

THE
FRUITFUL
Retirement



WORKBOOK

JIM DEGAETANO, CPA, CFP®

Priorities

WHAT DO YOU LOVE ABOUT LIFE?

WHAT IS IMPORTANT ABOUT LIFE TO YOU?

WHAT BRINGS YOU THE MOST JOY AND
HAPPINESS IN YOUR EVERYDAY ACTIVITIES?

IF YOU HAD MORE TIME DURING THE DAY, WHICH
ACTIVITIES WOULD YOU SPEND MORE TIME DOING?

MAKE A LIST OF GOALS AND PRIORITIZE THEM

Self-Awareness

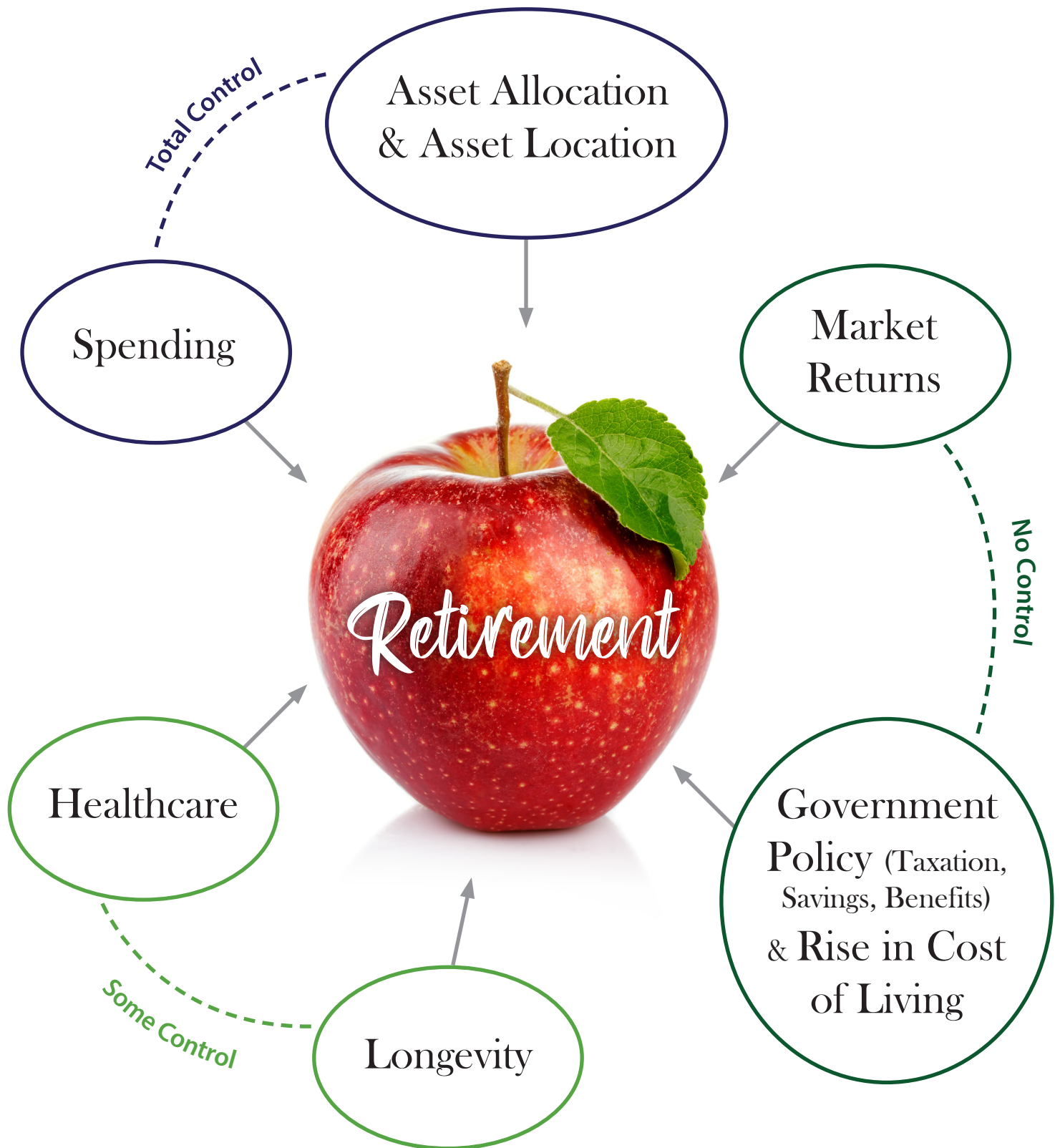
Fill out the squares as an honest assessment of your life.

