Her Retirement®

Welcome to the Masterclass & More...
"From Savings to Security"

Get comfy and grab yourself a cup of tea, coffee, water or wine.
If you agree with tonight's affirmation above,
say "Heck Yes" in the Chat.

Housekeeping…

- Get comfy: turn off and tune out distractions
- 150-minutes tonight w/ Qs & As
- Quick break at 7:30ish
- Replay links and homework will be available day after class at:
  - Masterclass Homework – Her Retirement
- Taking notes and post questions in the chat
- Stick around til the end for some trivia, prizes and next steps

This Week's Mom Story

"Make sure you get a good job so you never have to worry about being a bag lady."

Pension + Puppies = Peace of Mind

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Build Your Plan with these Steps

- ❑ Use the Retirement Readiness Platform to Take an Inventory and Understand Possible Gaps
- ❑ Get serious about physical and mental health
- ❑ Pre-Retirement Optimization
- ❑ Consider your goals/lifestyle desires
- ❑ Understand & address risks
- ❑ **Create your Income Distribution Plan**
  - ❑ **Identify sources of income & expenses**
  - ❑ Address any gap
  - ❑ **Refine your retirement portfolio to balance growth & guarantees**
  - ❑ **Understand fees and portfolio costs**
  - ❑ **Choose tax efficient withdrawals**
- ❑ Create your Income Protection Plan
- ❑ Get Reliable Guidance

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After tonight…
The next steps in your retirement planning journey…

Don't Do Anything & Continue to Wonder & Worry

Try to Go it Alone

Work with Your Existing Advisor

Or…

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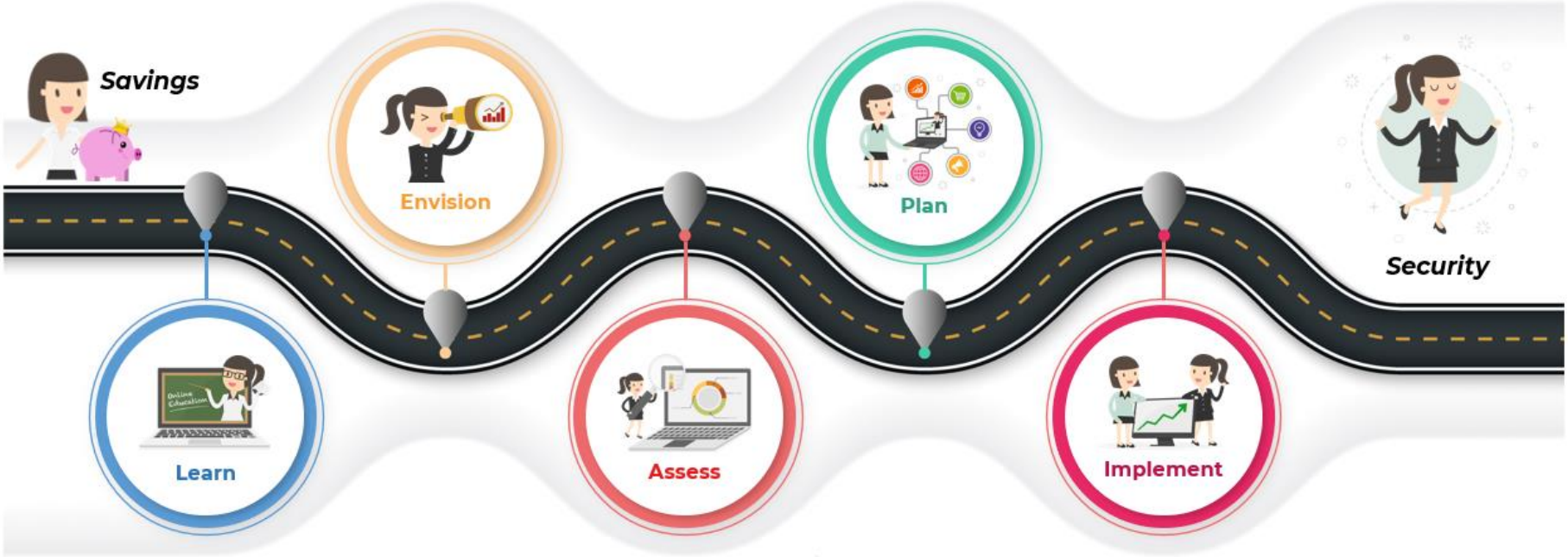
Go From Savings to Security with my Know More. Have More Process



My process maps out easy to follow, educational and empowering steps to create and implement a retirement plan you not only understand, but have 100% confidence in.

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As your RetireMentor, I'll guide you through these steps...

1. Schedule Get Her Done Virtual Coffee Chat w/ Lynn

2. Start the Approach... Organize & Prioritize (Join membership)

3. Identify Your Gaps, Risks & Opportunities

4. Identify Your Needs & SME Options

www.getherdonechat.com

5. Assessment request & review with SME

6. Get Started on a Flat Fee-Based Financial Plan

7. Implement Plan with Your Retirement Advisor

8. Continue with Membership & Coaching as needed

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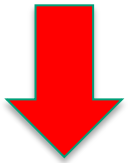
A Better Retirement Outcome (and living the retirement you've imagined) starts here...



www.GetHerDoneChat.com

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Let's Buckle In for a Big Night of Learning...

