

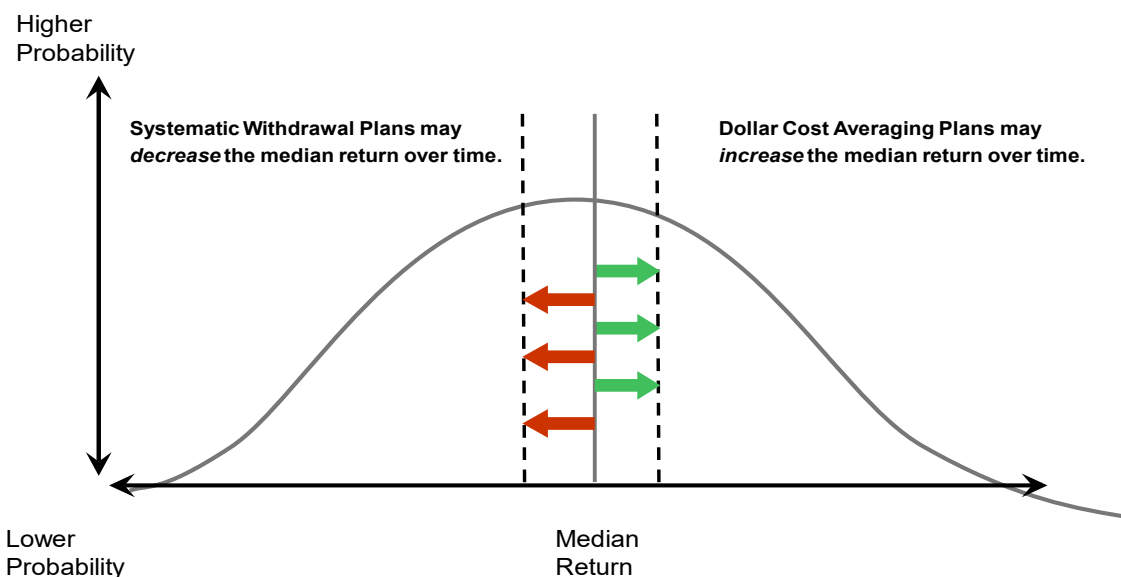
## Spending Strategy

The primary purpose of any wealth management plan is to make sure that as needs arise, funds are accessible to meet them without adverse consequence. We believe that you reduce the potential for adverse consequences by accessing your resources in the following sequence:

1. Income Streams (Pension, SS, etc.)
2. Dividends and Interest
3. RMDs Beginning At Age 70 ½
4. Annuity Income Guarantees
5. Cash Reserves
6. Fixed Income
7. Risk Assets That Are Up In Value
8. Risk Assets That Are Flat
9. Risk Assets That Are Down In Value

This builds a deep line of defense between you and the need to sell your risk assets when they are low. Hopefully you will maintain enough confidence in this well thought out and time-tested plan that you **will not be inclined** to sell them when they are low either.

### Systematic Withdrawal Plans Are Simply Dollar Cost Averaging In Reverse



Probabilistic forecasting presumes a prorated systematic withdrawal will fund spending needs. This is one reason that the responsible spending rate is typically two or more percent lower than the expected portfolio return rate. By following the above spending sequence you should be able to get your responsible spending rate closer to the expected return of the portfolio and increase your odds of meeting your needs.

