

Financial Intelligence

Produced Exclusively for Members of the
Senior Executives Association

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- Founder / Instructor Federal Retirement University
- "Ask the Experts" Panelist at www.federaltimes.com

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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. On the right, a vertical list of navigation links is shown, each preceded by a small yellow square icon. The links are: 'WHO WE ARE', 'WHAT WE DO', 'HOW WE DO IT', 'OUR CLIENTS', 'CONTACT US', and 'ARCHIVE'. The 'ARCHIVE' link is circled in red. At the bottom right 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.

VP
VARIPLAN
Advanced Retirement Planning and Management

- WHO WE ARE
- WHAT WE DO
- HOW WE DO IT
- OUR CLIENTS
- CONTACT US
- ARCHIVE

CLIENT RESOURCES

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PALADIN
SERVICES
★★★★★ AIAA OCB

Federal Money Matters Blog
<http://money.federaltimes.com>

Federal Retirement University
www.federaltimes.com/retirement

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5. Questions & Answers

How to Submit Your Questions

How to Submit Your Questions

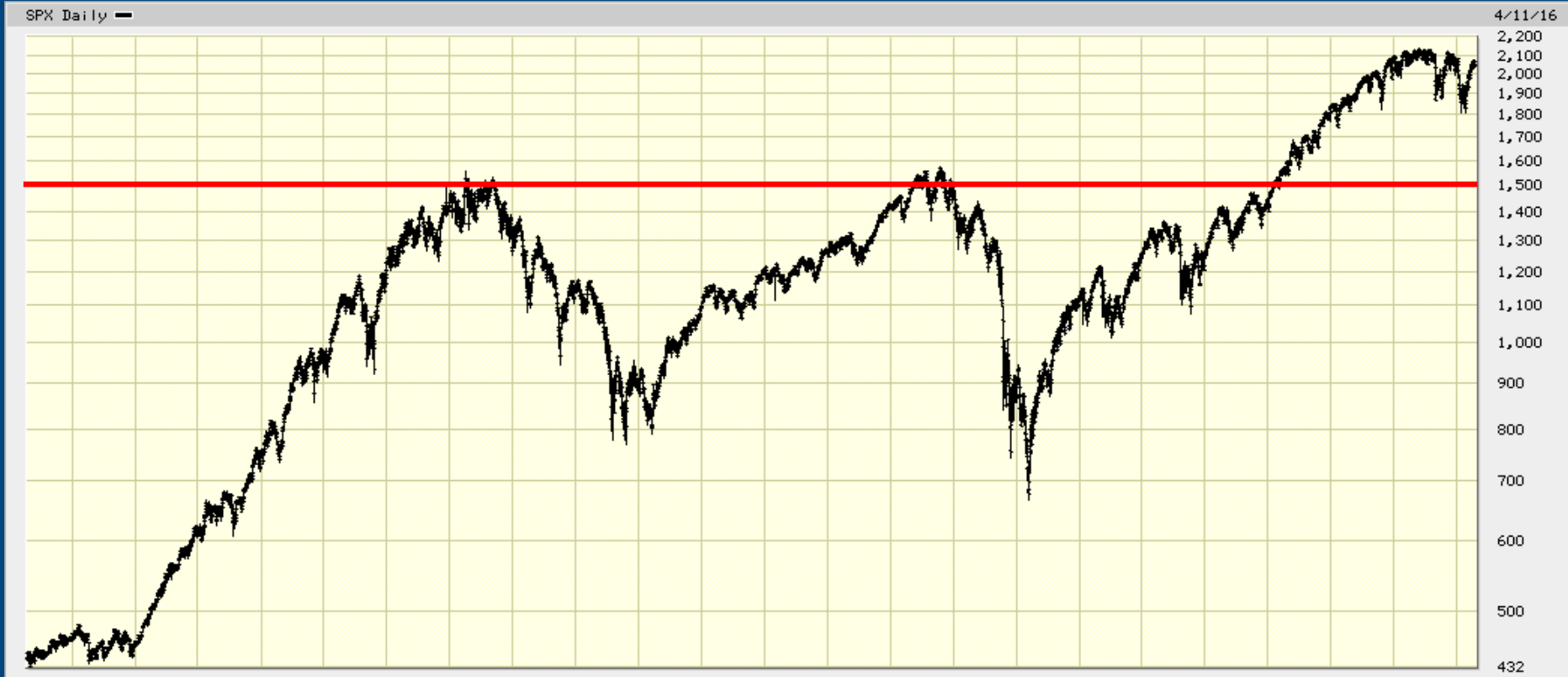
Market Review – Stocks (6 months)



Market Review – Stocks (5 Years)