Multi-Discipline Retirement Strategies

1. Social Security Timing
   - Maximize your SSI with proper timing

2. Prudent Use of Home Equity (HECM)
   - Utilize a HECM to create a reserve or tax-free income

4. Retirement Risk Optimized Portfolio
   - Create a portfolio that offers the highest growth for the risk you are assuming

5. Tax Efficient Income Distribution
   - Create your tax buckets and utilize a tax efficient withdrawal strategy

6. Alpha Portfolio Management
   - Hire active managers in asset classes that can add value above a passive only strategy

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1. **Retirement Portfolio Optimization (RPO) –** *Reducing volatility in your portfolio is imperative to creating a sustainable retirement income for life.* Properly combining a globally diversified stock portfolio, structured products and principal protected FIAs can dramatically reduce portfolio risk and thereby increase portfolio survival (meaning not running out of money).

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Retirement Income Readiness" is being able to make this statement:

Neither a stock market correction nor rising interest rates or inflation will have a noticeable impact on either the amount of income produced by my portfolio or my ability to keep that income growing.

https://www.lifehealth.com/achieving-retirement-income-readiness-numbers-concepts/

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Are YOU Ready?

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Brian's offer to all students: The "Am I Ready?" Assessment

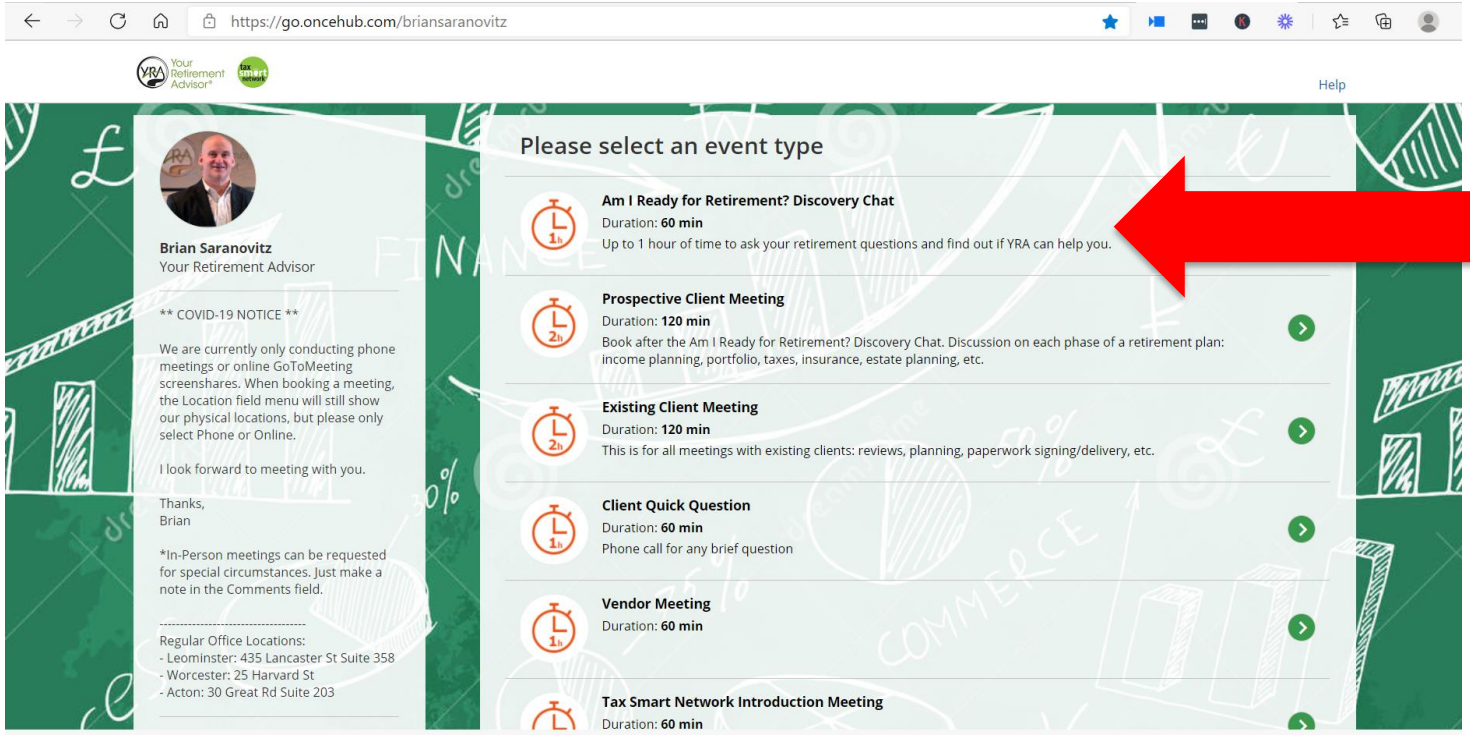
Am I Ready? Retirement Assessment

How your retirement fares with the MDRS strategies incorporated?

