

## Organizing Your Portfolio

- Founder and Principal Advisor, Variplan, LLC
  - Certified Financial Planner
  - Registered Investment Advisor
  - SEA Benefit Provider Since 1999
- Federal Times' "Money Matters" Columnist
- "Ask the Experts" Panelist at [www.federaltimes.com](http://www.federaltimes.com)

# Fundamentals of Investing for Retirement Income

1. Success and Failure in Retirement Investing
2. Defining Retirement Resources, Goals and Constraints
3. Understanding Investment Risk and Return
4. How Diversification Really Works
5. Asset Classes and Types – Diversification and Concentration
6. Understanding Asset Allocation and Hedging
7. Setting Investment Performance Expectations
8. Managing Investment Costs
9. The Case for Index Investing
10. Accounting for Inflation in Retirement Planning
11. Managing Portfolio Liquidity
- 12. Organizing Your Portfolio**

# SEA Member Benefits

- Free Hour of Consulting / Analysis
  - \$250 Vantage Discount
- Email Questions to me at [mmiles@variplan.com](mailto:mmiles@variplan.com)

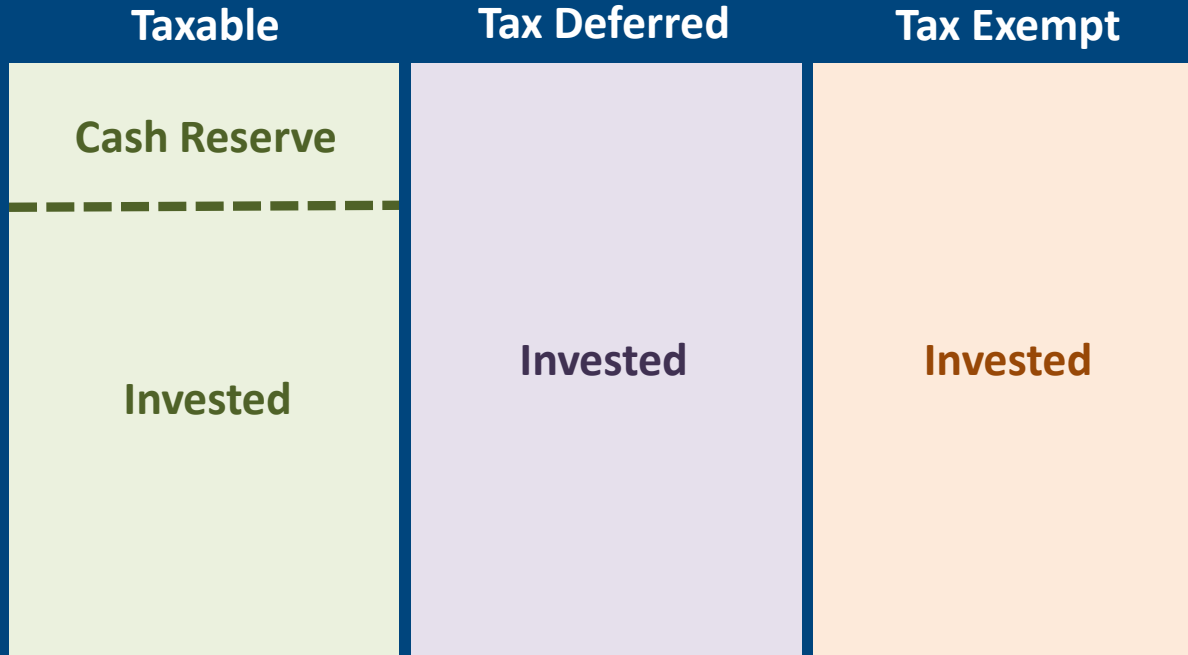
## Managing Portfolio Liquidity

Can be readily and predictably  
converted to spendable cash

# Basic Portfolio Structure

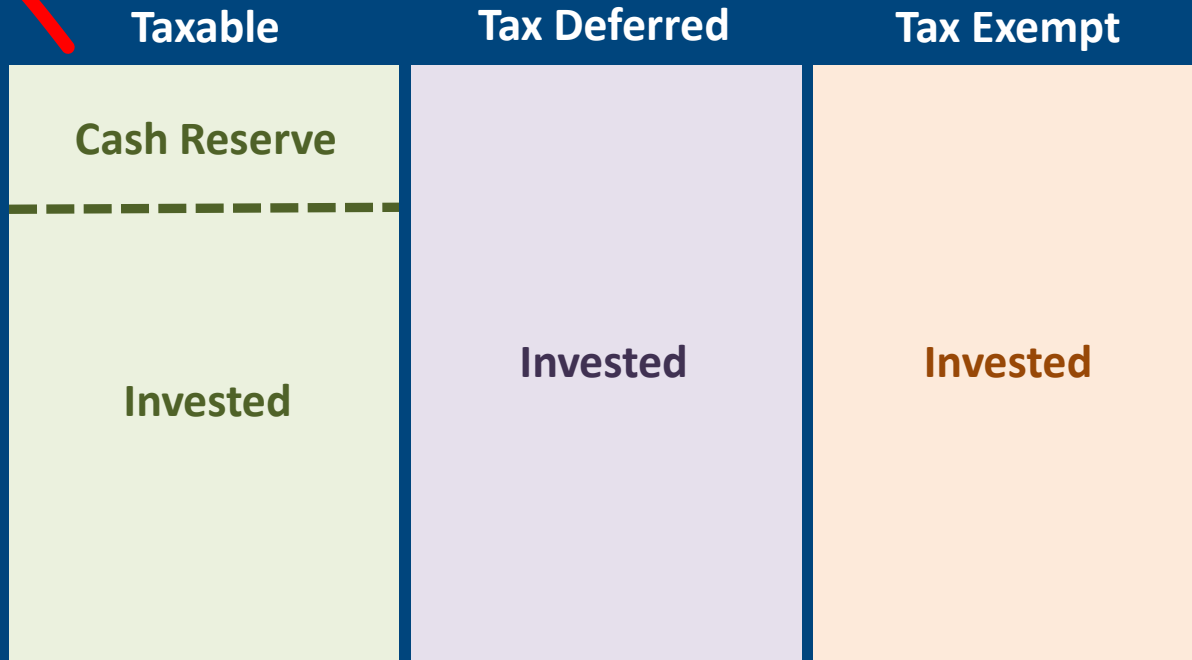
Taxable	Tax Deferred	Tax Exempt
Checking Savings Brokerage Def Annuity	TSP IRA 401k 403b	Roth TSP Roth IRA

