

Financial Intelligence

Produced Exclusively for Members of the
Senior Executives Association

Mike Miles



- 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

Advanced Decision Support Services

- Capable
- Concerned
- Conflict-Free
- Cost-Effective & Affordable

SEA Member Benefits

- \$49 Benchmark™ Portfolio Review – **Save \$250**
- Free Hour of Consulting / Analysis – **Save \$205**
 - \$250 Vantage Discount – **Save \$250**
- Email Questions to me at mmiles@variplan.com

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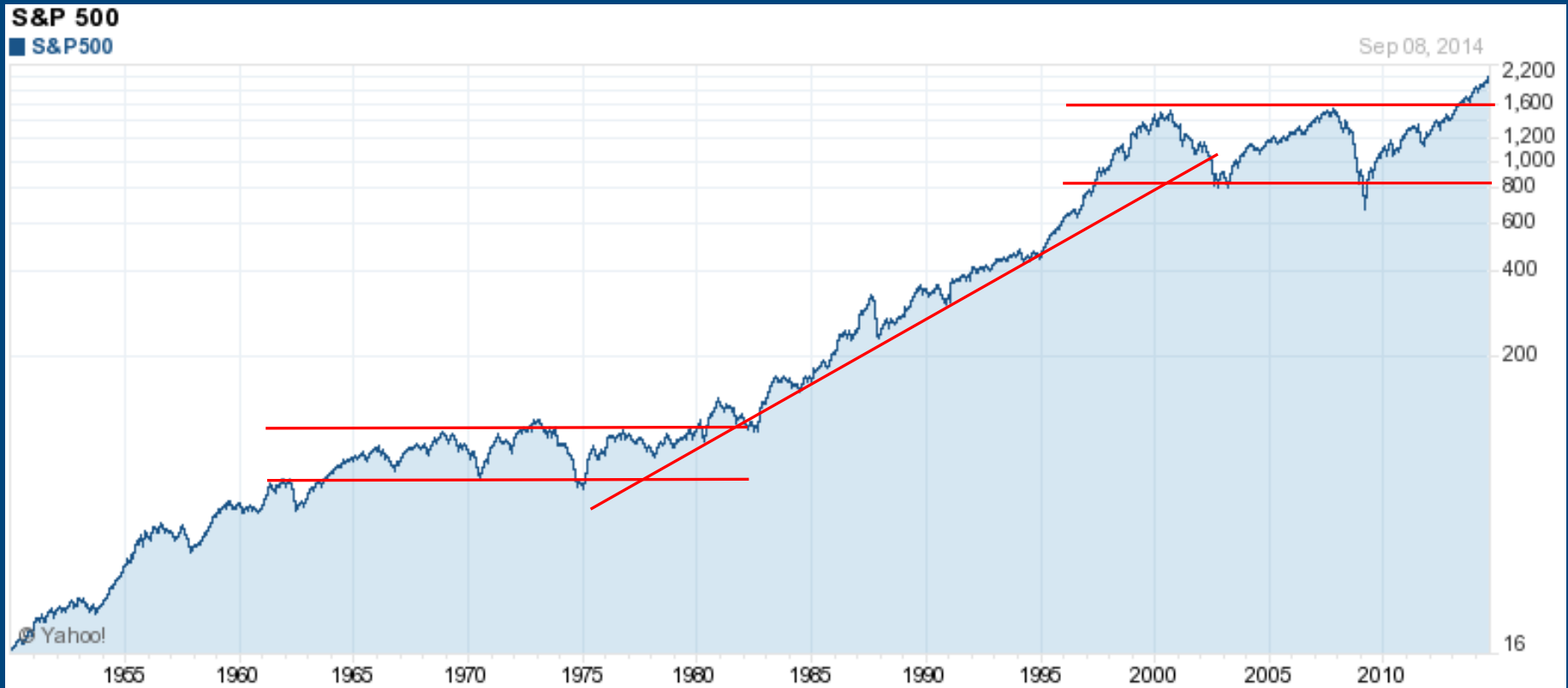
1. Market Review
2. Tactical Recommendations
3. The Ideal TSP Allocation
5. Questions & Answers

