



Financial Intelligence

Sponsored by 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

SEA Member Benefits

- Free Hour of Consulting / Analysis
 - \$250 Vantage Discount
- Email Questions to me at mmiles@variplan.com

Vantage Advisory Service Engagement

- Annual Service Package
- Low Fixed Fee
- Comprehensive Planning
- Fiduciary Investment Advice
- Management Assistance
- Unlimited Decision Support
- Cash Flow Management
- Guaranteed Quality

- www.variplan.com/whatwedo_vantage.html

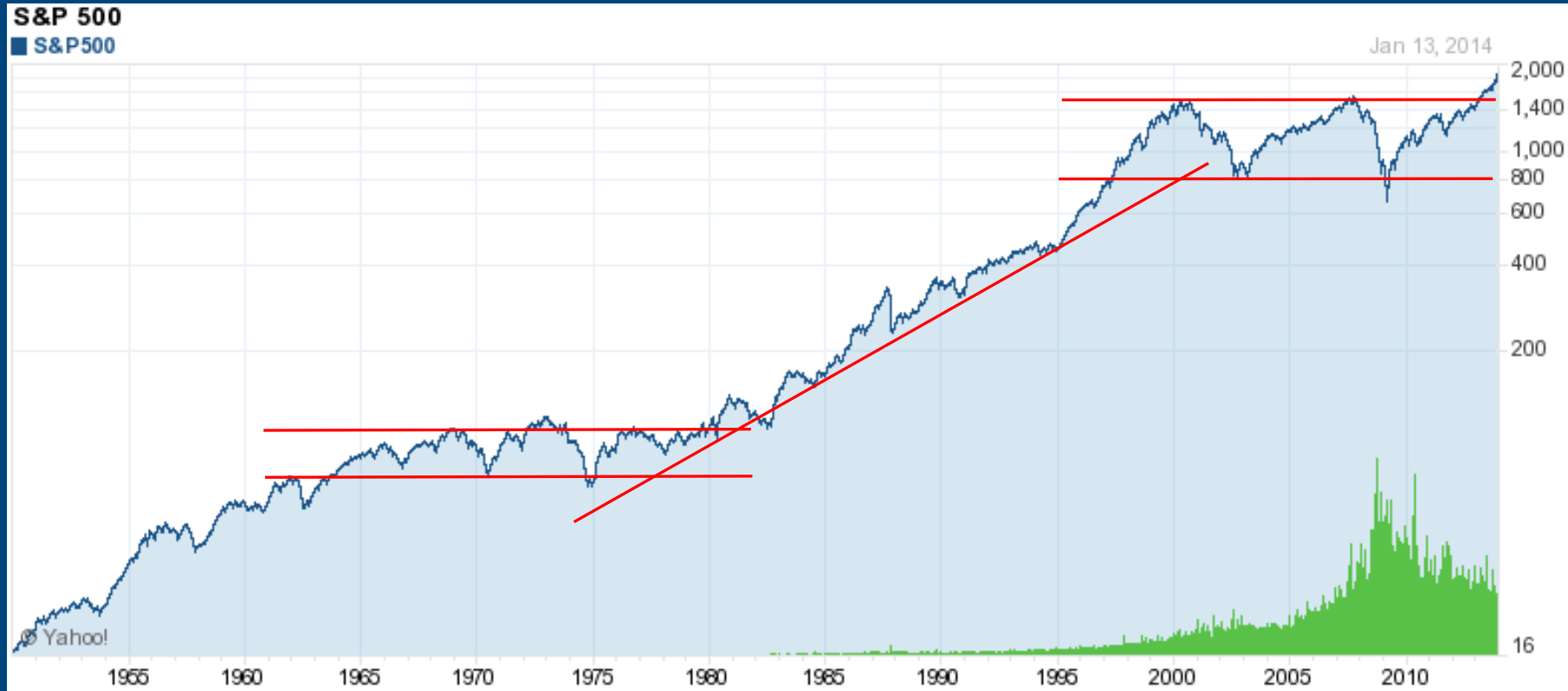
Contents

1. Market Review
2. What to Do About Bond Risk?
3. Is an IRA Better than the TSP in Retirement?
5. Questions and Answers

Market Review - Stocks



Market Review - Stocks



Market Review - Interest Rates



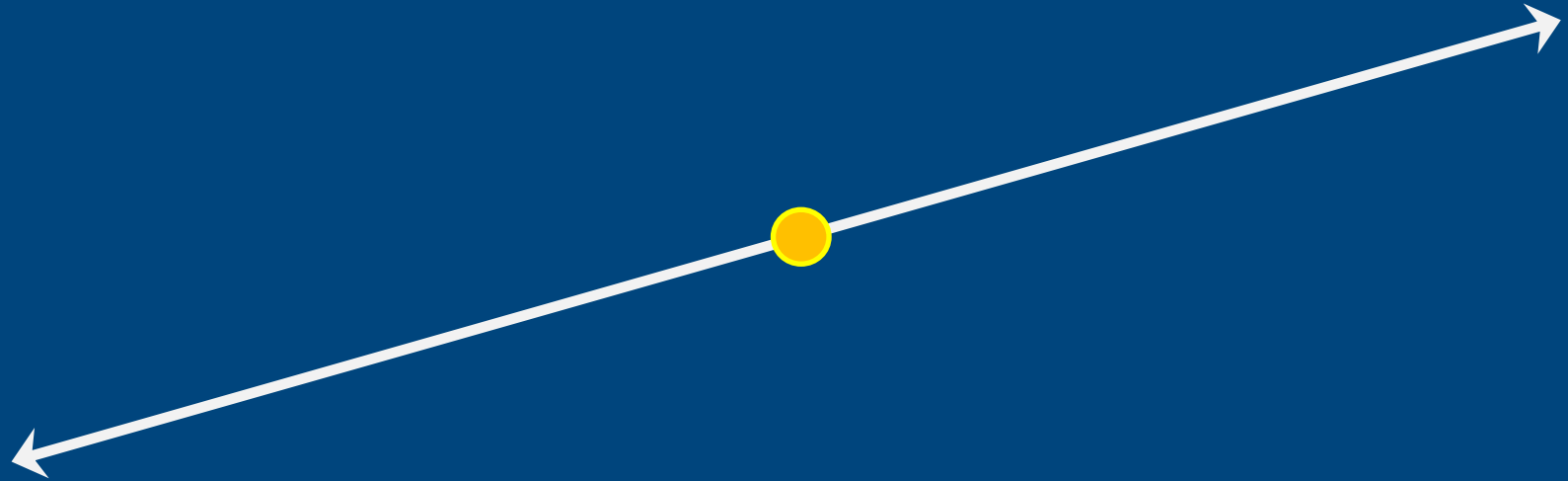
What to Do About Bond Risk?