| | DISLIKE | LIKE |
|-----------------------------|---------|------|
| GOOD OR SKILLED | | |
| NOT GOOD OR UNSKILLED | | |

Schedule

| MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY | SUNDAY |
|----------|----------|-----------|----------|----------|----------|----------|
| 8:00 AM | 8:00 AM | 8:00 AM | 8:00 AM | 8:00 AM | 8:00 AM | 8:00 AM |
| 9:00 AM | 9:00 AM | 9:00 AM | 9:00 AM | 9:00 AM | 9:00 AM | 9:00 AM |
| 10:00 AM | 10:00 AM | 10:00 AM | 10:00 AM | 10:00 AM | 10:00 AM | 10:00 AM |
| 11:00 AM | 11:00 AM | 11:00 AM | 11:00 AM | 11:00 AM | 11:00 AM | 11:00 AM |
| 12:00 PM | 12:00 PM | 12:00 PM | 12:00 PM | 12:00 PM | 12:00 PM | 12:00 PM |
| 1:00 PM | 1:00 PM | 1:00 PM | 1:00 PM | 1:00 PM | 1:00 PM | 1:00 PM |
| 2:00 PM | 2:00 PM | 2:00 PM | 2:00 PM | 2:00 PM | 2:00 PM | 2:00 PM |
| 3:00 PM | 3:00 PM | 3:00 PM | 3:00 PM | 3:00 PM | 3:00 PM | 3:00 PM |
| 4:00 PM | 4:00 PM | 4:00 PM | 4:00 PM | 4:00 PM | 4:00 PM | 4:00 PM |
| 5:00 PM | 5:00 PM | 5:00 PM | 5:00 PM | 5:00 PM | 5:00 PM | 5:00 PM |
| 6:00 PM | 6:00 PM | 6:00 PM | 6:00 PM | 6:00 PM | 6:00 PM | 6:00 PM |

Taking Control



Mitigating Risks



Investing for
Retirement



Investing During
Retirement



Investment Objectives:
Appreciation & Earnings:
Risk:
Taxes:

Accumulation

Seek Growth

Risk Based on
Time Horizon

Defer Taxes

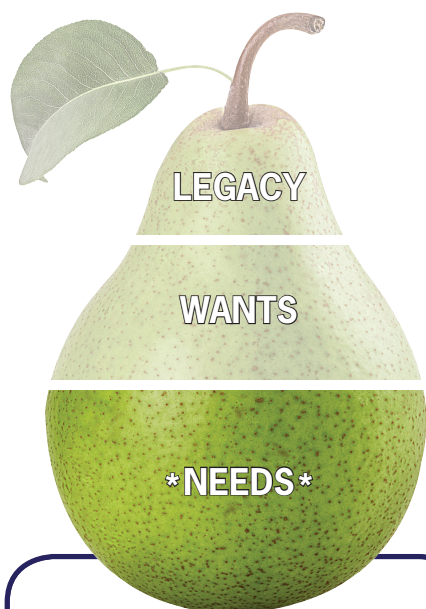
Preserve Principal

Seek Income

Seek Lower Risk

Save or Reduce Taxes

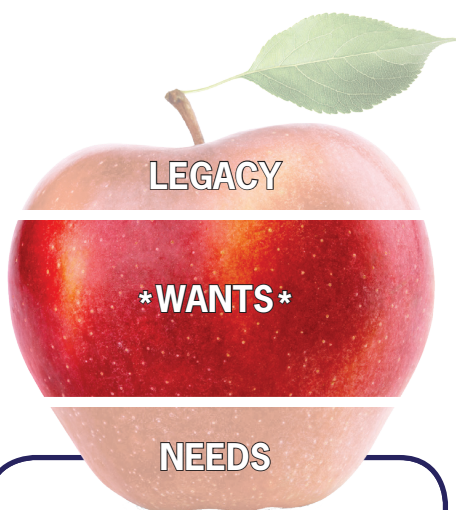
What Fruit Are You?