- Retirement Income Projection – do you have enough?
- Retirement Tax Planning – Roth Conversions with Tax Efficient Distributions
- Portfolio Risk Optimization – HIP Strategy
- Use of Home Equity – HECM or Reverse Mortgage
- Alpha Efficient Portfolio Management – Proper Allocation & Manager Selection
- Social Security Timing – Maximizing Social Security Income

Book Your Assessment Here

www.AmIReadyChat.com



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What Are the Biggest Threats to Your Retirement?

Check out my podcast this week to hear more of my take and what studies show

Market Volatility Risk

- Volatility is a statistical measure of the dispersion of returns for a given security or market index. Commonly, the higher the volatility the riskier the security. – Investopedia, 2017

"Studies *prove that the higher volatility portfolio, when taking withdrawals, the shorter the portfolio will last."*

Volatility Is A Portfolio Killer

- **Growth Phase –** Accumulating your assets

  Volatility has no effect on the final value of a growth portfolio

  ✓ A portfolio with high volatility Vs a low volatility portfolio will end up with the same value over time when in the growth phase

- **Income Phase –** Taking Income from your assets

  Volatility has a major effect on a portfolio when taking withdrawals

  ✓ A portfolio with the lower volatility will last longer when taking withdrawals, all other variables being equal

The stock market is extremely resilient but extremely volatile!

The Coronavirus V-Shaped Recovery

S&P 500 Index

- February 19th 2020 – March 23rd 2020 = **- 33.41%**
- March 24th 2020 – December 1st 2020 = **+ 60.35%**

  - 2020 Return of the S&P 500 Index = 15.76%

Sequence of Return Risk

"Sequence of return risk is the risk of receiving lower or negative returns early in a period when withdrawals are made from investments" (Investopedia, 2017)

- The first 10 years of returns indicates your retirement outcome
  - Negative Sequence - Lower returns in the early years
  - Positive Sequence - Higher than average returns in the early years

History of Bear Markets

Must understand what a **true Bear Market looks like** and how Sequence of Returns can effect your retirement

With the Coronavirus V-Shaped recovery and the last 10 year raging bull market, it is imperative for **pre-retirees to wake up to some stock market realities…**

Sequence of Return Risk

Possible Scenarios

- Negative Sequences
  - Lower bond yields (current interest rate environment)
  - Stock market losses (2000-2001 & 2007-2008)
  - The Lost Decade (2000-2010)

- Positive Sequences
  - Higher bond yields (1962-2008)
  - Stock Market Bull Market (2009-2018)

Inflation Risk

Inflation will erode the purchasing power of dollars in the future. This is important if you retire on a fixed income.

	Cost Today	Cost in 20 Years
Gallon of milk	$3.50	$6.32
Haircut	$30	$54.18
Running shoes	$85	$153.52
New car	$20,000	$36,122

Assumes a 3% annual inflation rate, which cannot be guaranteed

Stocks are the best hedge against inflation?

True or False?

Now, Let's Turn it Over to Brian

Interest Rate Risk

Interest rate risk is the potential for rising interest rates to cause the decrease in price of an investment

- When interest rates go up, the current market price of bonds goes down

- When interest rates rise, stocks usually do not perform as well, especially if they have a large amount of debt

Two Viable Solutions to the Bond Dilemma

Solution #1: Market-Linked Structured Products

What is a Market Linked Structured Product???

Definition: A Structured investment product is a type of investment that is designed to meet specific investor needs with a customized product mix. Can be used to increase return or decrease risk in a portfolio.

- Typically use derivatives to meet the investment objective.
- Linked to any market index such as the S&P 500 Index to derive their return.

Source: MarketWatch.com, 4.23.20

Two Viable Solutions to the Bond Dilemma

Market-Linked Structured Products

- Offered by Investment Management Firms, Investment Banks and Insurance Companies
- Contractually guaranteed by the investment bank or insurance company
- Many different structures; Leveraging upside market returns or decreasing downside market risk
- Historically utilized by large institutional investors and affluent individuals due to substantial minimums (typically $1million or more)
- Now available at $25,000 minimum through ETF's or Variable Annuity contracts

Two Viable Solutions to the Bond Dilemma

Market-Linked Structured Products

As a Bond Alternative

- Designed to offer ***principal protection*** to eliminate or minimize market losses on the market index
- The investor will receive a ***percentage of the market index return*** known as a Cap or participation rate
- ***Greater growth potential than a bond*** and with lower risk

Source: MarketWatch.com, 4.23.20

Two Viable Solutions to the Bond Dilemma

Market-Linked Structured Products

MLSP's follow the performance of a market index by offering interest credits based in part
on the performance of an investment index