Interest Rate Risk

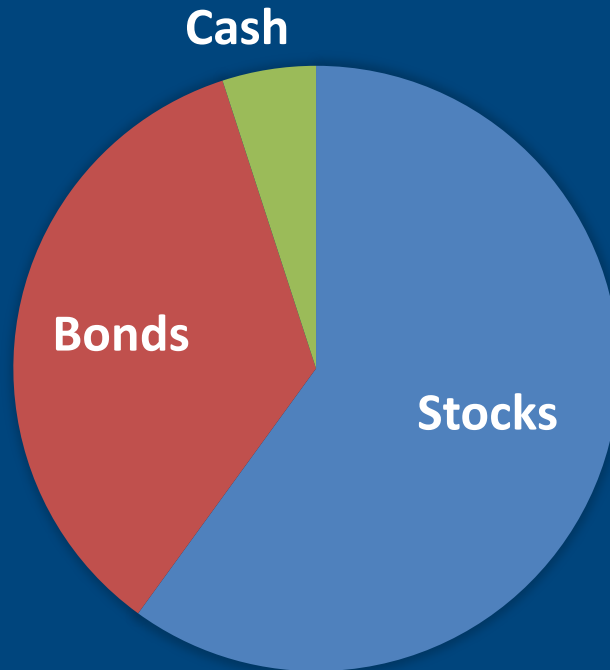
Interest
Rates



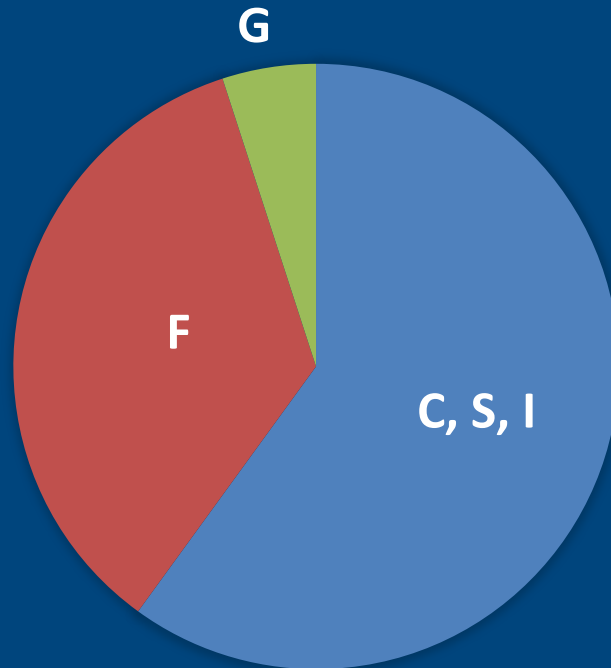
Bond
Values



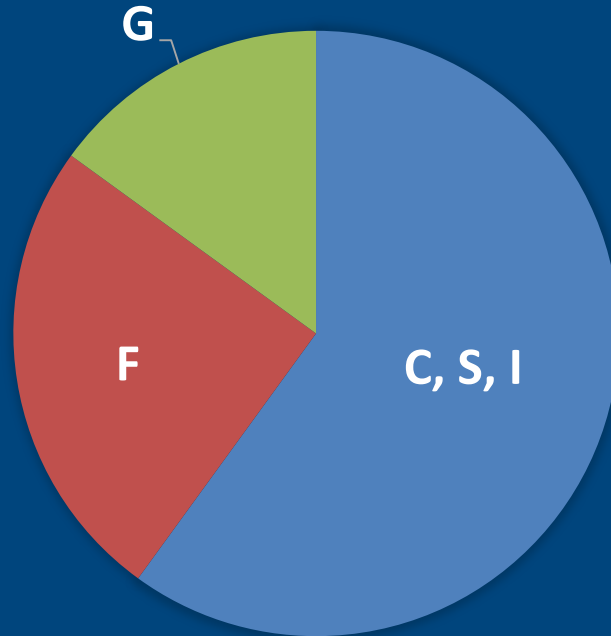
Asset Allocation



Asset Allocation



Asset Allocation



Is An IRA Better Than the TSP In Retirement?

IRA Advantages?

- Lower Cost?

IRA Advantages?

- Lower Cost?
- Better Rate of Return?