Pears

Prioritize meeting **Retirement Income Needs** with guaranteed income sources.

Tip: Consider how to create guaranteed income from existing assets in retirement such as private annuities.



Apples

Prioritize meeting **Retirement Income Wants** while maintaining risk tolerance.

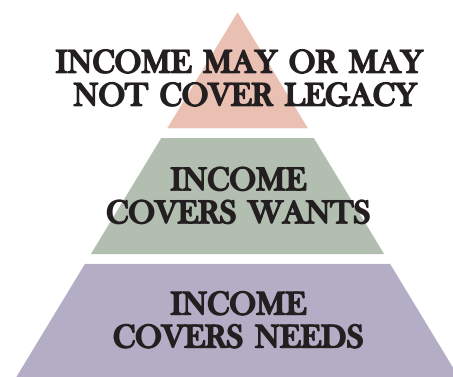
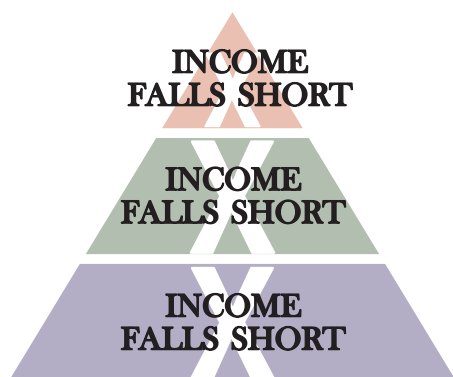
Tip: Consider using a bucket strategy that distributes income wants into time frames using assets with varying degrees of risk.



Strawberries

Prioritize leaving a **Legacy** while planning for life's uncertainties.

Tip: Consider leveraging tax efficient vehicles such as life insurance to maximize your legacy.



Retirement Budget

| Monthly Income* | | |
|-----------------------------|----|----|
| | C1 | C2 |
| Social Security | | |
| Annuity | | |
| Real Estate | | |
| Military Retirement | | |
| Federal Pension | | |
| Company Pension | | |
| Other Pension | | |
| Total Monthly Income | | |

Name _____

Date _____

| Monthly Expenses | |
|--------------------------|--|
| Needs | |
| Cable/Internet | |
| Car Fuel | |
| Car Insurance | |
| Car Maintenance | |
| Groceries | |
| Health Insurance | |
| Homeowner's Insurance | |
| House Payment (P&I) | |
| House/Property Taxes | |
| Phone | |
| Life Insurance | |
| Long Term Care Insurance | |
| Medical Expenses | |
| Renter's Insurance | |
| Utilities | |
| Other Needs | |
| Total Needs | |
| Wants | |
| Car Payment | |
| Church/Charity | |
| Dining Out | |
| Hobbies | |
| Organizational Dues | |
| Travel | |
| Other Entertainment | |
| Total Wants | |
| Legacy | |
| Gifts to Family | |
| Other | |
| Total Legacy | |

| Monthly Budget | |
|---------------------------------|---------|
| | C1 & C2 |
| Total Monthly Income* | |
| Total Monthly Needs | |
| Needs surplus/(deficit) | |
| Total Monthly Wants | |
| Wants surplus/(deficit) | |
| Total Monthly Legacy | |
| Legacy surplus/(deficit) | |

*After tax monthly income

Survivor Budget

| Monthly Income* | |
|-----------------------------|--|
| Surviving Spouse | |
| Social Security | |
| Annuity | |
| Real Estate | |
| Military Retirement | |
| Federal Pension | |
| Company Pension | |
| Other Pension | |
| Total Monthly Income | |