How to Submit Your Questions

Market Review - Stocks



Market Review - Stocks



Market Review - Interest Rates

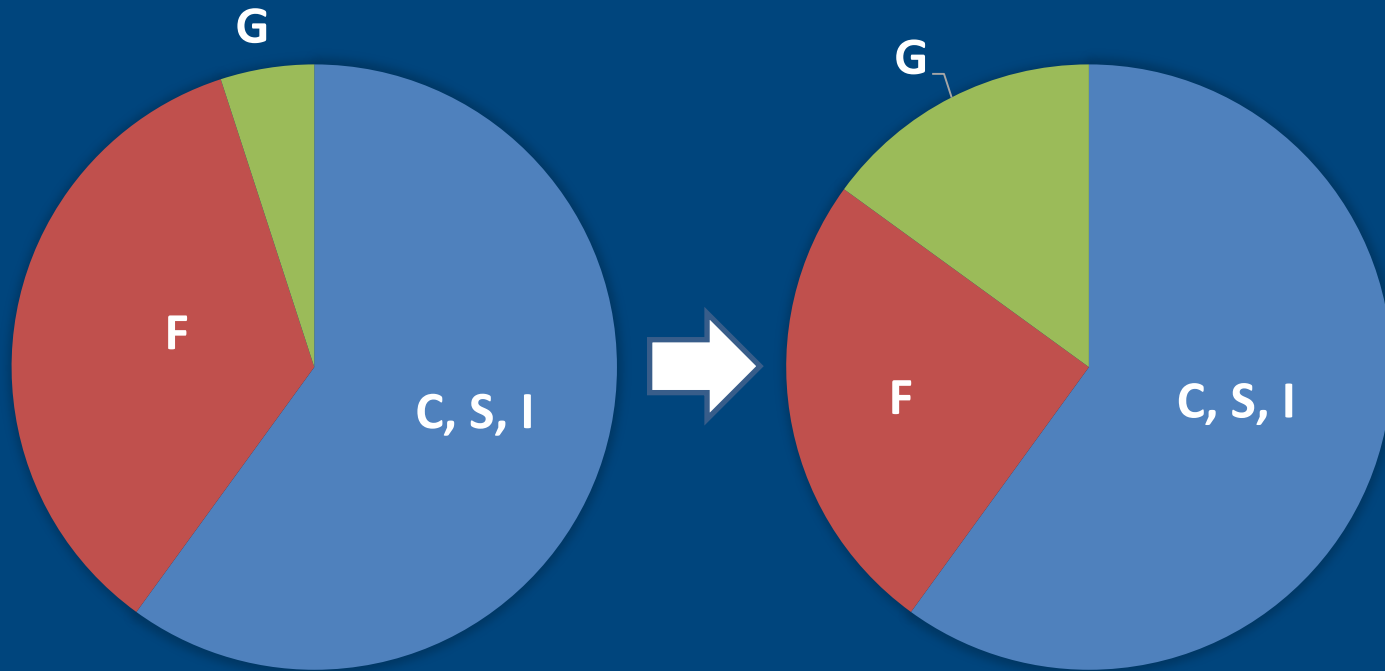


Market Review – Stocks vs. Bonds

iShares 20 Year Treasury Bond E



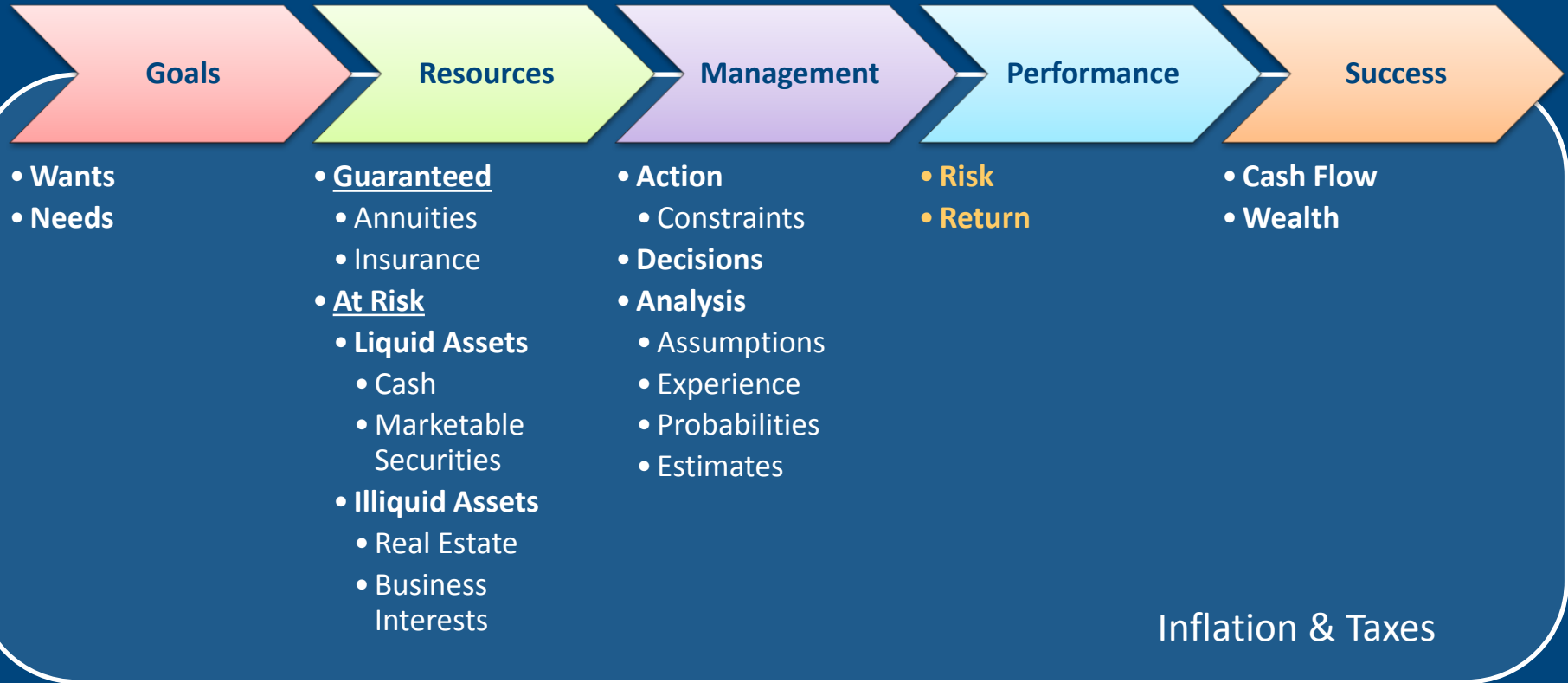
Tactical Recommendation



The Ideal TSP Allocation

The Ideal TSP Allocation = 100% G Fund

Financial Planning and Management



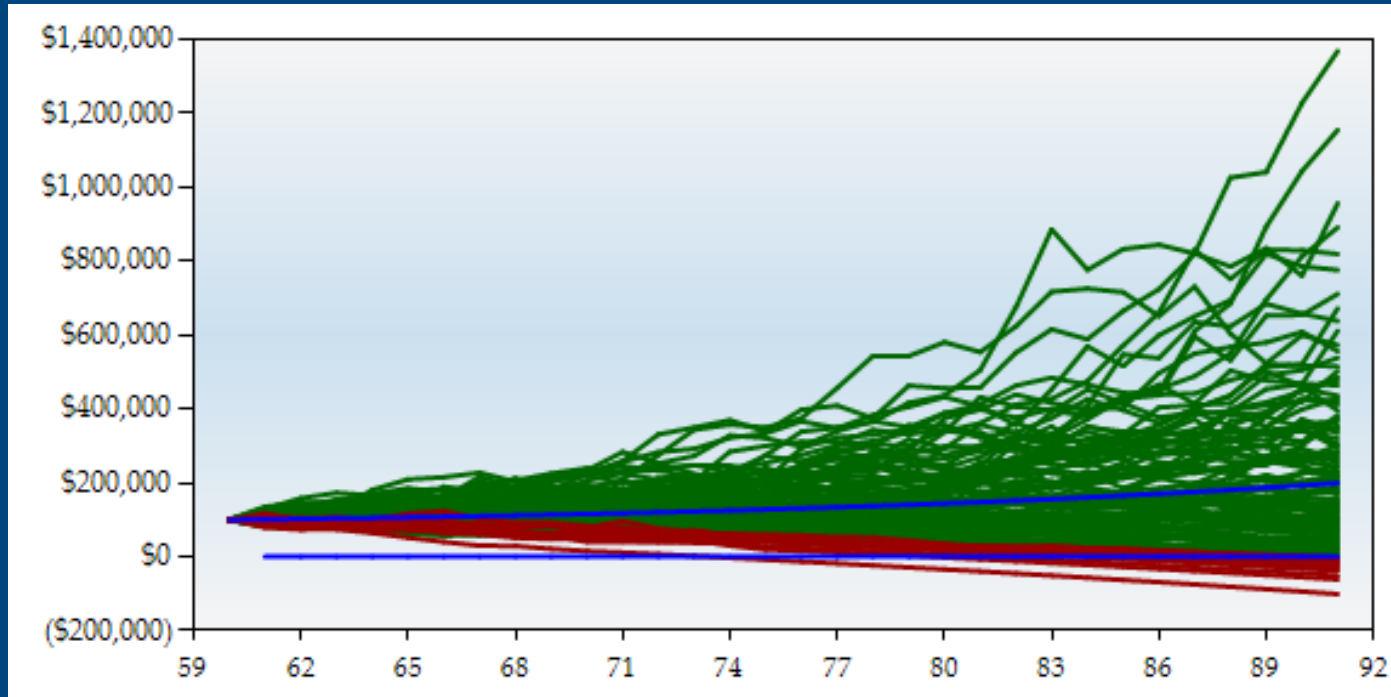
Sequence Risk is a Threat to Retirement Income

Volatility Produces Sequence Risk

The “Withdrawal Effect”

<u>Balance</u>	<u>Return</u>	<u>Cash Flow</u>	<u>Balance</u>
\$100,000	-50%	\$0	\$50,000
\$50,000	+100%	\$0	\$100,000
<hr/>			
\$100,000	+100%	\$0	\$200,000
\$200,000	-50%	\$0	\$100,000
<hr/>			
\$100,000	-50%	-\$10,000	\$40,000
\$40,000	+100%	-\$10,000	\$70,000
<hr/>			
\$100,000	+100%	-\$10,000	\$190,000
\$190,000	-50%	-\$10,000	\$85,000

Actual Monte Carlo Simulation Results



\$100,000 Starting Balance, Balanced Allocation, \$5,000 / Year Withdrawn Over 30 Years

Actual Monte Carlo Simulation Results – Bottom 20%

Probability	Ending Value	Age at Failure	Rate of Return
80	\$44,544		5.61%
81	\$38,387		7.32%
82	\$34,285		8.49%
83	\$28,233		8.87%
84	\$23,542		8.16%
85	\$19,970		8.16%
86	\$16,189		7.93%
87	\$9,480		7.23%
88	\$5,235		6.07%
89	\$738		5.54%
90	-\$2,856	90	8.03%
91	-\$7,019	89	5.99%
92	-\$13,575	88	6.90%
93	-\$17,988	87	5.65%
94	-\$21,607	86	6.65%
95	-\$26,488	85	6.21%
96	-\$34,490	84	4.79%
97	-\$37,630	83	5.98%
98	-\$51,084	81	4.78%
99	-\$61,691	79	6.49%
100	-\$101,026	73	3.51%

