

LIFETIME INCOME

BLUEPRINT

SECURITY FIRST
ASSET MANAGEMENT

INVESTMENTS	PROTECTION
SAVING	//////
FIVE STEP PROCESS	
//////	DISCOVERY
PLAN	FOUNDATION
FRAMEWORK	MAINTENANCE



LIFETIME INCOME BLUEPRINT

SECURITY FIRST ASSET MANAGEMENT

A Custom-Built Plan for Your Retirement

Are you concerned about your ability to fund your lifestyle in retirement? You're not alone. According to Gallup's annual study of Americans' top financial concerns, retirement again topped the list. More than 60 percent of Americans say they are concerned about their ability to retire comfortably, topping other concerns such as not being able to pay medical bills.¹

Why all the concern about retirement? Many Americans are far behind on their retirement savings, and they're unsure of how to catch up. Others may not know how much they need to retire, how much they need to save, or whether they're on track.

Retirement is a major transition, from both a financial and personal perspective. It can be difficult to accurately project what life will be like in retirement, where your income will come from, and how much money you will spend. If you're like many, you may feel a tremendous amount of uncertainty with regard to your retirement plans.

Often in the financial world, uncertainty is the primary driver of stress and fear. Without clarity and transparency, it's easy to imagine the worst possible scenarios. However, with a clear understanding of your goals and challenges, you can put a

plan in place and take the steps needed to live a comfortable and enjoyable retirement.

At **Security First Asset Management**, we believe strongly that a plan can be one of your most important financial tools. It alleviates uncertainty and helps you make smart, informed decisions with regard to your spending, savings, and investments.

That's why we help our clients develop their very own **Lifetime Income Blueprint**. The Lifetime Income Blueprint is a customized, detailed plan that helps you visualize your income sources throughout the remainder of your life and compare that income to your projected expenses.

It allows you to see whether you're on track for retirement from a financial standpoint. If not, you can use the blueprint process to make needed adjustments and get your retirement plans back on track.

Curious about whether the **Lifetime Income Blueprint** is right for you?

The informational graphic on the page to the right shows the five-step process we use with all of our clients to develop their custom blueprint. Once you review the steps, think about whether you have a full grasp and understanding of these issues. If not, it might be time to develop your own blueprint.

LIFETIME INCOME BLUEPRINT

SECURITY FIRST ASSET MANAGEMENT



Security First Asset Management's Five-Step Lifetime Income Blueprint Process



Developing your blueprint will take some involvement on your part, but with our help and following the five steps above, you'll have a plan in place to help you live comfortably throughout your retirement.



LIFETIME INCOME BLUEPRINT

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STEP ONE Getting to Know You

Again, your **Lifetime Income Blueprint** is specific to your unique needs and goals. No two retirements are the same, which means that there's no such thing as a generic or universal retirement income plan. Your blueprint has to be catered to your specific objectives, dreams, concerns, and fears.

We start by learning as much as we can about you. We obviously need to understand your financial life, but we

also want to know you as a person. That means learning about what you want to do in retirement, how you want to spend your time, what values are important to you, and what your biggest fears may be, financial or otherwise.

During this stage, we also need to gain an in-depth understanding of your financials and your retirement savings efforts up to this point. You will likely need to provide a substantial amount of data and information, but that step is important because it helps us ensure that your blueprint is accurate and appropriate for you.

Below are some of the types of information and data that can be helpful at this stage:

🎯 **Assets, particularly savings, investments, and assets that will be used to fund retirement.**

🎯 **Debts, and other long-term financial obligations. Budget, including your expenses today as well as your potential expenses in retirement.**

🎯 **Projected retirement income, particularly from guaranteed sources like Social Security.**

🎯 **Risk concerns, also known as your risk tolerance. We'll help you understand the level of risk with which you are comfortable, and we'll use that information to guide investment decision-making.**

This is just a sampling of the information we may discuss in STEP ONE. All of this information gives us a clear understanding of you and your goals, as well as your potential challenges. That helps us better create a blueprint specifically for you.