How they work

- Protect against market downturns (volatility or sequence risk)
- Growth ***linked to an investable index*** (S&P 500 Index, Russell 2000 Index, etc)
- Receive a ***percentage of the index*** return through caps, participation rates and spreads
- Alternative to bonds or bond funds, ***NOT an alternative to stocks***

Hypothetical Contracts

CONTRACT #1: - 10% Floor Contract

Year #1

- Index return 1st year = 22.27%
- Upside cap rate at 15% = 15.00%
- Spread at .95% = **14.05% credited in year 1**

Year #2

- Index return 2nd year = 11.26%
- Upside cap rate at 15% = 11.26%
- Spread at .95% = **10.31% credited in year 2**

Year #3

- Index return for the 3rd year = -27.56%
- Downside Cap rate at -10% floor = -10%
- Spread is .95% = **-10.95% loss credited in year 3**

CONTRACT #2: 0% Floor Contract

Year #1

- Index return 1st year = 22.27%
- Upside cap rate at 6% = 6.00%
- Spread at 0% = **6.00% credited in year 1**

Year #2

- Index return 2nd year = 11.26%
- Upside cap rate at 6% = 6.00%
- Spread at 0% = **6.00% credited in year 2**

Year #3

- Index return for the 3rd year = -27.56%
- Downside Cap rate at -10% floor = -10%
- Spread is 0% = **0.00% loss credited in year 3**

NOTE: A 5050 combination of these two strategies offer a -5% worst case scenario each year

In Summary…

- ✓ Last week: According to leading research from Morningstar the new Safe Withdrawal Rate is reduced from 4% to 2.4%
- ✓ The sequence of investment returns & volatility risk can significantly impact your investment portfolio when taking distributions
- ✓ The Math proves… The portfolio with the lower risk, when taking withdrawals, will last longer all other factors being equal
- ✓ At current low interest rates, bonds will not generate the returns of the past
- ✓ Market-Linked Products and FIAs offer a viable solution to the bond dilemma

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Now that we understand the risks we should mitigate, let's talk about how our "retirement portfolio" should be allocated to mitigate risks and create as much income, growth and protection as possible.

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Your savings & investments are invested in various "portfolios." A typical pre-retirement portfolio is 60% stocks and 40% bonds. But some people have upwards of 80-90% in stocks.

Challenging the "Status Quo"

We are now going to challenge the "status quo" that most "traditional" advisors and individual retirees still rely on…

With or without a pandemic, we as retirement educators have successfully been challenging convention for many years.

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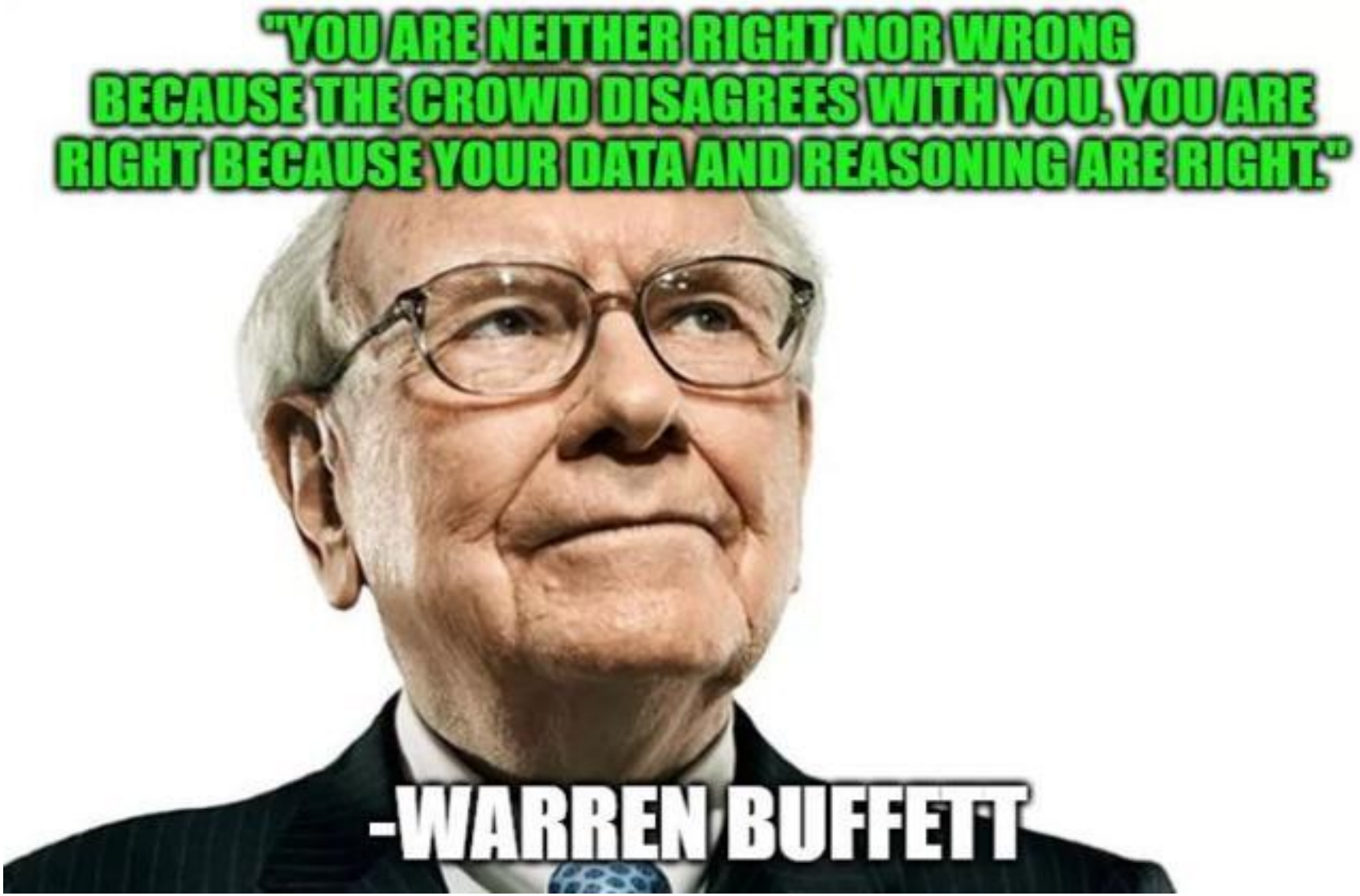
The Unconventional Yet Efficient Retirement Strategy…