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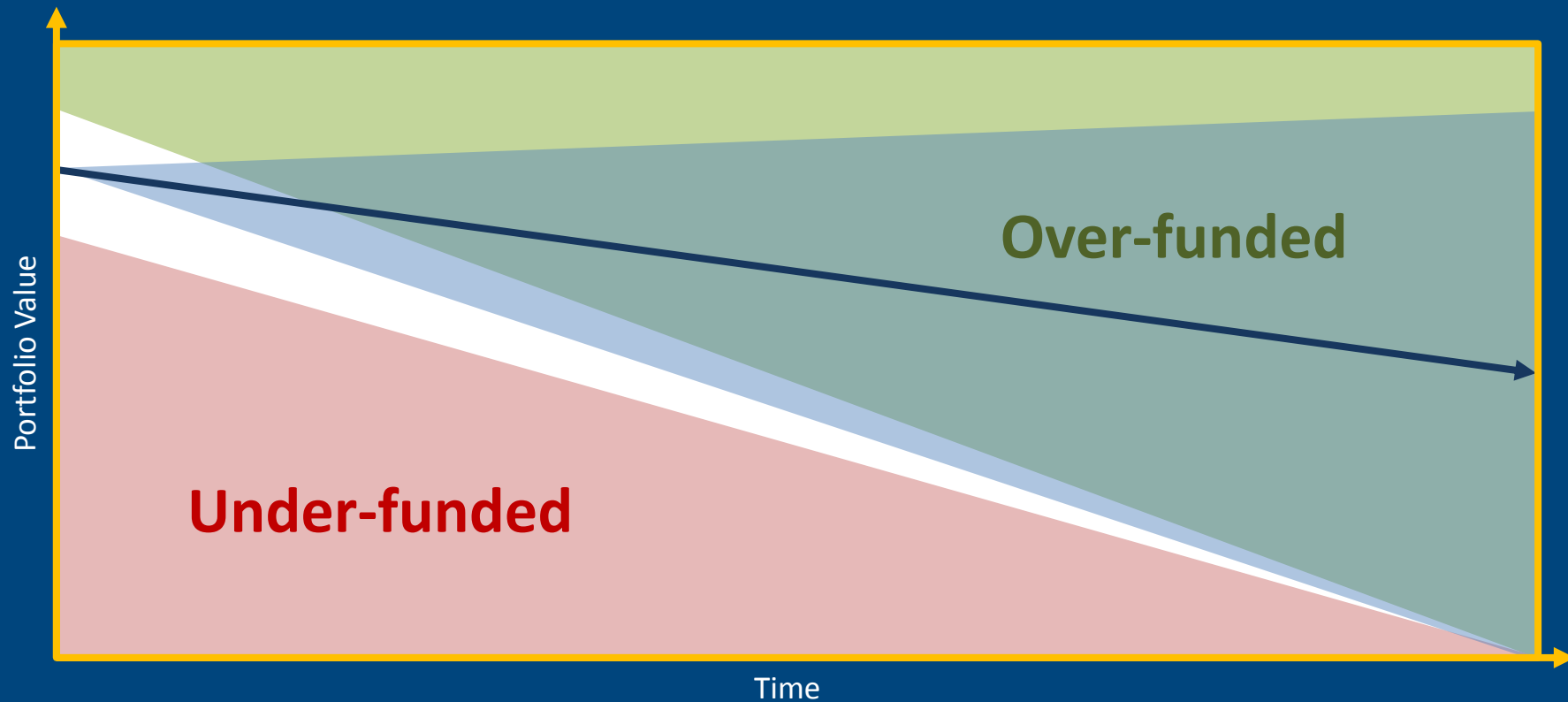
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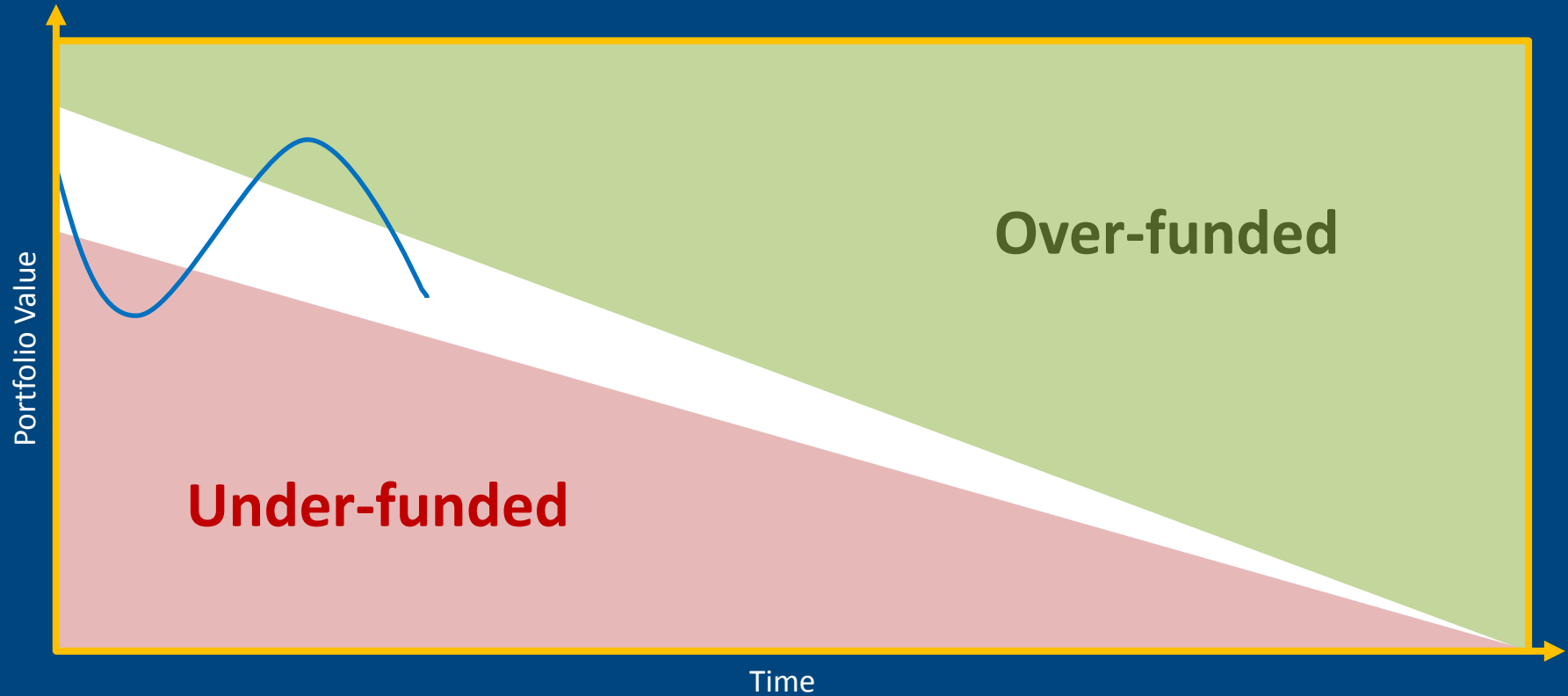
