The

15-MINUTE RETIREMENT PLAN

Fisher Investments®

Important Disclosures

Investing in securities involves a risk of loss. Past performance is never a guarantee of future returns. Investing in foreign stock markets involves additional risks, such as the risk of currency fluctuations. The following constitutes the general views of Fisher Investments and should not be regarded as personalized investment advice or a reflection of the performance of Fisher Investments or its clients. Nothing herein is intended to be a recommendation or a forecast of market conditions. Rather, it is intended to illustrate a point. Current and future markets may differ significantly from those illustrated herein. Not all past forecasts were, nor future forecasts may be, as accurate as those predicted herein.

One of the biggest risks an investor faces is running out of money in retirement.

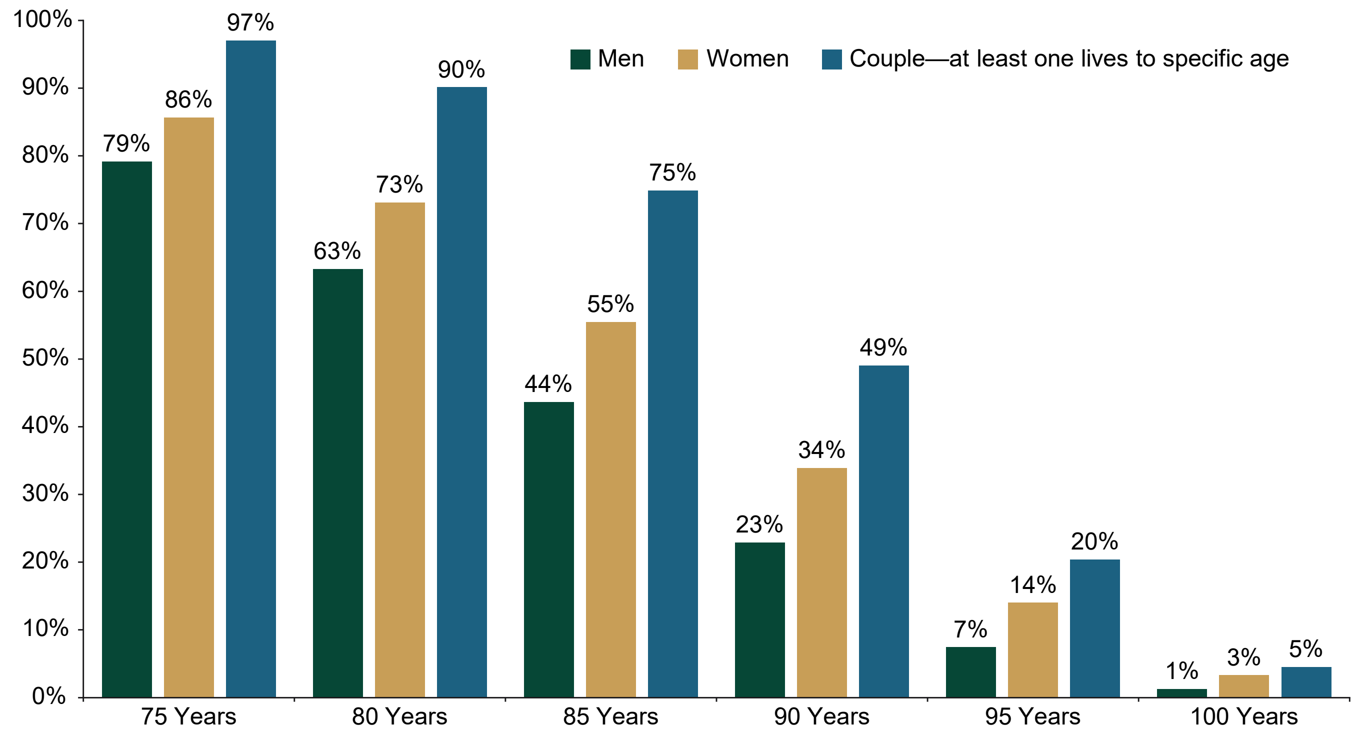
This can be a personal tragedy. People may work their whole lives to accumulate enough wealth for a comfortable retirement only to find they've come up short. To help minimize this risk, Fisher Investments recommends keeping the following key questions in mind when planning your retirement:

1. How Long Will You Need Your Portfolio to Provide for You?

Your lifespan may be significantly longer than you expect. Exhibit 1 shows the Social Security Administration's life expectancies for Americans currently age 65. We believe these projections likely underestimate how long people will actually live given ongoing medical advancements. Life expectancies vary among spouses and genders and it is beneficial to plan for the longer of your two life expectancies: your joint life expectancy. No one wants to be impoverished later in life because they didn't think they would still be alive. If you have a partner, you should both prepare to live a long time and make sure you have enough money to maintain your lifestyle.

