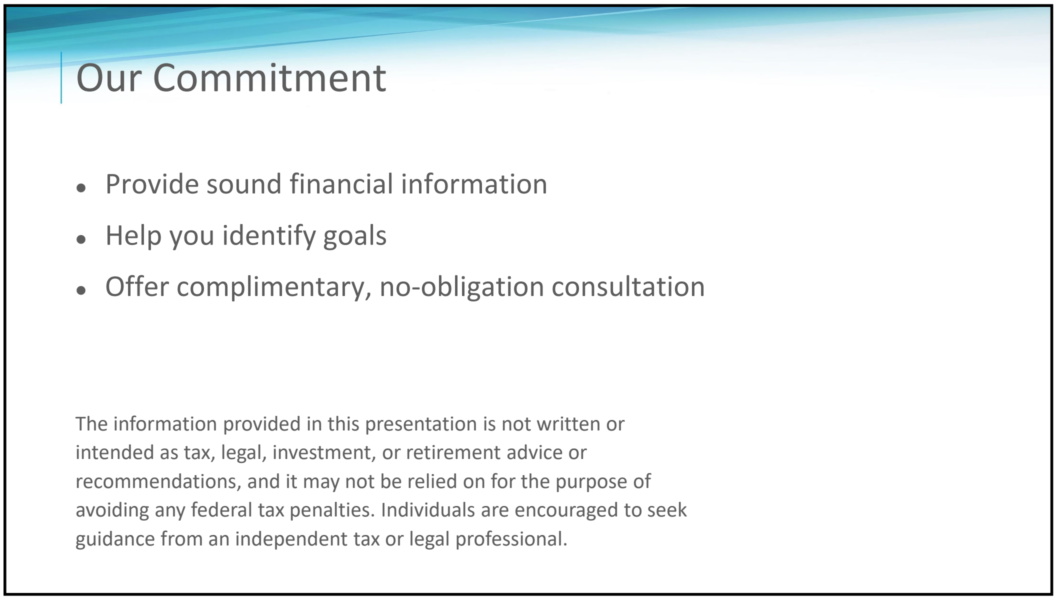
Welcome to our retirement income seminar on charting a course to help your money last. We’re glad you could join us today. As you entered, you should have been given some materials. I also have pencils *(or pens)* available if you need them.

Before we start the main part of our presentation, let me take a minute or two to tell you what we hope to accomplish over the course of the next hour or so.



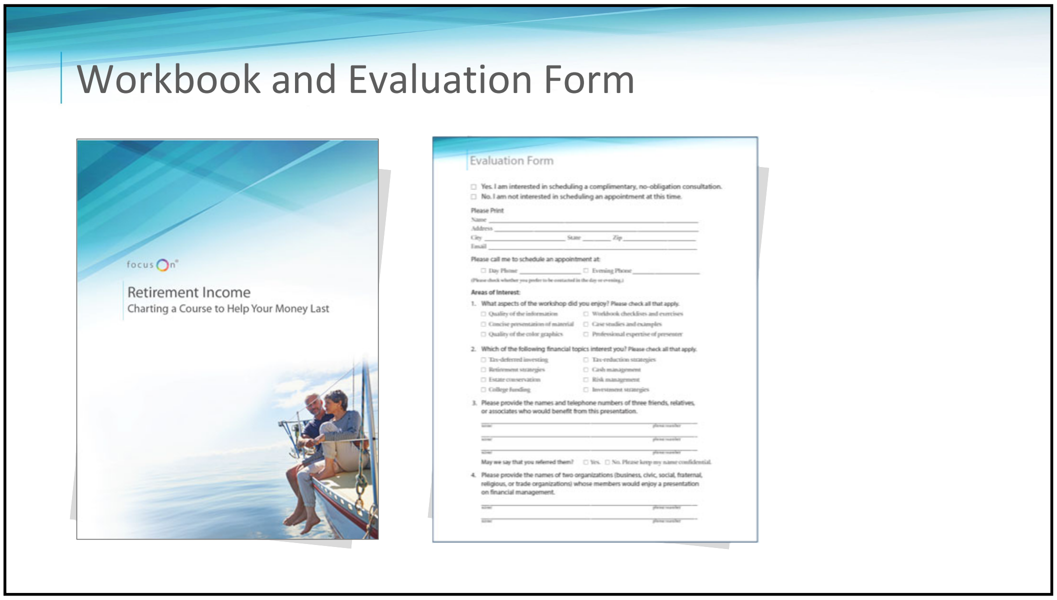
We use seminars like this one to introduce ourselves and to develop strong working relationships with members of the community like you.