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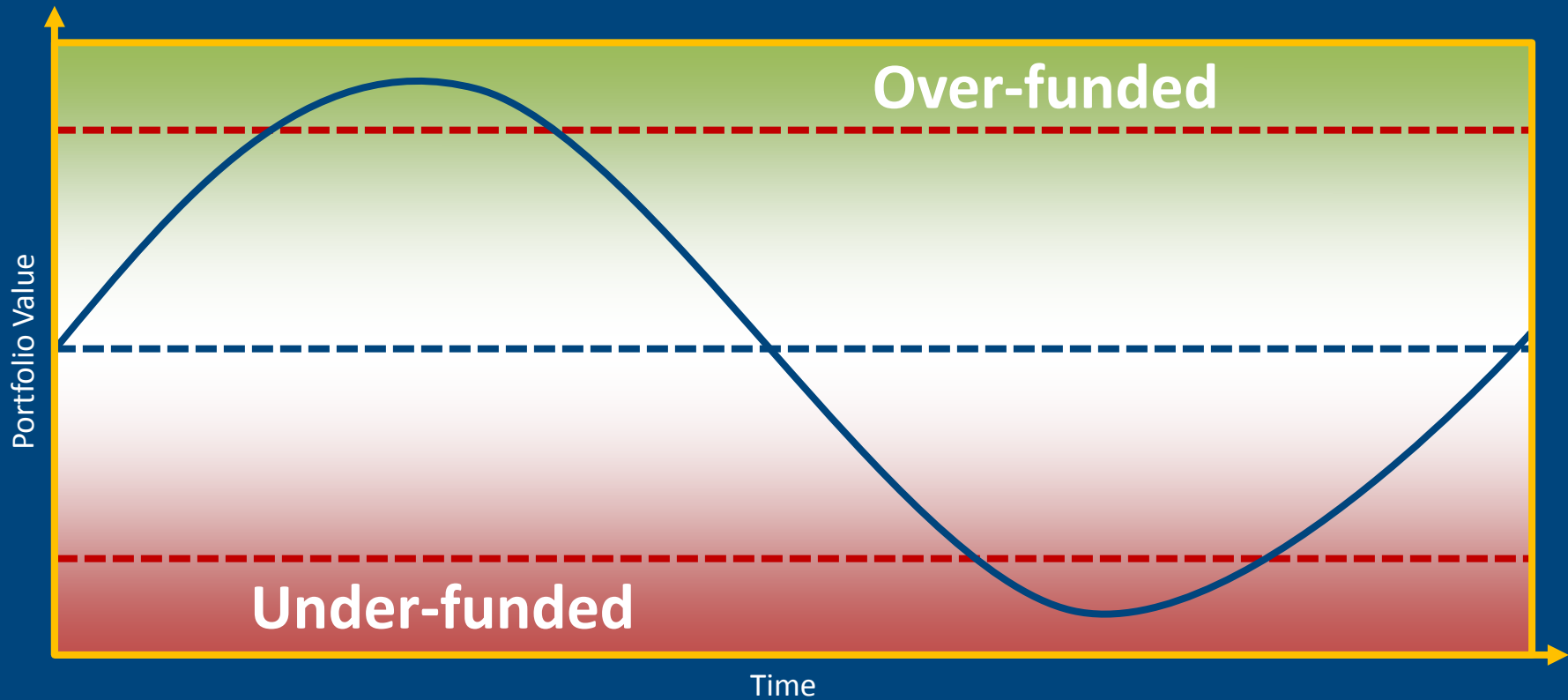
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The "Glide Path"