# Cash Reserves





# Withdrawals for Spending

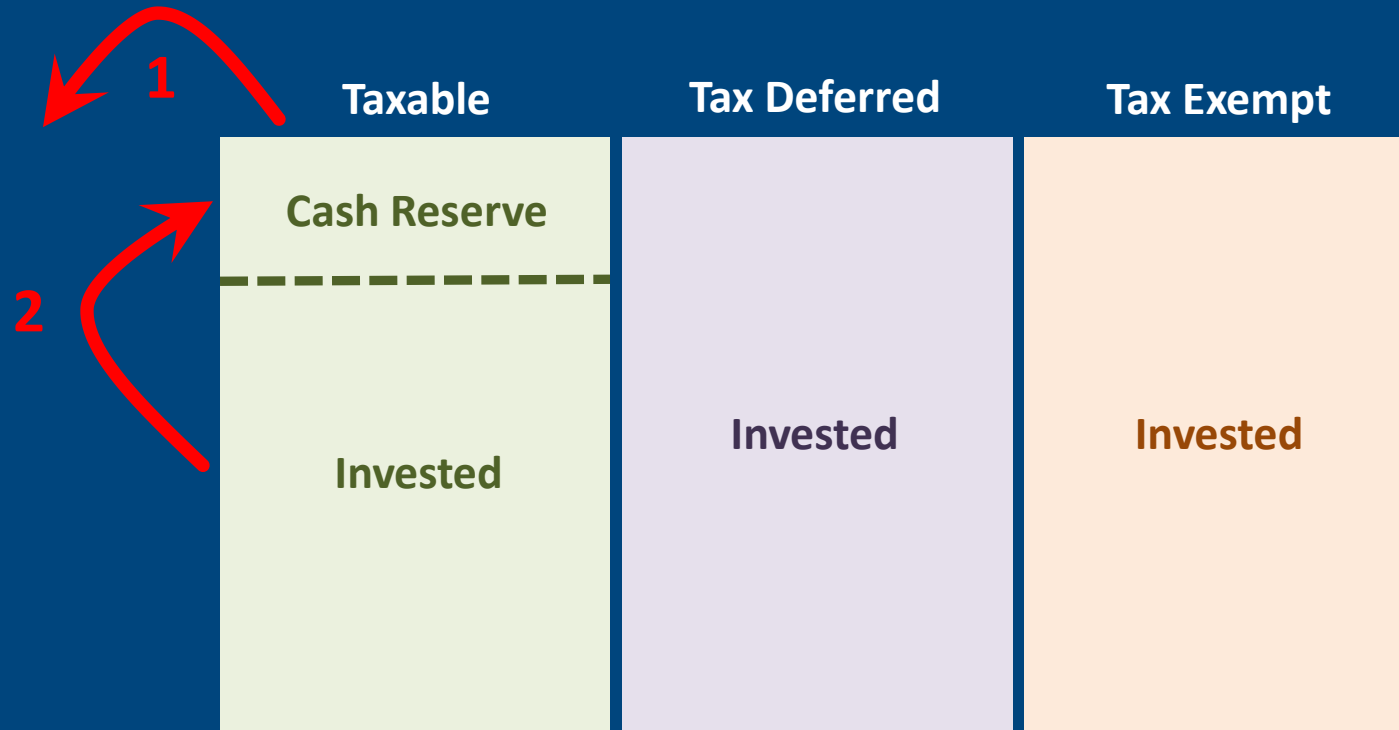


# Order of Withdrawal

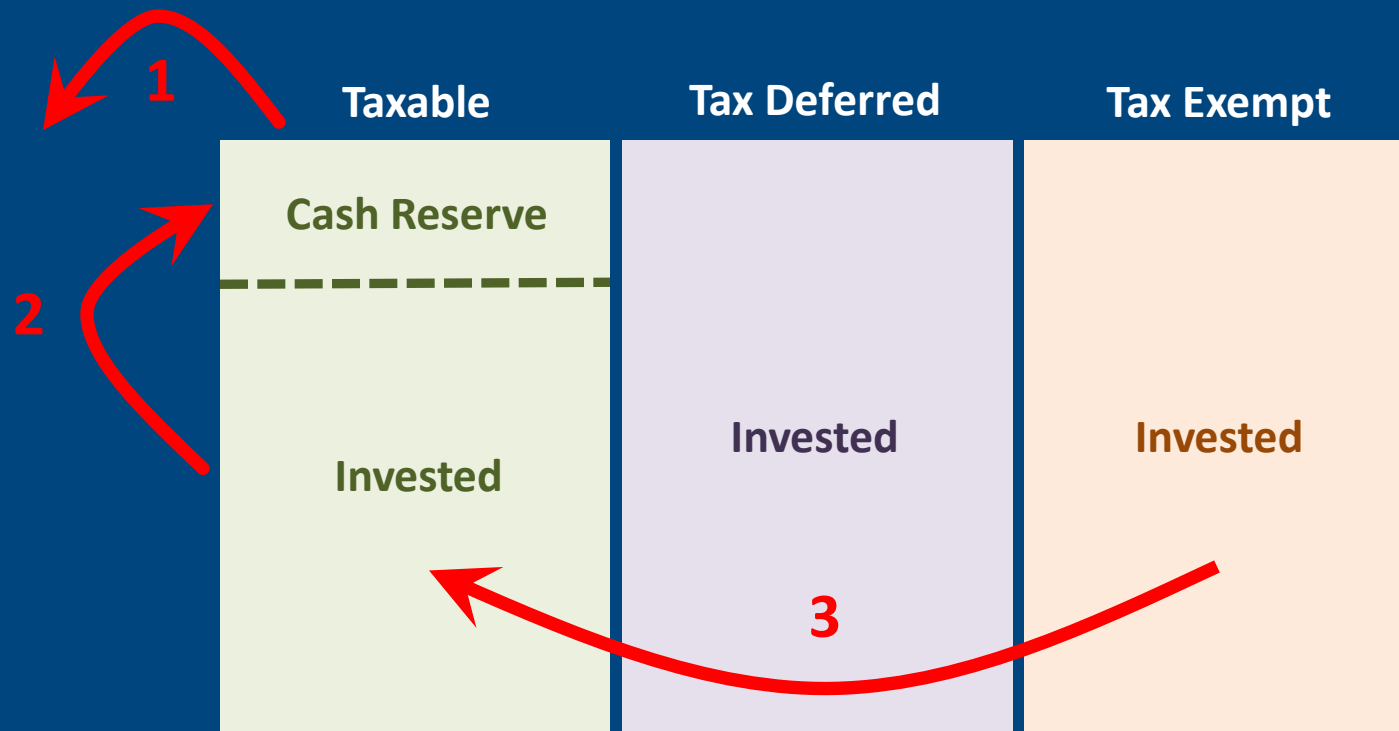
---

Withdraw from least costly sources first.

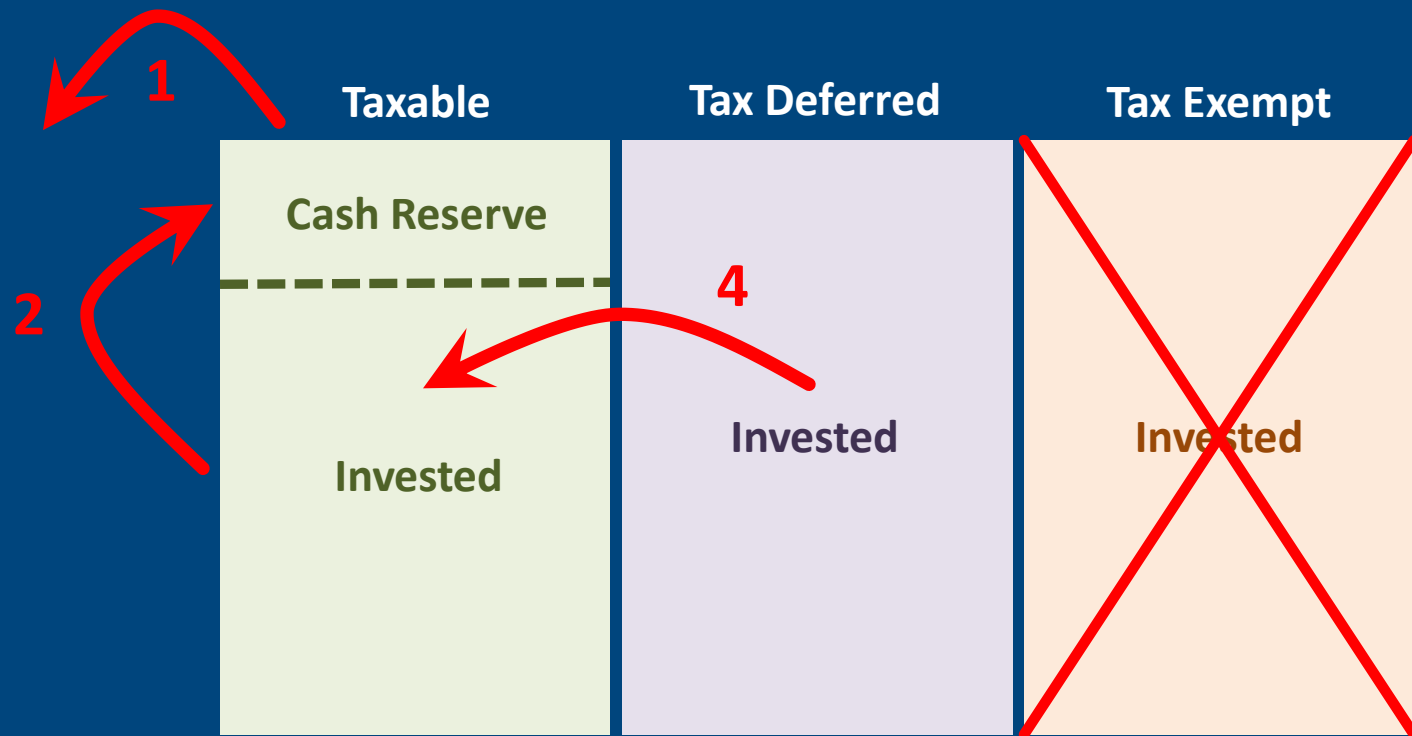
# Replenishing the Cash Reserve



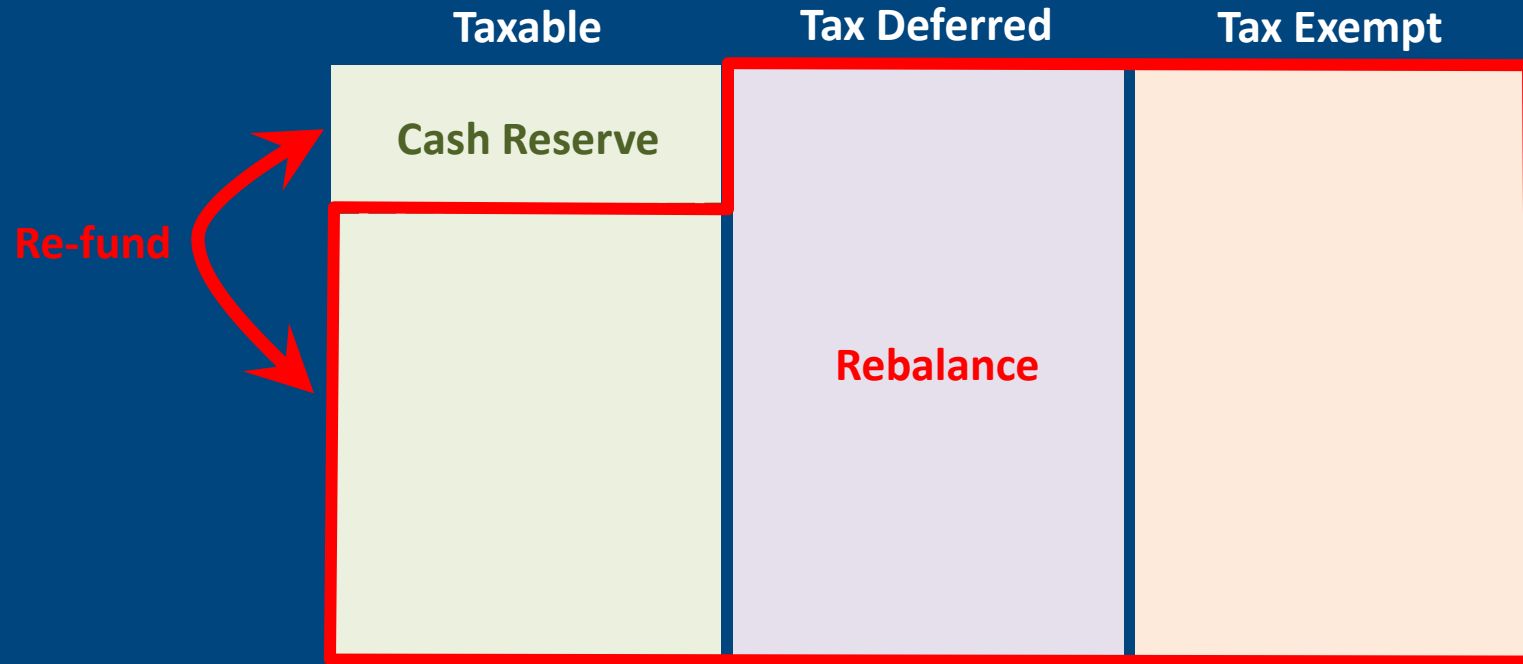
# Replenishing the Cash Reserve



# Replenishing the Cash Reserve



# Rebalancing



# Rebalancing

Cash Reserve Balance	\$30,000
Cash Reserve Target	- \$50,000
<hr/>	
Excess / (Need)	(\$20,000)

# Rebalancing

Total Portfolio Value	\$500,000
Cash Reserve Target	- \$50,000
<hr/>	
Investment Portfolio	\$450,000



# Rebalancing

Asset	Allocation	Target	Balance	Difference
Stocks	60%	\$270,000	\$282,000	\$12,000
Bonds	37%	\$166,500	\$174,000	\$7,500
Cash	3%	\$13,500	\$14,000	\$500
Total		\$450,000	\$470,000	\$20,000

# Rebalancing

Asset	Allocation	Target	Balance	Difference
Stocks	60%	\$270,000	\$282,000	\$12,000
Bonds	37%	\$166,500	\$174,000	\$7,500
Cash	3%	\$13,500	\$14,000	\$500
Total		\$450,000	\$470,000	\$20,000