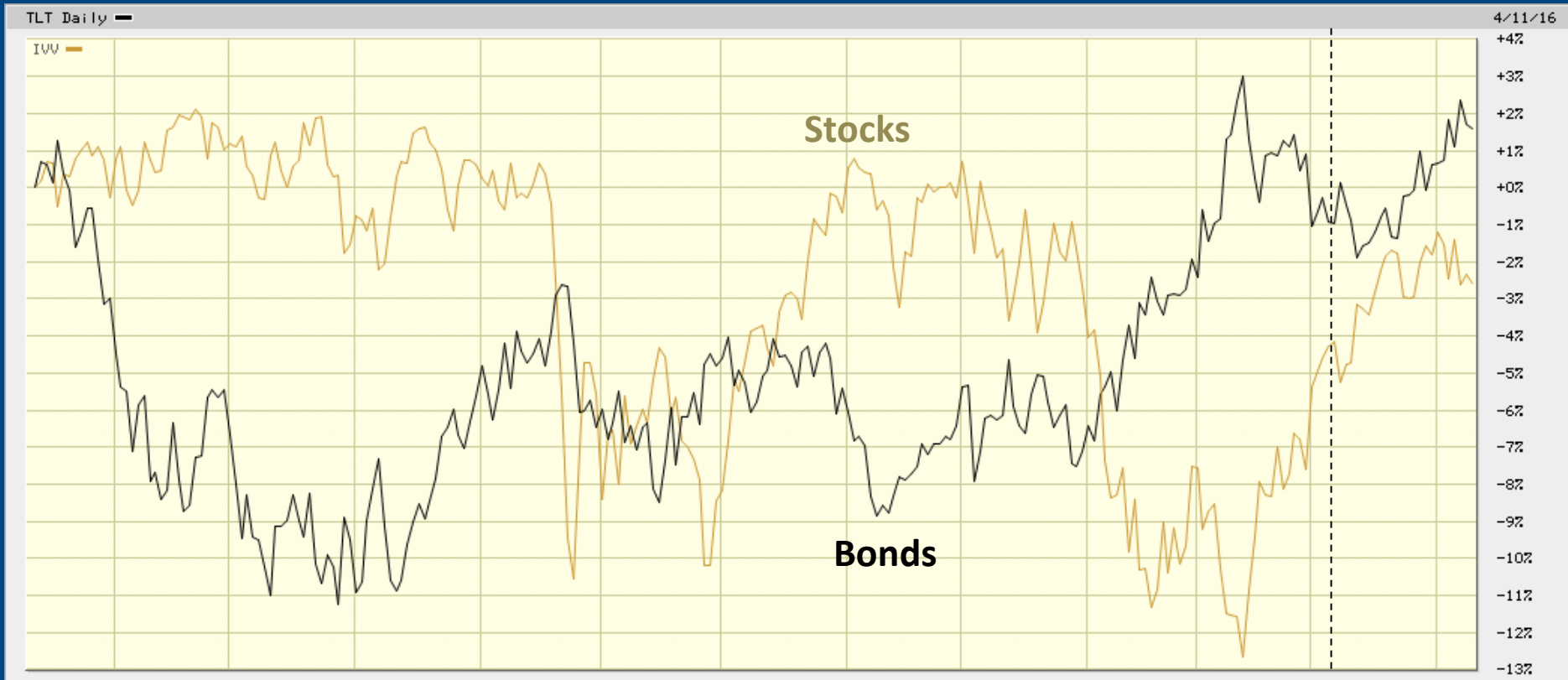
Market Review – Stocks (20 Years)



