



Does Retiring Abroad
Make Financial Sense?

LIFETIME INCOME CASE STUDY

Presented by Puplava Financial Services, Inc.
Registered Investment Advisor


Thomas Nelson

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:	Thomas Nelson.
Ages:	Age 66.
Retirement:	Plans to retire end of year.
Life expectancy:	Age 87.
Risk tolerance:	Moderately Conservative.
Investment objective:	Income with Capital Preservation.



WHO IS THOMAS?

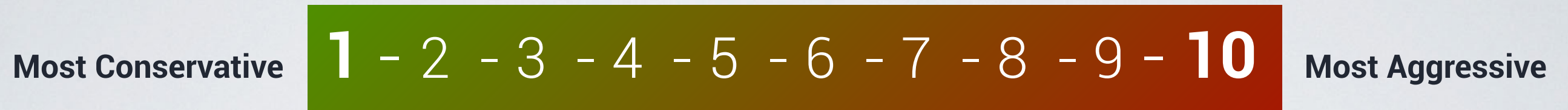
Name: Thomas

Age: 66

Job: Product Manager

Thomas worked for a large company for nearly 3 decades and loved his job. He has a passion for experiencing new places and spends 3-7 weeks a year traveling abroad for vacation. Thomas enjoys the prospect of retiring soon and possibly living abroad for a portion of his retirement years. He is keen on living somewhere in South America. However, he would still like to spend time in the U.S. each year to visit his friends and grandchildren. Thomas is unsure whether he can afford to buy a home abroad and how that would impact his retirement. He plans to retire at the end of the year and is looking for professional guidance to help him determine if spending part of his retirement years living outside the United States is a viable option or not.

THOMAS' CURRENT RISK STRATEGY



Current Risk Score



Portfolio Risk Score



WHAT IS IMPORTANT TO THOMAS?