To the Cash Reserve



## Organizing Your Portfolio

# Financial Planning and Management



- Wants
- Needs

- **Guaranteed**
  - Annuities
  - Insurance
- **At Risk**
  - **Liquid Assets**
    - Cash
    - Marketable Securities
  - **Illiquid Assets**
    - Real Estate
    - Business Interests

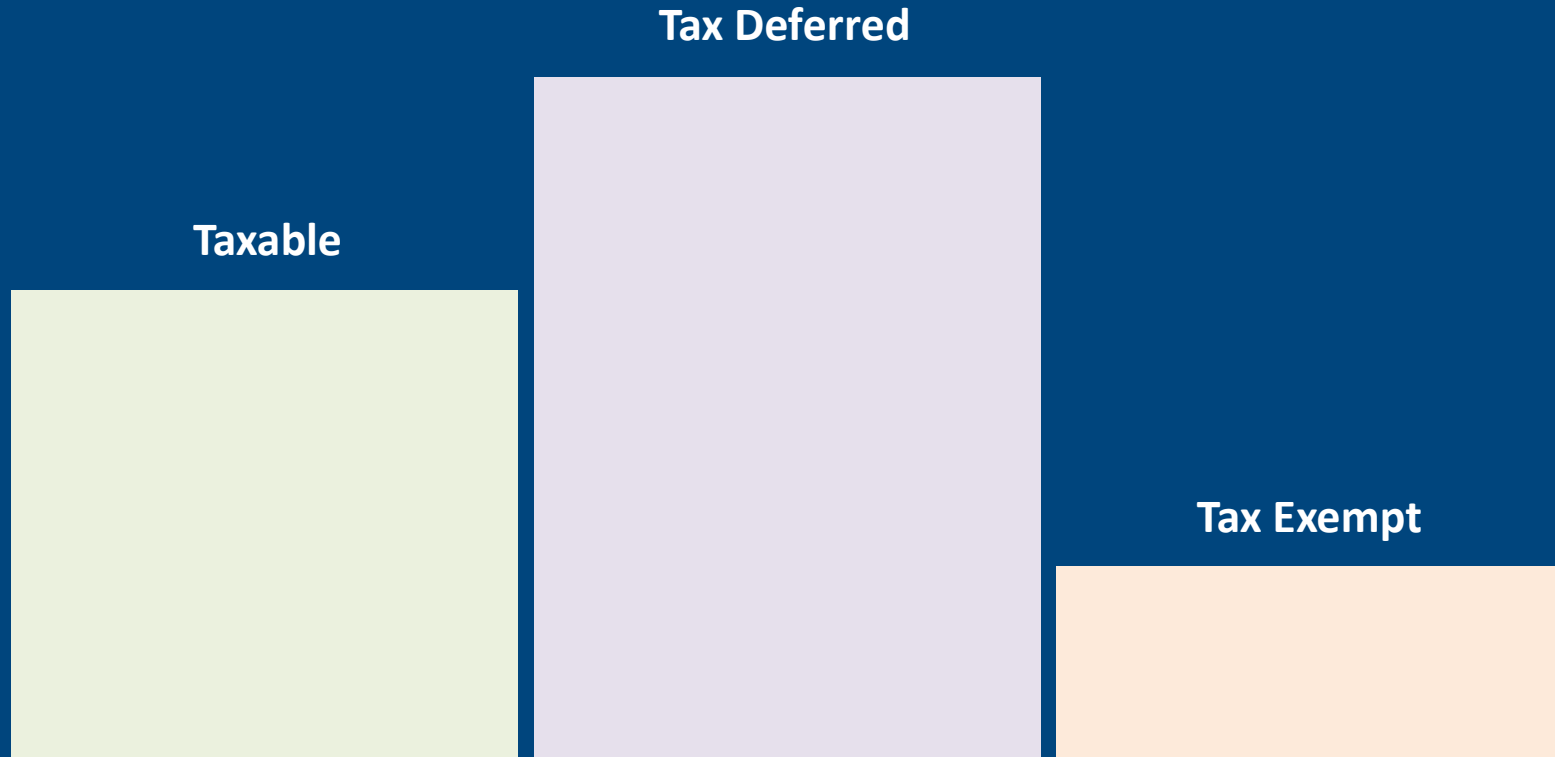
- **Action**
  - Constraints
- **Decisions**
- **Analysis**
  - Assumptions
  - Experience
  - Probabilities
  - Estimates