IRA Advantages?

- Lower Cost?
- Better Rate of Return?
- Less Risk?

IRA Advantages?

- Lower Cost?
- Better Rate of Return?
- Less Risk?
- Easier Access?

Objectives

- Speculation?

Objectives

- Speculation?
- Maximize Estate?

Objectives

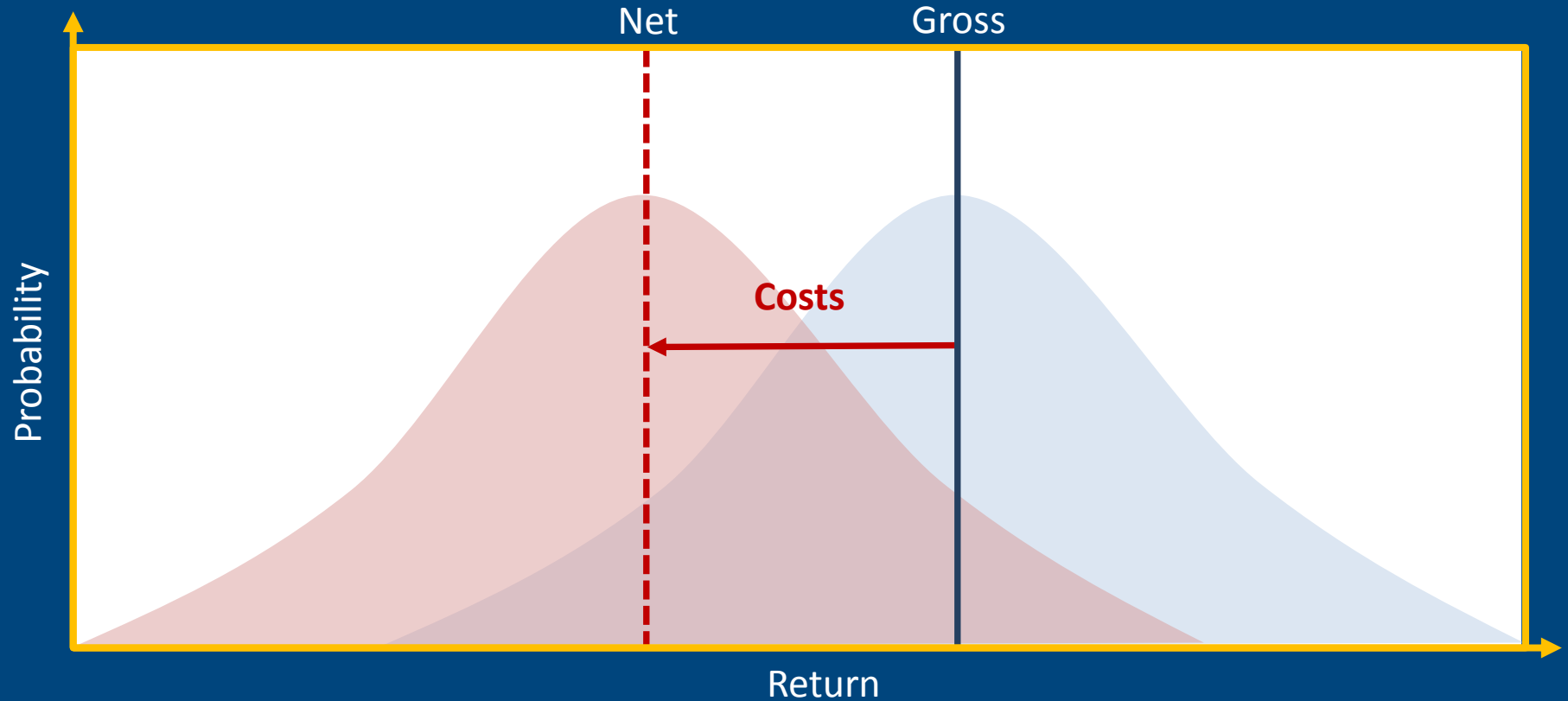
- Speculation?
- Maximize Estate?
- Maximize Retirement Standard of Living?