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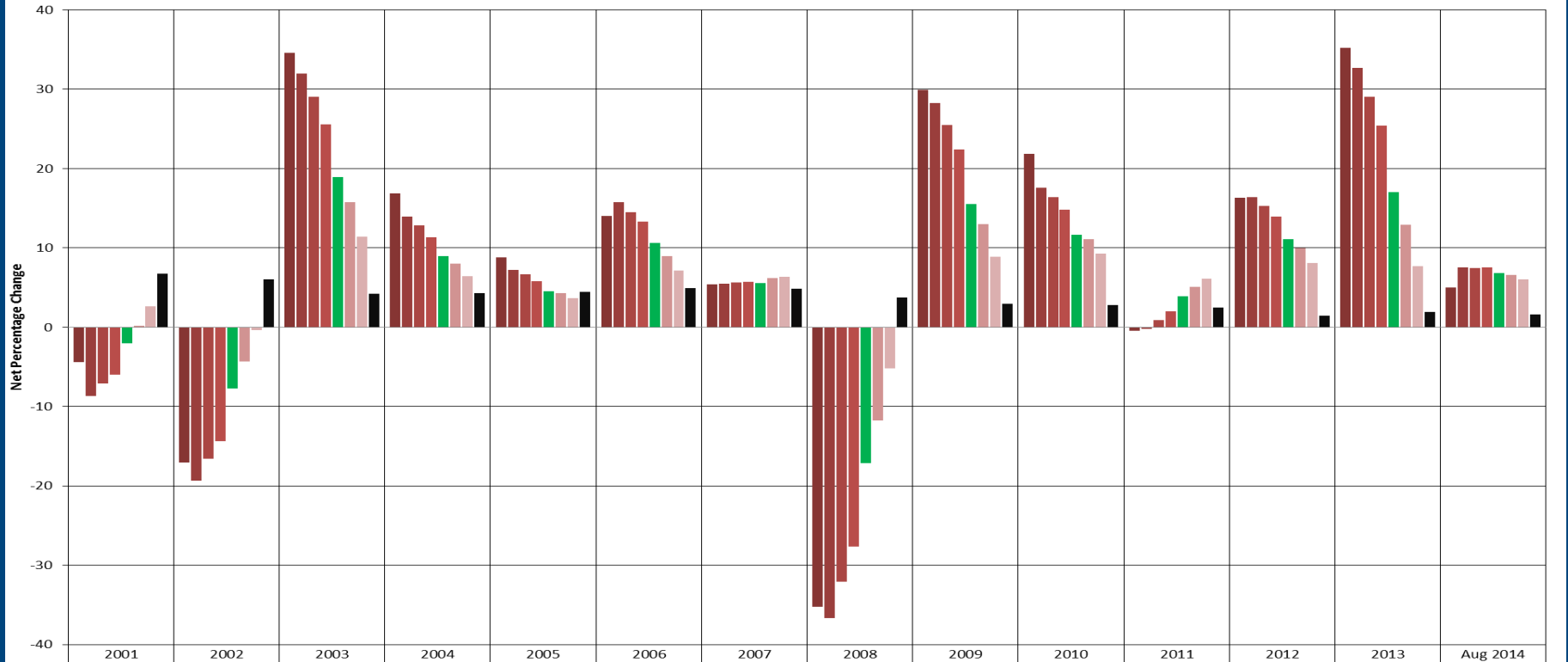