Name _____

Date _____

| Monthly Expenses | |
|--------------------------|--|
| Needs | |
| Cable/Internet | |
| Car Fuel | |
| Car Insurance | |
| Car Maintenance | |
| Groceries | |
| Health Insurance | |
| Homeowner's Insurance | |
| House Payment (P&I) | |
| House/Property Taxes | |
| Phone | |
| Life Insurance | |
| Long Term Care Insurance | |
| Medical Expenses | |
| Renter's Insurance | |
| Utilities | |
| Other Needs | |
| Total Needs | |
| Wants | |
| Car Payment | |
| Church/Charity | |
| Dining Out | |
| Hobbies | |
| Organizational Dues | |
| Travel | |
| Other Entertainment | |
| Total Wants | |
| Legacy | |
| Gifts to Family | |
| Other | |
| Total Legacy | |

| Monthly Budget | |
|---------------------------------|-------------------------|
| | Surviving Spouse |
| Total Monthly Income* | |
| Total Monthly Needs | |
| Needs surplus/(deficit) | |
| Total Monthly Wants | |
| Wants surplus/(deficit) | |
| Total Monthly Legacy | |
| Legacy surplus/(deficit) | |

*After tax monthly income

Survivor Budget

| Monthly Income* | |
|-----------------------------|--|
| Surviving Spouse | |
| Social Security | |
| Annuity | |
| Real Estate | |
| Military Retirement | |
| Federal Pension | |
| Company Pension | |
| Other Pension | |
| Total Monthly Income | |

Name _____

Date _____

| Monthly Expenses | |
|--------------------------|--|
| Needs | |
| Cable/Internet | |
| Car Fuel | |
| Car Insurance | |
| Car Maintenance | |
| Groceries | |
| Health Insurance | |
| Homeowner's Insurance | |
| House Payment (P&I) | |
| House/Property Taxes | |
| Phone | |
| Life Insurance | |
| Long Term Care Insurance | |
| Medical Expenses | |
| Renter's Insurance | |
| Utilities | |
| Other Needs | |
| Total Needs | |
| Wants | |
| Car Payment | |
| Church/Charity | |
| Dining Out | |
| Hobbies | |
| Organizational Dues | |
| Travel | |
| Other Entertainment | |
| Total Wants | |
| Legacy | |
| Gifts to Family | |
| Other | |
| Total Legacy | |

| Monthly Budget | |
|---------------------------------|-------------------------|
| | Surviving Spouse |
| Total Monthly Income* | |
| Total Monthly Needs | |
| Needs surplus/(deficit) | |
| Total Monthly Wants | |
| Wants surplus/(deficit) | |
| Total Monthly Legacy | |
| Legacy surplus/(deficit) | |

*After tax monthly income

Sequence of Return Risks

Financial Independence

Accumulation Phase

- Average Annualized Returns
- Asset Allocation
- Staying in the Market

Distribution Phase

- Sequence of Returns
- Product & Tax Friendly Allocation
- Portfolio Protection

Creating the Fruitful Retirement™

Focus is on average returns & asset allocation

ACCUMULATION

Start with \$100,000 and take no withdrawals for annual income.

| Portfolio A | | | Portfolio B | | |
|-------------|---------------|----------------|-------------|---------------|----------------|
| | Annual Return | Year-end Value | | Annual Return | Year-end Value |
| 41 | 29% | \$129,000 | | -12% | \$88,000 |
| 42 | 18% | \$152,220 | | -21% | \$69,520 |
| 43 | 25% | \$190,275 | | -14% | \$59,787 |
| 44 | -6% | \$178,859 | | 22% | \$72,940 |
| 45 | 15% | \$205,687 | | 10% | \$80,234 |
| 46 | 8% | \$222,142 | | 4% | \$83,444 |
| 47 | 27% | \$282,121 | | 11% | \$92,623 |
| 48 | -2% | \$276,478 | | 3% | \$95,401 |
| 49 | 15% | \$317,950 | | -3% | \$92,539 |
| 50 | 19% | \$378,360 | | 21% | \$111,973 |
| 51 | 33% | \$503,219 | | 17% | \$131,008 |
| 52 | 11% | \$558,574 | | 5% | \$137,558 |
| 53 | -10% | \$502,716 | | -10% | \$123,802 |
| 54 | 5% | \$527,852 | | 11% | \$137,421 |
| 55 | 17% | \$617,587 | | 33% | \$182,769 |
| 56 | 21% | \$747,280 | | 19% | \$217,496 |
| 57 | -3% | \$724,862 | | 15% | \$250,120 |
| 58 | 3% | \$746,608 | | -2% | \$245,118 |
| 59 | 11% | \$828,734 | | 27% | \$311,299 |
| 60 | 4% | \$861,884 | | 8% | \$336,203 |
| 61 | 10% | \$948,072 | | 15% | \$386,634 |
| 62 | 22% | \$1,156,648 | | -6% | \$363,436 |
| 63 | -14% | \$994,717 | | 25% | \$454,295 |
| 64 | -21% | \$785,827 | | 18% | \$536,068 |
| 65 | -12% | \$691,527 | | 29% | \$691,527 |
| | 8% | \$691,527 | | 8% | \$691,527 |