The bottom line? Your time horizon may be much longer than you realize.

Exhibit 1: If You're 65 Today, The Probability of Living to a Specific Age*



**Source: Social Security Administration, as of 12/02/2019. Period Life Table 2016.*

2. How Can Cash Distributions and Inflation Impact Your Portfolio?

As you anticipate your investment time horizon—how long you need your money to last—it's also critical to understand how withdrawals will impact your portfolio. Like many investors, you may have unrealistic expectations of how much money you'll be able to safely withdraw each year during retirement.

Some folks believe it's safe to withdraw 10% per year without drawing down principal since equities have historically delivered a roughly 10% annualized return.* A common—but incorrect—assumption.

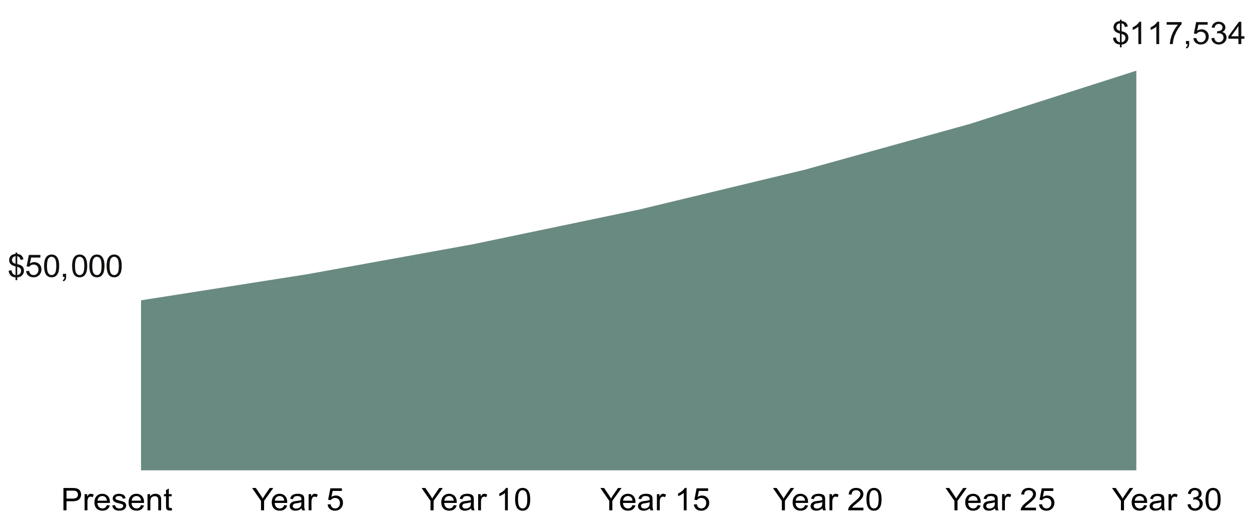
Though equities may annualize about 10% over time, returns vary greatly from year to year. Miscalculating withdrawals during market downturns can substantially decrease the probability of maintaining your principal. For example, if your portfolio is down 20% and you take a 10% distribution, you will need about a 39% gain just to get back to the initial value.

Inflation is another important factor to consider. Inflation is insidious. It decreases purchasing power over time and erodes real savings and investment returns. Many investors fail to realize how much of an impact inflation can have.

Since 1925, inflation has averaged about 3% per year.** If that average inflation rate continues in the future, a person who currently requires $50,000 to cover annual living expenses would need slightly less than $90,000 in 20 years and about $120,000 in 30 years *just to maintain the same purchasing power.*

Similarly, if you placed $1,000,000 under your mattress today, in 30 years that money would only be worth around $400,000 in today's dollars.