LIFETIME INCOME BLUEPRINT

SECURITY FIRST ASSET MANAGEMENT



STEP TWO Testing the Foundation

Before we can develop a blueprint and an action plan, we have to test the foundation that you've already built. If you have a strong foundation, you may be in better position to enter retirement. However, if your foundation has a few cracks, we'll need to address them before you move forward.

In this stage, we test your foundation to identify potential areas for improvement. We then develop a strategy to help strengthen those areas and improve your odds for retirement success.

The testing the foundation step consists of two tests:

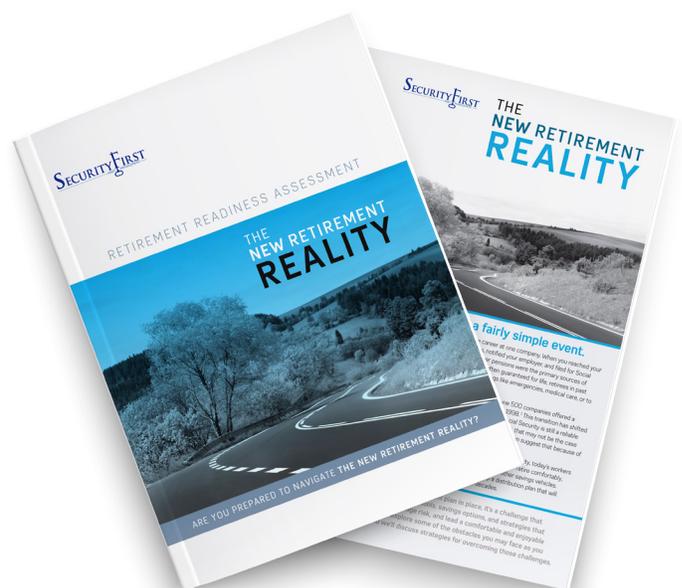
THE RETIREMENT INCOME REALITY CHECK

In this step, we take the information from STEP ONE and put it through a thorough analysis. We provide a guide and an assessment to help you compare your assets and projected retirement income and expenses to determine whether your plans are realistic and feasible. We then determine the most efficient and effective path to help you to overcome your financial challenges and reach your goals.

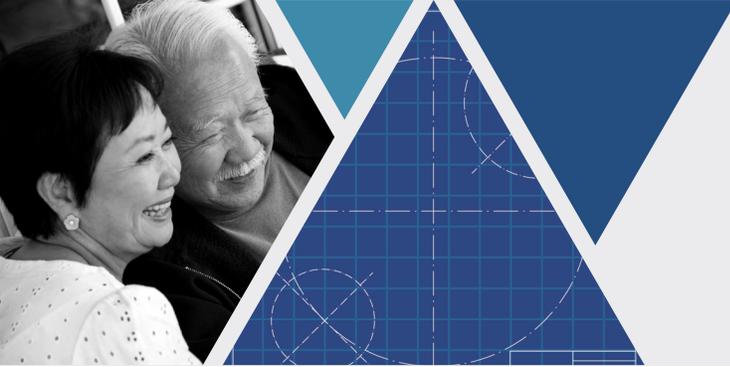
THE PORTFOLIO STRESS TEST

This test is all about analyzing your portfolio, its current risk profile, and its ability to generate income in retirement. We put your portfolio through simulated downturns and other negative events. We will see how your portfolio handles the stress and whether the potential volatility is consistent with your risk tolerance. Then we will develop strategies to help reduce the stress level and bring your portfolio into a healthier and more appropriate allocation.

At the conclusion of STEP TWO, we will have a full understanding of your goals and concerns, and we will have identified the most threatening financial risks you may face. The next step is to take all that information and establish a framework for managing your financial future.



Our New Retirement Reality Readiness Assessment and Guide will assist us in understanding how to best prepare you for the retirement years ahead.



STEP THREE

Setting the Framework

In the previous two steps, we focused on your current financial picture. We inventoried your assets and liabilities, and we projected your retirement income and expenses. We put your income and spending plan through our Retirement Reality Check and we stress-tested your portfolio against a wide range of simulated market conditions.

STEP THREE is all about the future. In this step, we lay the framework for your retirement by developing a plan to help get you from your current financial existence to your ideal future.