Our commitment extends beyond simply offering financial services. We are committed to helping you evaluate your financial situation and giving you tools to help make informed decisions and pursue your financial goals.

We hope that after attending the seminar, you'll want to meet with us in our office. This is a complimentary, no-obligation consultation that we offer to everyone who attends our seminars. During that meeting, we can discuss any questions you have as a result of what we discuss here. If you prefer, we can use that time to examine your specific situation and begin the process of helping you formulate a financial strategy that will suit your needs.

We know that we'll establish a working relationship with you only when *you* are confident that we can be of service. We want you to understand your options and to know how you may benefit from working with us.

The information in this presentation is not written or intended as tax, legal, investment, or retirement advice or recommendations, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek guidance from an independent tax or legal professional based on your individual circumstances.



Let’s talk about the workbook you received as you entered.

We’ve found that people are more likely to remember something they act on rather than something they only hear about. That’s why we designed this workbook so you can apply what you learn to your situation. In it you’ll find helpful materials that reinforce the seminar’s major points and will be a valuable resource for you.

Feel free to highlight, underline, or make notes in whatever way serves you best.

Inside your workbook, you’ll find an evaluation form just like this one.

[Note to presenter: Pull out an evaluation form for your seminar participants to see.]

At the end of the presentation, please use this form to tell us whether you’re interested in taking advantage of the complimentary, no-obligation consultation.

We’d like to make you two promises concerning this form. First, if you check “Yes, I am interested in scheduling a complimentary, no-obligation consultation,” we’ll call you in the next couple of days and set up an appointment. Second, if you check “No, I am not interested in scheduling an appointment at this time,” we won’t call you directly after the seminar.

In exchange for these two promises to you, please promise that you will fill out this form. Many seminar attendees do come in for a consultation, so we’ve set aside time just to meet with you.

When you do come to our office, feel free to leave your checkbook at home. We are very interested in developing working relationships with you, but that decision is yours.

What happens when you retire?

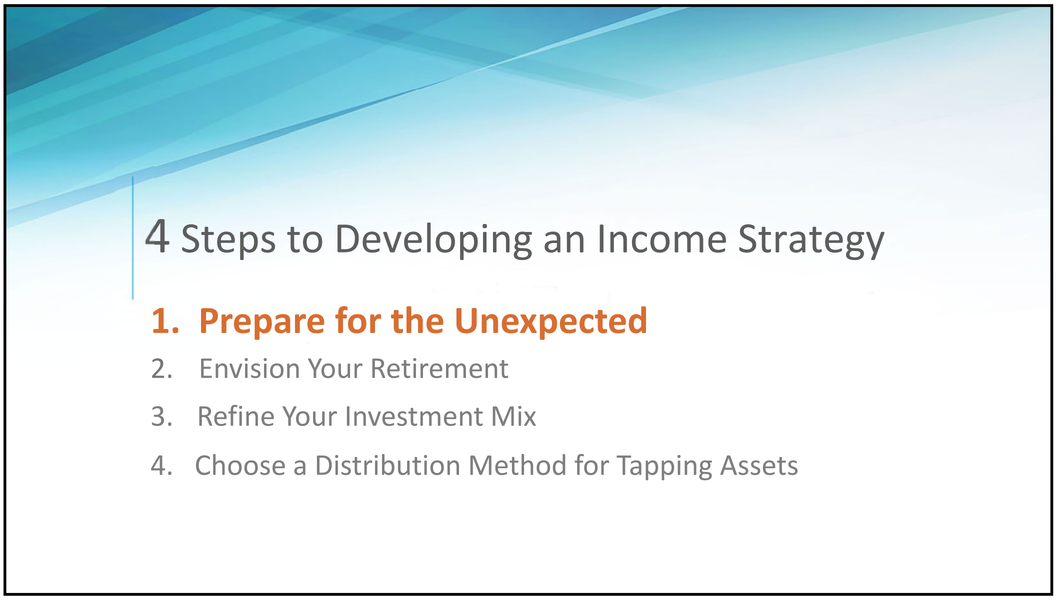
Many people envision traveling to new destinations, having more time for family and hobbies, and volunteering for their favorite charitable organizations.

