WELLS FARGO Advisors

Are you ready to write your retirement story?

Investments and Insurance Products are:
- Not Insured by the FDIC or Any Federal Government Agency
- Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate
- Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested


WELLS FARGO
Advisors
Financial Network
Are you ready to write your retirement story?

We need money to do different jobs at different times. Retirement — your unique story — is one of them. We'll help you write it by discovering what matters most and crafting a plan to help you achieve it. Our process, LifeSync℠, helps align your goals with your values, maximizing the impact of your money at the right moments. Because retirement isn't your last stop. It's the first chapter in a brand-new story.

01

What matters most

02

What you can, and can't, control

03

What a good plan can do for you

01 What matters most

Location

Community

Activities

Convenience and practicality

02 What you can, and can’t, control

Can vs. Can't

- Health care
- Income planning
- Spending

HEALTH CARE

Can’t

- Rising costs
- Illness/Accident
- Family care
- Pandemic

Can

- Physical well-being
- Mental well-being
- Planning

HEALTH CARE

Health care costs continue to rise

Have you considered the estimated cost of health care in retirement?

$131,000
for a man

$273,000
for a couple

$147,000
for a woman

HEALTH CARE

While you may not be able to control costs…

There are some things you have control over:

- Planning, planning, planning (Medicare starts at 65)
- Your well-being (both brain and body)

Can't

- How long you live
- Market volatility
- Interest rates

Can

- Investment decisions
- When you take Social Security
- Withdrawal strategy
- Guaranteed income streams

Americans are living longer

On average, a 65-year-old can expect to live to age:

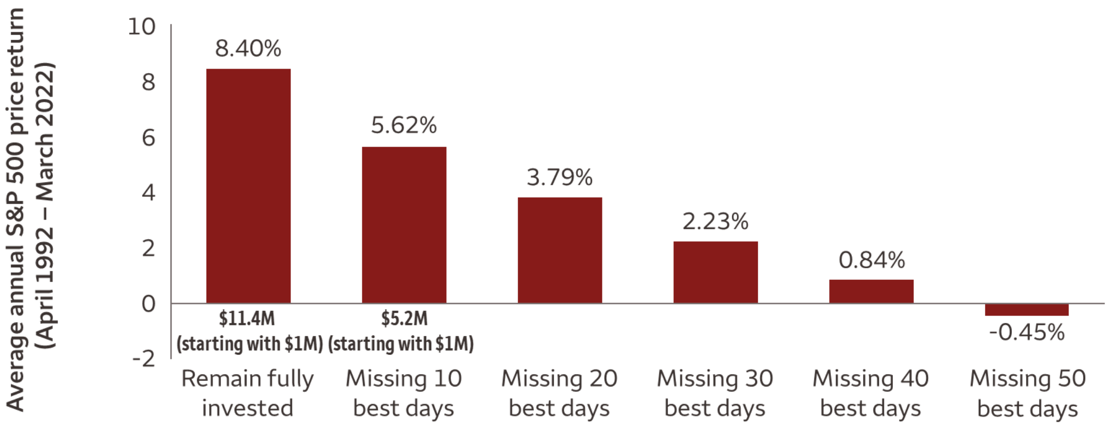
82
male

84.5
female

Source: Social Security Administration: "The 2021 Report of The Board of Trustees of the Federal OASDI Trust Fund," page 108.

Yes, the market is volatile. And yes, we believe you should stay with it.

Missing the best days in the market is costly



Source: Bloomberg and Wells Fargo Investment Institute. Data from April 1, 1992 to March 31, 2022. For illustrative purposes only. Dalbar computed the average stock fund investor return by using industry cash flow reports from the Investment Company Institute. The average stock fund return figure represents the average return for all funds listed in Lipper's U.S. Diversified Equity fund classification model. All Dalbar returns were computed using the S&P 500 Index. The **S&P 500 Index** is a market capitalization weighted index composed of 500 stocks generally considered representative of the U.S. stock market. The fact that buy and hold has been a successful strategy in the past does not guarantee that it will continue to be successful in the future. The performance shown is not indicative of any particular investment. An index is unmanaged and not available for direct investment. A price index is not a total return index and does not include the reinvestment of dividends. Total returns assume reinvestment of dividends and capital gain distributions. **Past performance is not a guarantee of future results.** Investing in stocks involves risk and their returns and risk levels can vary depending on prevailing market and economic conditions.

