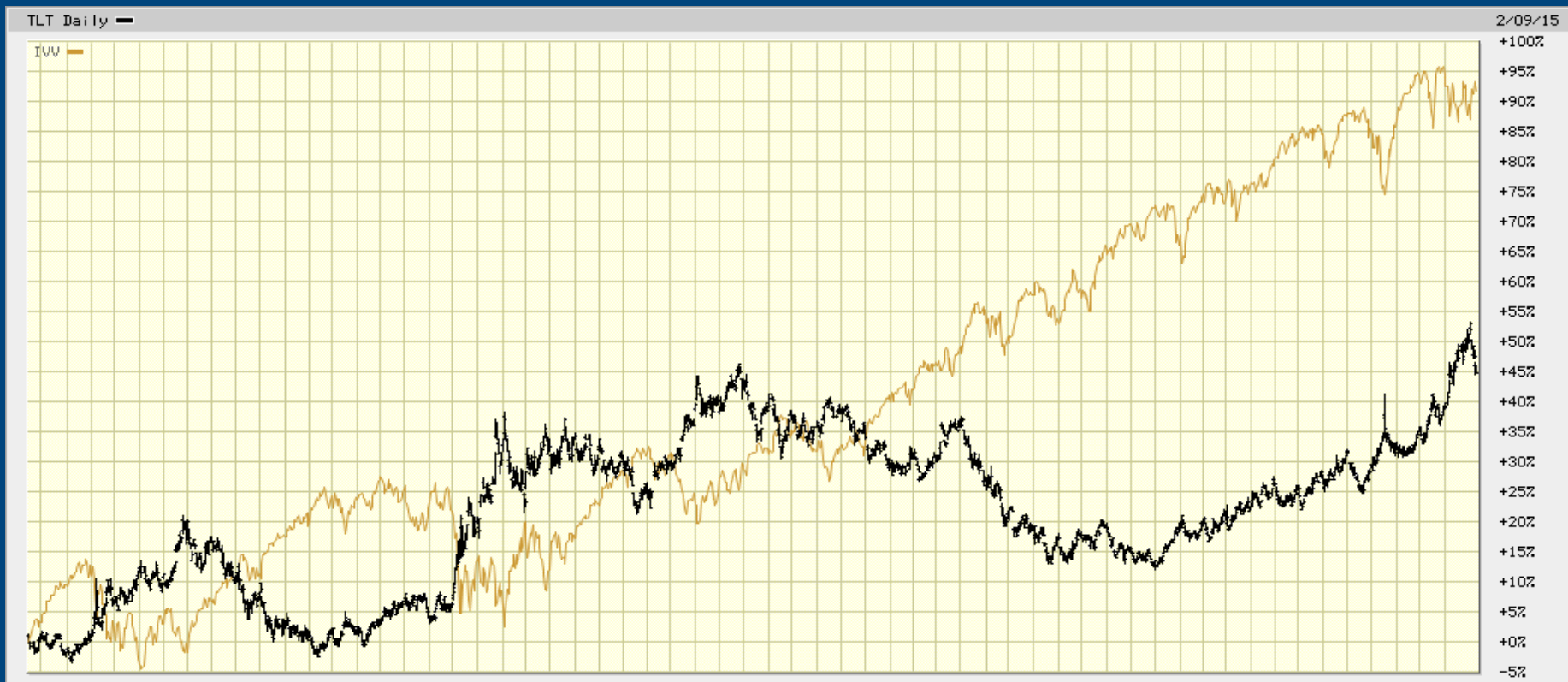
Market Review – Stocks (20 Years)



Market Review - Interest Rates (20 Years)