The entire process of developing the **Lifetime Income Blueprint** is collaborative. However, STEP THREE requires valuable input from all parties. In this step, we will discuss possible strategies for strengthening weak spots in your plan and improving your retirement outlook.

Some of those strategies may involve new investment allocations to help achieve greater growth or minimize downside volatility. We may examine a number of tools to help protect you against common risks in retirement. We may ask you to adjust your spending so you can hit higher savings targets.

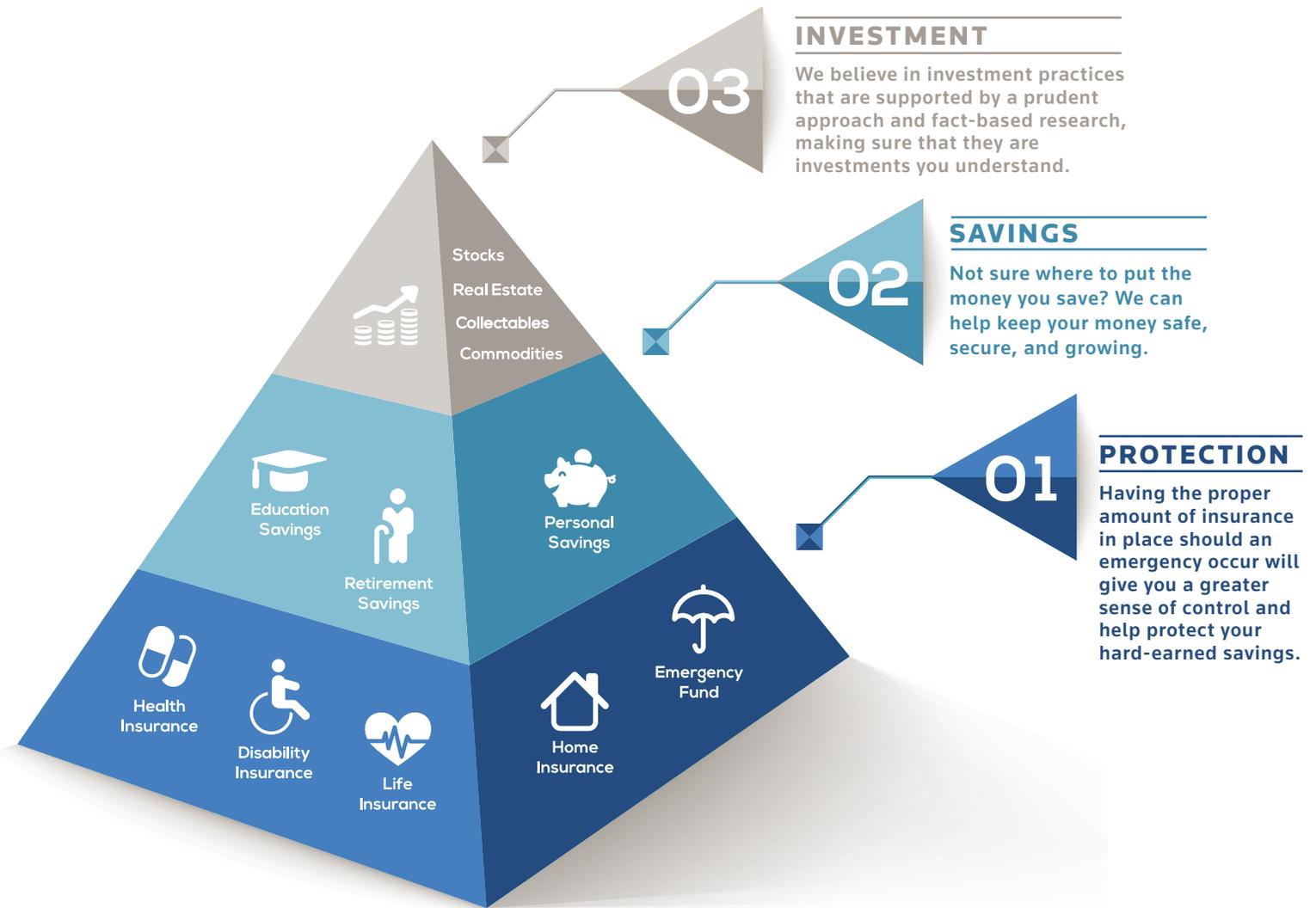
As you might imagine, these are two-way conversations and we value your feedback and input during this step. We want to find the strategy that helps you meet your goals, but also addresses your most pressing concerns.