"YOU ARE NEITHER RIGHT NOR WRONG
BECAUSE THE CROWD DISAGREES WITH YOU. YOU ARE
RIGHT BECAUSE YOUR DATA AND REASONING ARE RIGHT."
-WARREN BUFFETT

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The Hybrid Income Portfolio (HIP)

The UNCONVENTIONAL yet highly EFFICIENT solution

Retirement Portfolio Design

Conventional Portfolio Vs Unconventional Portfolio

- ✓ Remember the portfolio with the lower volatility, when taking withdrawals, will last longer all other factors being equal
- ✓ Raising the Safe Withdrawal Rate is paramount to maximizing retirement income
- ✓ The Unconventional Portfolio reduces risk and offers higher potential return and ultimately more potential income

Let the Games Begin!

Retirement Portfolio Design

Conventional Portfolio Vs Unconventional Portfolio

Conventional Retirement Portfolio Design

- Diversified Stocks: 60%
- Bonds: 40%

Summary

- ✓ Inefficient portfolio design
  - ✓ Higher risk & lower return potential
  - ✓ Low bond yields may reduce portfolio returns moving forward
  - ✓ An Increasing interest rate environment will increase portfolio risk & volatility

S&P500 Index & 3-month treasury bonds: http://www.stern.nyu.edu/~adamodar/pc/datasets/histretSP.xls

Retirement Portfolio Design

Conventional Portfolio Vs Unconventional Portfolio

Unconventional Retirement Portfolio Design

Combining Diversified Stocks with Market-Linked Structured Products

- Diversified Stocks: 30% -50%
- Bonds: 0%
- Market-Linked Structured Products: 50% -70%

Summary

- ✓ Efficient portfolio design
  - ✓ Lower risk & higher potential return
  - ✓ Replace low yielding bonds with Structured Products

S&P500 Index & 3-month treasury bonds: http://www.stern.nyu.edu/~adamodar/pc/datasets/histretSP.xls

Retirement Portfolio Design

Retirement Income Projection Analysis (RIPA) - Retirement Inputs:

Current Ages:

- Mr. & Mrs. Case Study – 65

Retirement Age:

- Mr. & Mrs. Case Study – 65

Projection Duration (25 Year Retirement):

- Age 65 - 90

Total Current Assets:

- Current Invested Assets: $1,000,000 in qualified IRAs

Income Target Requirements:

- Net Income Requested: $40,000/annual (net)

Inflation Estimate:

- Inflation @ 2% annually

Portfolio Case Study

Retirement Scenario Overview

- **Scenario A: TRAA 6040**
  - Retirement Income Generated: $40,000 annual (net)
  - Retirement Income inflated @ 2% annually
  - **Traditional Plan: 60% Global Diversified Stocks & 40% Diversified Bonds**

- **Scenario D: HIP 303040**
  - Retirement Income Generated: $40,000 annual (net)
  - Retirement Income inflated @ 2% annually
  - **HIP Strategy: 30% Global Diversified Stocks, 30% Structured Investments & 40% FIAs**

Portfolio Case Study

Portfolio Balances age 90

After completing your Retirement Income Projection Analysis (RIPA) with all your personal income goals, variables and assumptions the following outcome is realized based upon several retirement scenarios. Each scenario offers a different retirement outcome which should be reviewed carefully to determine the best course of action to create the best potential retirement outcome (not running out of income)

Retirement Income Grid

Income Goal (net): $40,000 per year with 2% inflation increases

	Negative Sequence of Return Projection	*Average Sequence of Return Projection*	*Positive Sequence of Return Projection*
Scenario A **TRAA 6040**	Account balances $0 at age 85/85	Account balances $1,538,440	Account balances $2,944,161
Scenario D **HIP 303040**	Account balances $627,982 at age 85/85 Account balances $493,195	Account balances $1,901,723	Account balances $2,986,913

HIP vs. Traditional Retirement Strategy

In Summary:

- The HIP offers lower volatility
- The HIP offers greater potential returns
- The HIP is MORE EFFICIENT offering greater potential income and/or a larger legacy for loved ones

Retirement Projection Disclosures

Retirement Income Projection Analysis Important Disclosures

Retirement Planning & Projection Software: The software used to produce all values in this report including tables and charts is RetireUp.