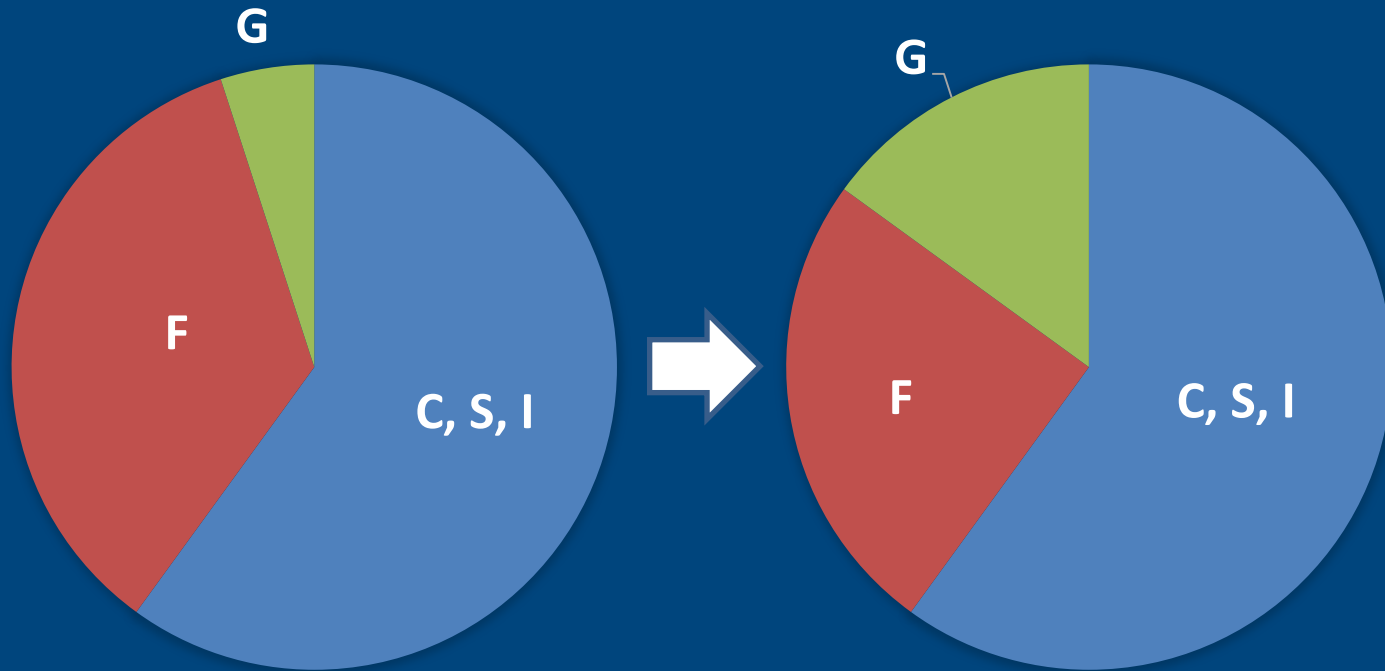
Market Review – Stocks vs. Bonds (5 Years)



Market Review – Stocks vs. Bonds (1 Year)