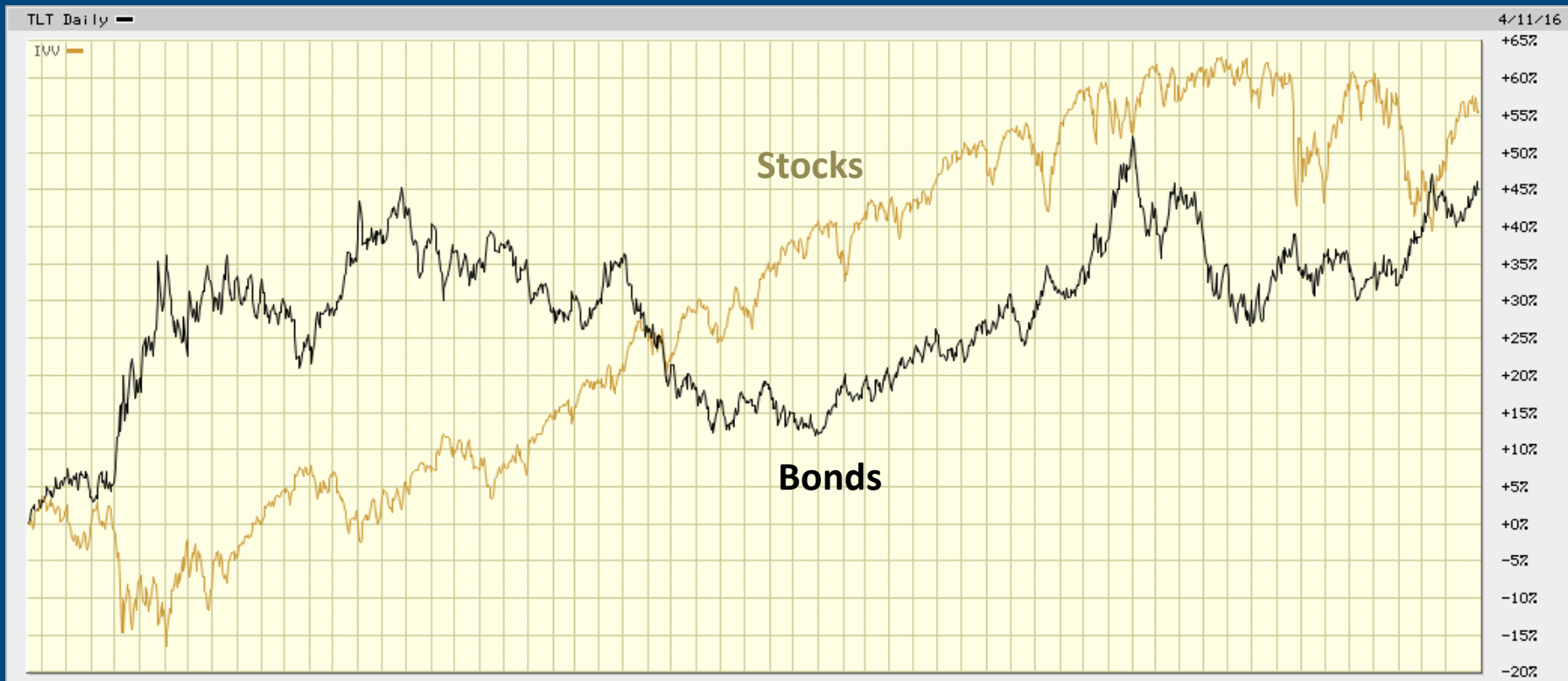
Market Review - Interest Rates (20 Years)



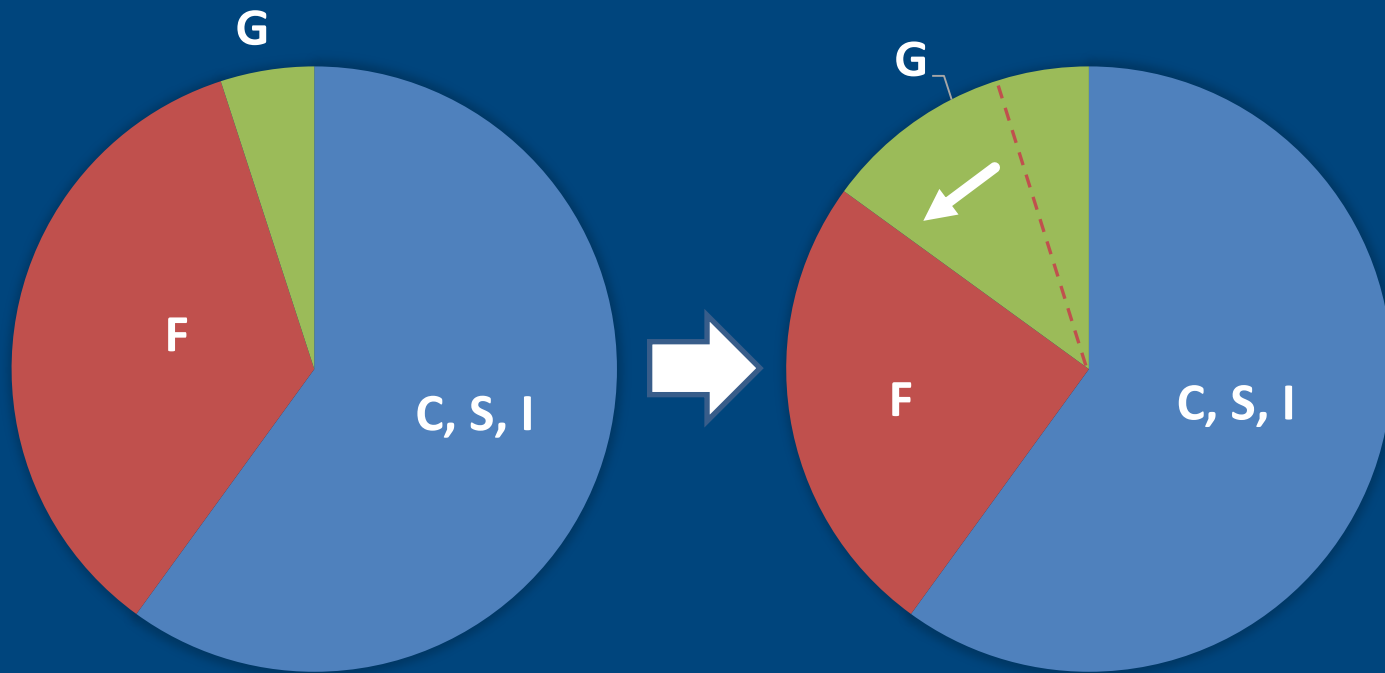
Market Review – Stocks vs. Bonds (1 Year)