Maintaining a comfortable lifestyle in retirement

Trying to live abroad



Not outliving retirement assets

Managing taxes and healthcare costs during retirement



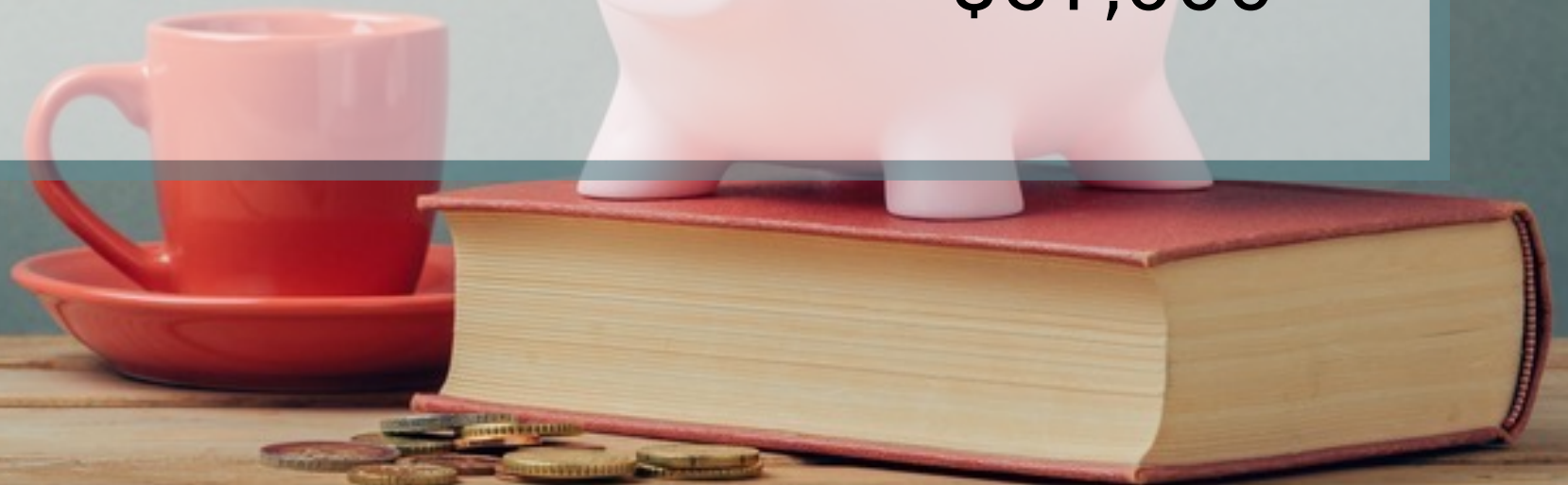
THOMAS' CURRENT BUDGET

✓ Essentials:	\$45,000
✓ Discretionary:	\$20,000

TOTAL: \$65,000

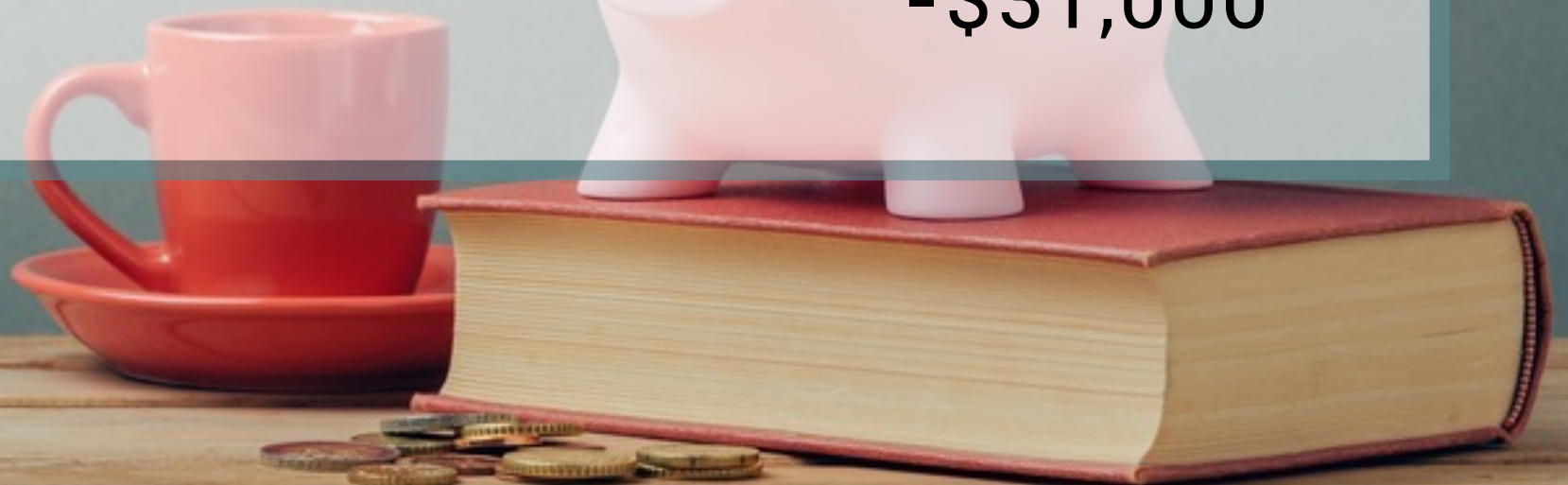
Thomas' Salary: \$102,000

Surplus: \$37,000



THOMAS' RETIREMENT BUDGET

✓ Essentials:	\$40,000
✓ Discretionary:	\$21,000
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TOTAL:	\$61,000
Social Security	\$30,000
Shortfall:	-\$31,000



THOMAS' ASSETS

Non-Investment Assets

✓ Primary Residence: \$720,000

Investment Assets

✓ Thomas' Retirement: \$622,000

✓ Thomas' Individual Account: \$568,000

✓ Cash Accounts: \$110,000

Total Investment Assets \$1,300,000

Total Assets: \$2,020,000

Liabilities: -\$5,000

Net Worth: \$2,015,000

THOMAS' FINANCIAL PLAN CHALLENGES

- 1.** Living abroad and the implications for retirement.
- 2.** Managing expenses and creating retirement income.
- 3.** Managing taxes and healthcare costs.



THOMAS' RETIREMENT INCOME STRATEGY

Thomas' Social Security

\$30,000/Year

Investment Income

Thomas' Retire.	\$622K	Fixed Income & Dividend Payers @ 3.2% ¹	\$19,904
Thomas' Individ.	\$568K	Fixed Income & Dividend Payers @ 3.2% ²	\$18,176

Total Investment Income \$38,080

Grand Total Income \$68,080

Less Budget \$61,000

Surplus \$7,080

1 & 2: Yields are for current portfolio yields as of 7/31/17. Please see disclosures at the end of this presentation for security risks.

GOAL BASED RECOMMENDATIONS FOR THOMAS

Goal

Strategy

**Living abroad in
Colombia**

After much further discussion, he decided he wanted to live in Colombia for part of the year. We recommended that he sell his current home and use the proceeds plus another \$100,000 to buy a studio in Colombia and buy a condo in the U.S. close to his grandchildren.

**Maintaining a
comfortable lifestyle in
retirement**

We advised him to keep his monthly expenses to \$1,900 while in the U.S. and \$3,100 while living in Colombia. This would allow Thomas to spend more and do the things he wanted while overseas.

**Managing taxes and the
costs of healthcare**

We referred him to a law firm that has offices in the U.S. and Columbia that specialize in working with U.S. citizens living abroad to help with taxes and estate planning issues that come with living in two countries. By moving to Colombia, Thomas would receive quality healthcare given the World Health Organization ranks them #6 in the world for quality of care.

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.*

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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