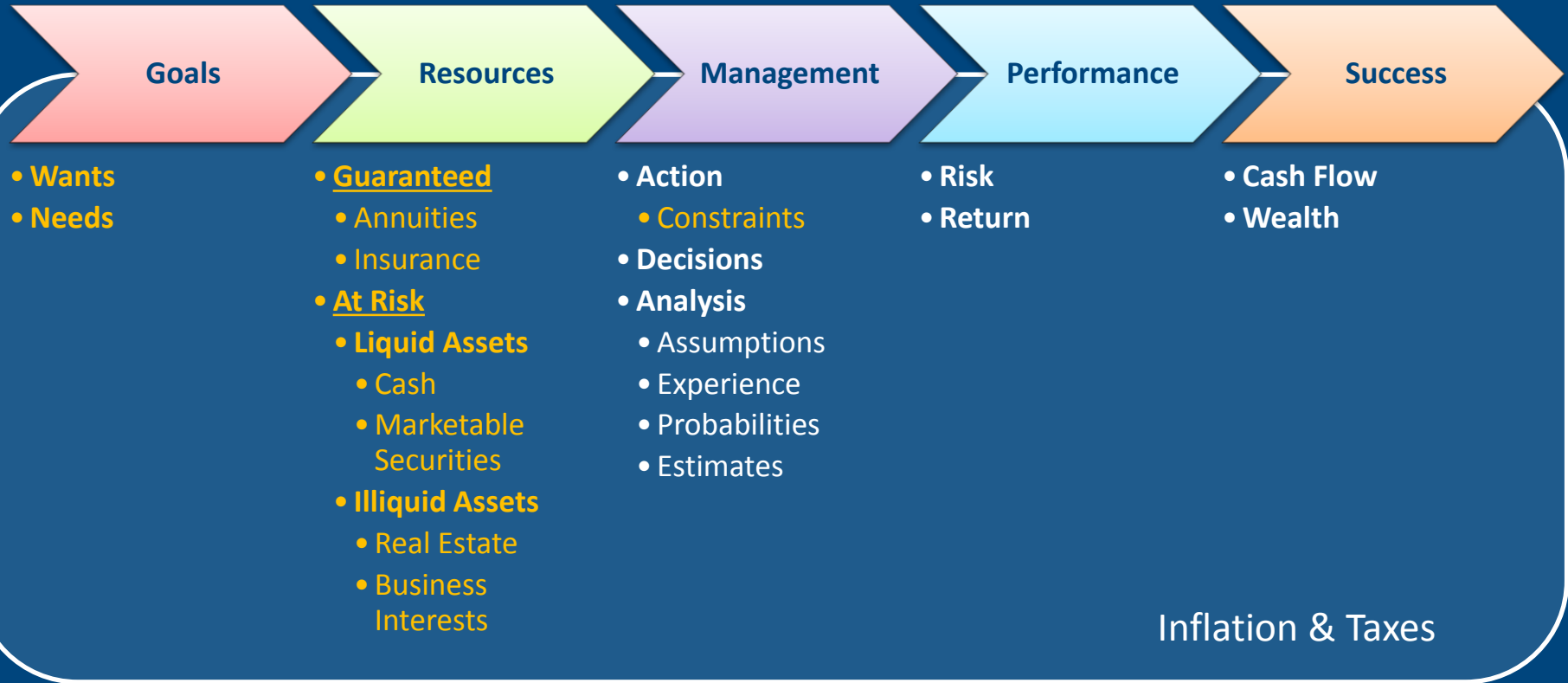


Tactical Recommendation



Defining Retirement Resources, Goals and Constraints

Financial Planning and Management



Defining Retirement Resources, Goals & Constraints

Our objective is to identify and understand the importance of retirement resources, goals and constraints.

Resources are assets that provide or may be converted to spendable cash.

Importance

Properly defining and understanding your retirement resources, goals and constraints, and how they interact with each other and your plan is essential to successful retirement planning and management.

- Guaranteed
- At-Risk

Guaranteed Resources

Guaranteed resources have predictable future value and availability, and usually require little or no management to produce that value and availability.

Guaranteed Resources

- Annuities
- Insurance

At-Risk Resources

At-risk resources have unpredictable future value and availability, and usually require substantial management to produce their value and availability.

At-Risk Resources

- Liquid
- Illiquid

Liquid At-Risk Resources

- Cash
- Marketable Securities

Liquid At-Risk Resources

Liquid resources are readily converted to spendable cash
at any time.

