

# Getting the Most Out of Your Retirement Years

A Comprehensive Process for Planning and Sustaining Your Retirement Income





# The Three Key Components

ONE

A Carefully Designed  
Planning Process

TWO

Strategic Positioning of  
Your Retirement  
Capital

THREE

A Superior Set of Tools

# 1. The Process

Identifying an effective process is the crucial first step. A thorough process will be your guide every step of the way.

The primary elements of our process are:



## STEP 1

**A THOROUGH AND  
REALISTIC INITIAL  
ASSESSMENT AND  
ANALYSIS**



## STEP 2

**A STRATEGIC PLAN FOR  
THE ALLOCATION OF YOUR  
SAVINGS AND  
INVESTMENT**

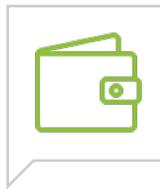


## STEP 3

**A CLEAR STRATEGY FOR  
MINIMIZING TAXES**

# 1. The Process (continued)

The primary elements of our process continued:



## STEP 4

**A BASIC SPENDING POLICY**

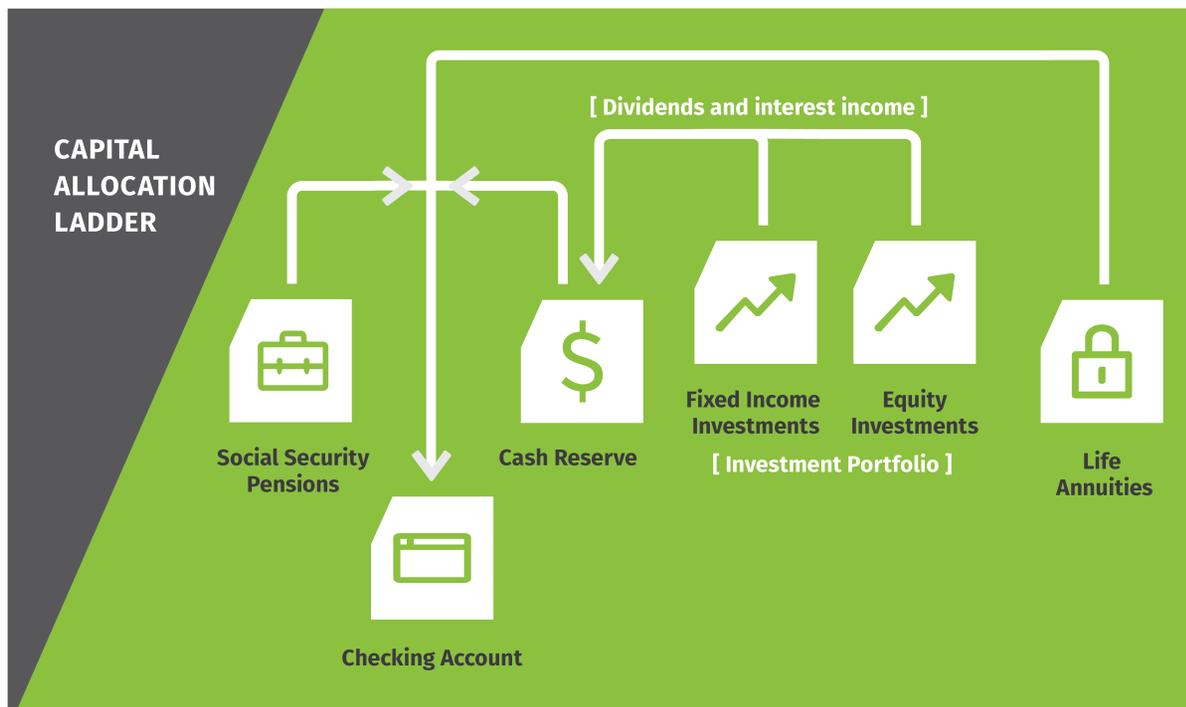


## STEP 5

**PERIODIC REVIEWS, TO  
MONITOR AND ADJUST**

## 2. Strategic Positioning of Your Retirement Capital

A reliable capital allocation framework should shepherd your capital while efficiently producing your monthly paycheck.