Fundamentals

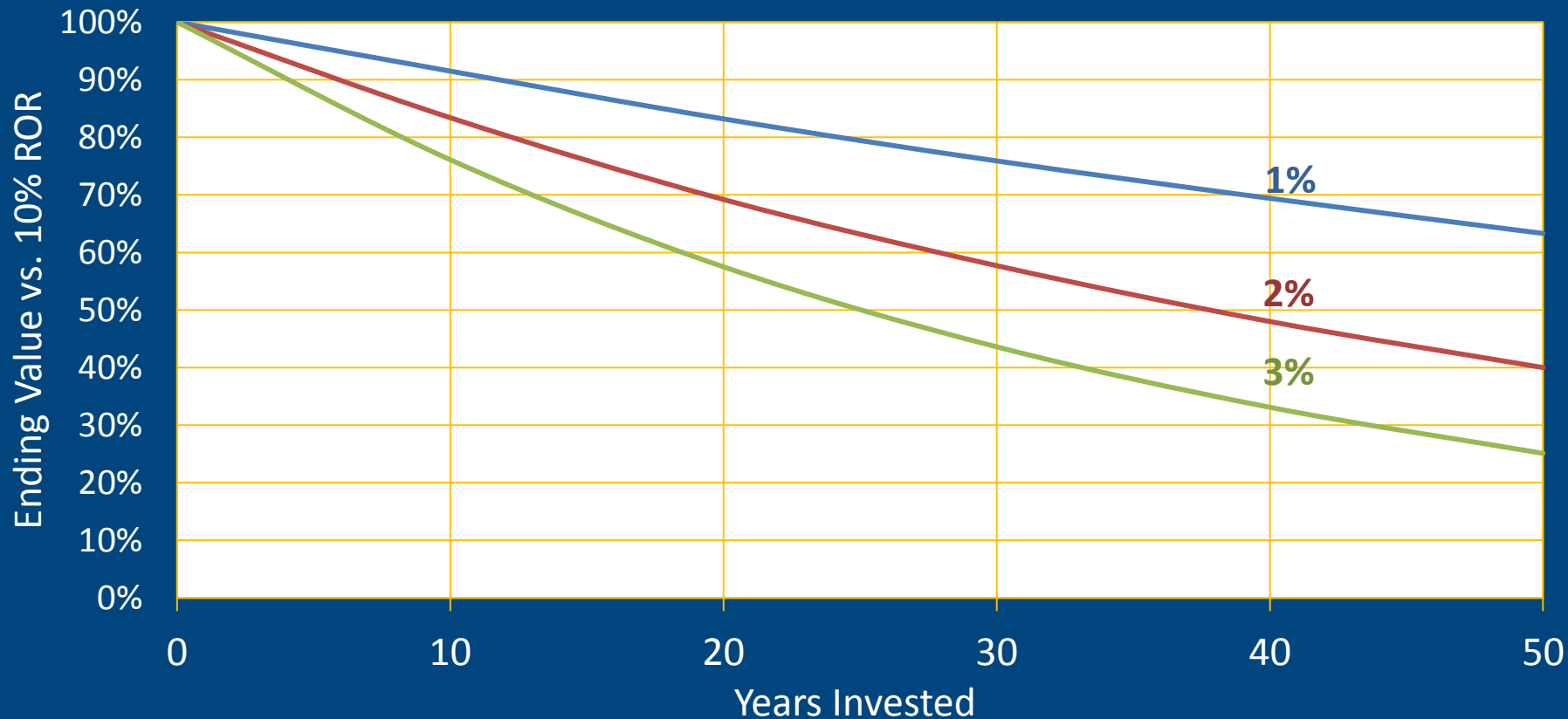
- Return Sequence Matters
- Predictability is Valuable
- Risk is a Cost
- Need Trumps Want