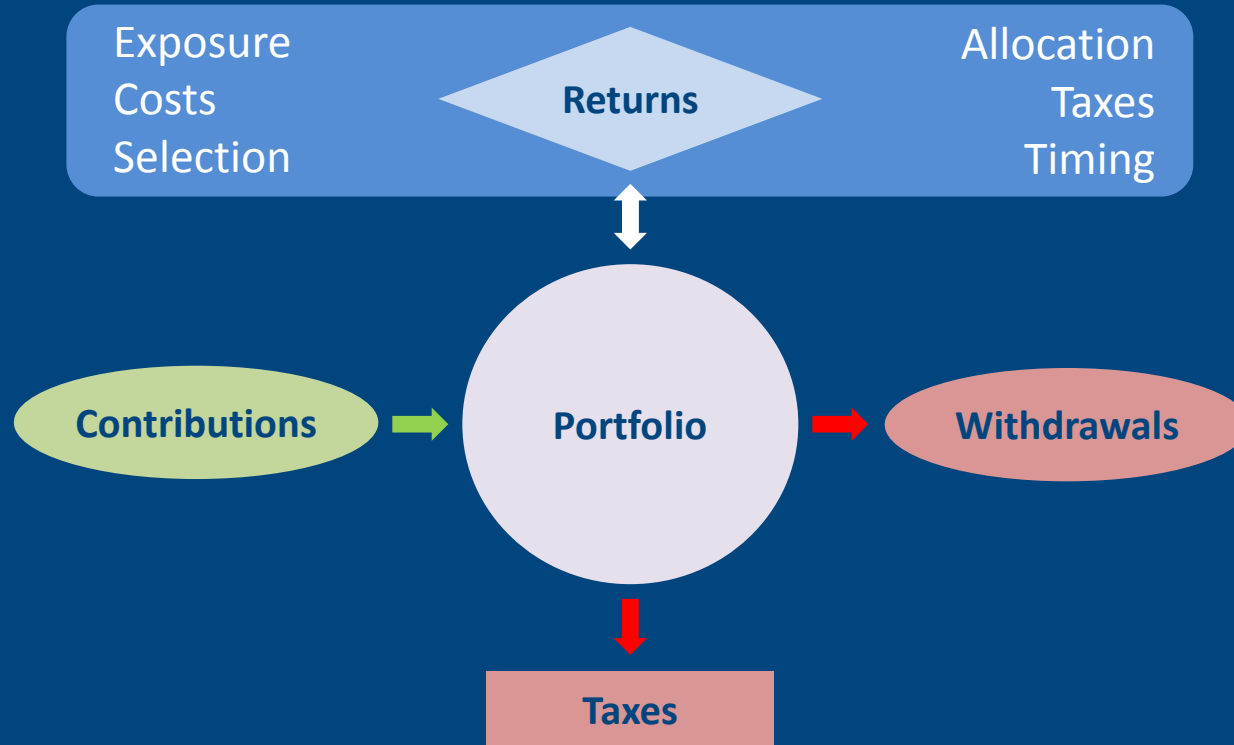
Illiquid At-Risk Resources

- Real Estate
- Business Interests

Illiquid At-Risk Resources

Illiquid resources may not be readily convertible to spendable cash when needed.

Portfolio of At-Risk Resources



A Common Mistake

Treating an illiquid resource as though it were a liquid resource.

Goals

- Personal
- Financial

Personal Goals

Personal goals are your primary objectives for the way you will live your life – your needs and wants expressed in terms of your personal experience.

Financial Goals

Financial goals are your secondary objectives, derived for their necessity in supporting your personal goals.

Financial goals are usually the means to the end of achieving your personal goals, and not an end, in themselves.

Financial Goals

- Regular
- Irregular

Regular Financial Goals

- Base Allowance or Commitment

Irregular Financial Goals

- Temporary Periodic Allowance or Commitment
- One-Time Allowance or Commitment

- Can Be Split Between Needs and Wants

Constraints are restrictions on investment actions.

