



**RULE 2**




## Understand Risk

- Risk Is More Than the Ups and Downs of the Market
- How Much Risk Makes Sense?
- Address the Most Important Risk

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**RULE 3**




## Diversify for a Solid Foundation

- The Benefits of Diversification
- It's the Mix That Matters
- Deeper Diversification with Asset Classes

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RULE 4




## Stick with Quality

- What Is Quality?
- Fads vs. Fundamentals
- Don't Reach for Yield

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RULE 5




## Invest for the Long Term

- Time in the Market, Not Timing the Market
- Buy and Hold Doesn't Mean Buy and Forget

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RULE 6




### Have Realistic Expectations

- What Return Do I Need?
- Achieve Your Expectations

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RULE 7




### Maintain Your Balance

- Are You Out of Alignment?
- The Benefits of Rebalancing

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**RULE 8**



## Prepare for the Unexpected

- Establish a Proper Foundation
- Address Risks Throughout Your Life

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**RULE 9**




## Focus on What You Can Control

- Time-tested Principles, Not Predictions
- Don't Let Emotions Drive Decisions
- Focus on Your Strategy

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RULE 10



## Review Your Strategy Regularly

- Stay on Course
- More Than Just Your Investments
- Your Periodic Checkup

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# RULES OF THE ROAD



Rule 1: Develop Your Strategy	Rule 6: Have Realistic Expectations
Rule 2: Understand Risk	Rule 7: Maintain Your Balance
Rule 3: Diversify for a Solid Foundation	Rule 8: Prepare for the Unexpected
Rule 4: Stick with Quality	Rule 9: Focus on What You Can Control
Rule 5: Invest for the Long Term	Rule 10: Review Your Strategy Regularly

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## Important Considerations

Diversification does not guarantee a profit or protect against loss.

Past performance is not a guarantee of future results.

Investment-grade bonds are those rated BBB-/Baa and above by Standard & Poor's and Moody's. A bond represents a loan that an investor makes to an issuer in which the issuer agrees to pay the owner the amount of the face value of the bond at a future date, and to pay interest at a specified rate at regular intervals. Bonds are subject to yield and market value fluctuation. If a bond is sold prior to maturity, the amount received from the sale may be less than the amount originally invested. Bond values may decline in a rising interest rate environment.

Dividends can be increased, decreased or eliminated at any point without notice. Investors should understand the risks involved of owning investments, including interest rate risk, credit risk and market risk. The value of investments fluctuates, and investors can lose some or all of their principal.

Special risks are inherent to international investing, including those related to currency fluctuations and foreign political and economic events.

Edward Jones, its employees and financial advisors cannot provide tax or legal advice. Please consult your attorney or qualified tax professional regarding your situation.

Before investing, you must evaluate your investment objectives, risk tolerance and financial circumstances.

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# Retirement: Making Your Money Last

Edward Jones®



**Retirement:  
Making Your Money Last**

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**Edward Jones**  
MAKING SENSE OF INVESTING





**Expenses**  
**Life Expectancy**  
**Inflation**

## Seminar Overview



Plan for the Expected



Prepare for the Unexpected



Position the Portfolio for Both



Don't Forget to Review

# Retirement: Making Your Money Last

Edward Jones®





## How Much Will It Cost?

Necessary Expenses

Discretionary Expenses

Taxes




## Where Will the Money Come From?

Outside Income

- and -

Savings and Investments

## The Income Gap



**Expenses**  
**- Income**

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**Income Gap**

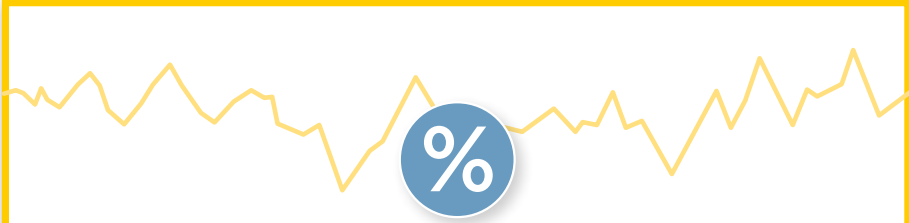
## Withdrawal Rate

### Initial Withdrawal Guidance

Age in Retirement	More Conservative	Less Conservative
Early 60s	3.0%	4.0%
Late 60s	3.5%	4.5%
Early 70s	4.0%	5.5%
Late 70s	5.0%	7.0%
80s+	6.0%	8.0%