Investment Costs Directly Reduce Your Rate of Return

The Effect of Excess Costs on Expected Return



The Effect of Excess Costs on Expected Value



TSP

- 0.03%

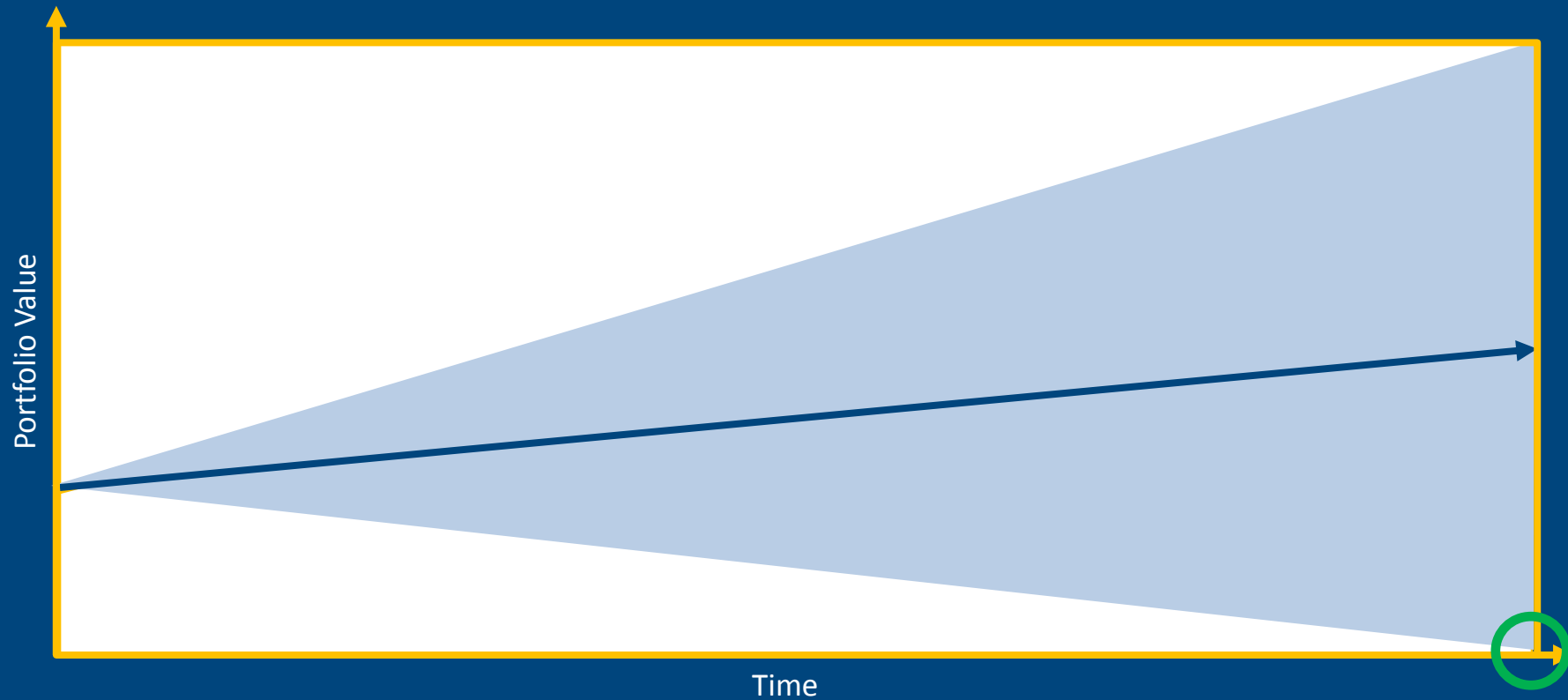
IRA

- 0.10% +