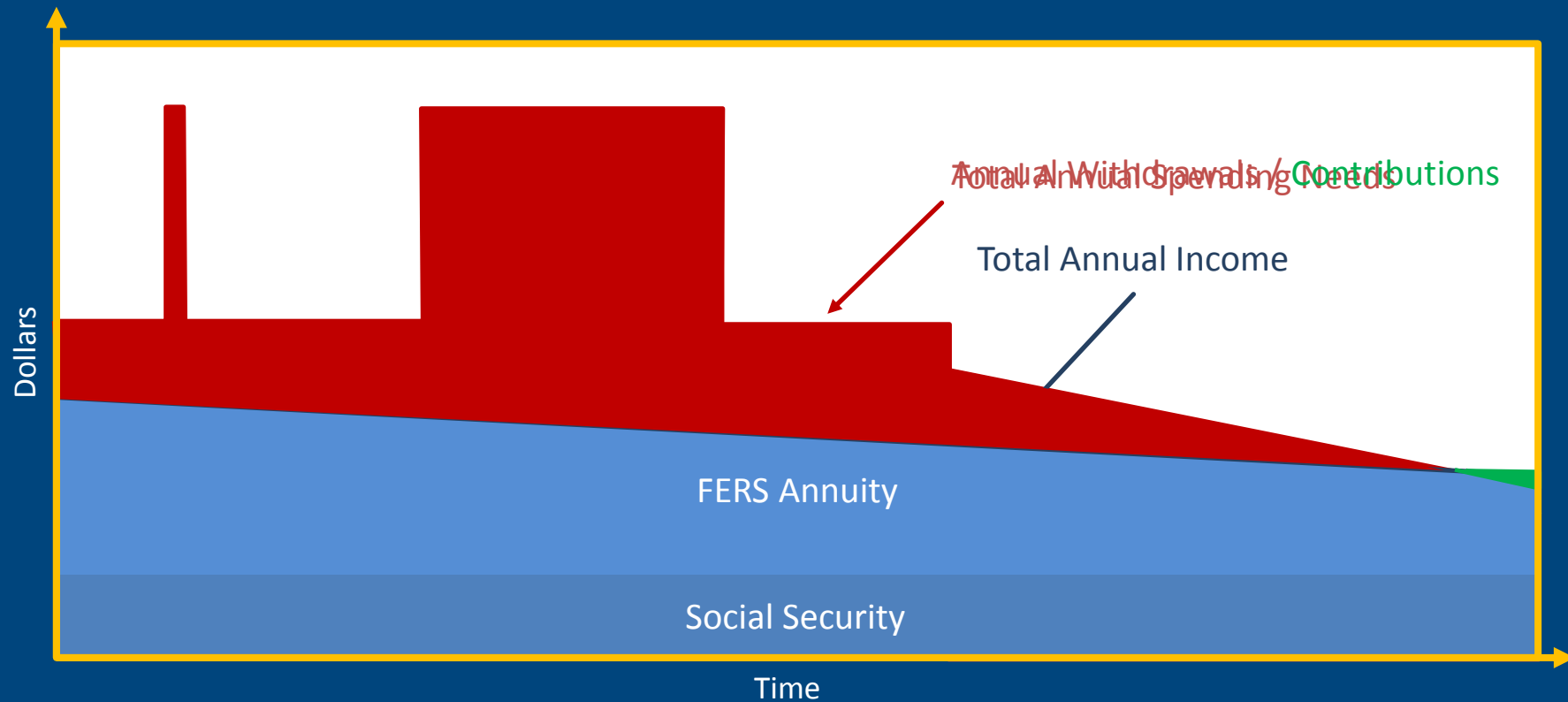
Constraints

- Limited Access to Investments
- Tax Avoidance / Deferral
- Personal Circumstances
- Legal Restrictions