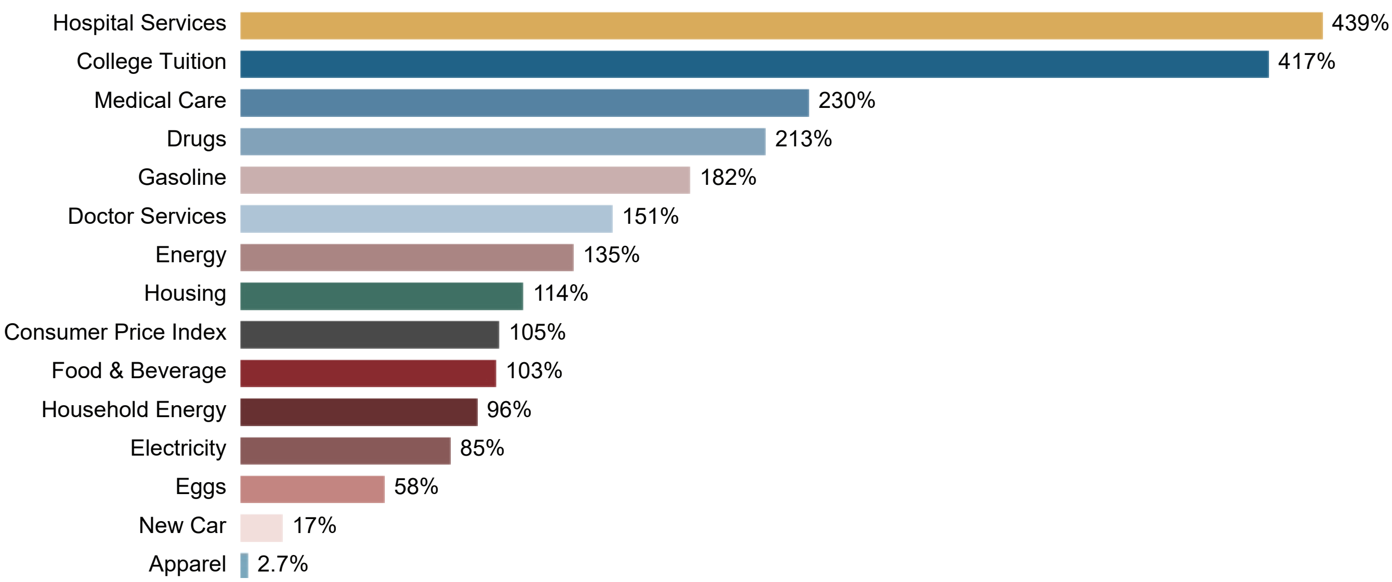
Exhibit 2: Maintaining Purchasing Power***



**Source: Global Financial Data, as of 04/14/2020. Based on annualized S&P 500 Total Return Index returns from 12/31/1925 to 12/31/2019.*
***Source: FactSet, as of 04/14/2020. Based on US BLS Consumer Price Index from 12/31/1925 to 12/31/2019, average annualized inflation was 2.89%.*
****Estimate based on a 2.89% rate of inflation.*

Even during years of low inflation, prices for all goods do not necessarily remain static. For example, clothing prices have fallen slightly, but prices for hospital services have skyrocketed over 400% since 1989. Consequently, retirees may need to rely on higher-returning investments over time to pay for these services.

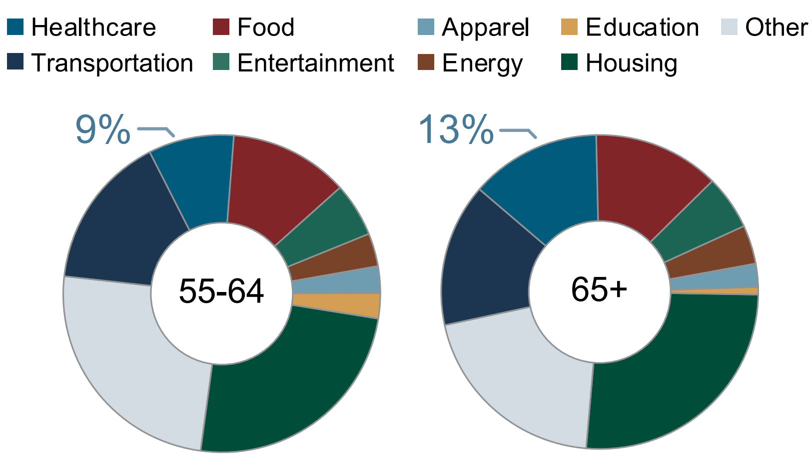
Exhibit 3: Price Changes in Vital Expense Goods Categories December 1989 - December 2019



Source: FactSet, as of 01/31/2020. Consumer Price Index data from 12/31/1989 – 12/31/2019.

Some categories, such as healthcare, that make up a greater portion of retirees' budgets have experienced higher levels of inflation over the years than the overall measurement. Exhibits 3 and 4 show healthcare costs, along with other important products and services, have historically outpaced the growing costs of many other goods while also increasing as a portion of income as people age. In our view, this increases the need for many investors to have exposure to growth-oriented investments over longer time periods.

Exhibit 4: Expenses as a Percentage of Net Income, Based on Age



As people age, healthcare costs grow as a proportion of income.

Source: US Bureau of Labor Statistics, as of 12/02/2019. Consumer Expenditure Survey 2018.

3. How Do You Establish a Primary Investment Objective?

Time horizon, cash-flow needs and inflation are all key factors to consider in your retirement planning. Another cornerstone is establishing a primary objective for your portfolio.