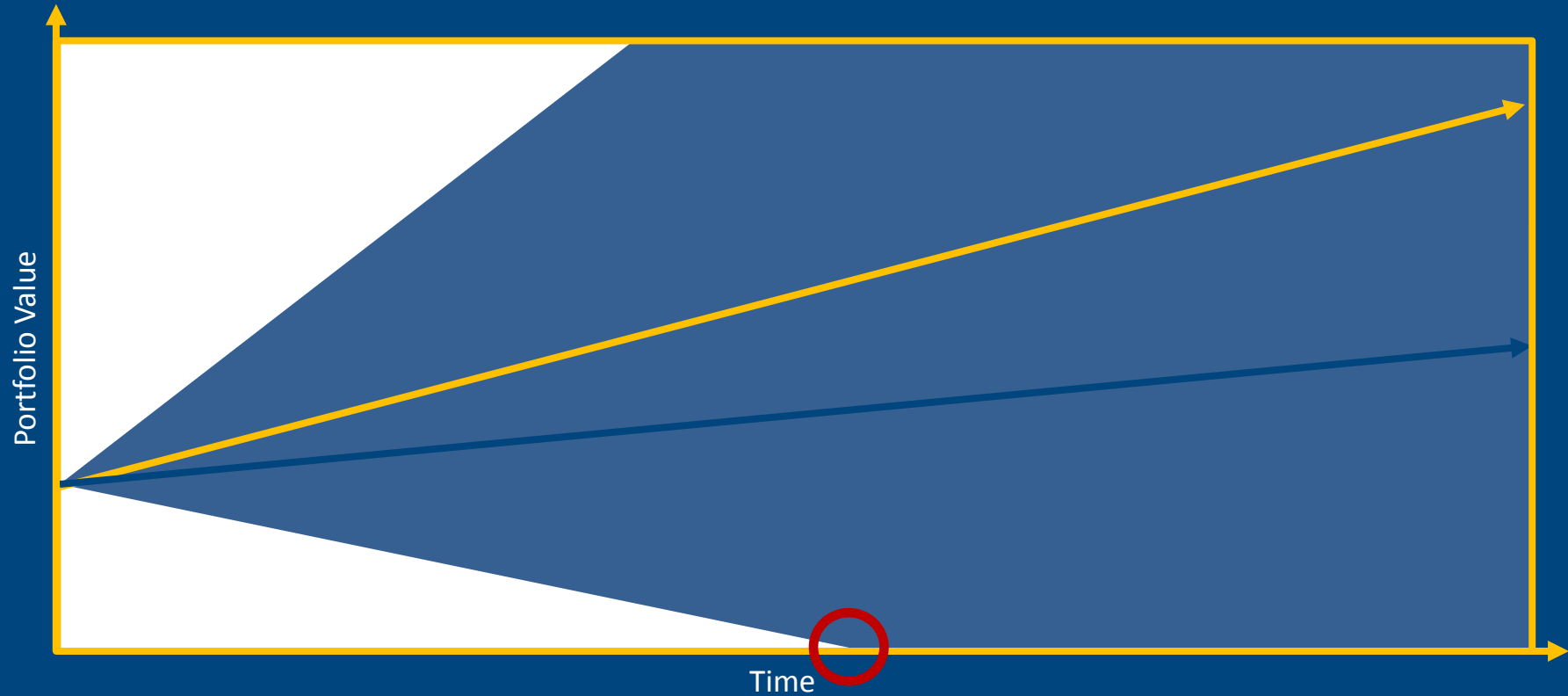
Greater Expected Return = Greater Risk*

*Except for the G Fund

Return and Risk



Return and Risk



TSP

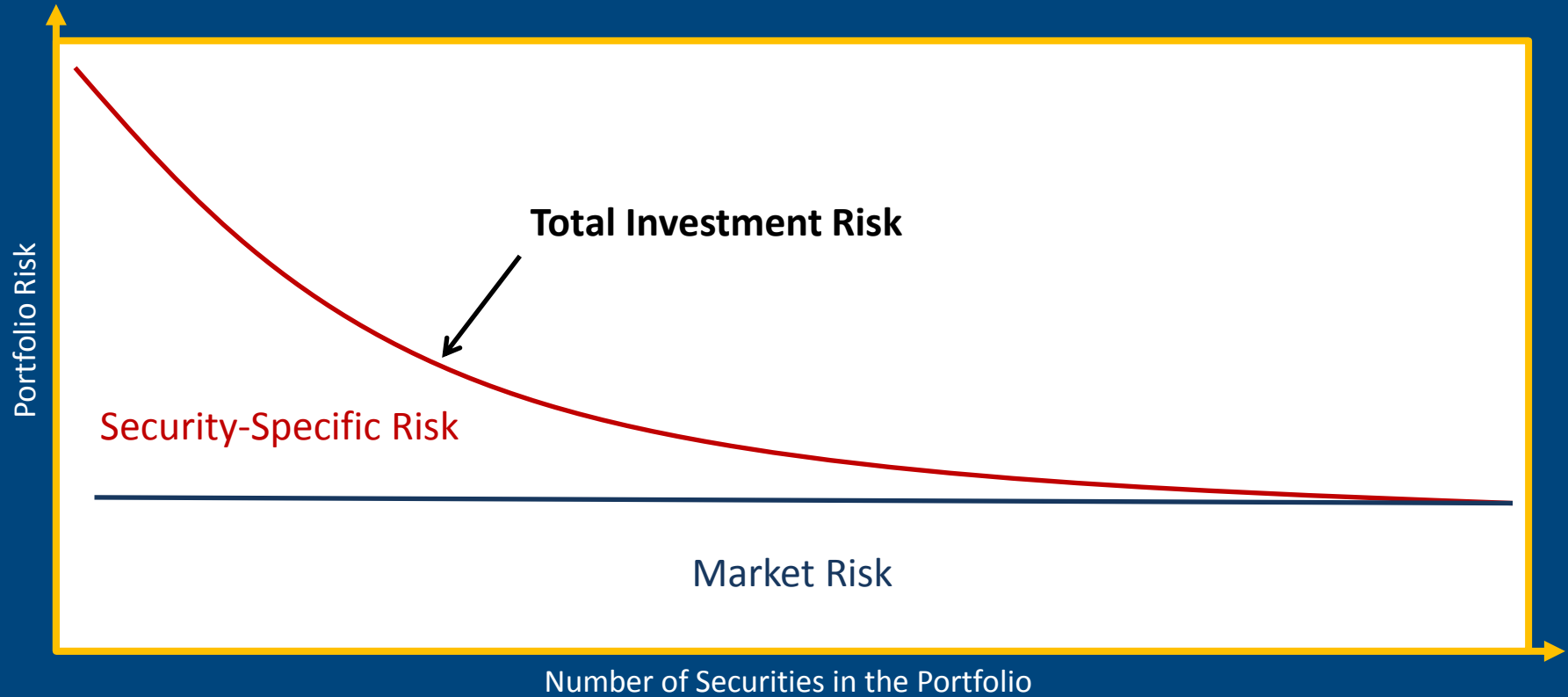
- Index Funds
- Stocks, Bonds and Cash
- Low Cost
- G Fund