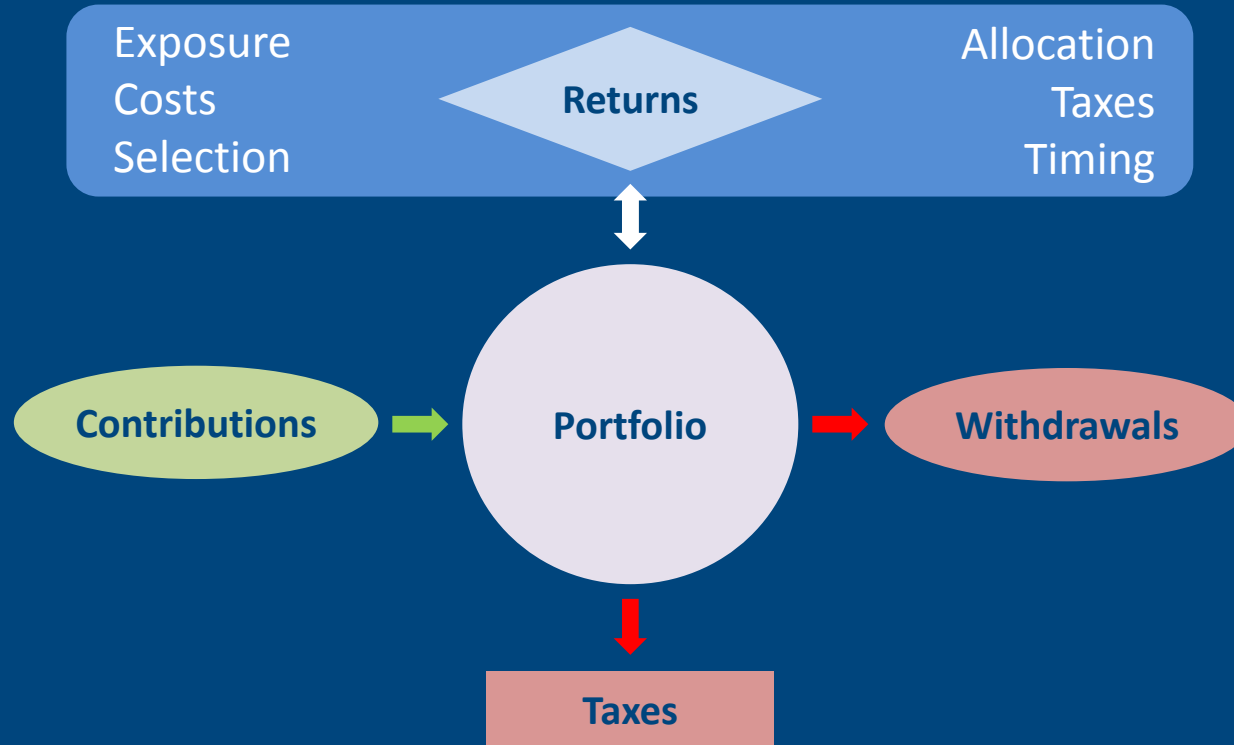
Constraints

Constraints can affect the performance characteristics of your investment portfolio.

Impact on the Portfolio



Portfolio of At-Risk Resources



Your at-risk assets should be managed to maximize the probability of producing the cash flows needed to fund your goals in spite of any constraints that are imposed.

Impact on Planning and Management

- Resources must be clearly identified or estimated
- Goals must be translated into cash flow requirements
- Planning should recognize and accommodate constraints
- Management should seek to minimize the impact of constraints

Variplan Article Database



The image shows a screenshot of the Variplan website's navigation menu. The background is dark blue with a large, faint 'VP' logo. On the left, the Variplan logo is displayed in white, consisting of a stylized 'VP' above the word 'VARIPLAN' and the tagline 'Advanced Retirement Planning and Management' below it. To the right of the logo is a vertical list of navigation items, each preceded by a small yellow square icon. The items are: 'WHO WE ARE', 'WHAT WE DO', 'HOW WE DO IT', 'OUR CLIENTS', 'CONTACT US', and 'ARCHIVE'. The 'ARCHIVE' item is circled in red. In the bottom right corner of the navigation area, there is a yellow box containing the text 'CLIENT RESOURCES'. At the bottom of the page, there are two columns of logos and text. The left column features the CFP® logo, the text 'CERTIFIED FINANCIAL PLANNER', and a paragraph of text: 'Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and CFP® in the U.S.'. The right column features the PALADIN logo, the text 'SERVICES', and five stars with the text 'AIAA OCB' below them.

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- WHAT WE DO
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CLIENT RESOURCES

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Questions / Comments / Suggestions



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