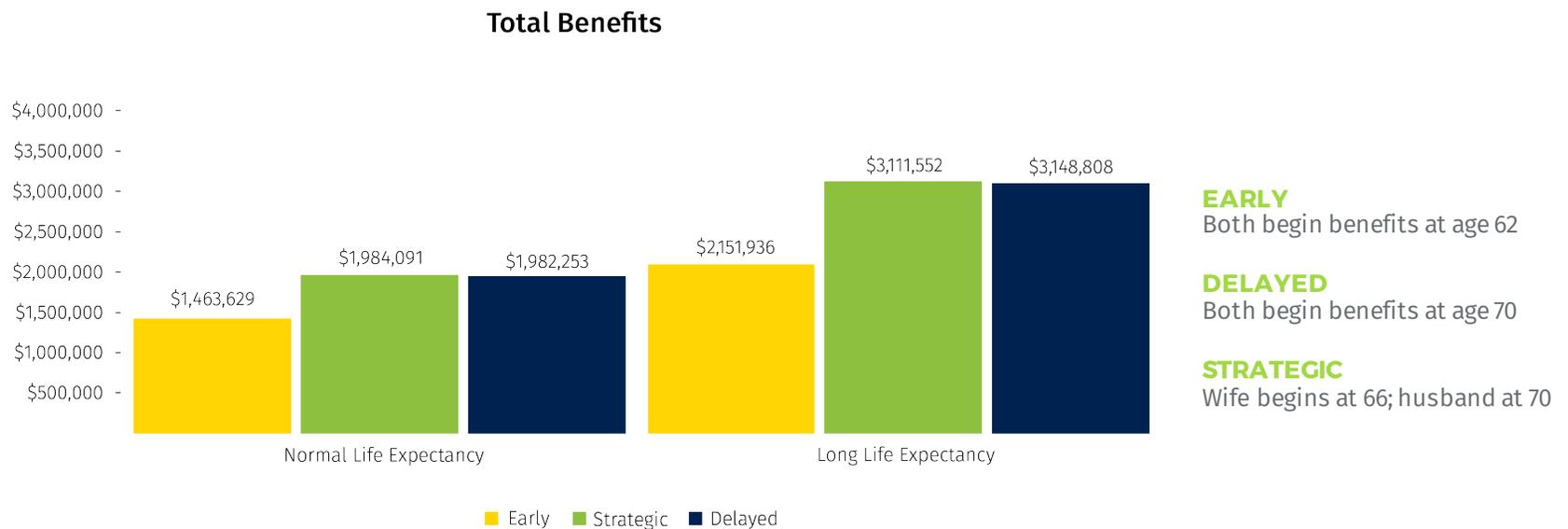
### 3. The Tools

- SOCIAL SECURITY ANALYZER
- INCOME RELIABILITY ASSESSMENT
- TAX OPTIMIZER
- SPENDING PLAN
- AND MORE...

# Social Security Analyzer

How important are your Social Security elections?

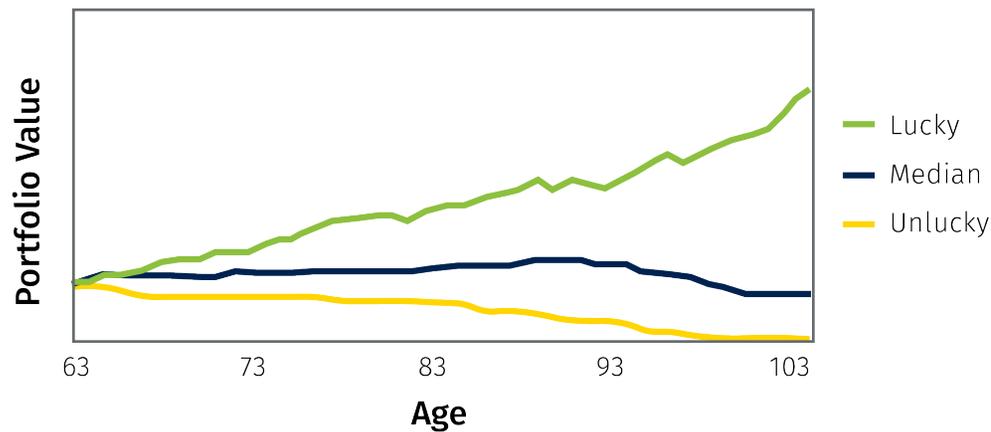
In this example, we examine three options. Every situation is different, but for this couple, a “Strategic” plan was nearly equivalent to a “Delayed” plan over the illustrated periods, even though the one spouse began benefits 4 years earlier.