- Risk
- Return

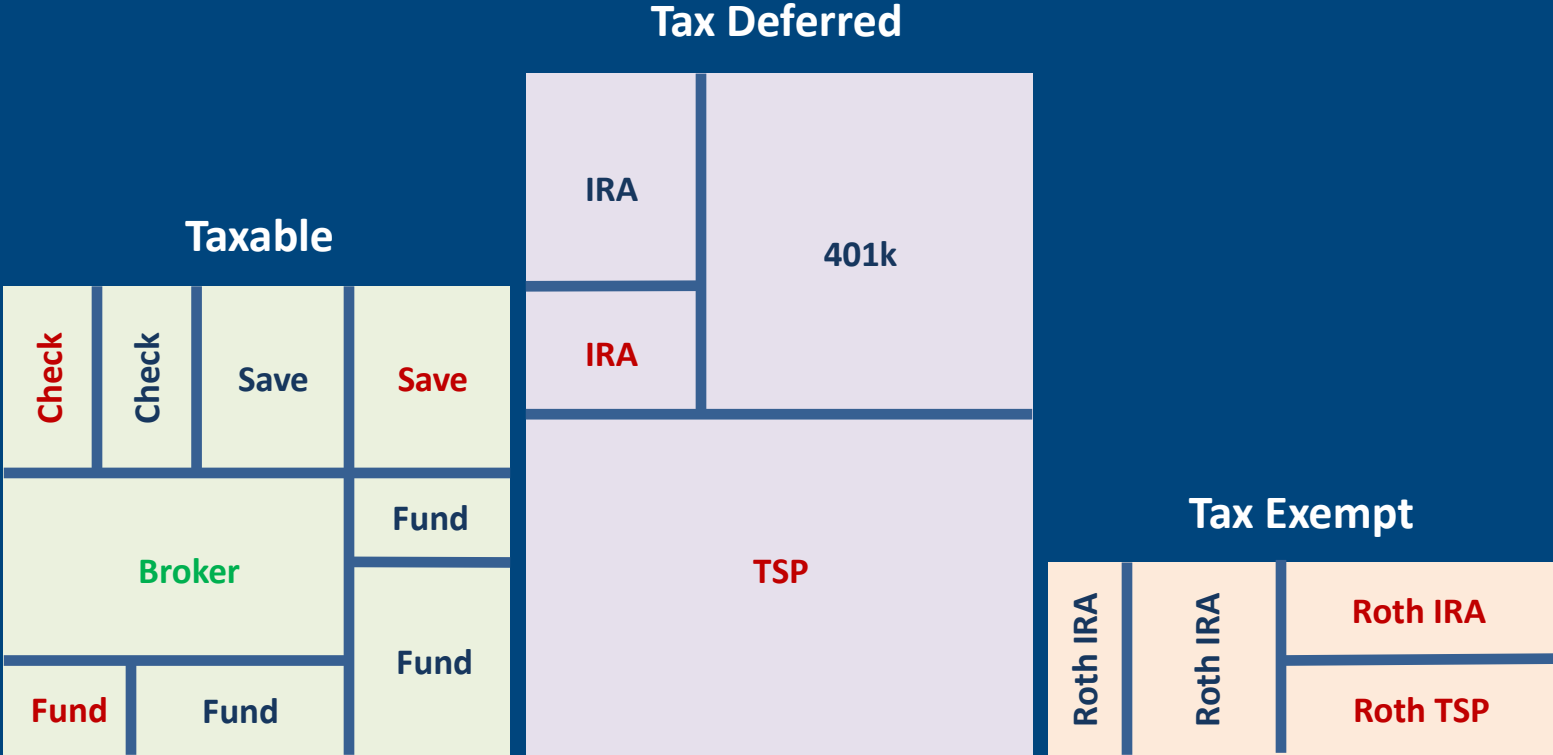
- **Cash Flow**
- Wealth

Inflation & Taxes

# Portfolio Structure



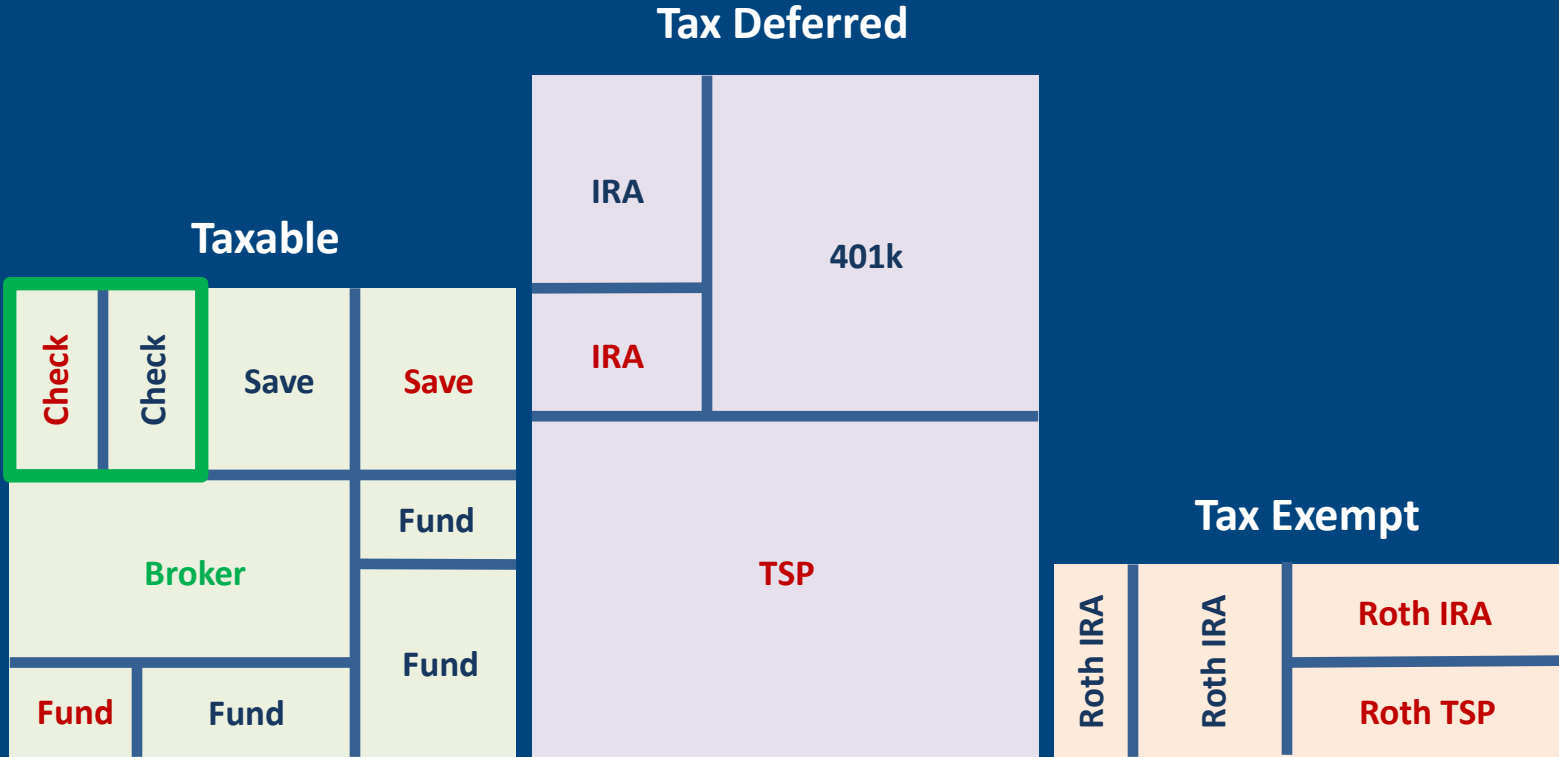
# Portfolio Structure



## Minimize the Number of Accounts

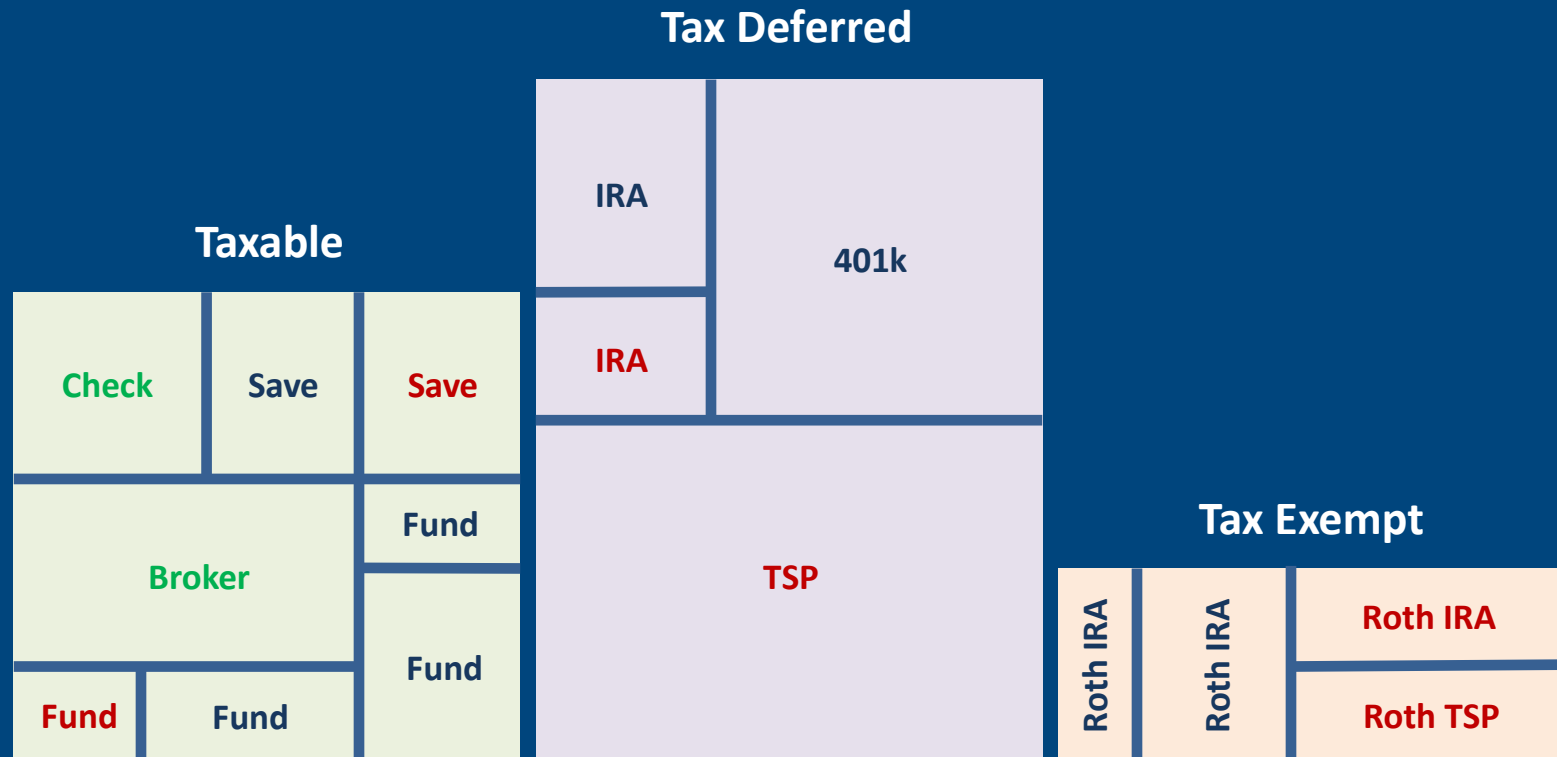
- Easier to Analyze
- Easier to Rebalancing
- Easier to Understand and Monitor
- Fewer Trades
- Lower Costs