Market Review – Stocks vs. Bonds (5 Years)



Tactical Recommendation



Defining Retirement Resources, Goals and Constraints

The Retirement Planning and Management Process



Retirement Resources, Goals & Constraints

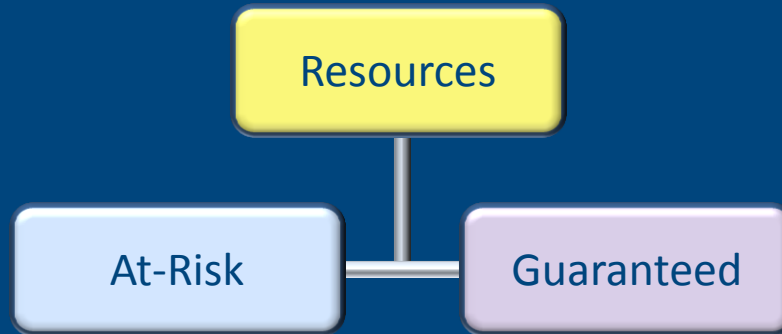
Properly defining and understanding your retirement resources, goals and constraints, and how they interact with each other and your plan is essential to successful retirement planning and management.

Retirement Resources, Goals & Constraints

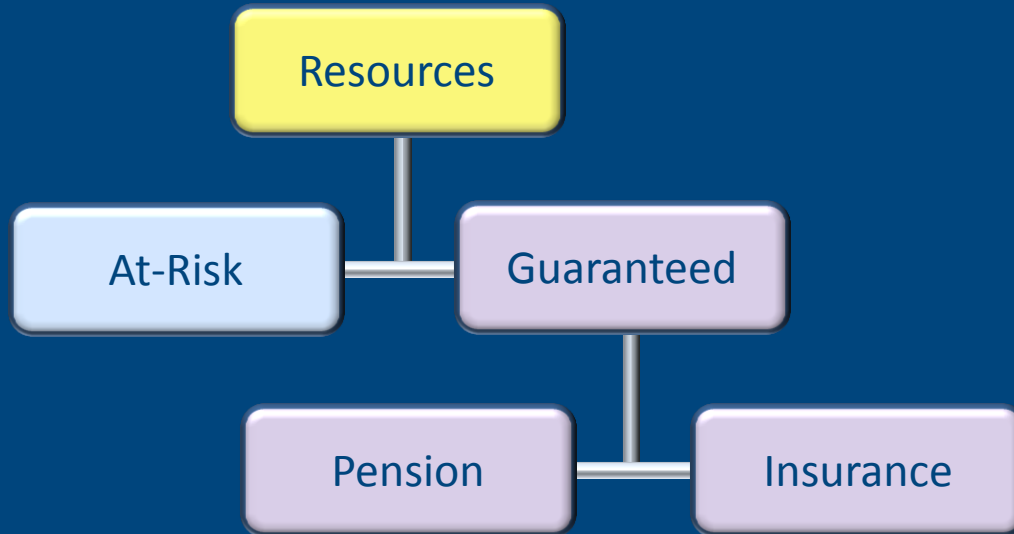
- Your resources are the “building materials”
- Goals are the utility you will derive from what you build
- Constraints are the limits that exist or are imposed