Risk-Efficient Portfolios



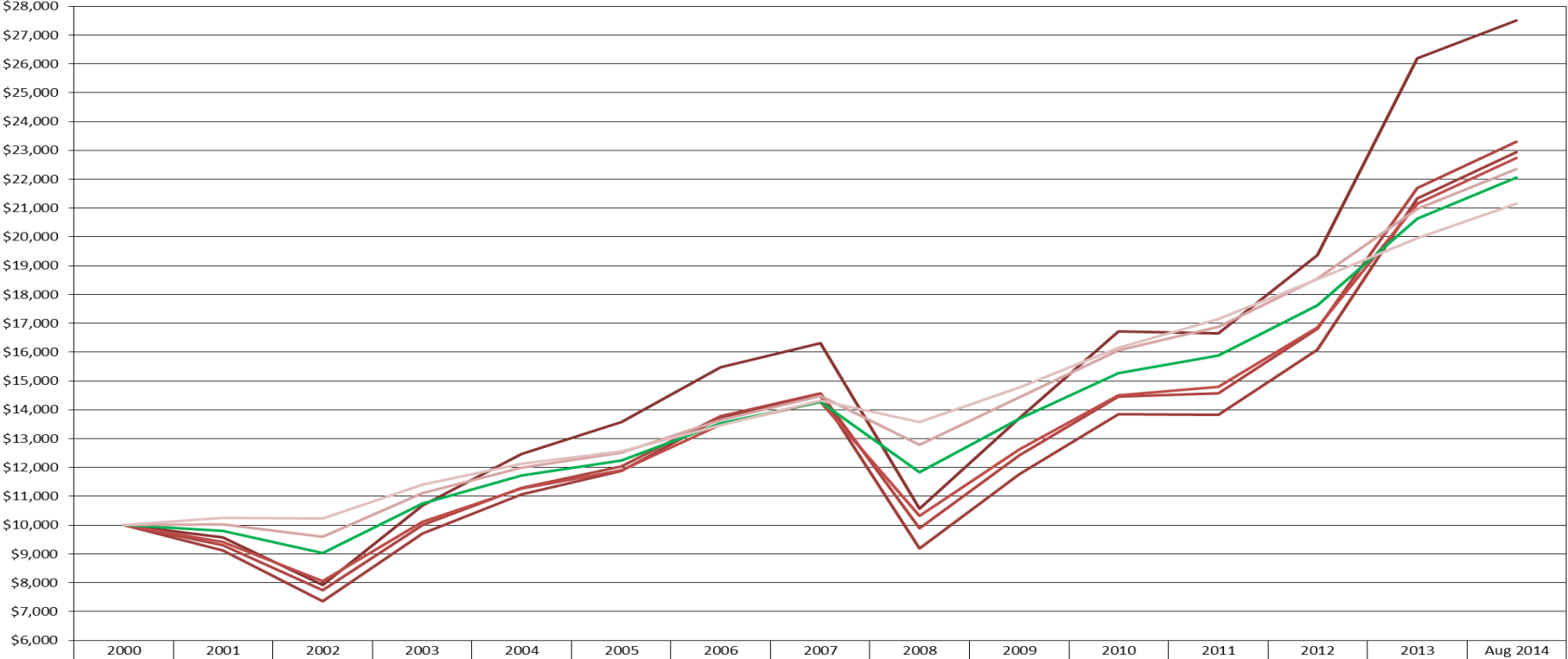
Risk-Efficient Portfolios

Vantage™ Investment Strategy Hypothetical Annual Performance



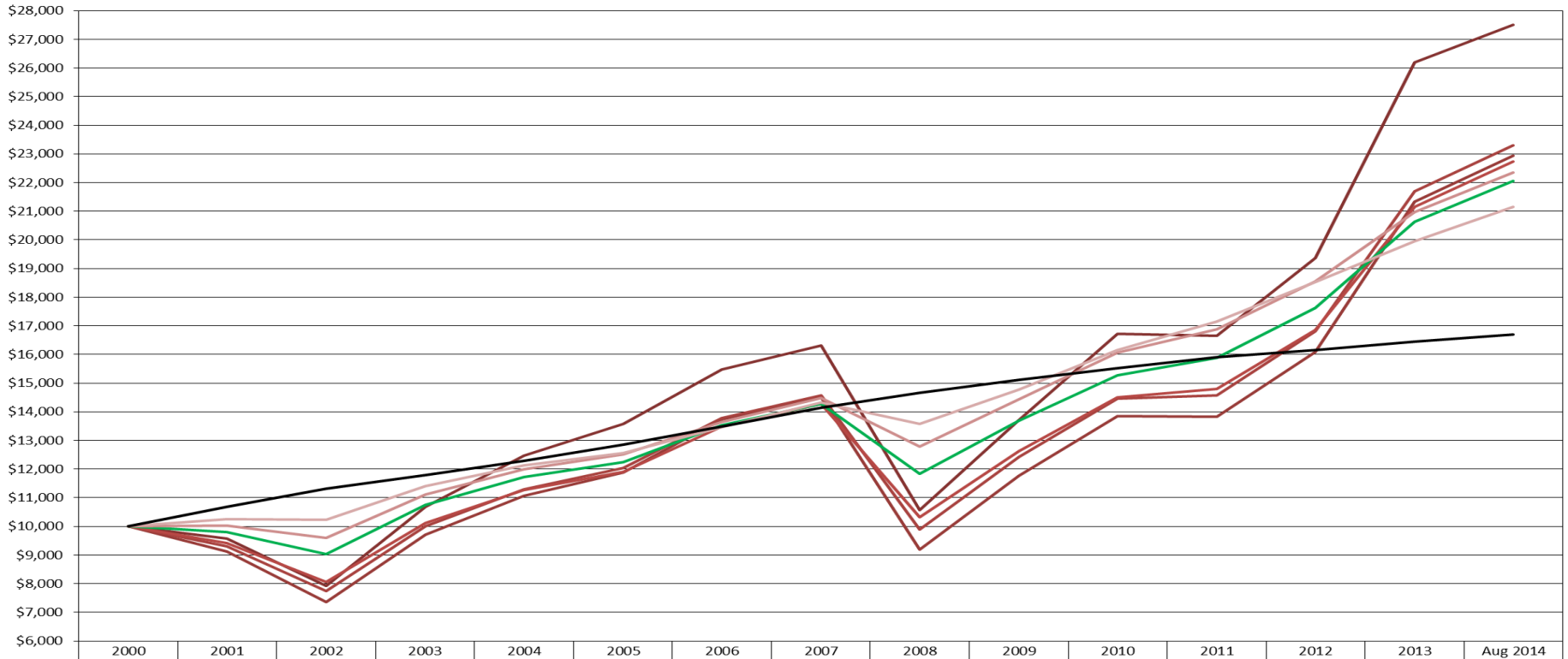
Risk-Efficient Portfolios

Hypothetical Growth of a \$10,000 Vantage™ Investment



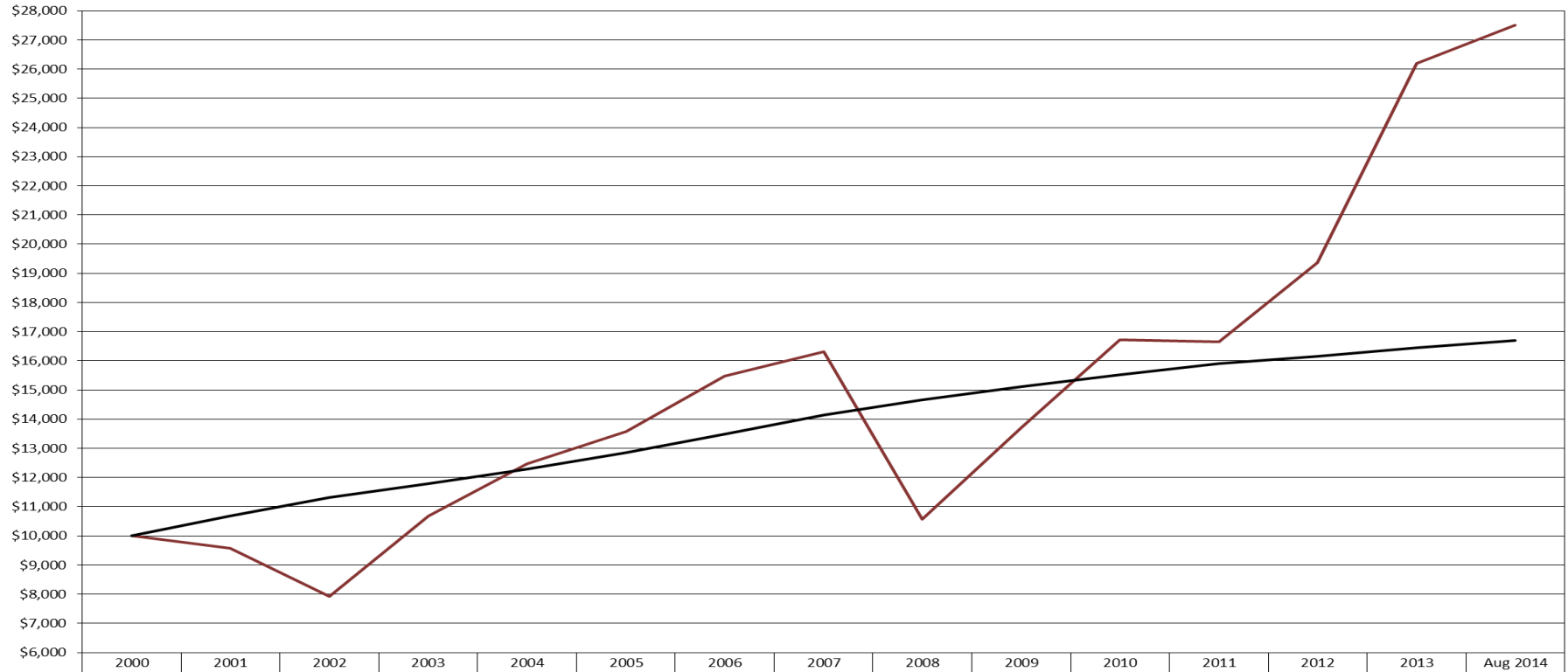
Risk-Efficient Portfolios

Hypothetical Growth of a \$10,000 Vantage™ Investment

