



Adjusting for Longevity

LIFETIME INCOME CASE STUDY

Presented by Puplava Financial Services, Inc.

Bob and Nancy Adams

Important Notice:

This is a hypothetical illustration based on real life examples. Names and circumstances have been changed. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments or strategies may be appropriate for you, consult with a financial advisor prior to investing.

ESSENTIAL INFORMATION

Client:	Bob and Nancy Adams.
Ages:	Bob is 71 and Nancy is 73.
Retirement:	Both are retired.
Life expectancy:	Age 90 and 92. Both are healthy with a family history of longevity.
Risk tolerance:	Conservative.
Investment objective:	Income and preservation of capital.

WHO ARE BOB AND NANCY ADAMS?



Name: Bob

Age: 71

Job Status: Retired

Bob was a doctor that originally wanted to retire at 65 but had a taste for the finer things in life. Bob enjoys the fruits of his hard work and doesn't want to have to change his lifestyle throughout retirement.

Name: Nancy

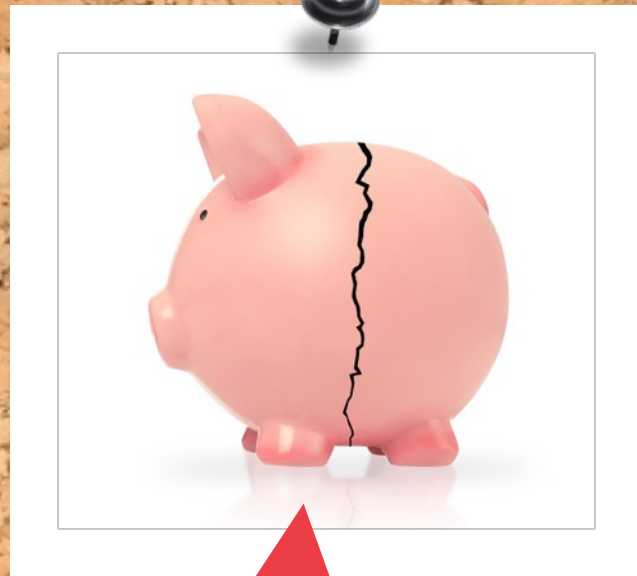
Age: 73

Job Status: Retired

Nancy is a retired office manager and relies on her husband to make the financial decisions. Nancy wants to know that things are taken care of and that they can maintain the same standard of living.

WHAT IS IMPORTANT TO BOB & NANCY?

Maintain Current Lifestyle

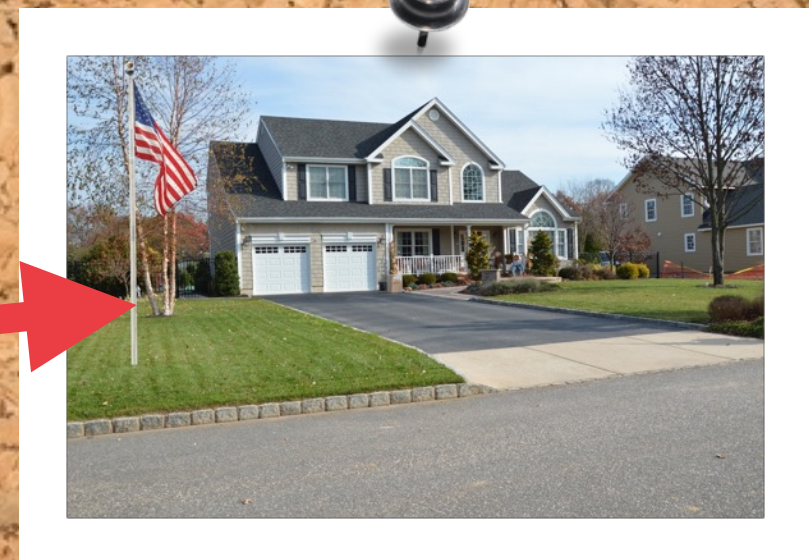


Outlive Assets



Create a Legacy

Remain in Current Home



BOB & NANCY'S RETIREMENT BUDGET

✓ Essentials:	\$75,000
✓ Discretionary:	\$70,000
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TOTAL:	-\$145,000
Less Social Security:	+\$45,000
Shortfall:	-\$100,000



BOB & NANCY'S ASSETS AT AGE 65

Non-Investment Assets

✓ Primary Real Estate: \$670,000

Investment Assets

✓ Joint/Trust: \$500,000

✓ Bob's IRAs (2): \$1,152,000

✓ Nancy's IRA: \$40,000

Total Investment Assets \$1,692,000

Total Assets: \$2,362,000

Liabilities: **-\$60,000**

Net Worth: \$2,302,000

BOB & NANCY'S ASSETS AT AGE 71

Non-Investment Assets

✓ Primary Real Estate: \$780,000

Investment Assets

✓ Joint/Trust: \$789,000

✓ Bob's IRAs (2): \$1,933,000

✓ Nancy's IRA: \$48,000

Total Investment Assets \$2,770,000

Total Assets: \$3,550,000

Liabilities: -\$0

Net Worth: \$3,550,000

BOB & NANCY'S FINANCIAL PLAN CHALLENGES

1. Wanted to retire at 65 but had insufficient assets to support their desired lifestyle.
2. Longevity is a concern since both have a great family history and no health concerns.
3. They want to maintain a high standard of living throughout retirement and not reduce their expenses.
4. Estate plans have not been updated in 15 years.
5. Many bucket list items they want to achieve like nice cars and vacations.



BOB & NANCY'S RETIREMENT INCOME STRATEGY

Bob & Nancy's Social Security \$45,000

Investment Income

Trust/Joint	\$789K	Fixed Income & Dividend payers @3.2% ¹	\$25,000
Bob's IRAs	\$1.93M	Fixed Income & Dividend payers @3.2% ²	\$61,800
Nancy's IRA	\$48K	Dividend payers @3% ³	\$1,500
Total investment income			\$88,300
			Grand total income \$133,300
			Less budget \$145,000
			Shortfall -\$11,700

1,2, & 3: Yields are for current portfolio yields as of 7/18/16. Please see disclosures at the end of this presentation for security risks.

GOAL BASED RECOMMENDATIONS FOR BOB & NANCY ADAMS

What am I afraid of?

- ▶ Outliving Assets.
- ▶ Maintaining Lifestyle.
- ▶ Remaining in Current Home.
- ▶ Creating a Legacy.

Strategy

- ▶ Semi-retired at 65 and fully retired at 71. Delayed social security until age 70.
- ▶ Made major purchases from cash flow (cars and vacations).
- ▶ Paid off mortgage.
- ▶ Updated estate plans and used stretch IRA provisions.

Disclosures:

1. *Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.*
2. *The payment of dividends is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time.*
3. *Fixed annuities are long-term investment vehicles for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59 1/2 are subject to a 10% IRS penalty tax and surrender charges may apply.*

Puplava Financial Services, Inc.

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If you have any specific questions or comments, please give us a call at

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We're happy to speak with you.

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