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

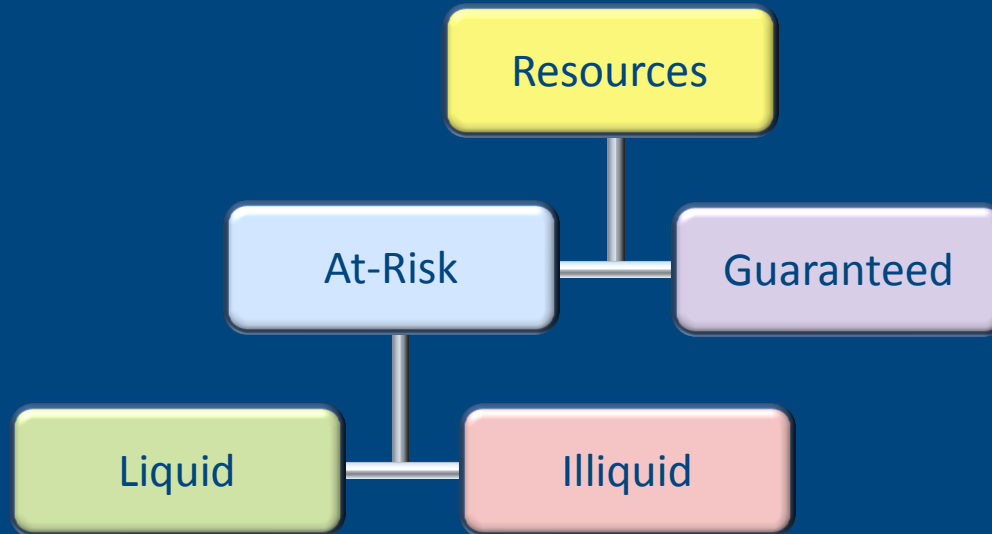
Resources



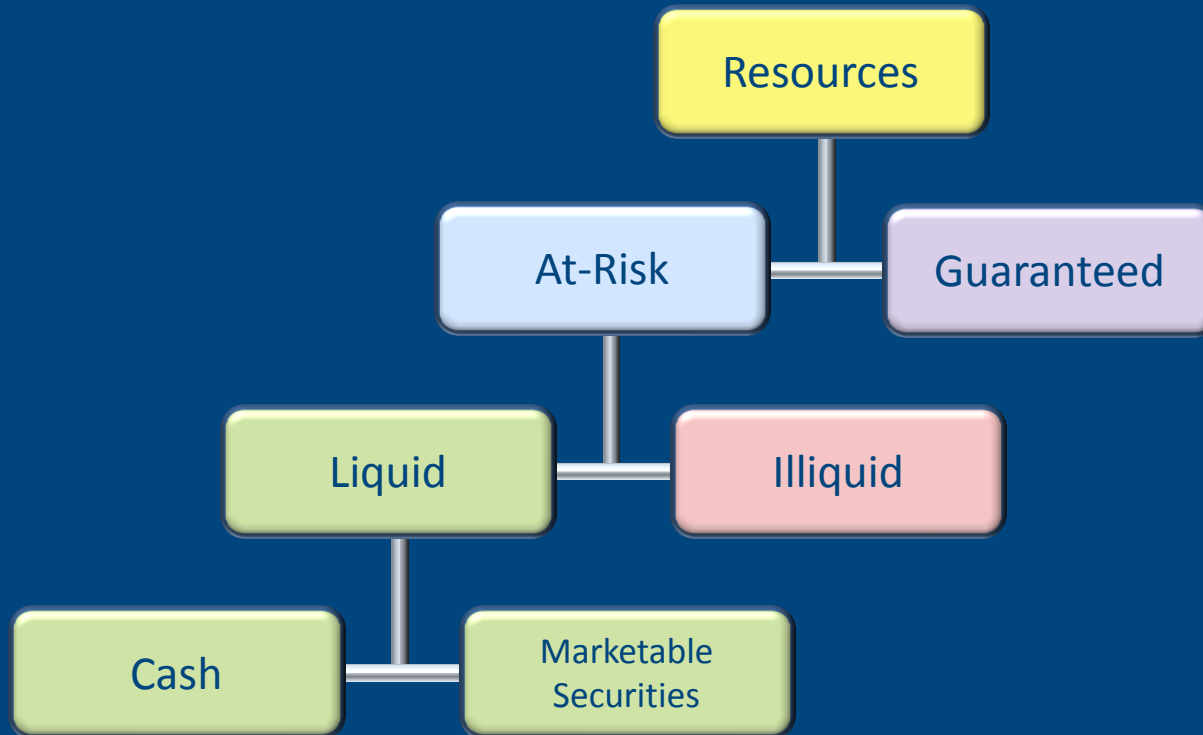
Guaranteed Resources



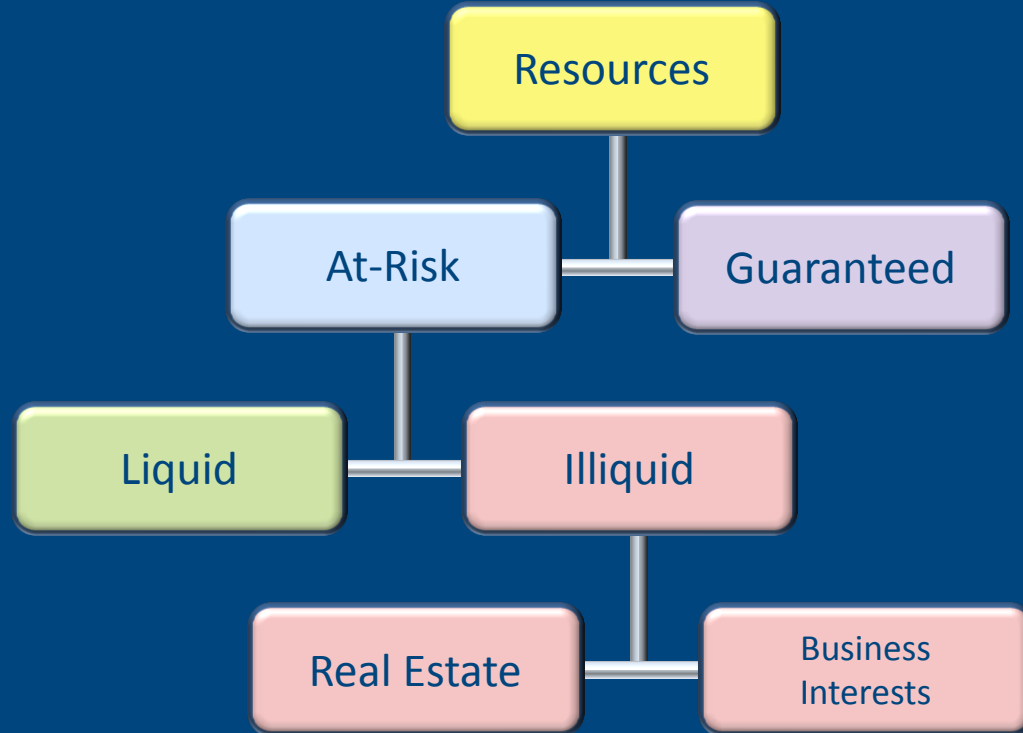
At-Risk Resources