Sequence Return Projections in Charts Below: The different sequences of variable returns cover a range of possible outcomes for your retirement portfolio, given your starting balance, the type of insurance or investment product, and your desired income level and other goals. The future returns, their sequence and individual year returns, were generated using a random number generator, using a normal distribution and standard deviation. The end result is a 100-year hypothetical sequence of returns. The RetireUp software runs 100 year-by-year permutations of the simulated returns and determines which subsets of the entire sequence would generate the most optimal (Positive Sequence), least optimal (Negative Sequence) and mathematically average (Average Sequence) hypothetical results for an individual report. A typical report will run 30-40 years, so only a subset of these 100 years will be used. These returns are all simulated and do not represent historicsequences. While some of these hypothetical scenarios may utilize past performance data, your actual future results will be different, either better or worse, so these results should not form the sole basis of your retirement income strategy.

Rate of Return Estimates by Investment Type (hypothetical) Explanation: Returns sourced from Weathvest Marketing white paper. In that paper 1928 – 2016 return data for bonds and the S&P 500 alongside historical S&P 500 Dividends Yields, were sourced from New York University (NYU) Stern School of Business. The study used a hypothetical FIA with an S&P 500 index-linked interest crediting method. It used a 50% S&P 500 participation rate to approximate FIA returns for the time-period between 1950 and 2017. In the opinion of industry expert Jack Marrion, since interest rates were much higher for most of that time-period than they are today, this represents a conservative assumption.

Aggregated Rate of Return Estimates in Retirement Scenario Overview Explanation: Aggregate based on percentage in each asset below & reduced rate by 1.5% to be more conservative & rounded down to nearest whole percentage.

Ex. (Investment Type Return) * (Investment Type Percentage of Portfolio) = Aggregated Rate of Return

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Wealthvest White Paper: Role of FIAs in Retirement Portfolio, 2018. https://wealthvest.com/white-papers/index.html.

Additional Disclosures

Disclaimer: Investments in securities do not offer a fix rate of return. Principal, yield and/or share price will fluctuate with changes in market conditions and, when sold or redeemed, you may receive more or less than originally invested. No system or financial planning strategy can guarantee future results. Therefore, no current or prospective client should assume that future performance or any specific investment, investment strategy or product will be profitable.

Fixed index annuity guarantees are based on the financial strength and claims paying ability of the issuing company and do not apply to the performance of the index which will fluctuate with market conditions. Fixed index annuities are long term products and can be subject to restrictions, limitations and surrender charges. When you buy a fixed index annuity, you own an insurance contract. You are not buying shares of any stock or stock index.

All economic and market performance are historical and not indicative of future results. Investors and not directly invest in indices. Investments in securities do not offer a fix rate of return. Principal, yield and/or share price will fluctuate with changes in market conditions and, when sold or redeemed, you may receive more or less than originally invested. No system or financial planning strategy can guarantee future results. Therefore, no current or prospective client should assume that future performance or any specific investment, investment strategy or product will be profitable.

Investors should consider the investment objectives, risks, charges, and expenses of the variable annuity and the underlying subaccounts carefully before investing. The prospectus contains this and other information about the variable annuity. Contact Brian Saranovitz at 435 Lancaster Street, Suite 358, Leominster MA 01453 or call 978-345-7075 to obtain a prospectus which should be read carefully before investing or sending money.

Securities and advisory services offered through Cetera Advisors LLC, member FINRA, SIPC, a broker/dealer and a Registered investment Advisor. Cetera is under separate ownership from any other named entity.

Now Over to Melissa Ellis

- Certified Financial Planner™ who works with Your Retirement Advisor and is an affiliated subject matter expert in the Her Retirement Network
- Your Retirement Advisor is a full service retirement planning focused firm providing services across the U.S.
- Certified Divorce Financial Analyst®
- M.S. Personal Financial Planning – U. of MO
- Investment Advisor Representative with 13 years experience
- Loves to Travel- visited all 50 states, 17 countries on 2 continents
- Goal is to visit all 7 continents within the next 9 years

www.YourRetirementAdvisor.com

Can You Name One of the Key Risks??

What is the Name of the Retirement Optimized Portfolio Brian Discussed?

