

LIFETIME INCOME CASE STUDY

Presented by Puplava Financial Services, Inc.

Registered Investment Advisor

Amber Sharp

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.

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ESSENTIAL INFORMATION

Client:	Amber Sharp
Ages:	Age 64.
Retirement:	She hopes to retire in 1-2 years.
Life expectancy:	Age 95.
Risk tolerance:	Moderately Conservative.
Investment objective:	Income with Capital Preservation.



Name: Amber

Age: 64

Job: Project Manager

Amber has worked for the same company for many years and is looking to retire soon. Amber has developed into a conservative investor after losing over half her net worth in the last financial crisis. She has used an advisor in the past and continues to make her own investment decisions by primarily investing in mutual funds and closed end funds. The challenge with this approach is that she's been using funds that have a high duration, low credit quality, and large amounts of leverage. Unaware of this, Amber's investment philosophy has been to choose funds with the highest yield with little understanding of the implications of those investments. Amber came to us looking for help in managing her investments with confidence that our expertise will help her produce sufficient income throughout retirement. Heading into retirement, Amber enjoys traveling and looks forward to taking long trips to exotic and remote destinations around the world.

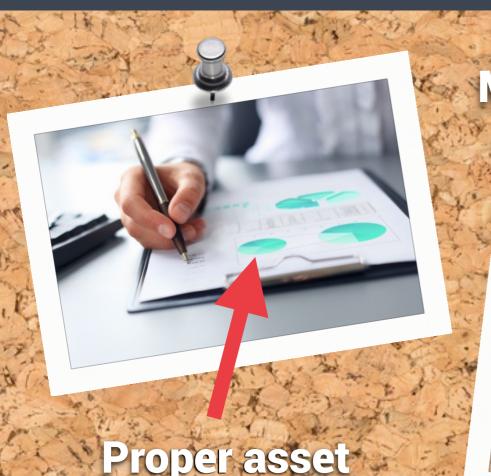
AMBER'S CURRENT RISK STRATEGY

Current Risk Score

Portfolio Risk Score



WHAT IS IMPORTANT TO AMBER?



Proper asset allocation

Maintaining the same lifestyle



Covering the expenses of travel and healthcare



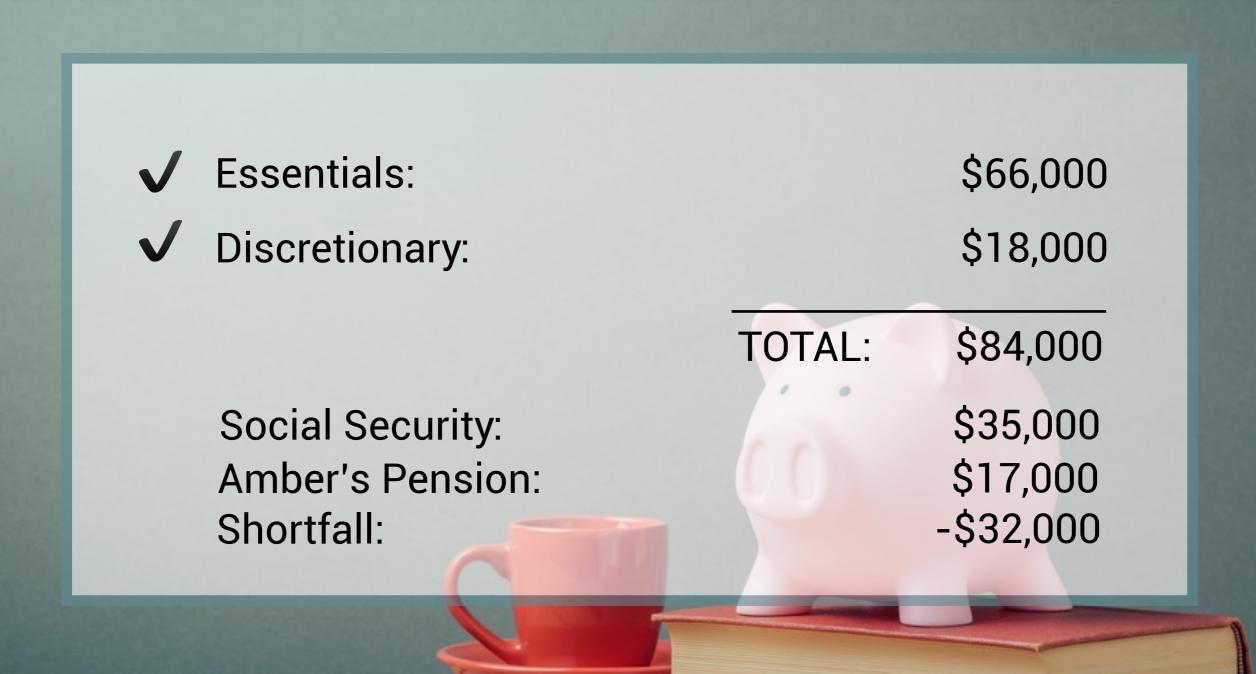
Producing sufficient income in retirement



AMBER'S CURRENT BUDGET



AMBER'S RETIREMENT BUDGET



AMBER'S ASSETS

Non-Investment Assets

✓ Primary Residence: \$530,000

Investment Assets

✓ Amber's Retirement: \$375,000

✓ Amber's Taxable: \$651,000

✓ Amber's Roth IRA: \$150,000

✓ Cash Assets: \$60,000

Total Investment Assets \$1,236,000

Total Assets: \$1,766,000

Liabilities: -\$75,000

Net Worth: \$1,691,000

AMBER'S FINANCIAL PLAN CHALLENGES

- 1. Taking excessive risk in current portfolio based on how she currently selects her investments.
- 2. High expenses with low income sources in retirement.
- 3. Large overlap in the portfolio creating additional risks and concentrated positions.



AMBER'S RETIREMENT INCOME STRATEGY

		Social Security	\$35,000	
		Amber's Pension	\$17,000	
Investment Income				
Amber's Retir.	\$375K	Fixed Income & Dividend Payers @ 3.1%1	\$11,625	
Amber's Tax.	\$651K	Fixed Income & Dividend Payers @ 3.1%2	\$20,181	
Amber's Roth	\$150K	Fixed Income & Dividend Payers @ 3.1%3	\$4,650	
Cash	\$60K			
		Total Investment Income	\$36,456	
		Grand Total Income	\$88,456	
		Less Budget	\$84,000	
		Surplus	\$4,456	

^{1, 2, &}amp; 3: Yields are for current portfolio yields as of 10/25/16. Please see disclosures at the end of this presentation for security risks.

GOAL BASED RECOMMENDATIONS FOR AMBER

Goal	Strategy
Proper asset allocation	We updated asset allocation to reflect a more balanced portfolio with her risk objectives and goals.
Producing sufficient income in retirement	In order to maximize income, we incorporated dividend producing stocks in her portfolio to help manage inflation. We also introduced an individual bond ladder that holds bonds to maturity in order to reduce risk and maintain a steady income stream.
Maintaining the same lifestyle	We recommended that she develop a budget that can be closely monitored. This way, when Amber would like to travel, the extent of her trips will vary based upon the current market conditions. In good years, Amber will be able to take more expensive trips and in down years, she'll need to limit traveling costs all-together.
Covering travel and healthcare expense	Our strategy was to make sure Amber was utilizing proper health insurance coverage. In addition, we also invested her assets in a way to manage sequence of returns risks and inflation.

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 dividend 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.

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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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