One thing is certain: Your financial focus takes a dramatic shift. The guidelines for managing money are different from when you were working.

Instead of saving money to *accumulate* assets, you'll need to figure out how to *withdraw* assets efficiently for income.

Your primary focus is twofold: to live your desired lifestyle and avoid running out of money.

That means generating a steady income stream and making decisions to help your assets last throughout your retirement years.



During this seminar, we're going to focus on four important steps to developing a sound retirement income strategy.

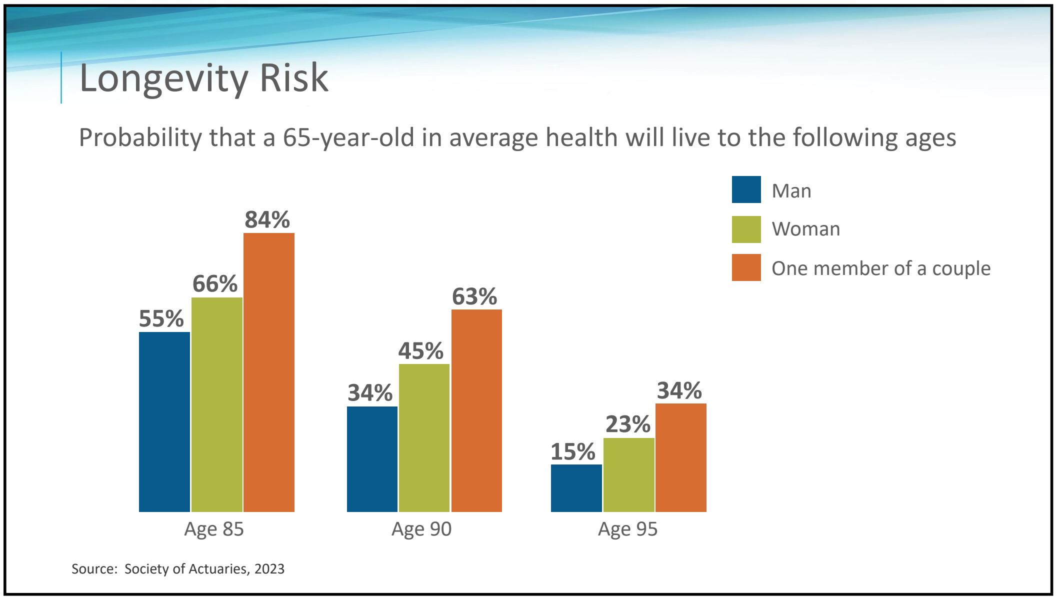
First is to prepare for the unexpected. Even the most well-thought-out financial strategy could be derailed by some risks you may encounter in retirement.

The second step involves assessing your current financial situation, exploring the lifestyle choices you will make, and understanding the sources of income that will be available to you.

Third is to refine your investment mix to balance your need for a steady income, growth potential, and stability throughout retirement.

Fourth is to choose a distribution method for tapping your assets that will help your money last as long as you do and reduce unnecessary taxes and penalties.

Let's start by taking a closer look at several risks you may face. Your ability to live the retirement lifestyle you want — and deserve — may depend on how prepared you are to manage and overcome these risks.