A precise way to determine your portfolio's objective is to define your "growth objective"—the amount of money you plan to have at the end of your portfolio's time horizon. Possible growth objectives include:

- **Portfolio growth:** You want to increase the purchasing power of your assets as much as possible across your investment time horizon.

- **Maintaining your portfolio's value in real terms:** You aim to maintain your present purchasing power at the end of your time horizon.

- **Depleting assets:** You have no desire to leave any assets behind at the end of your investment time horizon.

- **Targeting a specific ending value:** You desire a specific ending value, perhaps to make a donation to charity or to pass on to heirs.

Your primary investment objective helps create a roadmap for retirement. Focusing on your investment objective may also make it easier to stick with your investment strategy during market volatility.

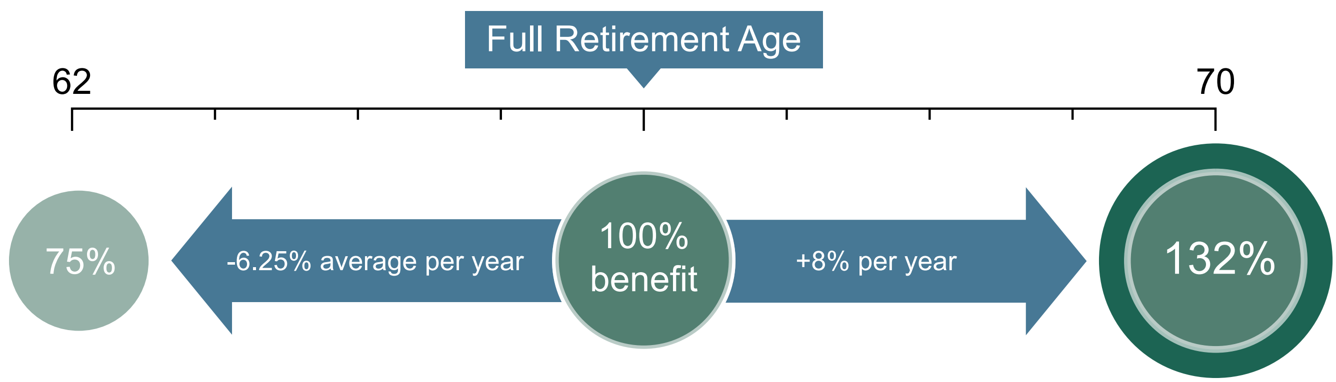
4. When Should You Elect to Take Social Security Benefits?

Social Security benefits can be an important source of cash flow in retirement, and the amount you'll receive is directly affected by the decisions you make leading up to retirement. If you qualify for Social Security benefits, it can be a welcome source of additional cash flow in retirement—but it shouldn't be counted on for all your income needs.

If you're eligible for Social Security, you'll need to decide when to start receiving benefits. There are three choices, differentiated by your employment status and whether you have reached full retirement age, which will vary by birth year. The longer you wait to begin receiving Social Security, the greater your benefit payments could be.

Social Security benefits are just one piece of your overall strategy but are often an important source of cash flow for many retirees. Exhibit 5 shows how your benefits are impacted depending on when you choose to take them. Individuals receive 100% of their Social Security benefits if they elect to take them at full retirement age.

Exhibit 5: How Your Social Security Benefits Change Based on the Age You Elect to Take Them



- **Under Full Retirement Age and Working:** If you are earning enough income to support yourself, it's a disadvantage to begin taking benefits at this point. More often than not, the extra money isn't needed and your benefits will be permanently reduced. This could also potentially reduce payments to your spouse, should he or she outlive you.

- **Under Full Retirement Age and Retired:** You may retire before full retirement age for a variety of reasons. If you start taking Social Security prior to full retirement age, your benefits will be permanently reduced.

- **After Full Retirement Age:** If you're able to delay taking payments until you reach full retirement age, you'll receive greater benefits. If you are able to wait beyond full retirement age, your Social Security benefits will increase by up to 8% per year until age 70.* Additionally, cost-of-living increases over time will start from a higher base.