Fixed/guaranteed income

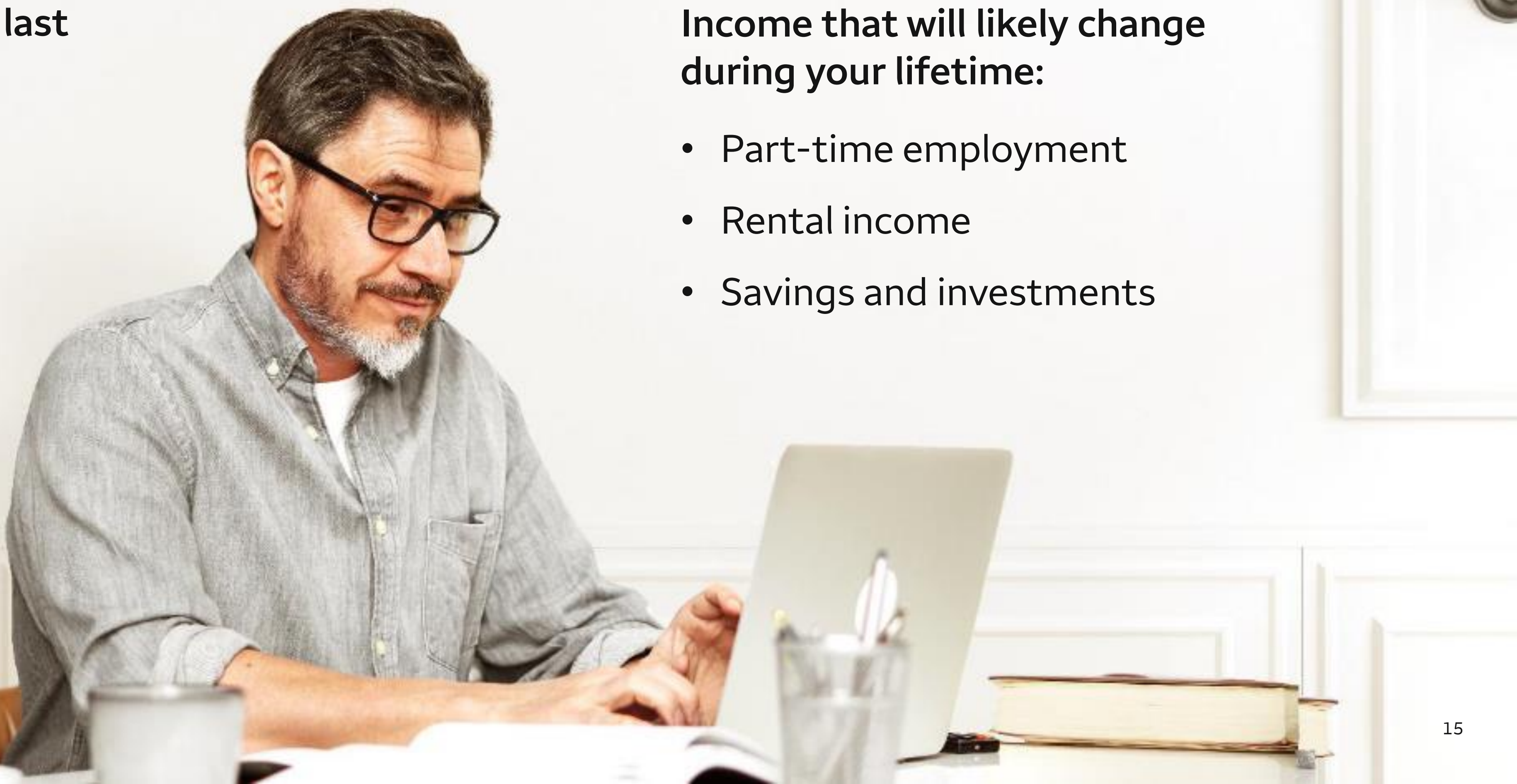
Income that is intended to last throughout your lifetime:

- Annuity
- Pension
- Social Security

Variable income

Income that will likely change during your lifetime:

- Part-time employment
- Rental income
- Savings and investments



Social Security claiming facts that you should consider

Age 62 → Age 70

If you wait until later to take Social Security, the benefit is **77%** greater!

Source:
Social Security Administration
Publication No. 05-10147
January 2022
"When to Start Receiving Retirement Benefits"

This information is hypothetical and is provided for informational purposes only.

Timing matters more than you may think

Mary and John's both: reverse returns

-Retire with a $1 million investment portfolio
-Withdraw $50,000 annually
-Experience a five-year average return of 6%

These hypothetical examples illustrate the potential impact of market volatility on a retirement portfolio. Taking withdrawals in a down market causes the portfolio to be eroded simultaneously by withdrawals and low returns, making it difficult to rebuild wealth, even if good returns occur later.

	Scenario 1: Mary	Scenario 2: John
Year	Rate of return	
At retirement	N/A	N/A
Year 1	16.7 %	(25.6%)
Year 2	31.1%	(1.5%)
Year 3	9.4%	9.4%
Year 4	(1.5%)	31.1%
Year 5	(25.6%)	16.7%
Five-year average return	6.0%	6.0%

Can't

- Unexpected retirement
- Inflation

Can

- Prioritization of goals
- Essential vs. discretionary spending
- Flexibility in timing

The impact of inflation on your money

Here's the effect of a 3% annual inflation rate over a 25-year retirement:

Now	in 5 years	in 10 years	in 20 years	in 25 years
$100	$86	$74	$55	$48

Relative worth

When you retire, every day is Saturday

Divide and conquer your expenses

Identify the need-to-haves and the nice-to-haves

Essential:
Basic necessities

- Food
- Housing
- Healthcare

Discretionary:
Luxuries

- Travel
- Entertainment
- Recreation

SPENDING

The Gap = Shortfall vs. Surplus

Total income – Total expenses = **“The income gap”**

Total income < Expenses = **Shortfall**

Total income > Expenses = **Surplus**

Shortfall

- Work longer (retire later)
- Spend less during retirement
- Save more while working
- Leave less to beneficiaries
- Increase risk tolerance
- Withdraw from your investment portfolio

Surplus

- Retire earlier
- Spend more during retirement
- Spend more while working
- Leave more to beneficiaries
- Decrease risk tolerance
- Contribute to your investment portfolio

A valuable exercise

- Becomes a controllable part of your retirement plan
- Helps differentiate the “need-to-haves” from the “nice-to-haves”
- Creates a plan that is unique to your retirement

03 What a good plan can do for you

The emotional benefits of having a plan

92%
Say their plan helps them stay on track financially by adapting to changes in their lives.