Living the Fruitful Retirement™

Focus is on sequence of returns & product allocations

DISTRIBUTION

Start with \$691,527. Distribute \$35k 1st yr adjusted for 3% inflation.

| Portfolio A | | | Portfolio B | | |
|-------------|---------------|----------------|-------------|---------------|----------------|
| | Annual Return | Year-end Value | | Annual Return | Year-end Value |
| 66 | 29% | \$846,920 | | -12% | \$577,744 |
| 67 | 18% | \$956,827 | | -21% | \$427,938 |
| 68 | 25% | \$1,149,620 | | -14% | \$336,094 |
| 69 | -6% | \$1,044,692 | | 22% | \$363,375 |
| 70 | 15% | \$1,156,094 | | 10% | \$356,381 |
| 71 | 8% | \$1,204,761 | | 4% | \$328,438 |
| 72 | 27% | \$1,476,970 | | 11% | \$318,178 |
| 73 | -2% | \$1,405,246 | | 3% | \$283,386 |
| 74 | 15% | \$1,565,046 | | 10% | \$231,877 |
| 75 | 19% | \$1,808,061 | | 21% | \$225,315 |
| 76 | 33% | \$2,342,161 | | 17% | \$208,585 |
| 77 | 11% | \$2,546,022 | | 5% | \$168,143 |
| 78 | -10% | \$2,246,508 | | -10% | \$106,418 |
| 79 | 5% | \$2,304,865 | | 11% | \$61,071 |
| 80 | 17% | \$2,634,751 | | 33% | \$10,813 |
| 81 | 21% | \$3,122,069 | | 19% | \$0 |
| 82 | -3% | \$2,973,927 | | 15% | \$0 |
| 83 | 3% | \$3,003,560 | | -2% | \$0 |
| 84 | 11% | \$3,267,812 | | 27% | \$0 |
| 85 | 4% | \$3,334,697 | | 8% | \$0 |
| 86 | 10% | \$3,598,631 | | 15% | \$0 |
| 87 | 22% | \$4,310,895 | | -6% | \$0 |
| 88 | -14% | \$3,649,695 | | 25% | \$0 |
| 89 | -21% | \$2,828,690 | | 18% | \$0 |
| 90 | -12% | \$2,426,637 | | 29% | \$0 |
| | 8% | \$2,426,637 | | 8% | \$0 |

Market Cycle Impact

- Losses in early years of distribution may prevent receiving income for life
- Considering only average rates of return over a long period can be misleading
- Professional financial management helps minimize risk