# Portfolio Organization

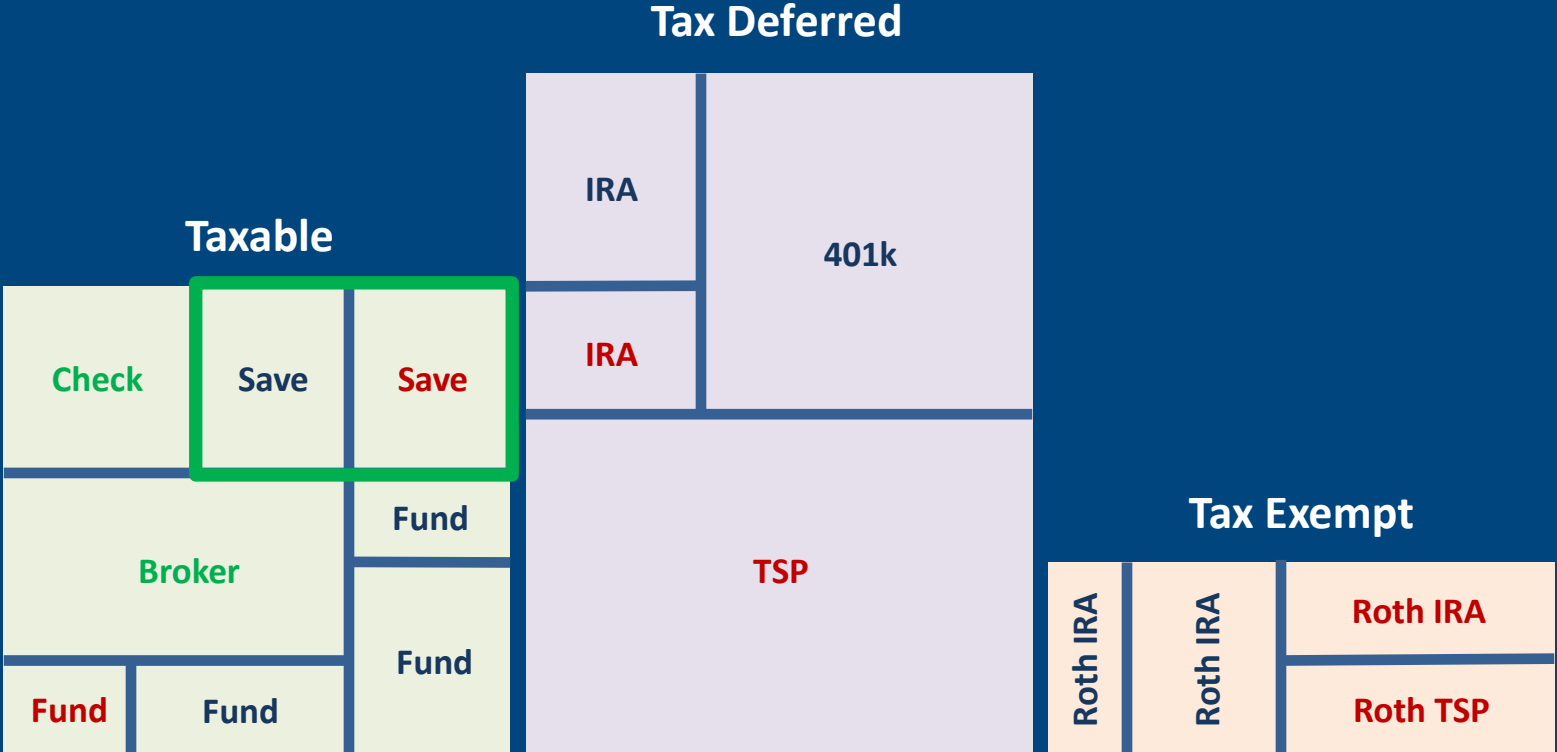




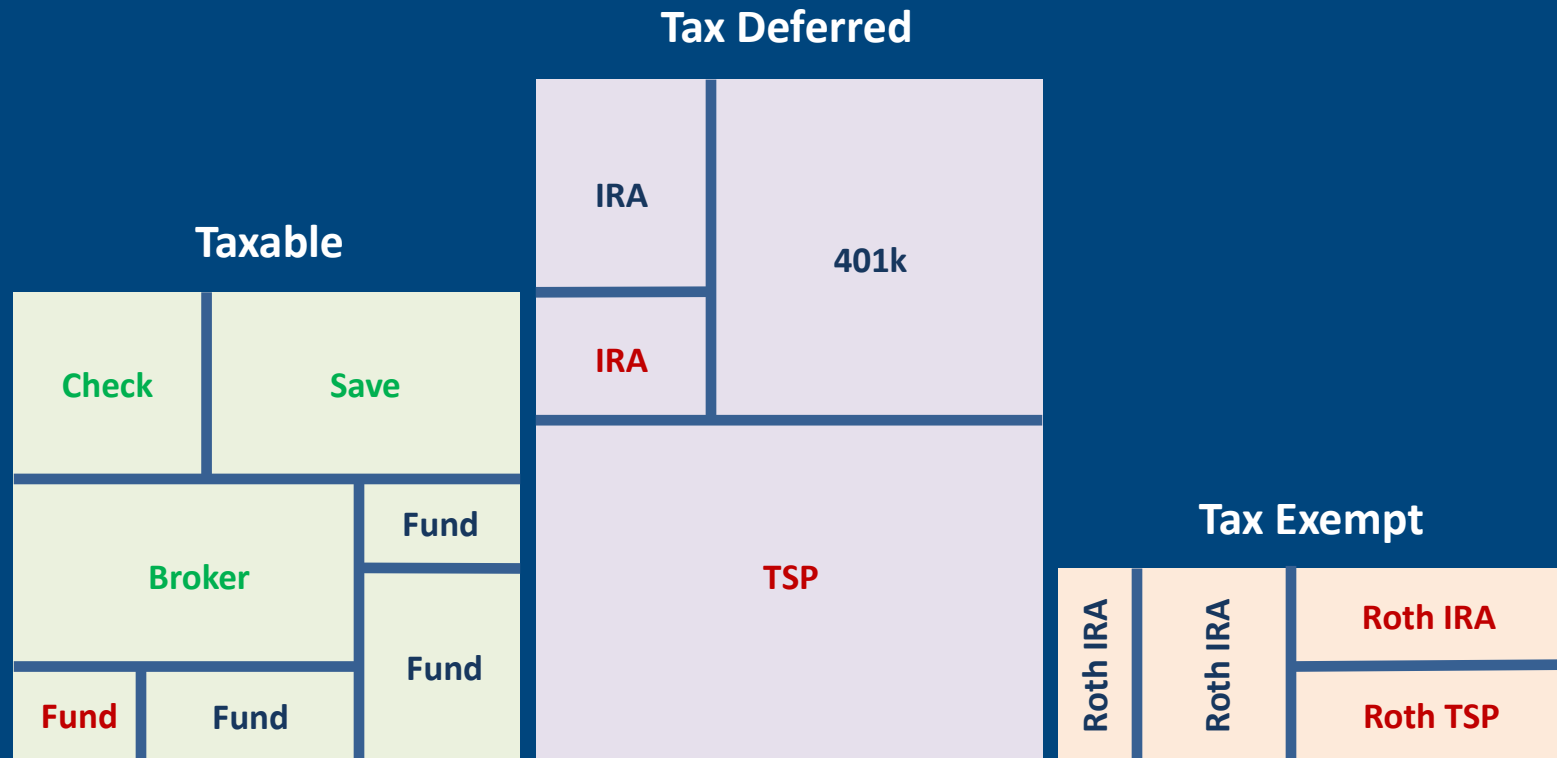
# Portfolio Organization



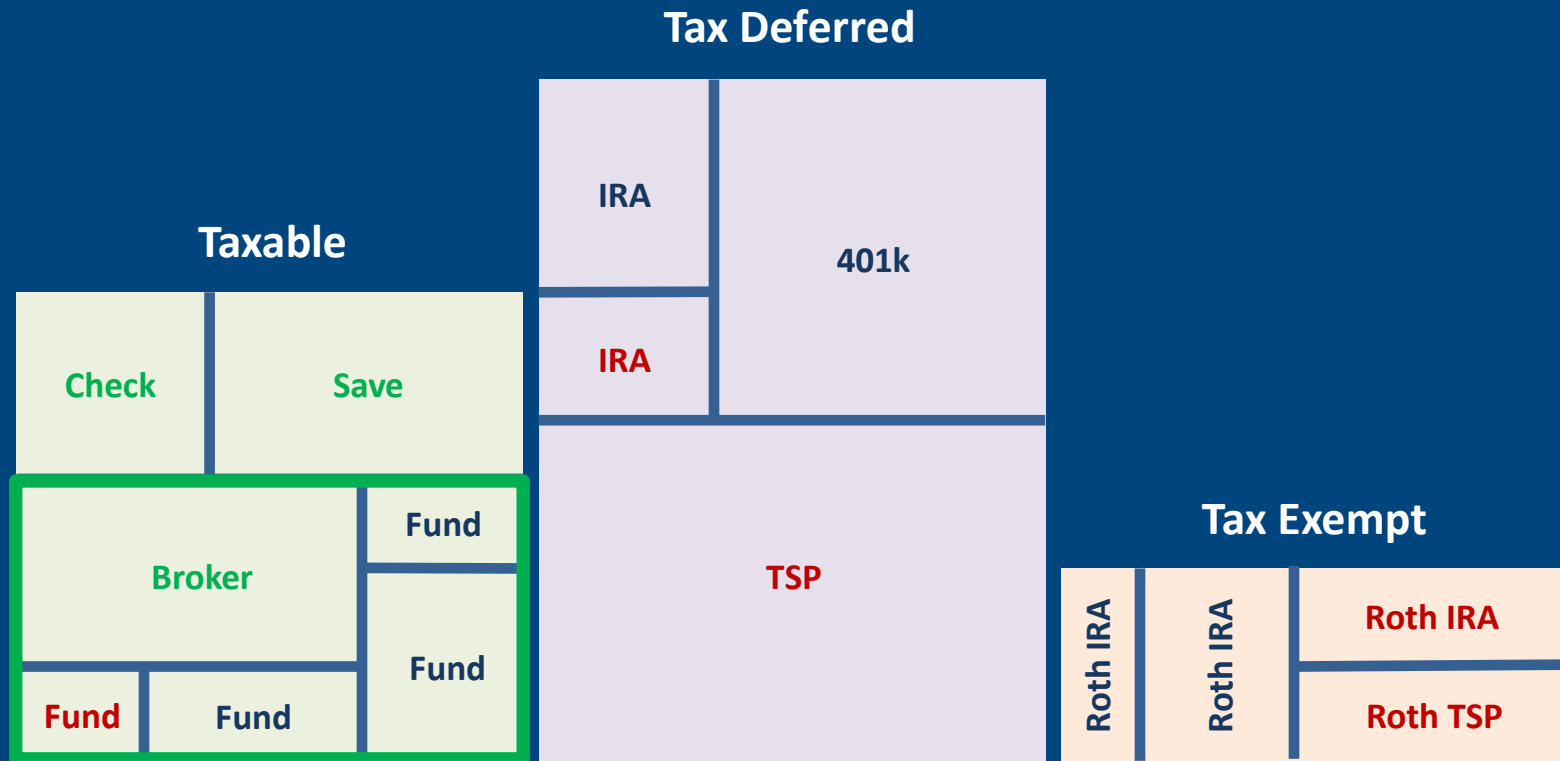
# Portfolio Organization



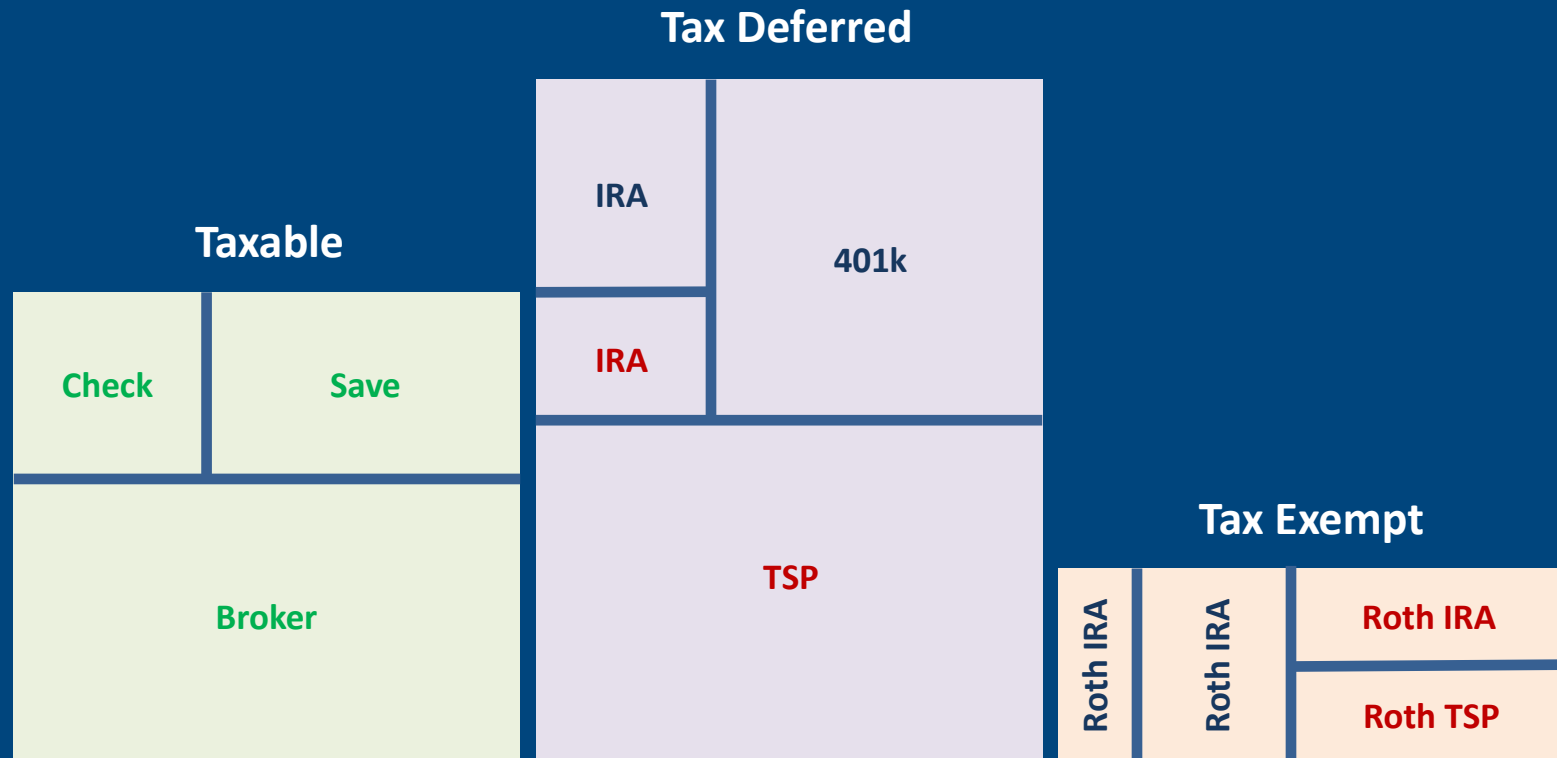
# Portfolio Organization



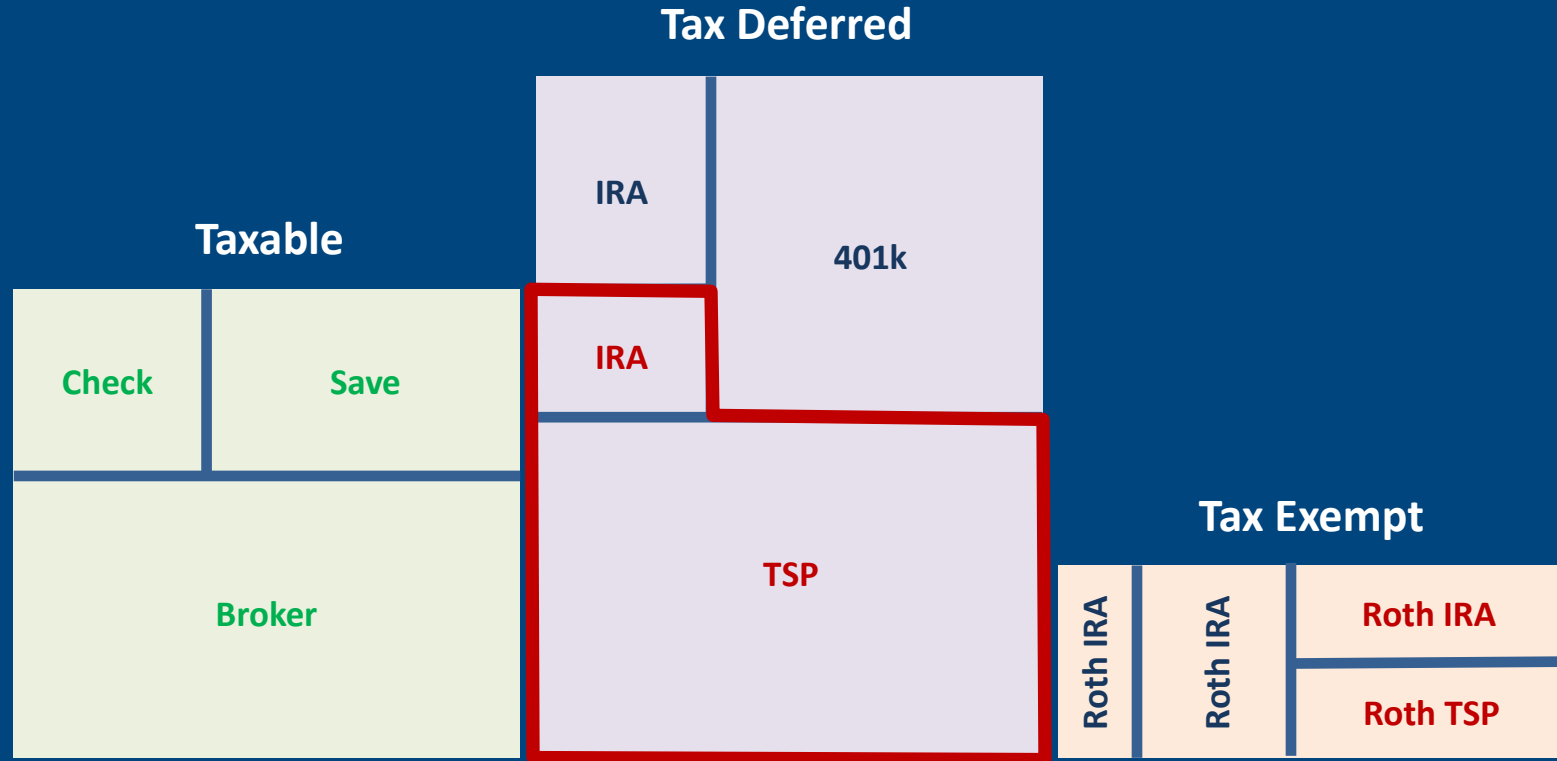
# Portfolio Organization



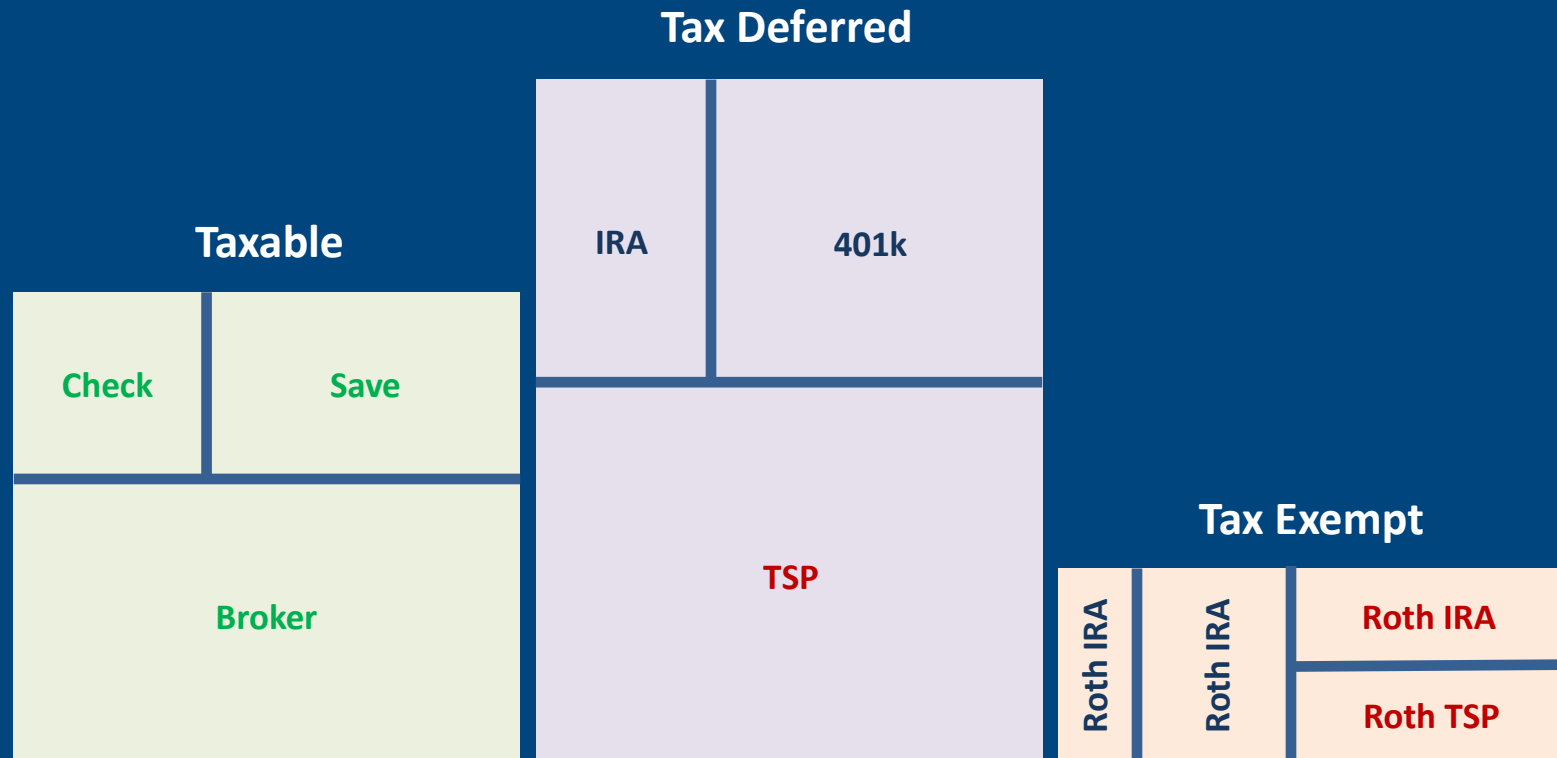
# Portfolio Organization



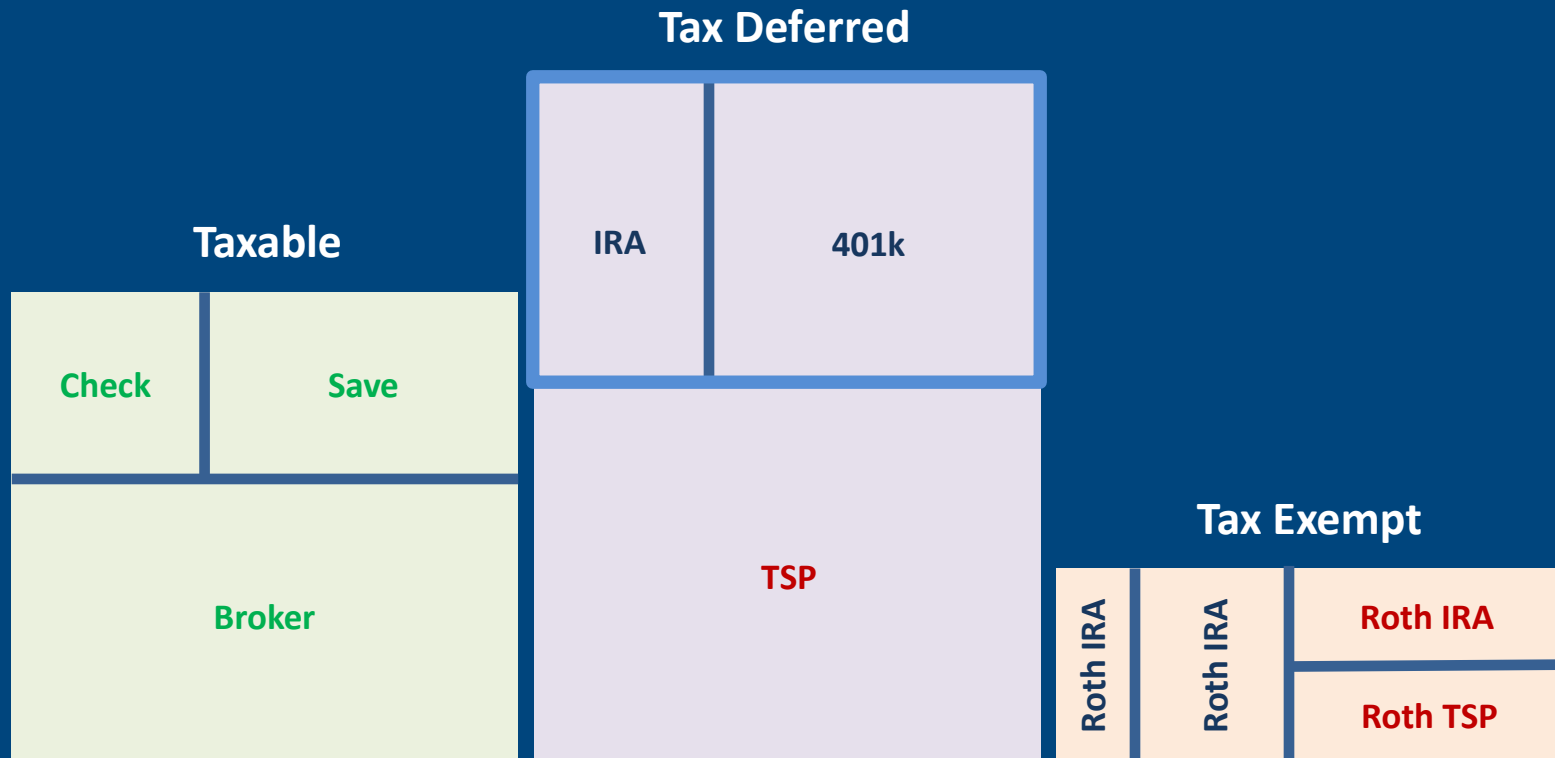