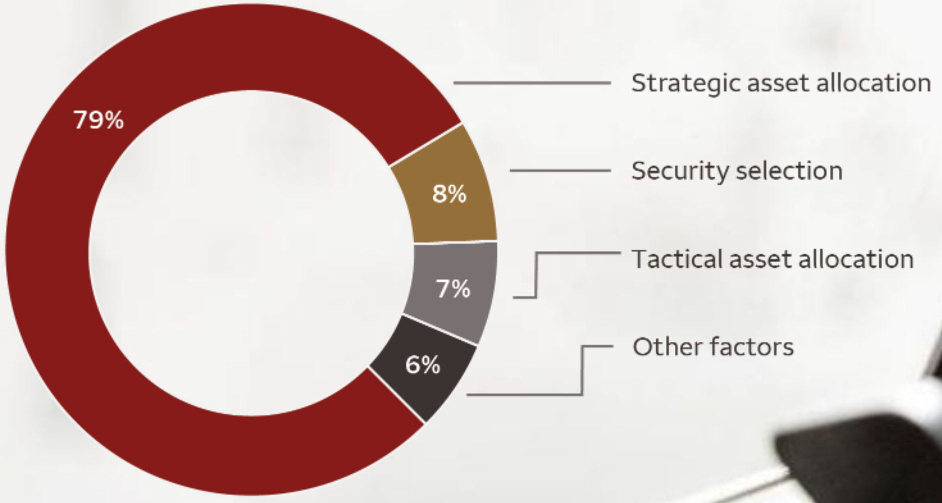
96%
Say their plan helps them feel better prepared for retirement.

95%
Agree creating their plan put them more at ease with their financial future.

91%
Agree their plan helps them to weather market volatility.

Source: Results are based on a survey conducted online by Versta Research from June 5 – June 22, 2019, among 457 Envision clients with Financial Advisor relationships. Results are not representative of other client experiences or indicative of future success or performance. The Envision process is a brokerage service provided by Wells Fargo Advisors.

Determinants of portfolio returns



Source: *The Journal of Wealth Management*, Vol. 8, No. 3, “Strategic Asset Allocation and Other Determinants of Portfolio Returns,” August 2005, data updated February 2010. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. Asset allocation and diversification are investment methods used to help manage risk. They do not guarantee investment returns or eliminate risk of loss including in a declining market.

Diversification may improve risk-adjusted returns

Historically, a diversified portfolio has reduced overall risk without sacrificing much return.

How much can you take out of your portfolio?

Chance of a portfolio lasting 30 years

		Stock/Bond mix%				
		100/0	75/25	50/50	25/75	0/100
Withdrawal rate	3%	90%	95%	98%	99%	98%
	4%	77%	80%	84%	82%	55%
	5%	60%	59%	31%	31%	8%
	6%	45%	38%	23%	4%	0%
	7%	31%	21%	8%	0%	0%

Source: Analysis conducted by Wells Fargo Advisors' Advisory Services Group using 50,000 simulations. For stocks, a mean return of 8% and standard deviation of 16.5% was utilized. For bonds, it was 4.10 and 5% respectively. The projections or other information generated by this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time. This simulation (commonly referred to as Monte Carlo) generates random returns based on the historical standard deviation forming a normal distribution around the mean. After returns for each asset class are generated, the returns are further refined by factoring in approximate 75-year correlations among the asset classes. This will result in a universe of returns for each asset class. The portfolio's weighted average return is calculated based on each asset class's weight in that scenario's asset allocation, in effect rebalancing every year. The analysis does not contain information related to any specific security and as such does not favor any certain or specific security. To evaluate the impact that unpredictable markets may have on financial objectives, the simulation measures these objectives against 1,000 randomly generated market performance scenarios. It uses both historical averages and volatility (ups and downs of the market as a standard of risk) of stocks, bonds and cash to generate the random portfolio returnscenarios.

We need our money to do different jobs at different times

Buying a second home

Healthcare expenses

Trip of a lifetime

Charitable giving

Dream hobby





Working together

The LifeSync℠ philosophy:

- Not just about maximizing money. It's about maximizing its impact
- Unique and personal, aligned to your values
- Always on, changing to reflect your evolving goals
- Provides you with the clarity to make the right decisions at the right moments





The LifeSync℠ process

1. **Understand**
   What are the things I value most?
2. **Plan**
   How can my money make the most impact?
3. **Propose**
   What are my options and how do they play out?
4. **Implement**
   What is my best next step?
5. **Revisit**
   Am I still on track?

Let's chat

- No obligation
- Review your situation

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Thank you

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Thank you