# Income Reliability Assessment

How much can you comfortably spend?

It is critically important to begin with a sound picture of where you stand. You'll want to start your journey using a well-designed program and thorough inputs.



## Probability of Asset Depletion

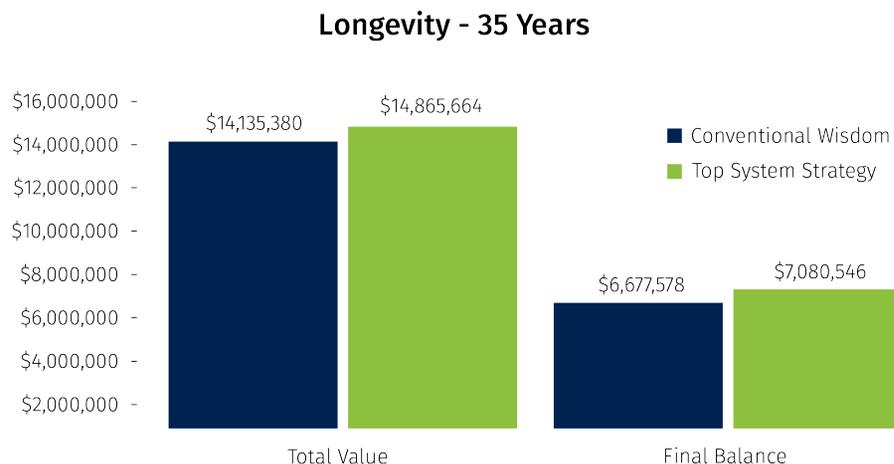
| Age: | Probability |
|------|-------------|
| 69   | 0%          |
| 74   | 0%          |
| 79   | 0%          |
| 84   | 0%          |
| 89   | 1%          |
| 94   | 6%          |
| 99   | 24%         |

# Tax Optimizer

How can you strategically minimize taxes?

If your goal is to minimize taxes in the early years of retirement, the “conventional wisdom” of using money from after-tax accounts first can be a good strategy. But if your goal is to minimize the tax burden over the full course of retirement, other strategies may be better.

We have illustrated the difference between two approaches to the ordering of withdrawals from various kinds of accounts.

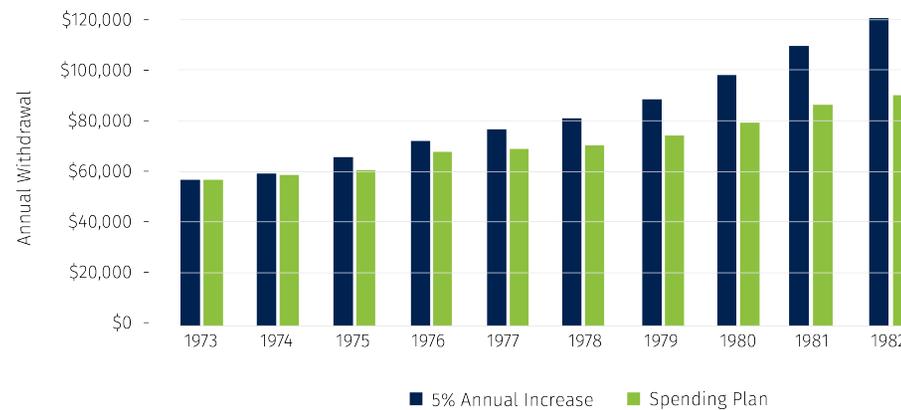


# Spending Plan

How can you systematically smooth out income adjustments?

Applying a spending plan after the severe market downturn of 1973-74 would have produced the following pattern.