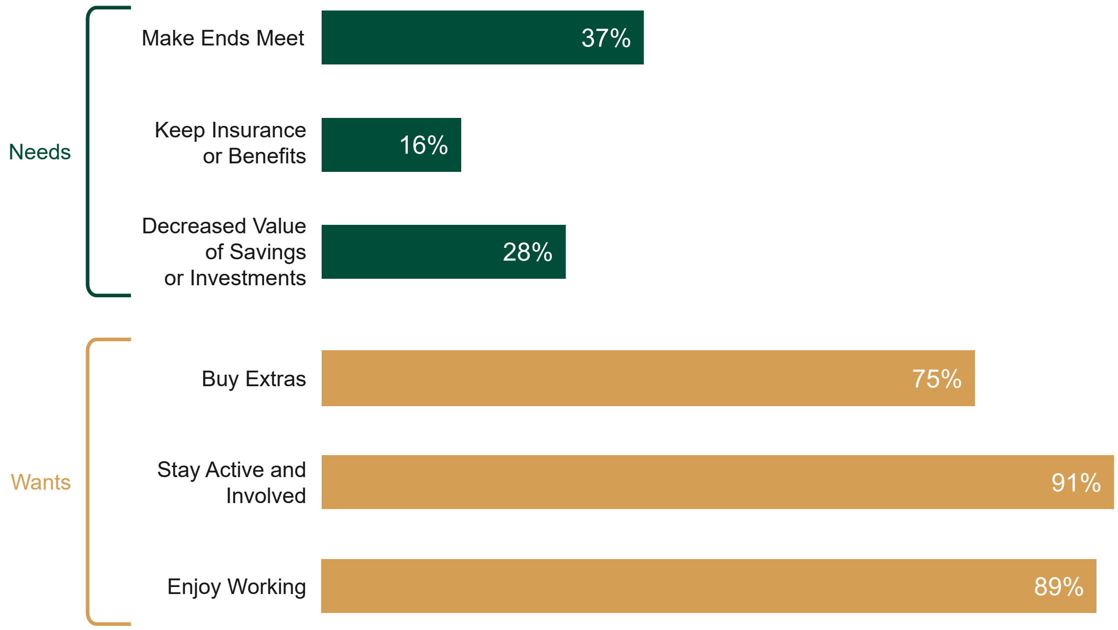
**Source: Social Security Administration, as of 04/13/2020. www.ssa.gov/planners/retire/delayret.html*

5. Will You Continue to Work in Retirement?

Over the past few decades, more people continue to work later in life and throughout retirement. People have numerous reasons to do so: receiving employer benefits, supplementing their income or staying active and involved. Exhibit 6 shows the percentage of people choosing to work in retirement for several reasons, with the gold showing "want" based reasons and the green showing "need" based reasons.

While it may not be an option for everyone, working in retirement can provide some financial flexibility. As you envision your retirement, this is an important question to consider, both in how it impacts your finances as well as your time.

Exhibit 6: Reasons People Choose to Work in Retirement



Source: Employee Benefit Research Institute, as of 04/13/2020. 2019 Retirement Confidence Survey. Respondents could select multiple reasons that apply to their situation.

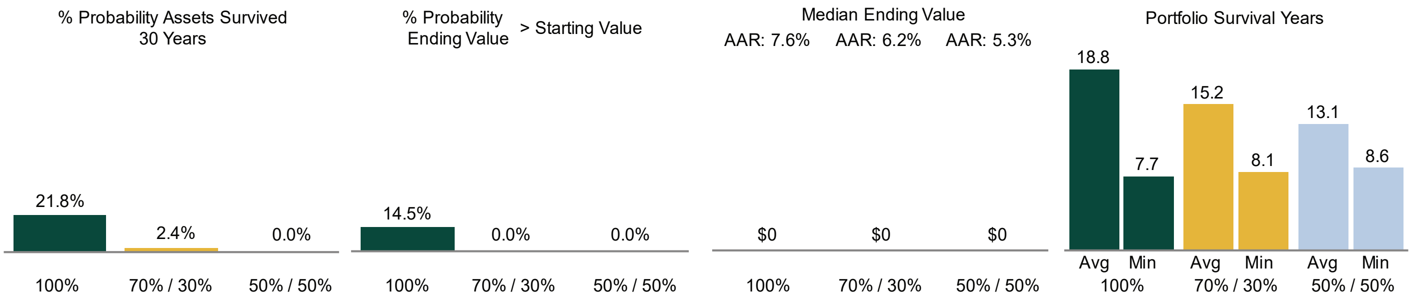
6. What Are Important Trade-Offs You May Need to Make?

Like many investors, you may plan to draw from your portfolio during retirement. The level of cash flow you require, combined with your growth objective, may require some trade-offs to minimize the risk of running out of money. For example, you may need to increase your exposure to investments with potential higher returns—and be willing to tolerate the greater volatility associated with them.