# Portfolio Organization



# Portfolio Organization

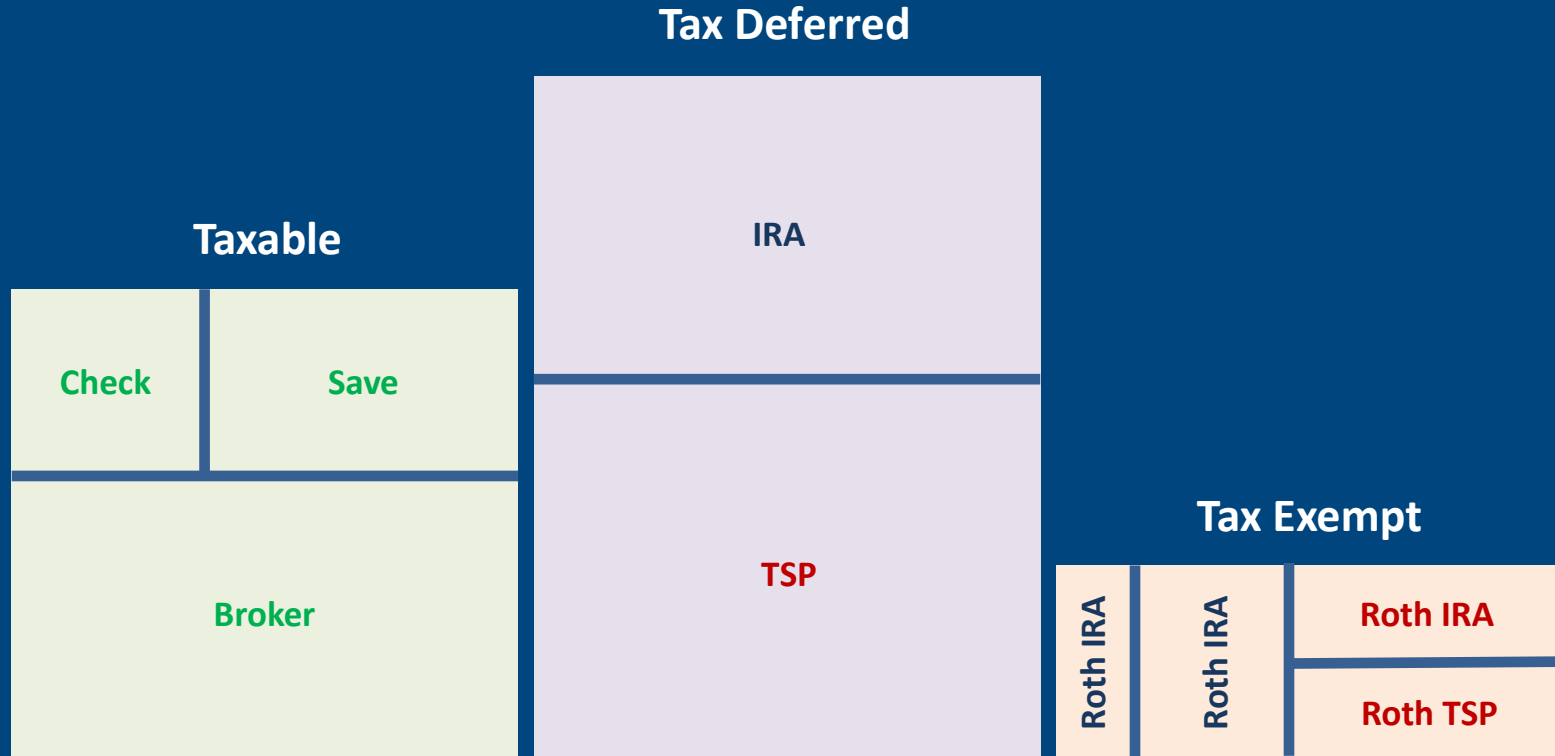


# Portfolio Organization

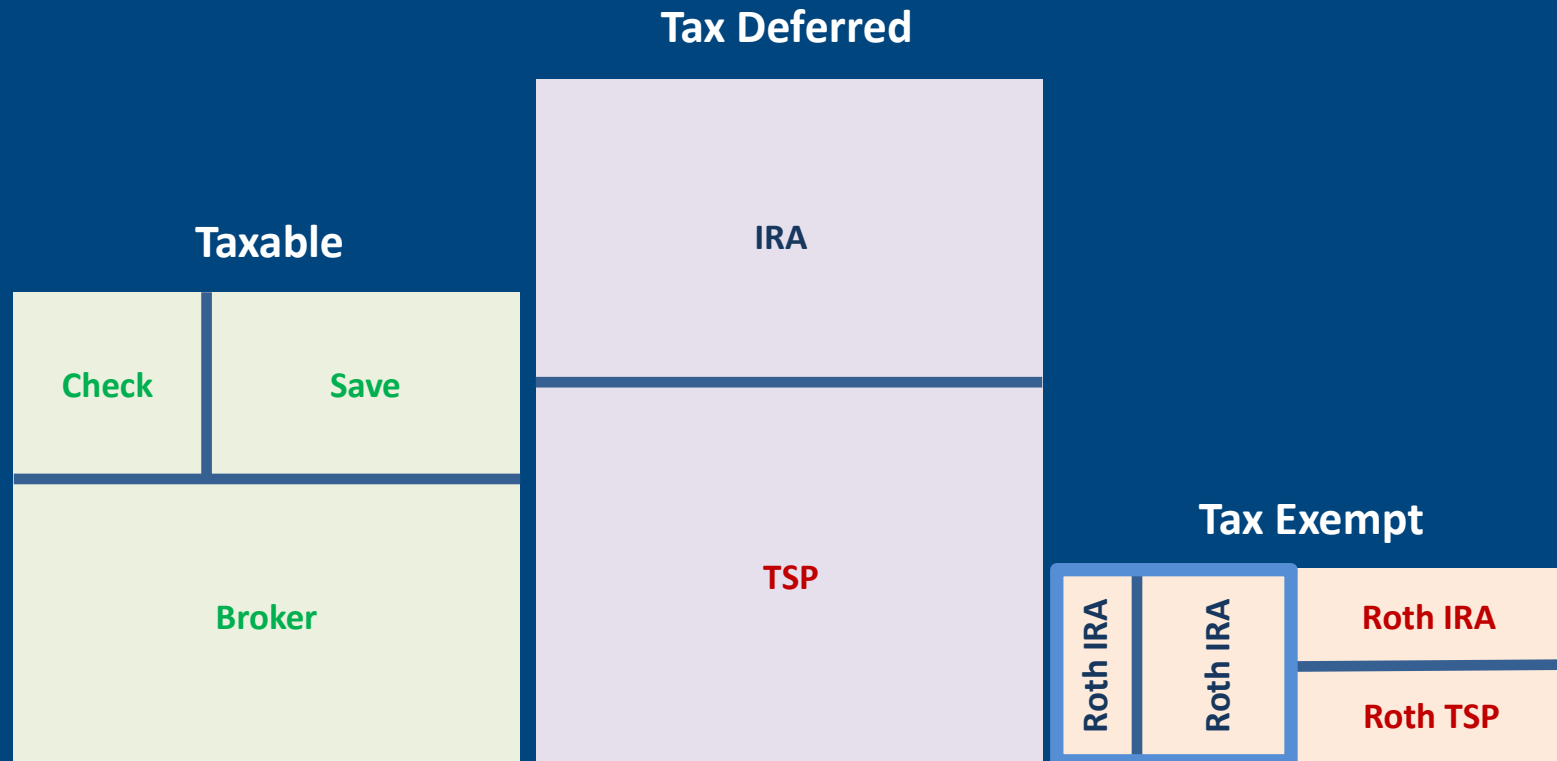




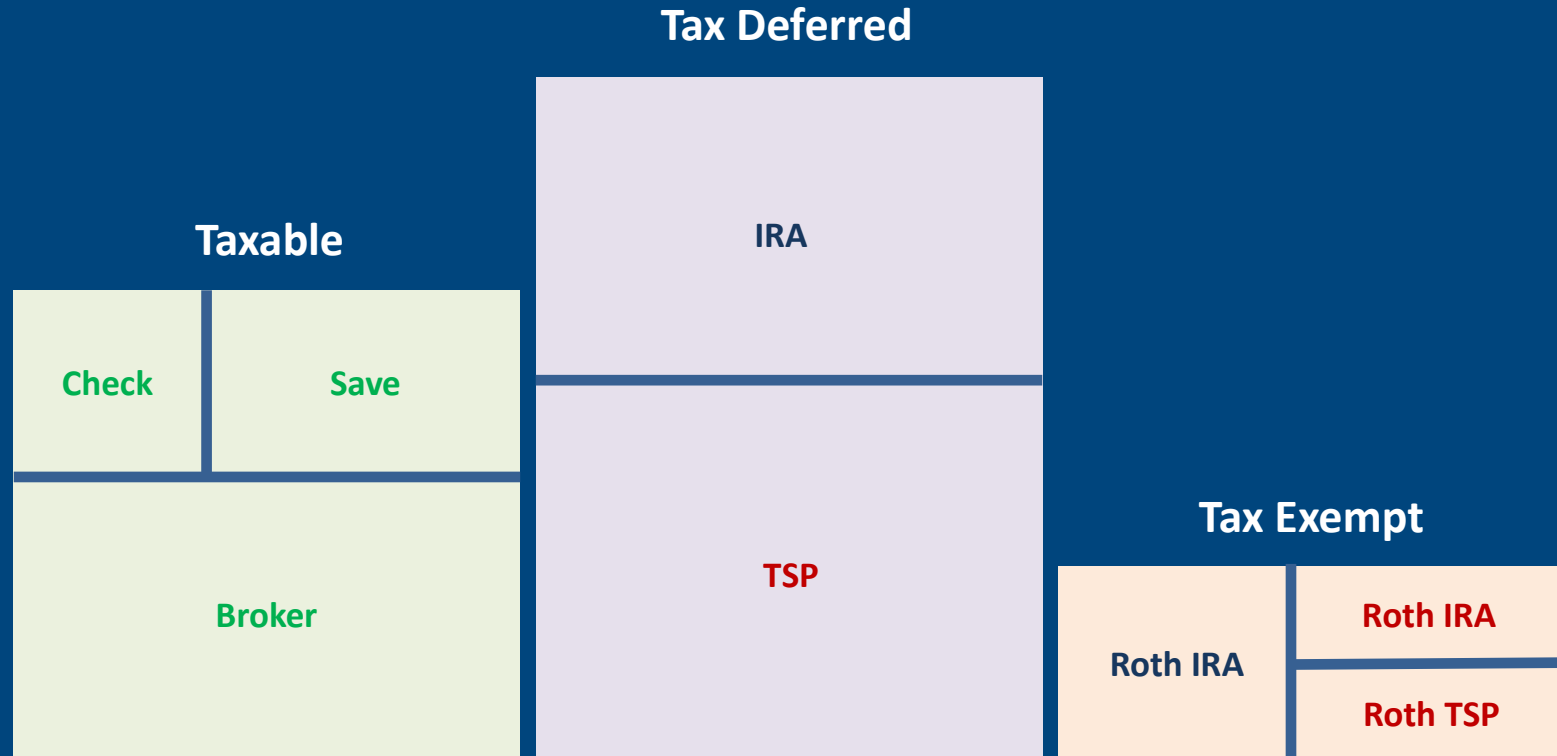
# Portfolio Organization



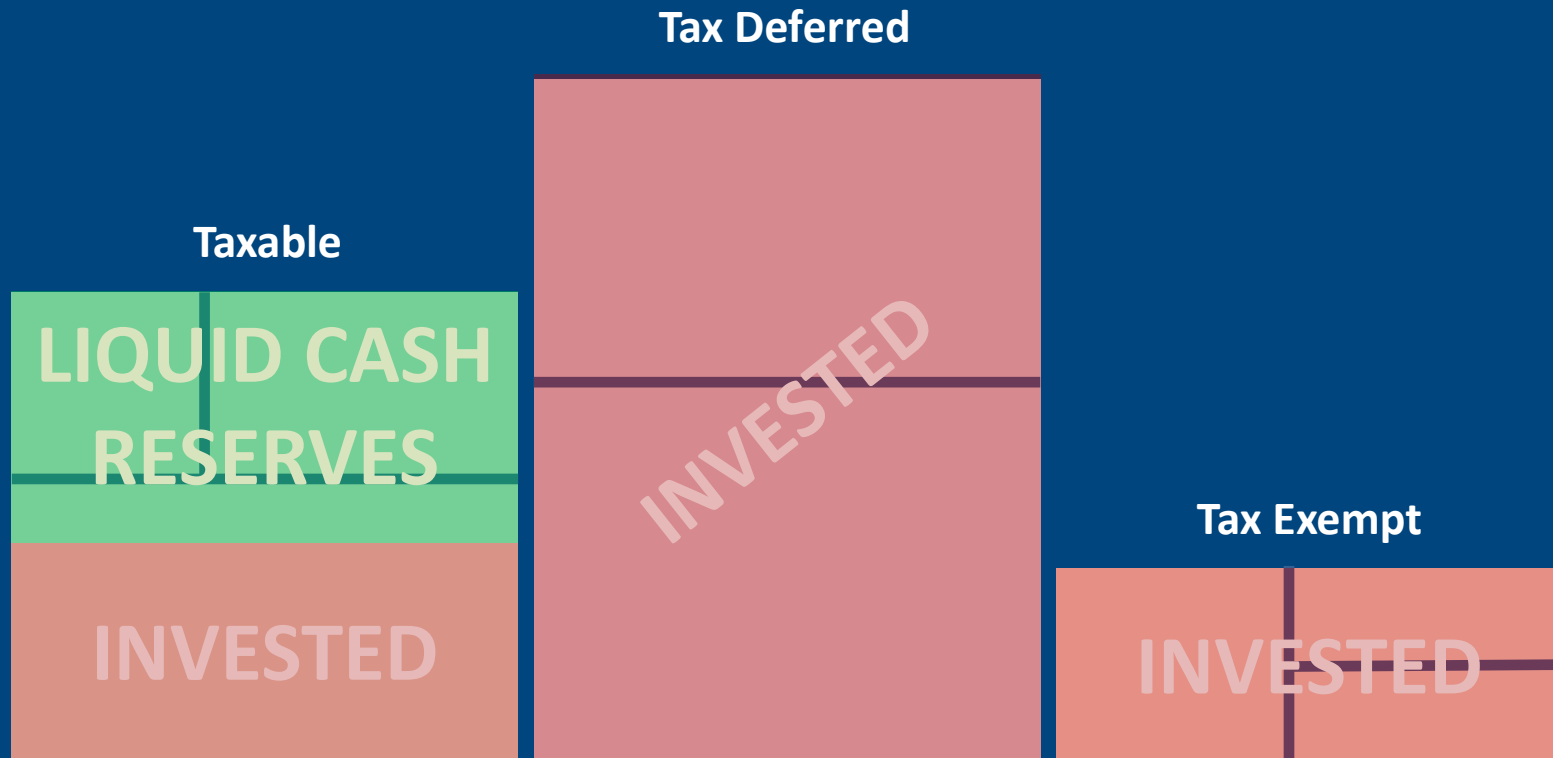
# Portfolio Organization



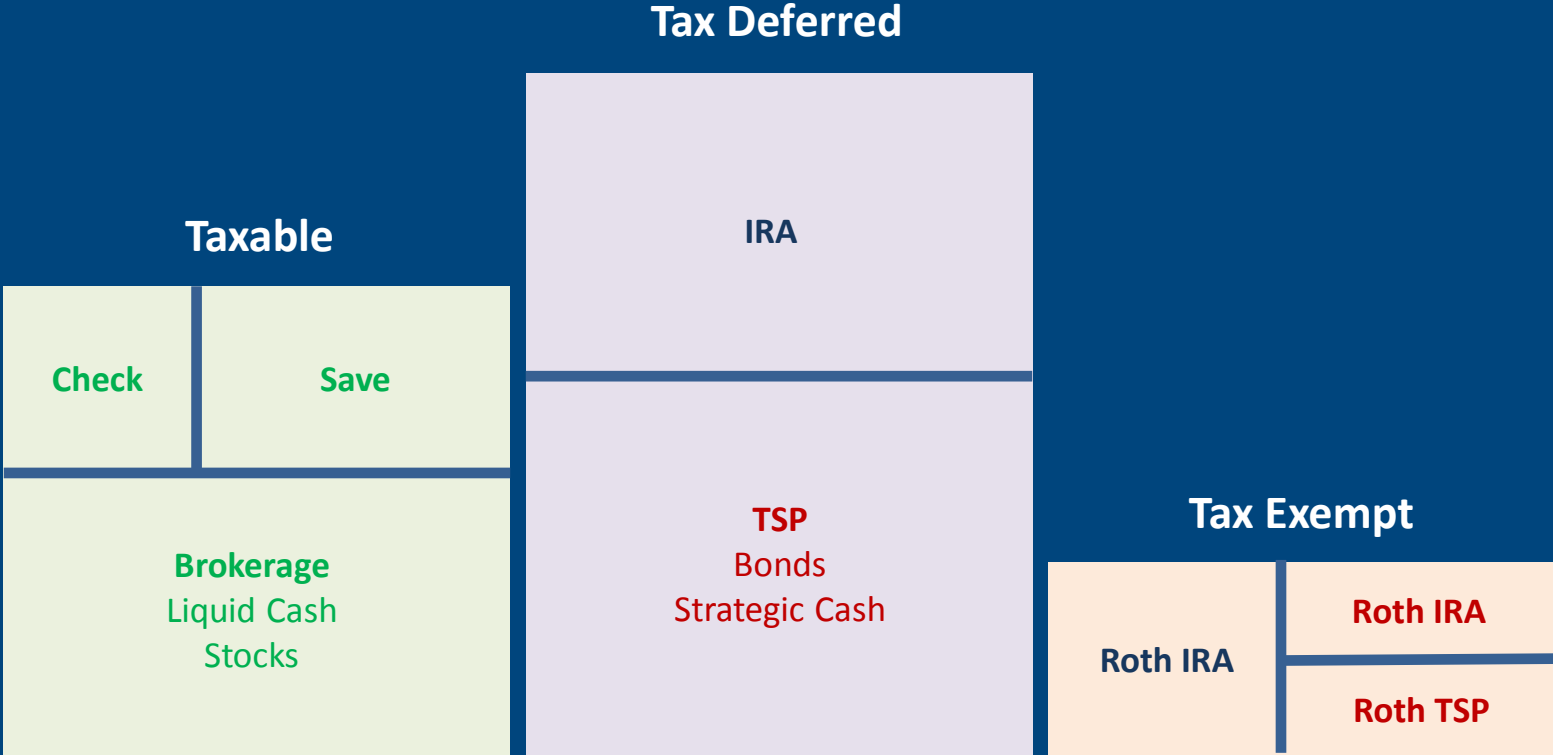
# Portfolio Organization



# Portfolio Organization



# Distributing Asset Types



# Course Summary

1. Success and Failure in Retirement Investing
2. Defining Retirement Resources, Goals and Constraints
3. Understanding Investment Risk and Return
4. How Diversification Really Works
5. Asset Classes and Types – Diversification and Concentration
6. Understanding Asset Allocation and Hedging
7. Setting Investment Performance Expectations
8. Managing Investment Costs
9. The Case for Index Investing
10. Accounting for Inflation in Retirement Planning
11. Managing Portfolio Liquidity
12. Organizing Your Portfolio

# Contact Me

---

[MMiles@Variplan.com](mailto:MMiles@Variplan.com)

[www.Variplan.com](http://www.Variplan.com)

# Contact the SEA

---

[action@seniorexecs.org](mailto:action@seniorexecs.org)





V A R I P L A N

Advanced Retirement Planning and Management

[www.variplan.com](http://www.variplan.com)