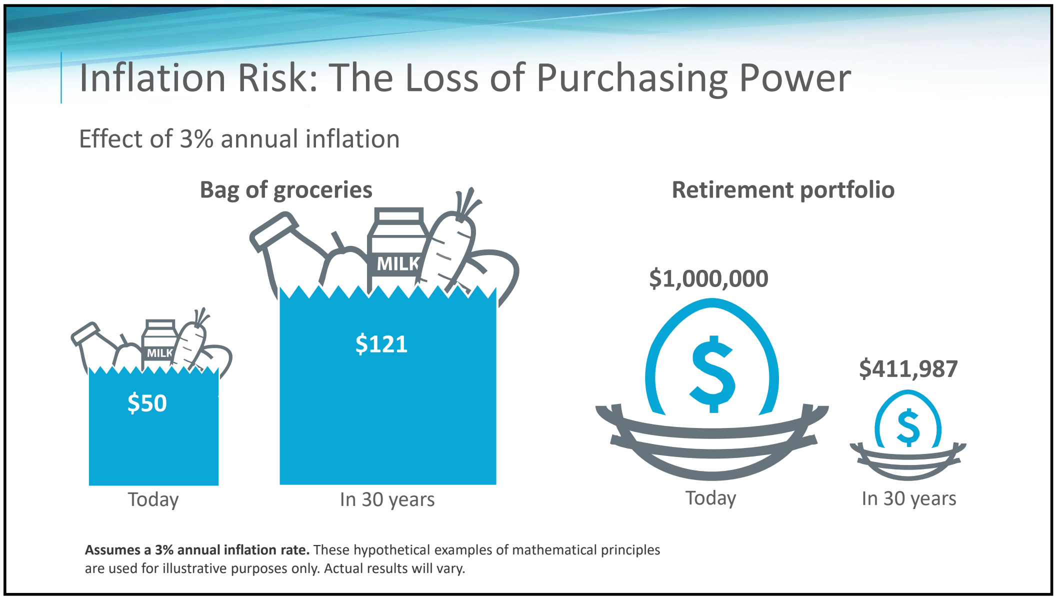
The good news is that you may live a long time. The challenge is making sure that your retirement assets last as long as you do.

Based on life-expectancy statistics, a retired 65-year-old man in average health has a 34 percent chance of living to age 90, and a 65-year-old woman in average health has a 45 percent chance of living to age 90.

For a couple, the odds are even more striking: One member of a couple has a 63 percent chance of living to age 90 and a 34 percent chance of living to age 95.

How confident are you that you will be able to live comfortably at age 90 or 95? Your retirement income strategy should include the possibility of a long life.

Source: Society of Actuaries, 2023



Inflation is the rise in consumer prices and the loss of purchasing power over time. It has an effect on everything — from the cost of a bag of groceries to a car to a home. Inflation was relatively low over the past decade (averaging 2.6 percent, 2013−2022), but was especially challenging in 2021 and 2022, rising 7.0 percent and 6.5 percent respectively, the largest annual increases since 1982.[1]

Whether you realize it or not, you've been battling inflation throughout your working years. Yet it could be even harder to deal with in retirement when you're on a fixed income.

Consider these two hypothetical examples that illustrate the effects of 3 percent annual inflation over a 30-year period.

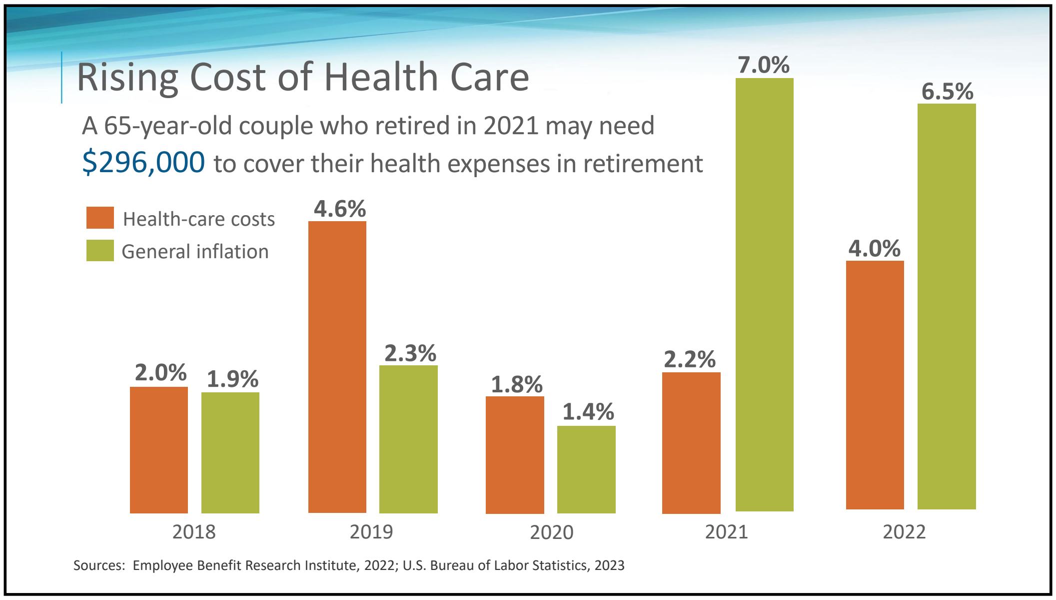
A bag of groceries costing $50 today would cost $121 for an equivalent purchase in 30 years — that's 2.4 times more than now.