Understanding the trade-offs of different strategies is crucial. The following scenarios show the impact of four different rates of withdrawal on a $1,000,000 portfolio under different asset allocations, plus one showing no withdrawals. The four withdrawal rates are: 10%, or $100,000 per year; 7%, or $70,000 per year; 5%, or $50,000 per year; and 3%, or $30,000 per year. These simulations were run using a Traditional Monte Carlo simulator; all withdrawal amounts are adjusted for inflation to maintain original purchasing power.*

**The Monte Carlo simulation is a non-linear statistical method that, based on random sampling of historical stock, bond and cash returns, allows for the assignment of probabilities to various outcomes. This informational analysis makes numerous assumptions, including but not limited to the use of S&P 500 Stock Index and/or US 10- year Government Bond Index historical returns and Fisher Investments' forecasted data for domestic equities, fixed income, cash and inflation to project the ending value in the future or cash-flow availability. All values are expressed in today's dollars, as of 03/11/2020. The index(es) used in this analysis may not be the benchmark(s) selected for clients. No assurance can be given that these returns will be achieved. This analysis is for informational purposes only. It has been formulated with data provided to Fisher Investments and is assumed to be reliable. Fisher Investments makes no claim to its accuracy. Investing in securities involves risk of loss. Past performance is no guarantee of future returns.*

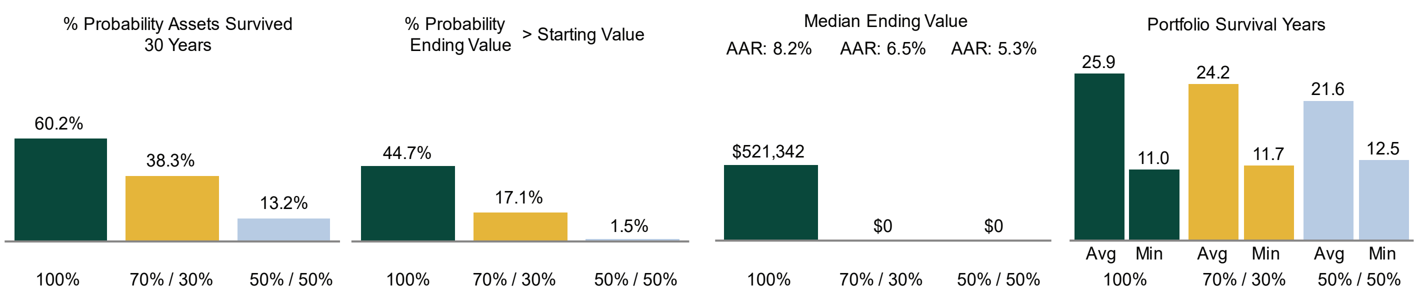
Scenario #1: In this scenario, we simulate the results of an investor taking annual withdrawals of $100,000 (10%) from a $1,000,000 portfolio (starting value) over a hypothetical 30-year investing time horizon.



Scenario #1 shows the probability of this portfolio lasting for 30 years—let alone growing—is very low.

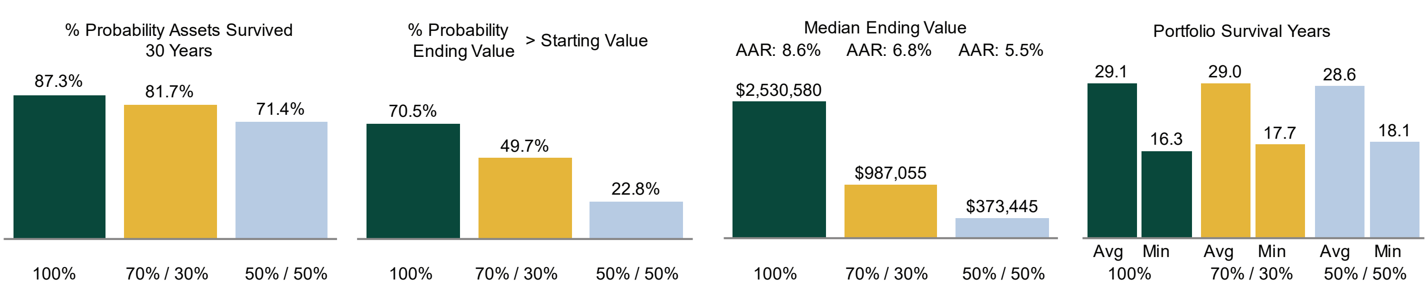
Unfortunately, this is true for all three asset allocations in this example (100% Stocks , 70% Stocks/30% Bonds and 50% Stocks/50% Bonds). Though the portfolio comprising 100% equities produces the highest probability of asset survival, a 21.8% chance of not running out of money in retirement is hardly comforting.

Scenario #2: In this scenario, we simulate the results of an investor taking annual withdrawals of $70,000 (7%) from a $1,000,000 portfolio over 30 years.



Scenario #2 shows the probability of asset survival and growth improves by reducing withdrawals. But even with 100% equity allocation, the likelihood of not running out of money is only 60.2%.