INVESTMENT POLICY STATEMENT

The output of STEP THREE is an **Investment Policy Statement**, which is a customized document that summarizes your individual investing mission and guidelines. The Investment Policy Statement documents appropriate asset classes, acceptable risk limits, and other items that can guide investment decision-making going forward.

LIFETIME INCOME BLUEPRINT

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Setting the Framework



LIFETIME INCOME BLUEPRINT

SECURITY FIRST ASSET MANAGEMENT

STEP FOUR

Implementing Your Income Plan

It's time to put the plan into action. At this stage, we'll implement all the steps we developed in STEP THREE. On your end, that could mean cutting back on some expenses, consolidating some accounts, and increasing your retirement contributions.

Once the framework is established, on our end STEP FOUR often involves reallocating your portfolio into an allocation that is better suited for your goals, needs, and risk tolerance.

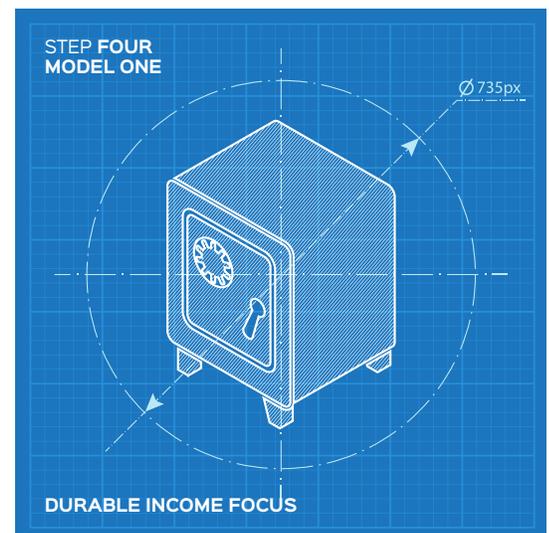
Here at **Security First Asset Management**, we often use one of three different models to manage the investment portion of your **Lifetime Income Blueprint**. Each model is designed to meet a different objective, whether it be maximizing durable income or providing as much growth potential as possible.

MODEL ONE: Durable Income Focus

This is the most conservative of the three models as it has the highest allocation to instruments that produce the highest levels of income and lowest risk level.*

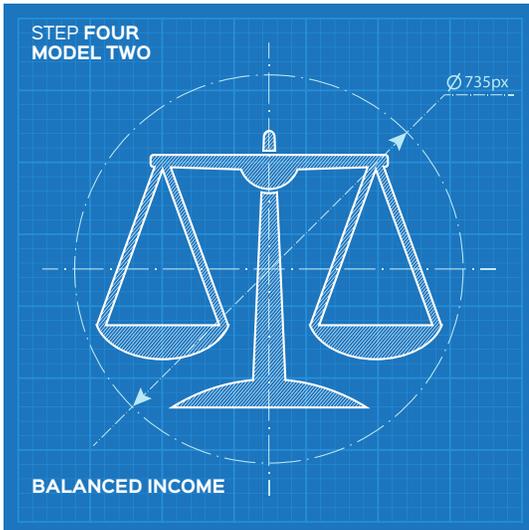
It's important to note however, that in ALL models, we will seek a defined way to pay for extended healthcare costs.

After addressing income and accounting for health care costs, the remainder of the portfolio is invested with an eye towards moderate-risk strategies that can potentially generate income. We may also recommend allocating a portion of assets in instruments that tend to minimize the risk of the equity markets.