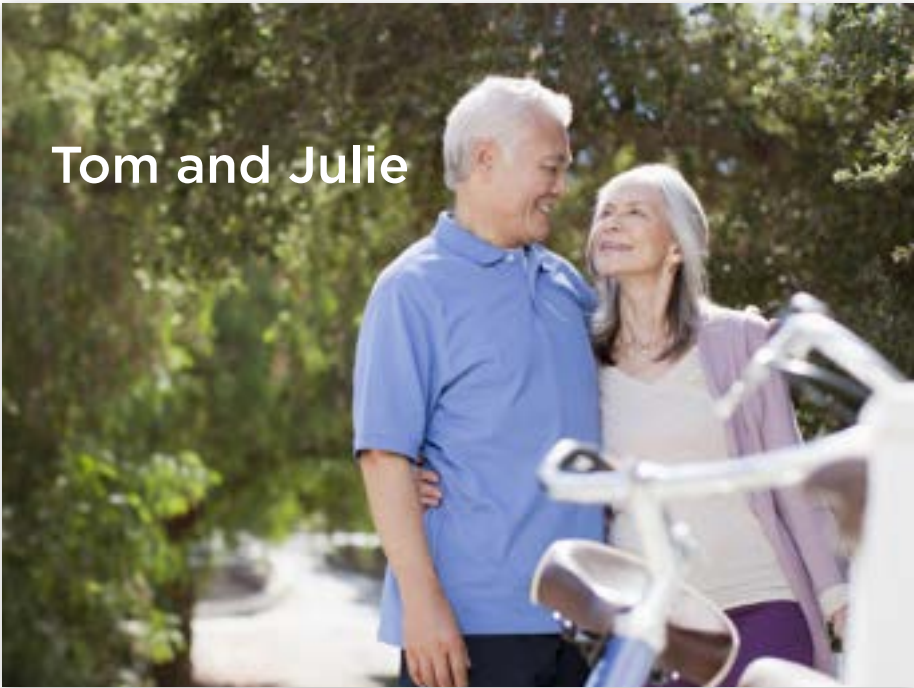
Withdrawal rates can include the withdrawal of principal. If preservation of principal is a high priority, you will likely need to use a lower withdrawal rate. In general, the higher your withdrawal rate, the greater the risk that your money may not last throughout your time horizon. These are based on estimates and assume 3% annual inflation, a diversified portfolio — 50% equities, 50% income — and a life expectancy to at least age 90.

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## Reliance Rate

The more you rely on your portfolio,  
the more sensitive you could be  
to market fluctuation.

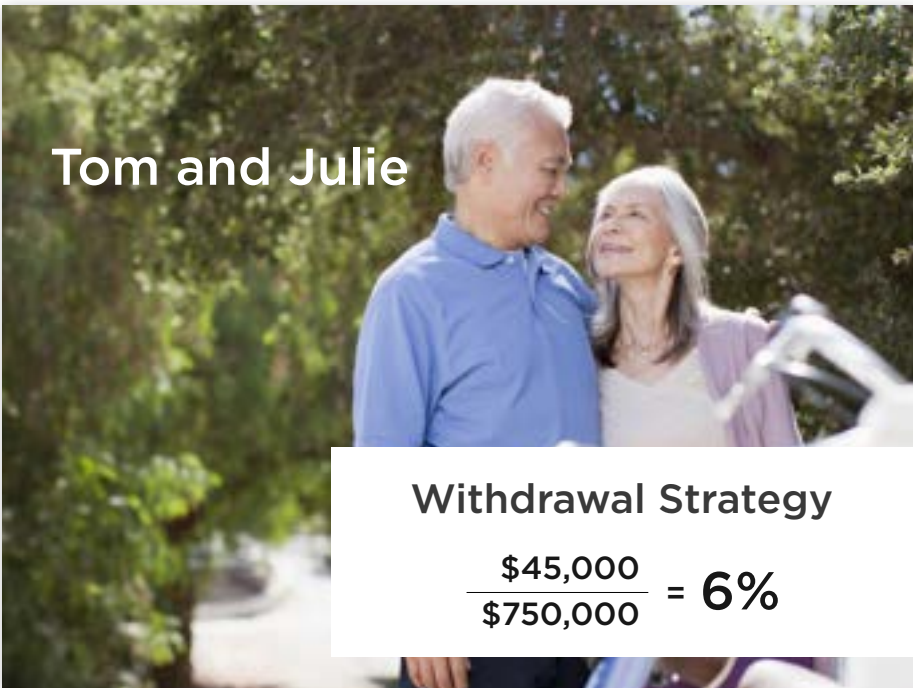


# Retirement: Making Your Money Last



Tom and Julie

Expenses	\$65,000
Social Security	\$20,000
<b>Income Gap</b>	<b>\$45,000</b>



Tom and Julie

**Withdrawal Strategy**

$$\frac{\$45,000}{\$750,000} = 6\%$$

## Possible Trade-offs

- Reduce spending goals
- Delay retirement
- Work part time

**Flexibility is key.**



## Prepare for the Unexpected



# Retirement: Making Your Money Last

Edward Jones®

**risks**  
long-term care  
living longer than expected

premature death  
market declines

incorporate vs. insure  
leaving a legacy  
inflation  
health care





## Options to Consider

- Manage spending
- Budget for Medicare/health insurance
- Include health expenses in budget
- Consider supplemental health insurance
- Consider long-term care/life insurance\*

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