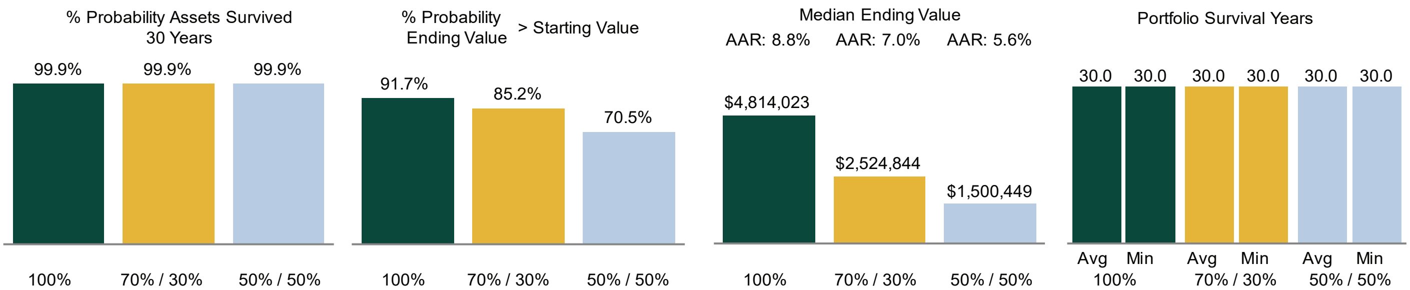
Scenario #3: In this scenario, we simulate the results of an investor taking annual withdrawals of $50,000 (5%) from a $1,000,000 portfolio over 30 years.



Scenario #3 shows reducing withdrawals to 5% of a portfolio greatly improves the probability of both asset survival and growth across all three asset allocations.

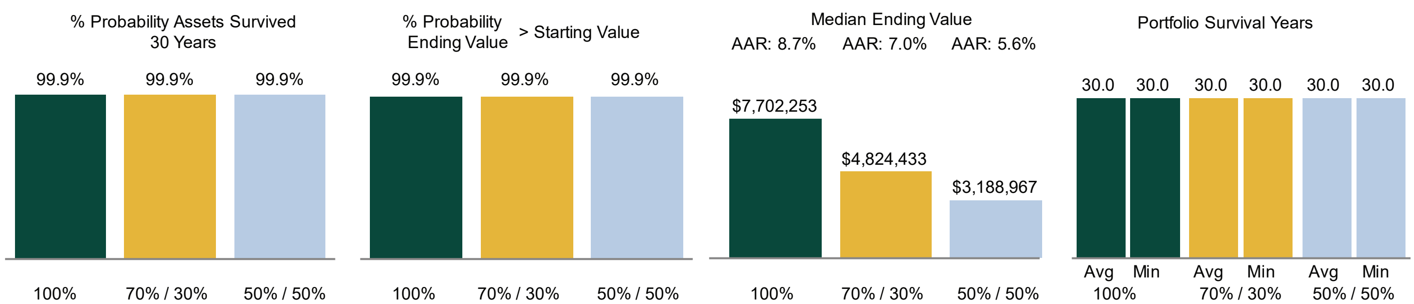
AAR=Average Annualized Return %.

Scenario #4: In this scenario, we simulate the results of an investor taking annual withdrawals of $30,000 (3%) from a $1,000,000 portfolio over 30 years.



Scenario #4 shows materially better probabilities of both asset survival and growth. Using all three asset allocation scenarios, median ending value is higher than the starting value, though 100% stocks shows the best median portfolio growth.

Scenario #5: In this scenario, we simulate the results of an investor taking no annual withdrawals.



For investors with no annual cash-flow needs, probability of asset survival is excellent in all three asset allocation scenarios. However, as many may expect, a simulation of 100% stocks resulted in the highest median portfolio ending value.

AAR=Average Annualized Return %.

7. How Do You Stay Disciplined In Your Retirement?

Market research firm DALBAR, Inc.'s annual study, the Quantitative Analysis of Investor Behavior (QAIB) compares stock and bond markets' and average mutual fund investors' returns over the past 25 years ending December 31, 2019.