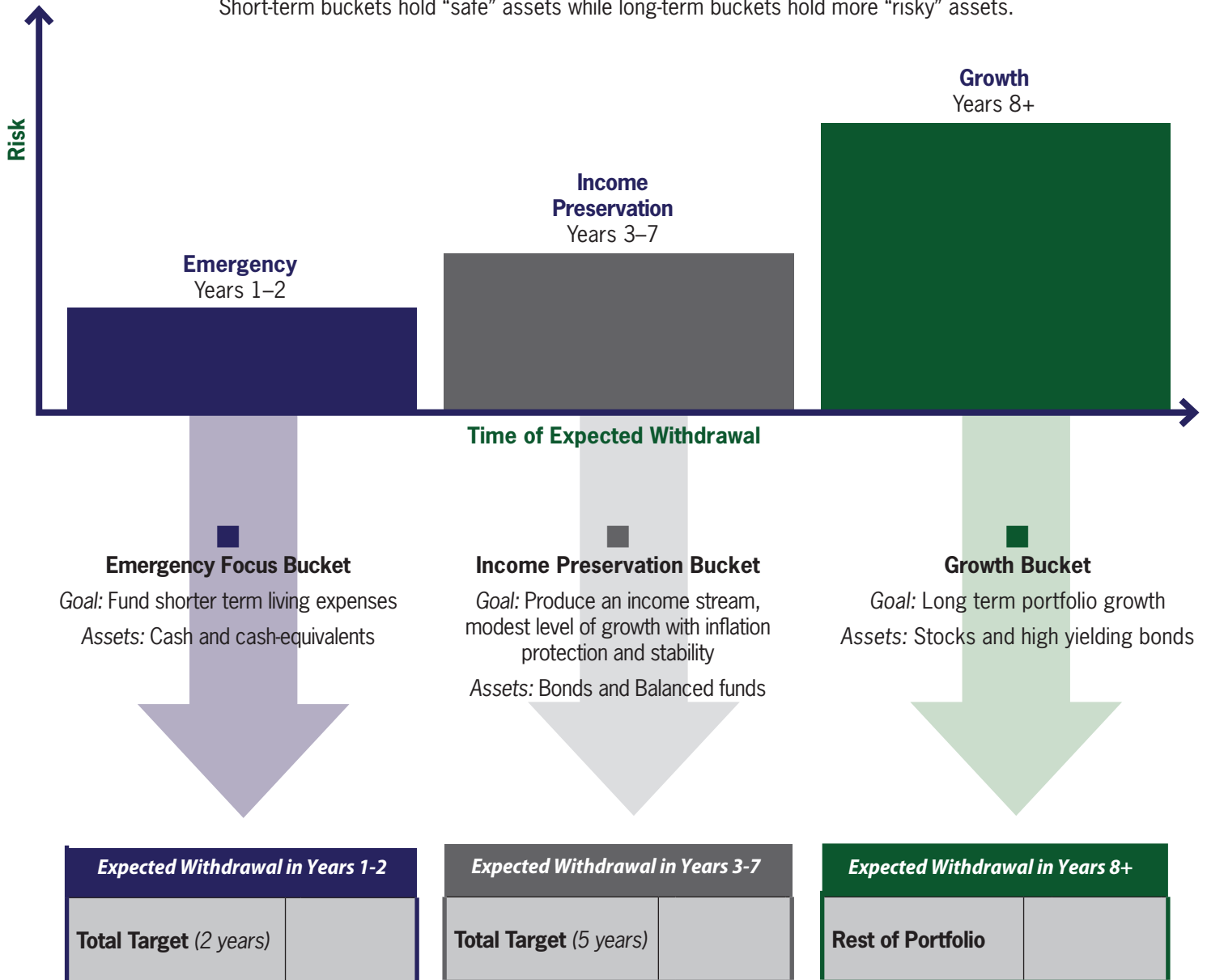
This example is hypothetical and does not represent any actual investment.

Asset Distribution

| | |
|----------------------------|--|
| Total Investment Portfolio | |
| Monthly Distribution | |