A $1 million retirement portfolio would have the purchasing power of about $412,000 in 30 years. That's why it's essential for your retirement portfolio to keep pace with — and ideally exceed — inflation to avoid losing purchasing power as the years go by.

Of course, longevity and inflation aren't the only factors to consider. So that brings us to another risk: the rising cost of health care.

Source: 1) U.S. Bureau of Labor Statistics, 2023 (consumer price index)

These hypothetical examples of mathematical principles are used for illustrative purposes only. A 3 percent annual inflation rate cannot be guaranteed. Actual results will vary.



One of the biggest worries that many retirees face is paying for health care in retirement. As you can see here, medical costs (represented by the orange bars) rose at a faster rate than general inflation until 2021 and 2022, when unusually high general inflation outpaced health-care inflation.[1]

Medicare is available once you reach age 65, but in addition to the monthly premiums, there are some fairly stiff deductibles, copays, and limitations. Costs vary depending on the coverage you choose and the medical services you need.

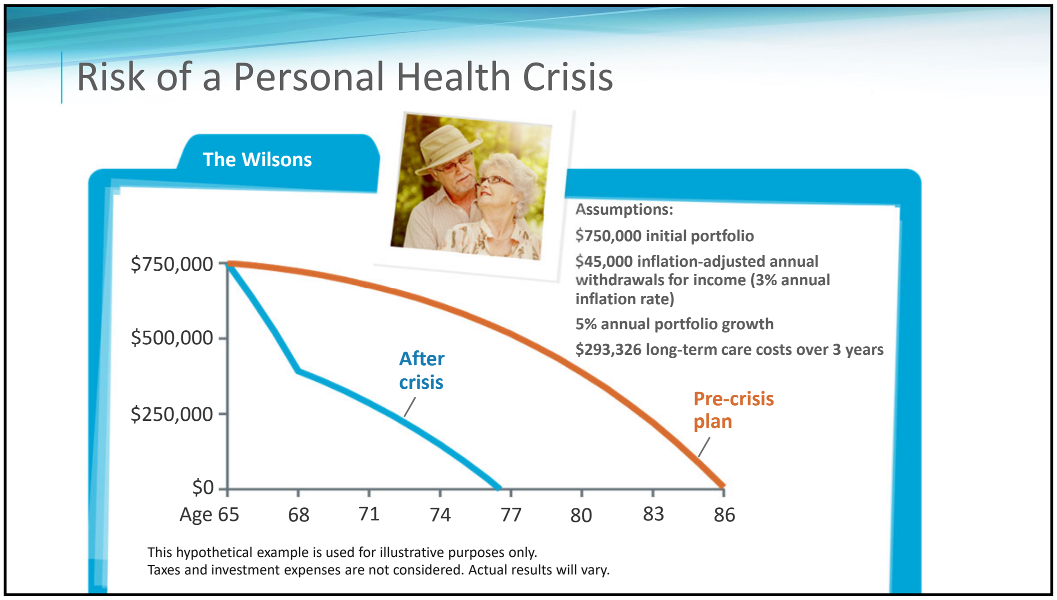
Medicare Part B (medical insurance) premiums in 2023 range from about $165 per month to about $560 per month, depending on the modified adjusted gross income reported on your 2021 tax return.[2] And if you enroll in the Original Medicare program, there is no annual limit on your out-of-pocket expenses.

If Medicare benefits remain at current levels, it's estimated that a 65-year-old couple who retired in 2021 and live an average life expectancy may need $296,000 to cover their Medicare, Medigap, and out-of-pocket prescription drug costs in retirement.[3]

Consider that medical costs could be even higher if you develop a chronic illness or incur high prescription drug costs. And other health-related costs, such as dental expenses, glasses, and hearing aids for those who need them, are not captured in these figures.