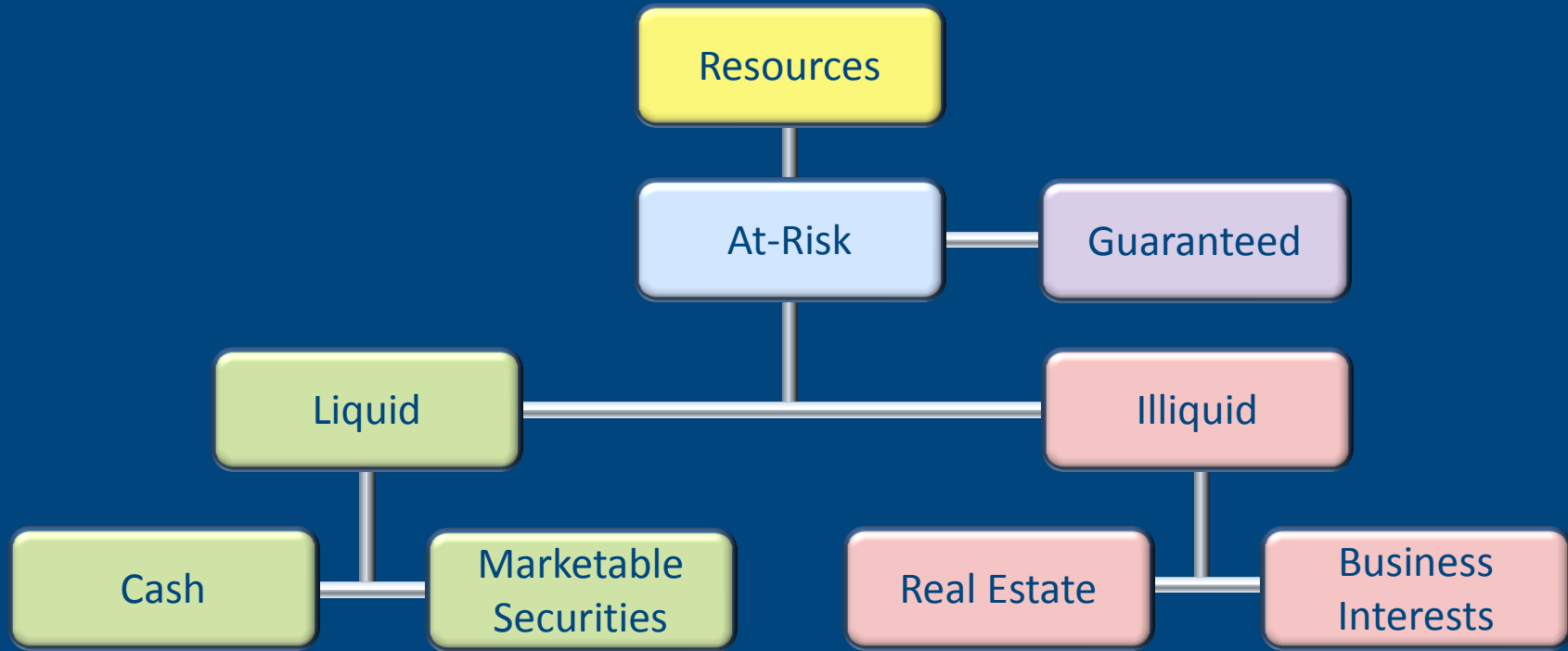
Liquid At-Risk Resources



Illiquid At-Risk Resources



Portfolio of At-Risk Resources



A Common Mistake

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

Goals



Personal Goals