Portfolio Asset Distribution: A Bucket Strategy

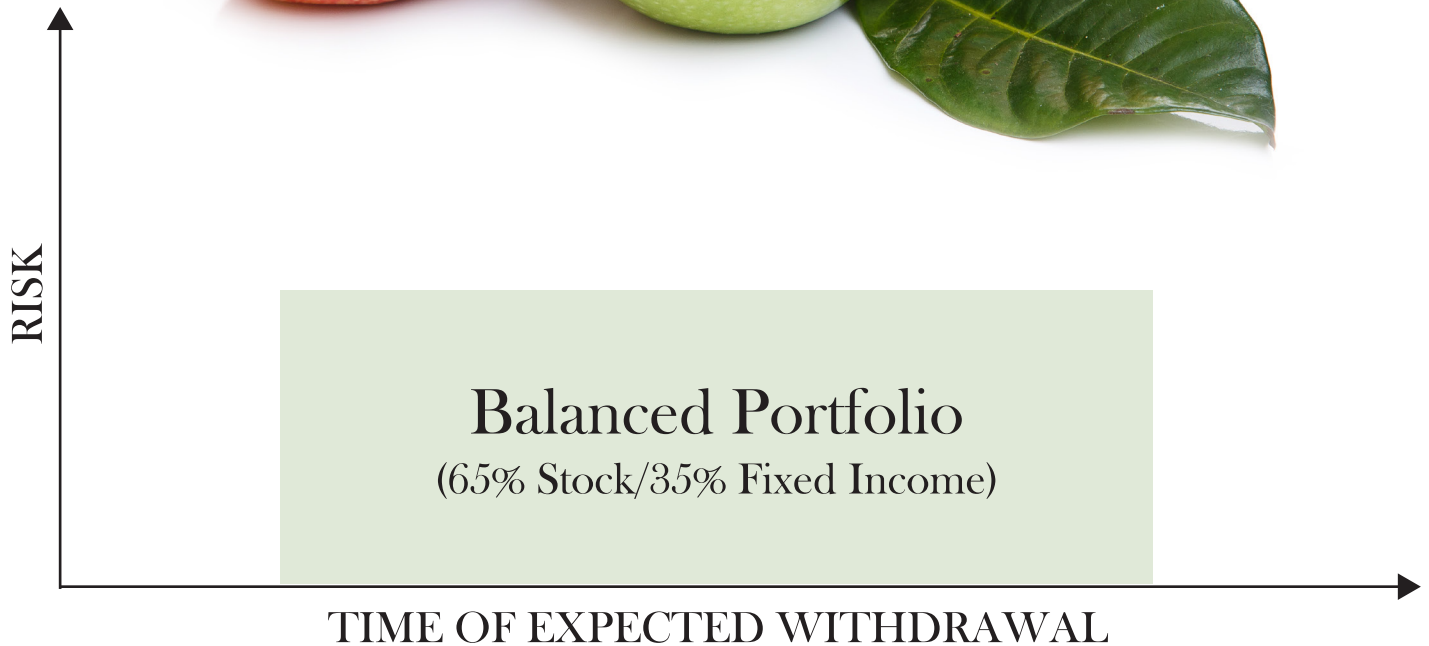
Bucket strategies divide a portfolio based on expected time of future withdrawals. Short-term buckets hold “safe” assets while long-term buckets hold more “risky” assets.



What's In Your Buckets?

With the numbers calculated on the previous page, discover your own bucket strategy using the three tables above.

Total Return Strategy



Withdraw
Reasonable
Percentage
of Portfolio
(3-4% *)

* Depending on a variety of variable market conditions.
Consult with your advisor for steps appropriate
for your personal situation.

Portfolio Success Rates

| Conservative Retirement Portfolio (25% Stock/75% Fixed Income) 15% Large-Cap Stock, 10% Small-Cap Stock, 55% Bonds, 20% Cash | | | | | | |
|---|---|------|------|------|-----|-----|
| | Initial Withdrawal Rate | | | | | |
| | 2% | 3% | 4% | 5% | 6% | 7% |
| COLA | Historical Success Rate of Portfolio Lasting 35 Years | | | | | |
| 0% | 100% | 100% | 100% | 100% | 93% | 64% |
| 1% | 100% | 100% | 100% | 96% | 71% | 36% |
| 2% | 100% | 100% | 100% | 82% | 46% | 24% |
| 3% | 100% | 100% | 93% | 58% | 33% | 20% |
| 4% | 100% | 100% | 71% | 36% | 20% | 13% |
| 5% | 100% | 93% | 46% | 26% | 13% | 2% |

| Balanced Retirement Portfolio (65% Stock/35% Fixed Income) 40% Large-Cap Stock, 25% Small-Cap Stock, 25% Bonds, 10% Cash | | | | | | |
|---|---|------|------|-----|-----|-----|
| | Initial Withdrawal Rate | | | | | |
| | 2% | 3% | 4% | 5% | 6% | 7% |
| COLA | Historical Success Rate of Portfolio Lasting 35 Years | | | | | |
| 0% | 100% | 100% | 100% | 98% | 95% | 91% |
| 1% | 100% | 100% | 100% | 98% | 95% | 89% |
| 2% | 100% | 100% | 100% | 95% | 89% | 86% |
| 3% | 100% | 100% | 98% | 91% | 87% | 71% |
| 4% | 100% | 100% | 96% | 89% | 80% | 55% |
| 5% | 100% | 98% | 91% | 87% | 64% | 29% |