LIFETIME INCOME BLUEPRINT

SECURITY FIRST ASSET MANAGEMENT



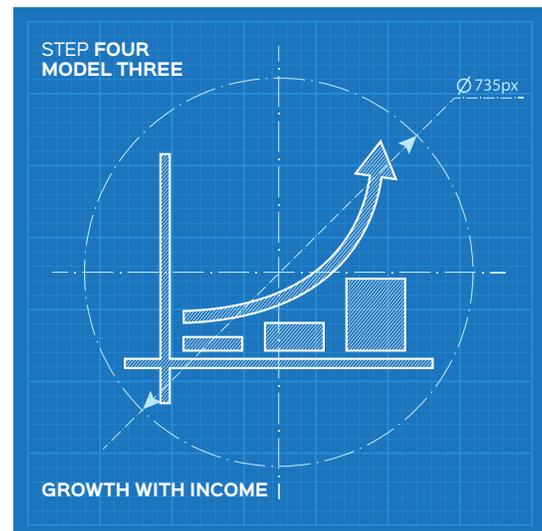
MODEL TWO: Balanced Income

This model also aims to generate durable income and preserve principal, but it does so while also aiming to provide opportunity for growth. Asset classes that pay dividends or generate other forms of income are core components of this model. Equities are a central component of MODEL TWO, but they are often used in conjunction with other instruments that may minimize volatility and potential downside risk.

MODEL THREE: Growth with Income

In this model, the focus shifts from principal protection to growth and accumulation. In MODEL THREE, the primary objective is to grow your assets, with income generation being a secondary objective. Fewer assets in MODEL THREE are allocated to income-producing tools.

Strategically diversified equity positions account for the core of this model. Dividend-paying notes and institutional real estate may also be used to provide broader diversification and help enhance portfolio stability.



Additional Planning Implementations

Another important element of Step 4 is something called the “sequence of spending.” This is a planning tool that helps us minimize the impact of taxes as we sell assets and distribute funds from your account in retirement. Different assets face different forms of taxation, so we analyze all your accounts to determine the most tax-efficient way to distribute funds. When appropriate, we may also consider Roth conversions and other tax-saving strategies to maximize your income and increase your legacy for your spouse, children, and other heirs.

LIFETIME INCOME BLUEPRINT

SECURITY FIRST ASSET MANAGEMENT

STEP FIVE

Ongoing Review and Maintenance

Your **Lifetime Income Blueprint** isn't a static document. Your life may change, even through retirement, so it's important that your blueprint changes with it. Your tolerance for risk may change. You or your spouse could face medical challenges that impact your income needs. There are a host of changes and issues that could require adjustment to your plan.

We meet regularly to talk about your plan, your goals, and possible changes in your life. We also repeat STEPS TWO through FOUR on a consistent basis, checking to make sure your blueprint is still appropriate. **The Retirement Reality Check** and **Portfolio Stress Test** are always valuable tools, even after you retire.



LIFETIME INCOME BLUEPRINT

SECURITY FIRST ASSET MANAGEMENT



Should we find that your current plan doesn't meet your new needs and goals, we develop a new framework and implement the plan. The value in regularly testing your plan is that we can make needed changes early, before pressing financial challenges potentially sink your retirement.

Your **Lifetime Income Blueprint** isn't a one-time planning exercise. It's a lifelong evolving document. We value consistent communication with our clients so we can make sure their blueprint is always in alignment with their needs and goals.

Ready to take back control of your financial future? Don't let fear and uncertainty cause unnecessary stress. A plan can help you understand your current challenges and take the necessary steps to overcome them.

We welcome the opportunity to help you thrive in retirement. Contact **Security First Asset Management at (888) 417-6278** to schedule your initial blueprint consultation. Let's connect soon and start the conversation.

We look forward to speaking with you.

* Guarantees and principal protection mentioned herein are backed by the claims-paying ability and financial strength of the issuer.

¹ *Americans' Financial Worries Edge Up in 2016. (n.d.). Retrieved August 15, 2016, from <http://www.gallup.com/poll/191174/americans-financial-worries-edge-2016.aspx>*



The logo for Security First Asset Management features the words "SECURITY FIRST" in a large, white, serif font. Below "FIRST" is the word "ASSET MANAGEMENT" in a smaller, white, sans-serif font. A stylized white key icon is positioned between "ASSET" and "MANAGEMENT".

SECURITY FIRST

ASSET MANAGEMENT

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