[Note to presenter: Share with participants if you offer guidance on choosing Medicare plans.]

Sources: 1) U.S. Bureau of Labor Statistics, 2023; 2) Centers for Medicare & Medicaid Services, 2022; 3) Employee Benefit Research Institute, 2022 (estimated amounts needed for Medicare Part B and Part D premiums and deductibles, Medigap Plan G premiums, and median out-of-pocket prescription drug costs)



Do you know someone, a family member or a friend, who has experienced an unexpected and costly health crisis? A personal crisis could derail your plans and deplete your retirement savings.

According to statistics, today's 65-year-olds have a nearly 70 percent chance of needing long-term care services at some point in their lifetimes.[1] The national median cost for a semi-private room in a nursing home is $94,900, which is about $7,908 a month.[2]

Here's an example of why you may need to be prepared for an unexpected health crisis.

The Wilsons retired at age 65 with a $750,000 portfolio. They planned to withdraw $45,000 annually from their portfolio for income, and hoped that this would enable them to live comfortably to age 86.

Shortly after retiring, Bob Wilson suffered a stroke that required three years of nursing-home care and follow-up home care. The total out-of-pocket cost for this care was $293,326 over three years.

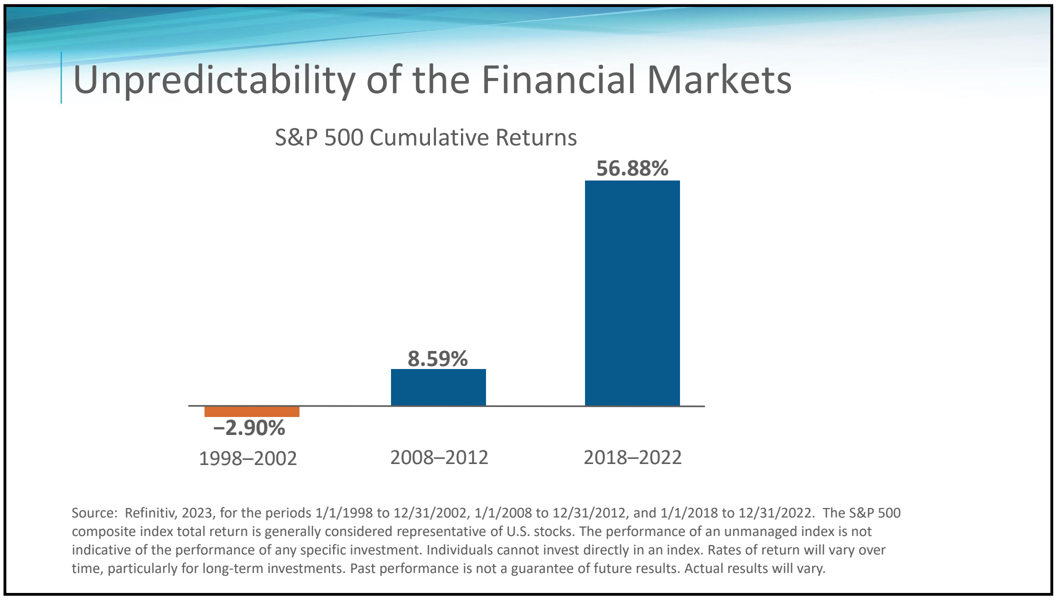
Because the Wilsons assumed that Medicare would cover any long-term care costs, they hadn't purchased additional insurance protection and weren't prepared financially.

The graph shows how these unforeseen costs affected the Wilsons' portfolio. With the couple's savings significantly depleted by the cost of Bob's care ($293,326 over three years), continuing on the same withdrawal path would leave them without savings when they reached age 76.

The Wilsons had to make an unpleasant choice: They could either reduce their standard of living or risk outliving their retirement savings.

Sources: 1) U.S. Department of Health and Human Services, 2020; 2) Genworth Cost of Care Survey, 2021 (most current data available)

This hypothetical example is used for illustrative purposes only. It assumes $45,000 inflation-adjusted annual withdrawals for income (3 percent inflation rate) and a 5 percent annual rate of return for the portfolio. Long-term care assumes a first-year cost of $94,900, indexed annually for inflation at a 3 percent annual rate. Taxes and investment expenses are not considered. Rates of return will vary over time for long-term investments. Actual results will vary.



