



PINNACLE
Advisory Group

onpoint

CREATE

MAXIMUM CASH FLOW

FOR THE REST OF YOUR CLIENT'S LIFE



Retirement: An Artificial Finish Line

Your clients have accumulated enough investment assets so that they can consider retirement. They have succeeded in what researchers call the “accumulation phase” of the financial plan, gradually building their investable net worth so that their portfolio, along with their social security and pension plans, should be able to fully fund the lifestyle they’ve dreamed of for their family.

Many wealth management firms promote the idea that saving enough money is the final step to financially sustaining their clients throughout retirement. Once enough wealth has been accumulated, they’ve supposedly reached the “finish line.” But what many fail to address is the most important financial challenge of retirement: Distribution planning. This is the process of turning assets into spendable cash-flow that will fund your client’s living expenses and replace the paycheck they’ve been relying on for decades.

Pinnacle’s onpoint planning process utilizes active strategies that account for the changing tides of the market and the stages of your client’s retirement. onpoint helps them create maximum cash flow for the rest of their lives. Our wealth managers will work with them to protect cash flow, manage market volatility, and minimize tax liability to create a customized plan to meet your client’s individual needs.

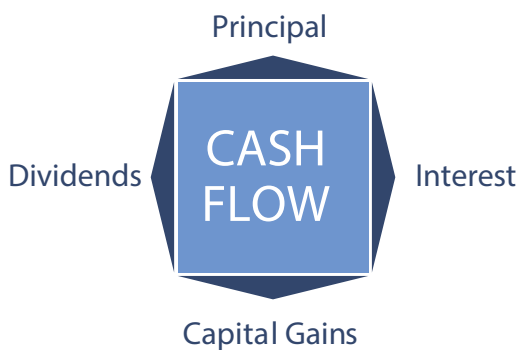


LOSING THEIR SAFETY NET

We tend to overlook the amazing financial firepower of being employed. For most people, their lifetime compensation from employment represents their largest asset. In the distribution phase of your client's financial plan, they must learn how to rely on their investment portfolio instead of their paycheck to maintain their standard of living.

The realization that "this is all you have" to fund retirement and other financial goals can be frightening. Clients no longer have a paycheck "safety net." To account for this loss, a plan must be put in place to ensure:

1. They won't outlive their assets in retirement by spending too much
2. They won't spend too little and not fully enjoy the benefits of a lifetime of saving
3. They optimize how they turn investable assets into retirement cash flow



MANAGE MARKET VOLATILITY AND PROTECT CASH FLOW

During the accumulation phase of the financial plan, clients learned that accepting more volatility in a portfolio and taking more risk with assets resulted in higher returns over longer periods of time. Now that they've reached the retirement phase, time and volatility may no longer be allies. This change in the equation between high returns and portfolio volatility in their retirement plan takes the form of what researchers call, "Sequence Risk."

The order in which clients experience annual returns is crucial. They need a plan to manage volatility and adjust retirement spending in times when financial markets deliver disappointing returns.

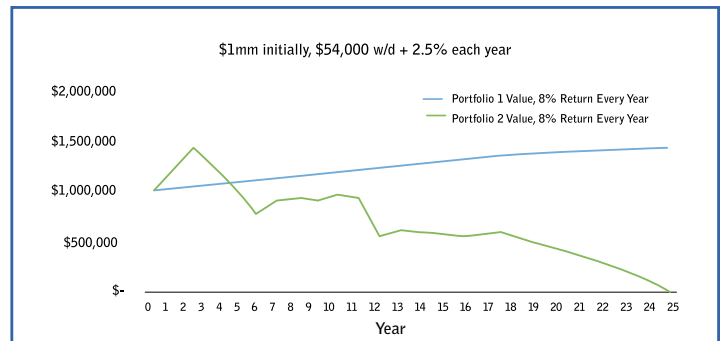


Illustration shows 2 portfolios each with an initial \$1 million investment and a \$54,000 withdrawal in the initial year which increases by 2.5% a year. The portfolios both have an 8% average return over 25 years. Portfolio 1 succeeds and Portfolio 2 fails because of the different sequence of annual returns. Portfolio 2 has more negative yearly returns in the early years of retirement and higher yearly returns later in retirement. Because cash is being withdrawn annually from both portfolios, Portfolio 2 fails even though it has the same average return over the time period. These are not actual results from Pinnacle portfolio strategies and are reflected gross of taxes and fees.

By utilizing different methods of determining the value of financial markets, onpoint goes beyond simple diversification as a means of protecting your client's assets from serious market declines.



MINIMIZE TAX LIABILITY

onpoint will help determine whether your clients should be withdrawing money from retirement accounts or brokerage accounts. Post-retirement tax planning often involves a deep understanding

IRA

High Yield Bonds
Corporate Bonds
Gold

Brokerage

Municipal Bonds
Growth Stocks
Commodities

Roth

Income Stocks
Income Real Estate

of the structure of their assets in terms of ownership, cost basis, income sources and the structure of personal debt.

Pinnacle Wealth Managers will help determine the optimum mix of withdrawals from multiple accounts to minimize taxes by creatively modeling their current and future tax liabilities. They will evaluate the tax basis of the securities they hold in taxable accounts and help develop a plan for liquidating those securities. The goal is to protect your client's portfolio while optimizing the tax consequences of security sales needed to generate personal cash flow.

More Tax Efficient

Municipal Bonds

Growth Stocks

Commodities

Income Real Estate

Gold

Income Stocks

Corporate Bonds

High Yield Bonds

Less Tax Efficient

ONPOINT: LIFE BEYOND RETIREMENT

Retirement is the beginning of an amazing new chapter in your client's life. They've worked so hard to achieve financial peace of mind and ensure the safety and well-being of their family. Now it's time to make certain that a lifetime of savings is working its hardest for them during retirement.

Pinnacle's onpoint planning process is built on the expertise and experience of our wealth managers. Each advisor is an experienced financial professional who begins the planning process by getting to know your client and their family. What are their unique wants and needs? What specific concerns or financial challenges do they face?

By collaborating with them over the length of their retirement, we will become a powerful financial partner for your client and their family.

Learn more about Pinnacle Advisory Group and Pinnacle's onpoint Planning Process:

www.pinnacleonpoint.com

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