IRA

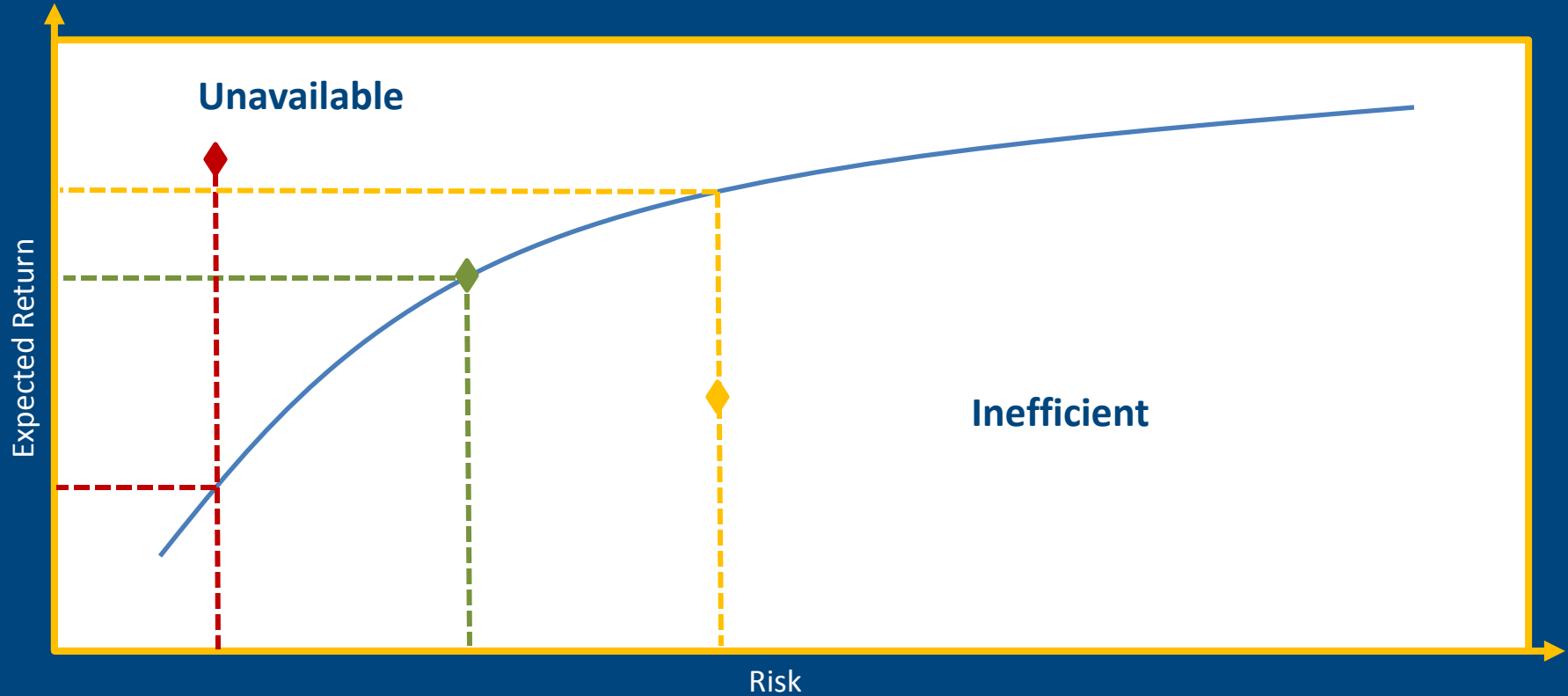
- Cost?
- Concentration?
- Alternative Investments?