Build Your Plan with these Steps

- ❑ Use the Retirement Readiness Platform to Take an Inventory and Understand Possible Gaps
- ❑ Get serious about physical and mental health
- ❑ Pre-Retirement Optimization
- ❑ Consider your goals/lifestyle desires
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  - ❑ Understand fees and portfolio costs
  - ❑ Choose tax efficient withdrawals
- ❑ Create your Income Protection Plan
- ❑ Get Reliable Guidance: see our Guide to Advisors (resources portal)

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Note to Self...

"Work with a coach, advisor and/or team that incorporates all the intricate retirement strategies to dramatically increase the probability of a retiree's success."

Implement these Strategies for a Better Retirement Outcome

- **Reduce Portfolio Risk & Volatility –** Create a Proper Retirement Portfolio to reduce risk and increase return potential
- **Properly Time Social Security Income -** Increase your guaranteed income through proper Social Security Timing
- **Use Home Equity Prudently -** Add a Safety Net or an additional Tax-Free income source utilizing your Home Equity
- **Create Tax Efficiency –** Create a tax-efficient income and protect your retirement from potential increasing taxes
- **Protect Your Retirement** – with insurance & estate planning

True/False?

I learned a lot from the Her Retirement Masterclass.

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Are You Ready to try the Know More. Have More approach?

You, Me & Some of the Stuff You Have to Figure Out

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The result of my Know More. Have More process is the creation and implementation of a plan for retirement you not only understand, but have 100% confidence in.

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Remember Jane…she's sitting pretty (literally) because she followed the process and worked with Her Retirement to create and implement a plan she not only understands, but has 100% confidence in.

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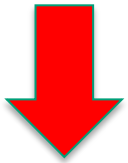
A Better Retirement Outcome (and living the retirement you've imagined) starts here...



www.GetHerDoneChat.com

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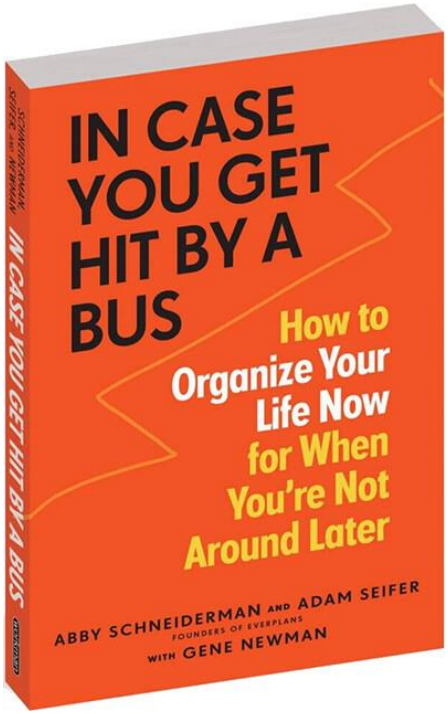
Who's going to win?



Next Steps...

1. Remember to vist the Resources & Replay page
2. Enter your info into the software Assess module
3. Book your Assessment(s)
4. Tell your friends about Her Retirement

Her Retirement®

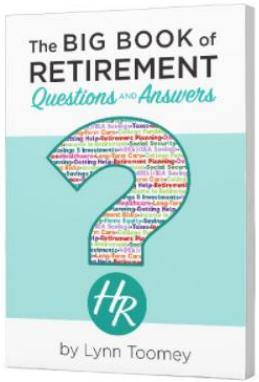
Don’t forget to order…

Optional Add-On Bundle of Benefits That Students Love…

All 4 for Only $59 (a $500 Value)

Benefit #1

Our Big Book of Retirement Qs & As (hard copy)

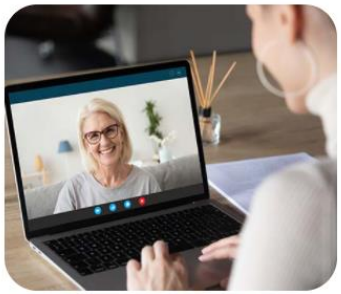


Benefit #2

One year subscription to our Readiness Software

Benefit #3

One hour of coaching with a RetireMentor



Benefit #4

Our bag lady tote with fun surprises inside 🤪

ORDER HERE

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Reminder!

Take action and hold yourself accountable. This class and our platform can help get you started. Our coaching can keep you going and hold you accountable while also connecting you to the resources you need.

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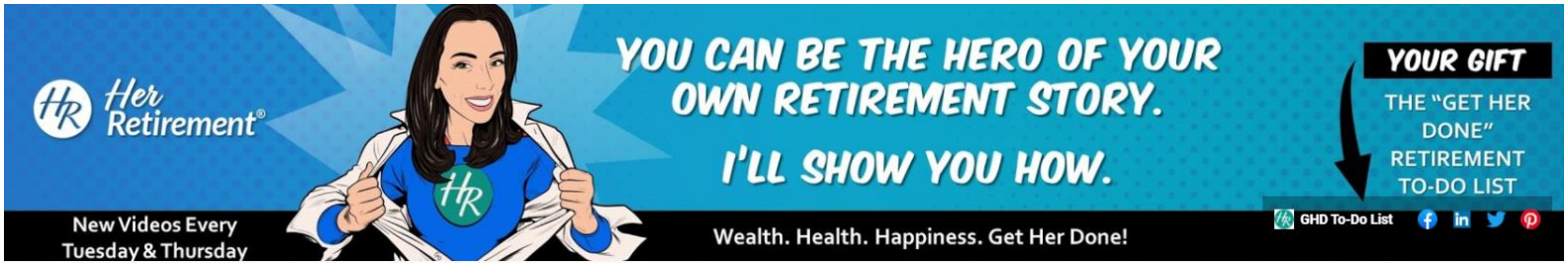
Get more support, information and inspiration

from my podcast, Youtube channel and private FB group



Links...