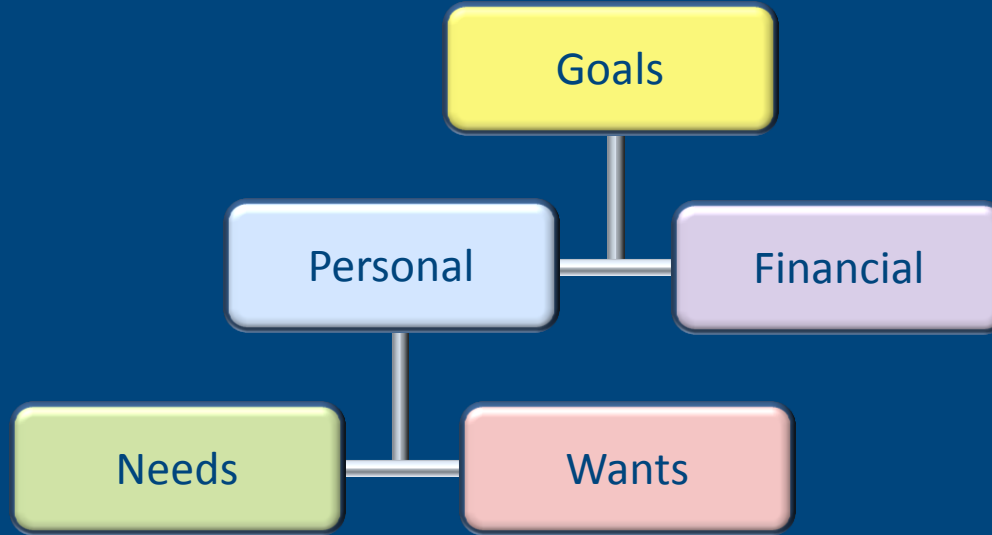
Personal goals are your primary objectives for the way you will live your life – expressed in terms of your personal experience.

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.