**Hypothetical Spending Pattern  
5% Annual Increase vs A Spending Plan**

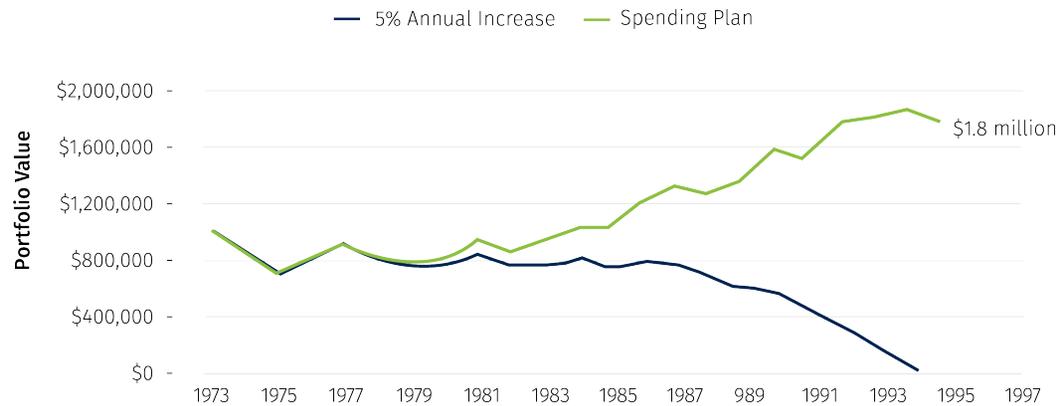


The Spending Plan is based on applying an annual adjustment formula to a hypothetical portfolio of 60% stocks (S&P 500 Index) and 40% bonds (Barclays Intermediate-Term Government Bond Index). Data was compiled by Thornburg Investment Management. *Past performance does not guarantee future results.*

## Spending Plan (continued)

With the modified spending pattern, the portfolio in this example was able to stabilize and begin to grow again.

**Hypothetical Account Balance  
5% Annual Increase vs A Spending Plan**



The Spending Plan is based on applying an annual adjustment formula to a hypothetical portfolio of 60% stocks (S&P 500 Index) and 40% bonds (Barclays Intermediate-Term Government Bond Index). Data was compiled by Thornburg Investment Management. *Past performance does not guarantee future results.*

# And More

## FORMULAS TO EVALUATE ANNUITIZATION OPTIONS

Under what circumstances could converting a part of your savings into a life income stream be a wise choice? If you decide to use an annuitization strategy, at what age should you begin, and could it be advantageous to implement a little at a time? There are formulas that can help to logically answer these questions.

## TRUSTS AND OTHER PLANNING TECHNIQUES

Are there legal tools you can use to better protect your assets? Do you want to ensure your family's needs are met in the manner you intend? Would you like to identify potential tax benefits?

## Your Support Team

Your primary consultant as you construct and manage your retirement income plan will be your personal advisor. But your advisor is not alone – you and your advisor will have personal access to a deeply experienced team of specialists and support personnel. As just a few examples . . .



### **MALCOLM TREVILLIAN**

is a Certified Financial Analyst who handles the analysis, selection, and monitoring of high dividend stocks. He previously worked as a portfolio manager in the Trust Division of a major southeastern bank during the 1980s and 1990s.



### **BRAD CORBETT**

is an MBA graduate of UNC's Kenan-Flagler Business School who manages fixed income portfolios as well as alternative income strategies. He began his career as a fixed-income securities trader at Barclays Capital in New York.



### **GORDON WEGWART**

as Verity's President and Chief Investment Officer, devotes considerable energy to optimizing retirement outcomes. He has studied and worked with the development of retirement planning strategy, software and systems for over 30 years.

# Your Customized Plan



## **DEVELOPED & MANAGED**

The plan that results from implementing this process is developed and managed uniquely for you.



## **MODIFIED OVER TIME**

And it is modified over the years to fit the specific course of your life and goals and evolving circumstances.



## **BUILDS CUMULATIVE VALUE**

The cumulative value of applying these various tools to the analysis of your circumstances can have a material impact on the potential duration of your income or the size of your estate.



## **STARTS WITH A PRELIMINARY ASSESEMENT**

It all starts with a preliminary assessment which can help demonstrate whether a process like this one can be of value to you.

# Disclosures

*This material contains forward looking statements and illustrations; there is no guarantee that suggested or illustrated outcomes will be achieved. All illustrations are hypothetical. The concepts illustrated and recommendations made using the described process are intended to provide well-reasoned retirement income guidelines based on experience, research, analysis, and software programs which we deem to be reliable, and the process and its components are designed with the intent of enhancing the probabilities of successful outcomes. However, there is no guarantee that either single recommendations or the overall process will succeed in the manner intended. Further, use of this process and the strategies and recommendations associated with this process cannot guarantee that an individual will receive any desired or projected level of income throughout retirement.*

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