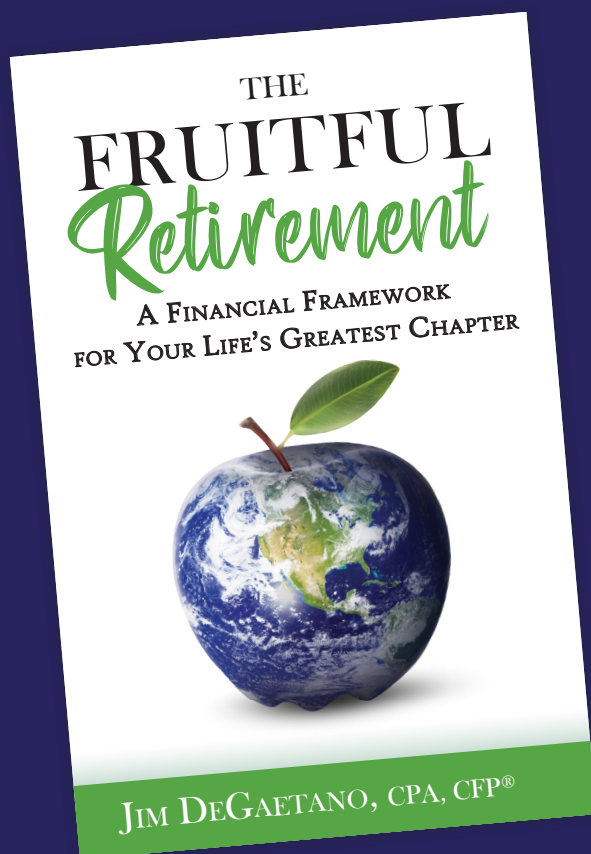
Source: American Association of Individual Investors Journal, Jan 2016 - "The Mathematics of Retirement Portfolio" by Craig Israelsch

Dividend Stock Strategy



[illegible]

[illegible]

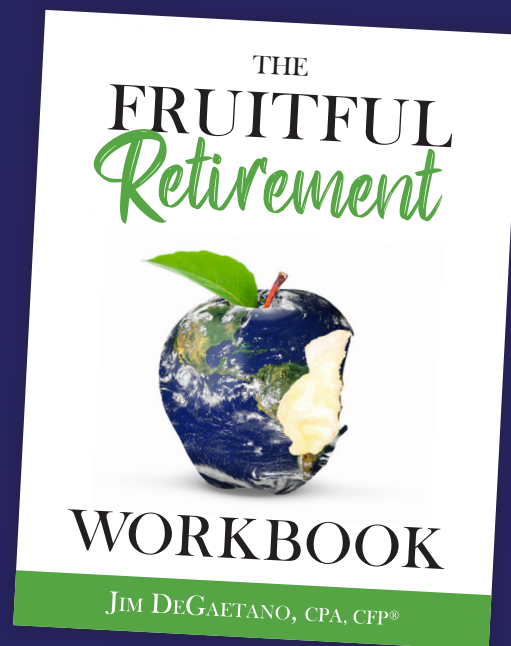


Is it possible to have clarity and peace of mind about your retirement?

Yes! The Fruitful Retirement is your ultimate guide for planning the most exciting chapter of your life. It's an easy-to-follow method so you can plan now and enjoy later. DeGaetano's writing style will have you engaged from the start. His application of the retirement process is so simple it is transcending. Anyone looking for a better way to visualize their retirement journey will benefit from this read.

How to use this workbook.

This workbook is a tool to help you prepare for a fruitful retirement. Throughout these pages, you'll find informational charts and interactive sheets to help guide you through the planning process. Work closely with your advisor so that you can best prepare for your life's greatest chapter.



DIAMOND
WEALTH ADVISORS

717.462.6422

396 Alexander Spring Road • Suite 3 • Carlisle, PA 17015

www.diamondwealthadvisors.com