- Her Retirement Website
- Retirement Solved Readiness Platform
- Lynn's Blog & Podcast
- Lynn's Private Her Retirement Facebook group
- Lynn's Youtube Channel
- Coming Soon: Lynn's book

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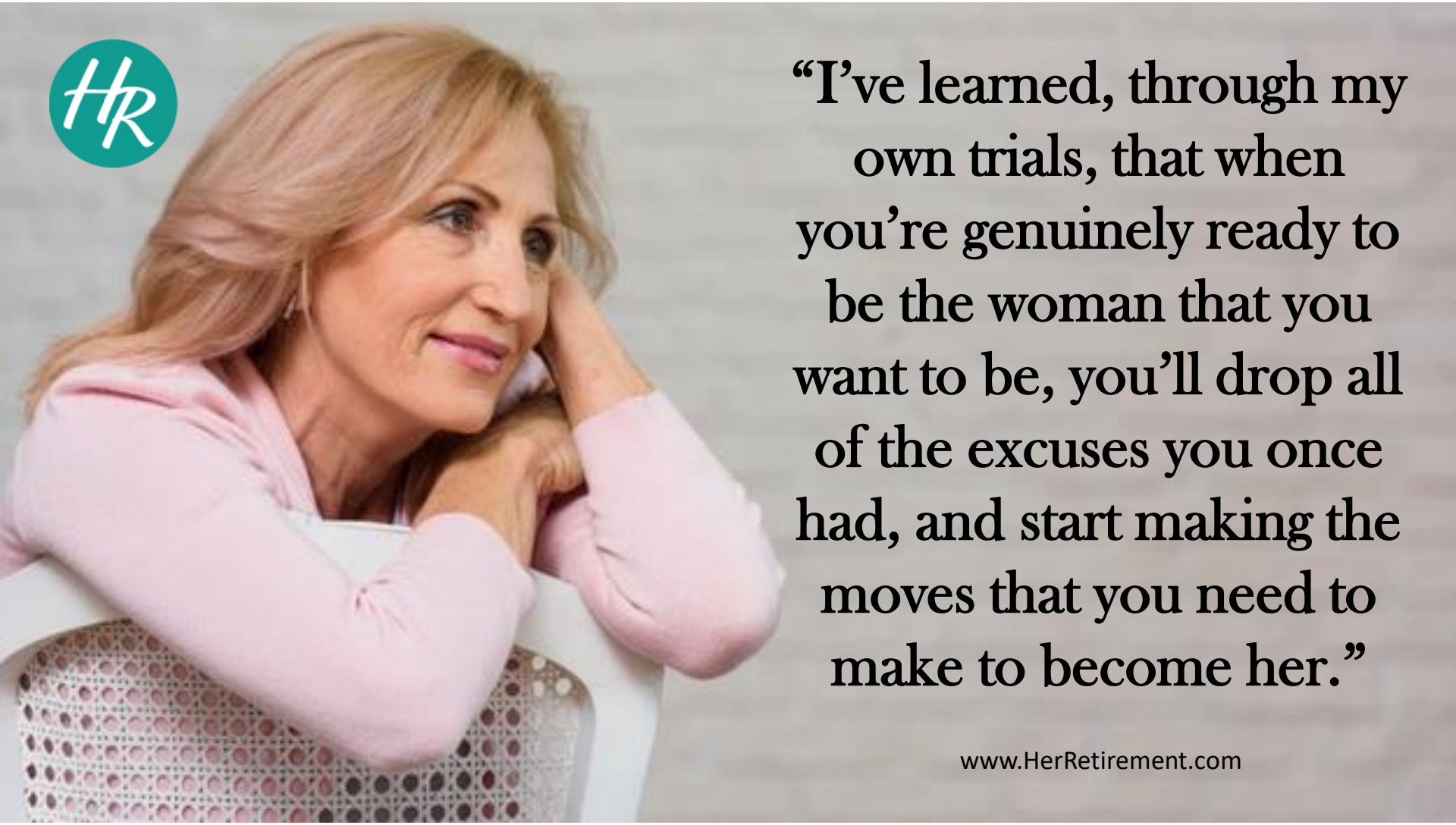

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Thank you for joining us for this masterclass.

SmartHER. StrongHER. More Secure.

Let's Get Her Done.