Risk is the Possibility of Reality
Differing from Expectation

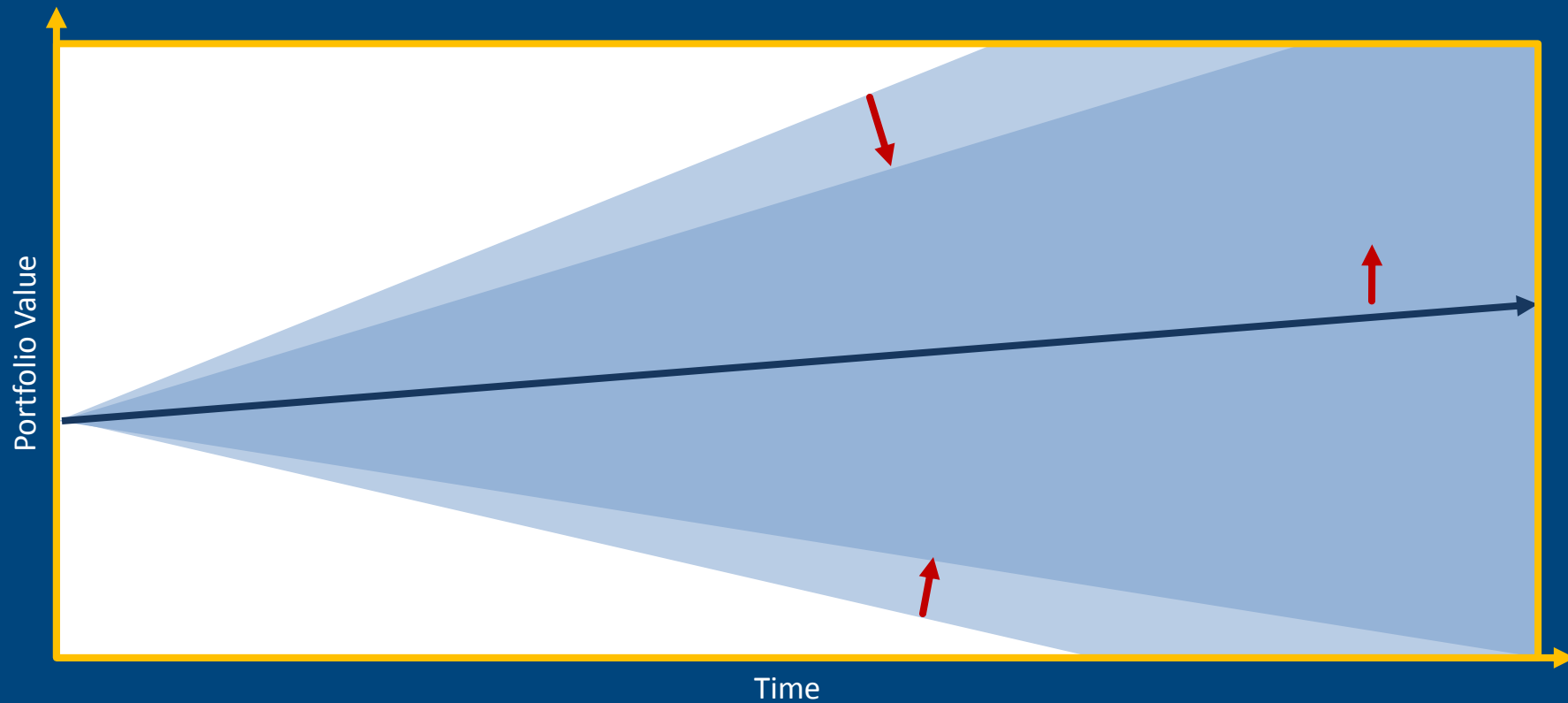
Intra-Market Diversification



Inter-Market Diversification



Asset Allocation & Diversification



TSP

- Fully Diversified
- Unmanaged
- G Fund

IRA

- Management?
- Concentration?
- Alternative Investments?

Easy Access Can be Good or Bad

TSP

- One Partial Withdrawal
- Full Withdrawal
 - Monthly Payments
 - Final Lump Sum

IRA

- Unrestricted

IRA Advantages?

- Lower Cost?



IRA Advantages?

- Lower Cost?
- Better Rate of Return?



IRA Advantages?

- Lower Cost?
- Better Rate of Return?
- Less Risk?



IRA Advantages?

- Lower Cost?
- Better Rate of Return?
- Less Risk?
- Easier Access?



YES

The TSP Should Be Your Default Choice
for Investing in Retirement

mmiles@Variplan.com

www.Variplan.com



V A R I P L A N

Advanced Retirement Planning and Management

www.variplan.com