Personal Goals



Financial Goals



Constraints

Constraints are restrictions on your resource management activity

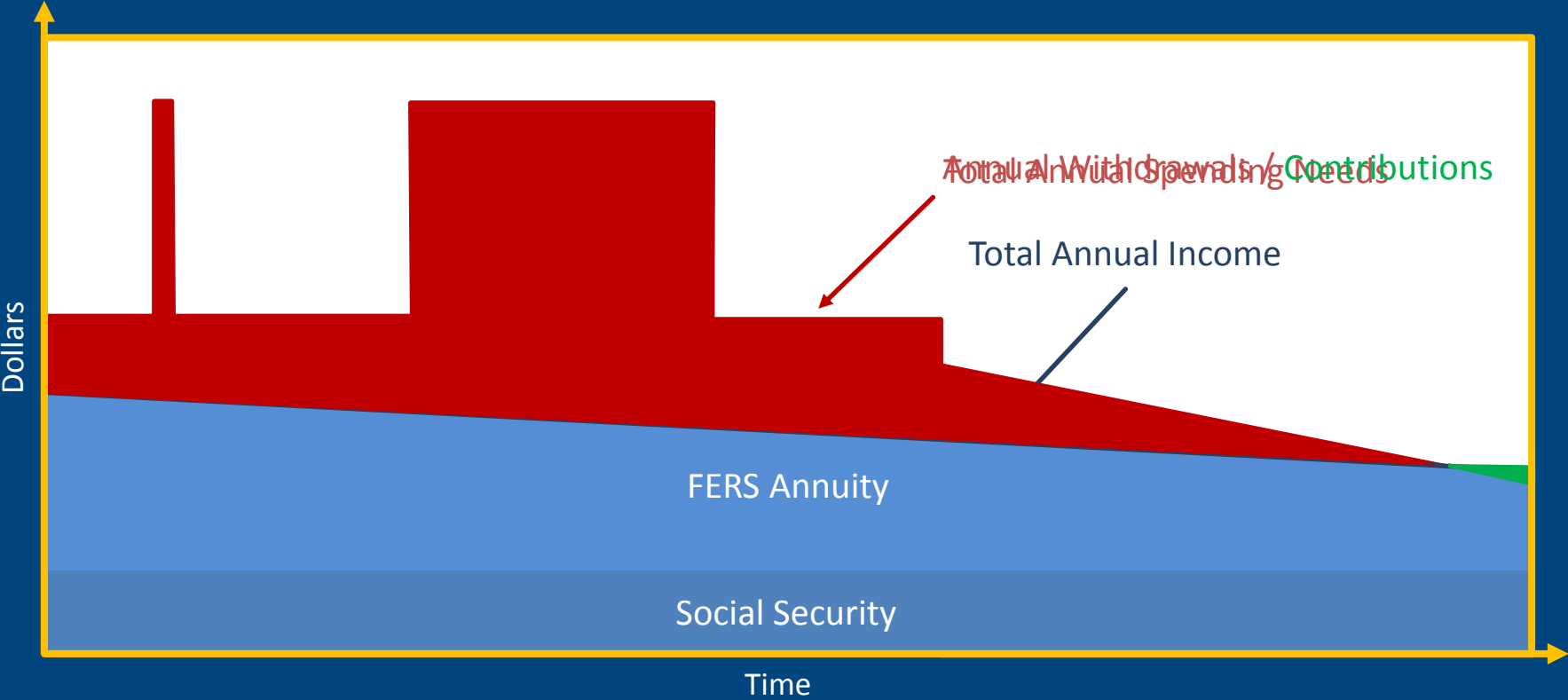
Constraints

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

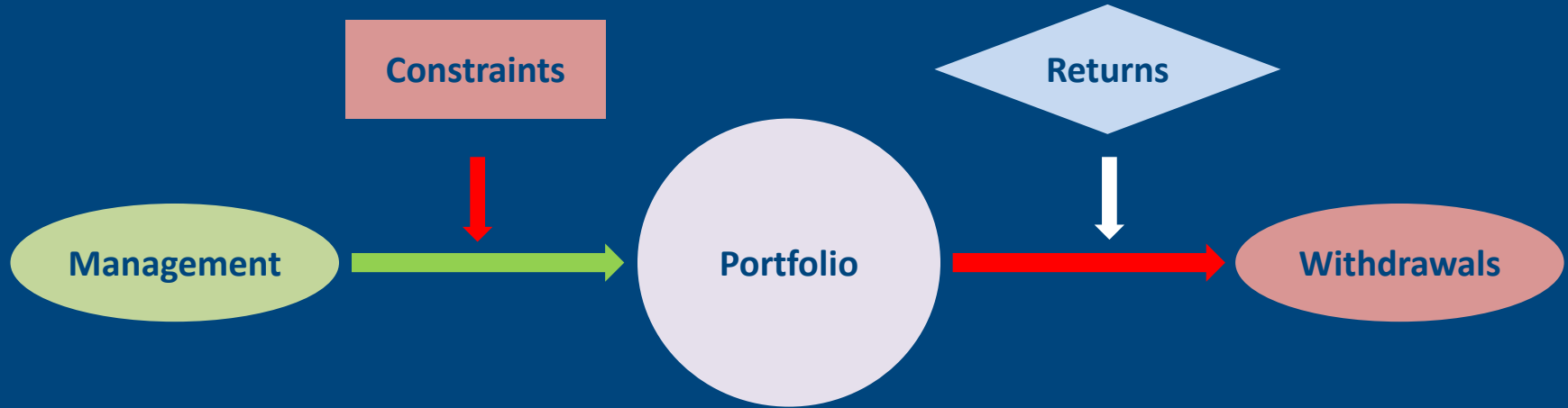
Constraints can affect the performance characteristics of your investment portfolio.

Interdependence and Impact on Planning

Impact on the Portfolio



Interdependence of Resources, Goals and Constraints



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

Next Month:

Understanding Investment Risk and Return
May 10 @ 12:00

www.seniorexecs.org

Questions / Comments / Suggestions



V A R I P L A N

Advanced Retirement Planning and Management

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