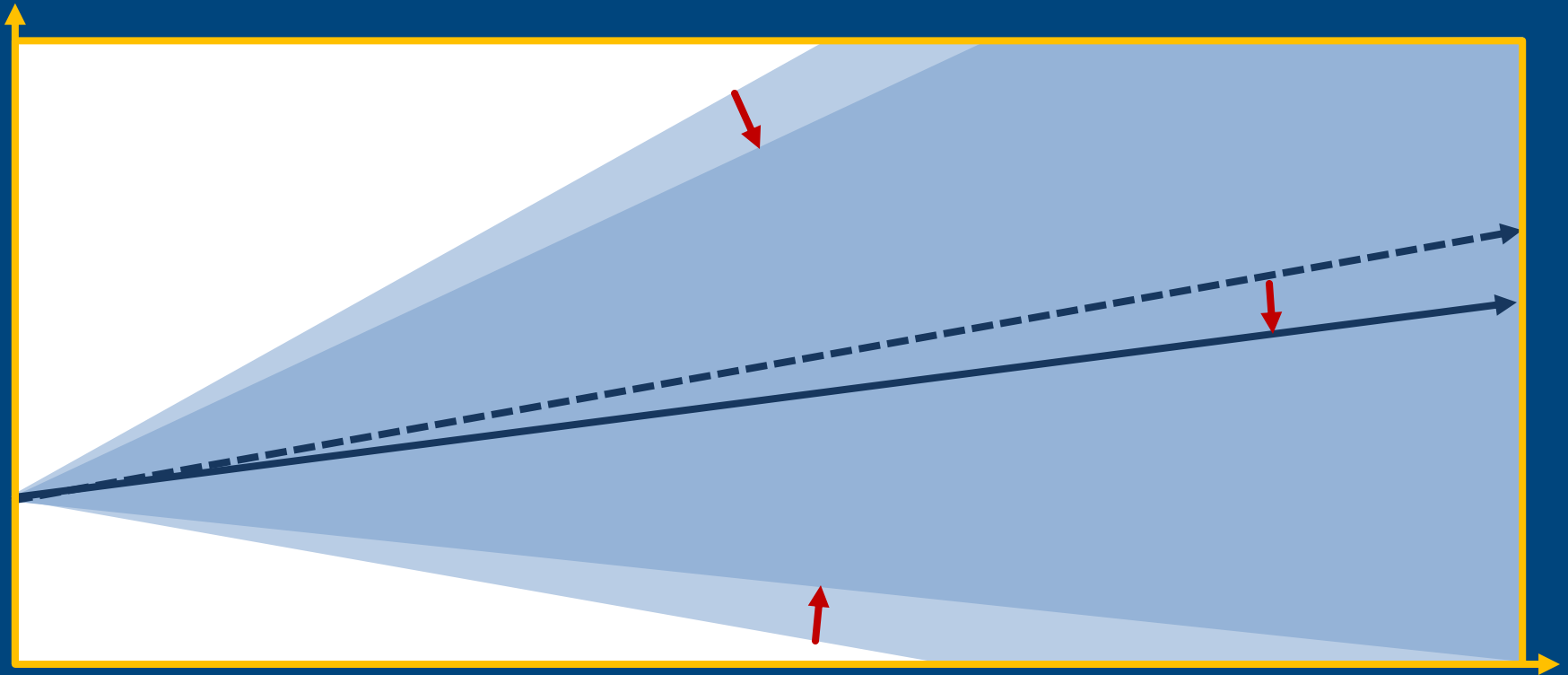


Risk-Efficient Portfolios

Hypothetical Growth of a \$10,000 Vantage™ Investment



Reducing the Risk of Failure



The Ideal TSP Allocation = 100% G Fund
(If You Can Afford It)

Questions / Comments / Suggestions



V A R I P L A N

Advanced Retirement Planning and Management

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