Another risk you will face is the unpredictability of the financial markets.

Market conditions can change, often unexpectedly and sometimes dramatically. Generally, it's a case of *when* and not *if* it happens. And *if* it happens *when* you're about to retire, or when you're drawing down your retirement investments for income, it can be unsettling to say the least.

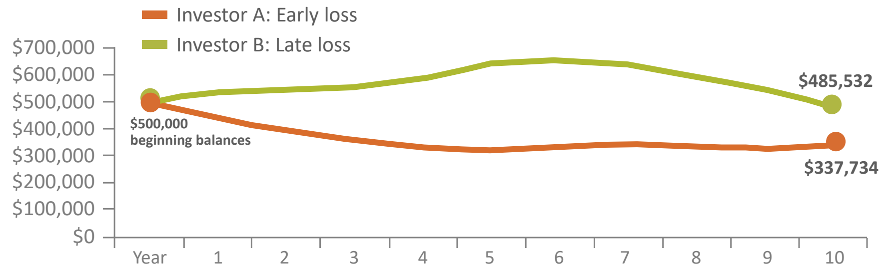
Consider these outcomes, which show the cumulative returns of the S&P 500 composite index over three different five-year periods: 1998 to 2002, 2008 to 2012, and 2018 to 2022. *(The cumulative return looks at the total percentage increase or decrease in the value of an investment over a specific time period.)*

As you can see, these three time periods produced vastly different results. Although the cumulative return for two of these five-year periods was positive, the five-year period from 1998 through 2002 had a *negative* 2.9 percent cumulative return.

Keep in mind that market performance data is always backward looking. Whether the markets perform well or poorly in future years is a big unknown.

Source: Refinitiv, 2023, for the periods January 1, 1998, to December 31, 2002; January 1, 2008, to December 31, 2012; and January 1, 2018, to December 31, 2022. The S&P 500 composite index total return is generally considered representative of U.S. stocks. The performance of an unmanaged index is not indicative of the performance of any specific investment. Individuals cannot invest directly in an index. Rates of return will vary over time, particularly for long-term investments. Past performance is not a guarantee of future results. Actual results will vary.

Sequence-of-Returns Risk



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Investor A (early loss)	−5%	−2%	−1%	3%	7%	15%	12%	9%	8%	14%
Investor B (late loss)	14%	8%	9%	12%	15%	7%	3%	−1%	−2%	−5%

Assumes $35,000 annual withdrawals. This hypothetical example is used for illustrative purposes only and does not reflect any specific investments. Inflation, fees, expenses, and taxes are not considered and would reduce the performance shown if they were included. Actual results will vary.

The risk of experiencing poor investment performance at the wrong time is called *sequence risk* or *sequence-of-returns risk*. This is a significant factor in retirement when you are withdrawing money from, not contributing money to, your investment portfolio.

If the financial markets take a downturn just before you retire or in the beginning years of retirement — resulting in an early loss of your retirement assets — you would have a lower base of assets from which to generate income throughout your retirement years.

Here's a simplified example comparing two hypothetical $500,000 retirement portfolios that earned annual returns in the ***exact opposite order*** over a 10-year period. Both investors withdrew $35,000 each year for retirement income (these withdrawals were not adjusted for inflation).

Investor A experienced an early loss — negative returns of –5 percent, –2 percent, and –1 percent for the first three years of retirement — and positive returns during years 4 through 10.

Investor B experienced a late loss. Investor B's portfolio grew during the first seven years of retirement, so it was better able to weather losses during years 8, 9, and 10.

After 10 years, the ending value of Investor A's portfolio was $337,734, compared with an ending value of $485,532 for Investor B. That's a difference of nearly $150,000 — all due to the sequence of returns.

If you experience an early loss of your retirement assets, you might need to reduce your spending and/or withdraw less from your retirement portfolio. Having sufficient cash reserves on hand or a financial product that offers a guaranteed income for life might enable you to avoid selling investments during a down market.

This hypothetical example is used for illustrative purposes only and does not reflect any specific investments. Inflation, fees, expenses, and taxes are not considered and would reduce the performance shown if they were included. Actual results will vary.