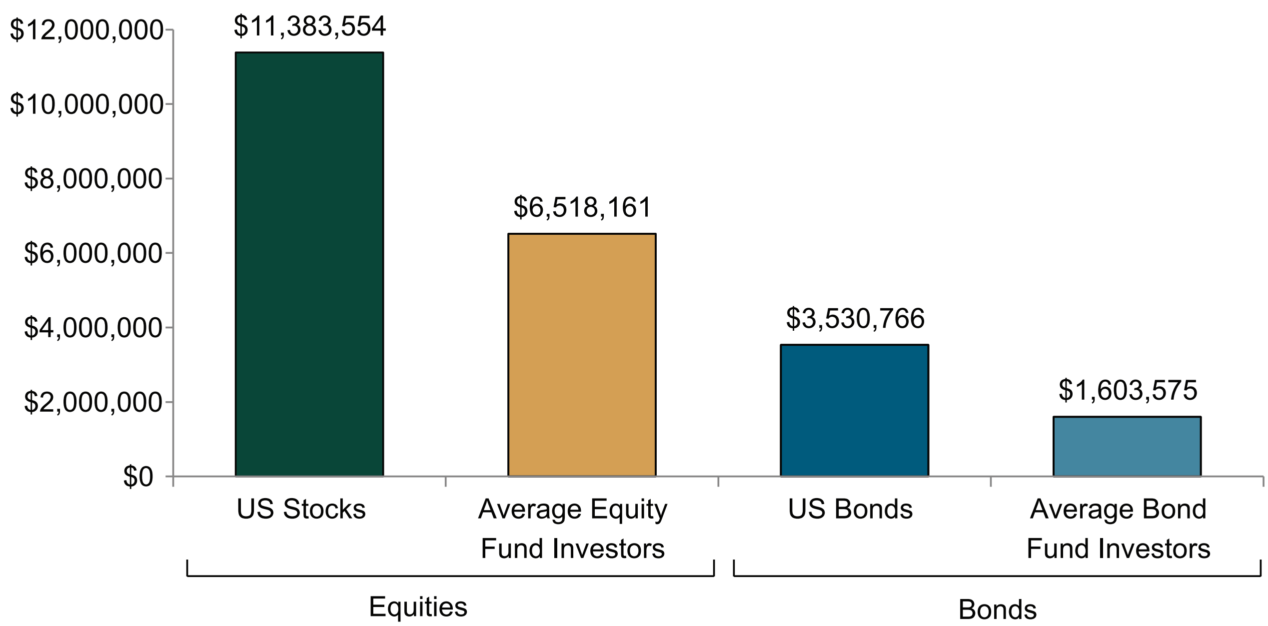
"The results consistently show that the average investor earns less—in many cases, much less—than mutual fund performance reports would suggest."

– DALBAR, Inc., 2020 Quantitative Analysis of Investor Behavior.

When investors manage their own portfolios, they can often be their own worst enemy. Individual stock and bond prices can move quickly and surprise investors, but long term returns are the reward for being able to endure volatility along the way. Having a trusted adviser to help you stay disciplined and adhere to your investment plan can help you avoid the pitfalls that plague other investors.

While differences in annualized returns can be difficult to contextualize, on a one million dollar equity portfolio it could result in missing out on more than $4,000,000 over a 25-year period, as illustrated in Exhibit 7.

Exhibit 7: Hypothetical growth of $1 Million Dollars Invested for 25 Years From 12/31/1994 to 12/31/2019



Source: DALBAR, as of 4/01/2020. Quantitative Analysis of Investor Behavior based on an initial investment of $1 million dollars. US stock performance represented by the S&P 500 Composite Index, 12/31/1994 – 12/31/2019. US bond performance represented by the Bloomberg Barclays Aggregate Bond Index, 12/31/1994 – 12/31/2019. Indexes do not take into account the fees and expenses associated with investing, and individuals cannot invest directly in any index. Average stock investor and average bond investor returns calculated as the change in assets after excluding sales, redemptions and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses and other applicable costs.

Which scenario and asset allocation make the most sense for you?

There is no one right answer for everyone—only the answer that's right for you. If portfolio growth is your primary objective, a portfolio with 100% equity might make the most sense.

However, if you want to maintain purchasing power with less volatility, then a portfolio with a larger bond allocation may be more appropriate. Determining your primary objective can help you decide which asset allocation is best for your needs.

Planning Your Retirement With Fisher Investments

Still have questions? Not sure what's best for you? Need help getting started? We've helped thousands of investors—each with unique goals and objectives—plan for retirement. Call Fisher Investments at 800-568-5082 to find out how we can help you achieve the comfortable retirement you've been working and saving for.*

**For qualified investors with $500,000 or more of investable assets.*

From the moment you become a client, we put you first.

We are dedicated to helping investors like you reach their long-term financial goals and live comfortably in retirement. As a fiduciary, we are obligated to put our clients' interests first, but our values, structure and focus on you go even further:

Fees Aligned With Your Interests

Our fee structure is transparent and helps tie our incentives directly to your success. We charge a simple fee based on the assets we manage for you. We do not make money on trading commissions or by selling investment products for a commission—common conflicts of interest in much of the financial services industry.

A Tailored Approach

We create a personalized portfolio tailored to your unique situation: your financial goals, wants, needs, health, family and lifestyle. And on an ongoing basis, we work with you to understand changes in your life or financial situation that may impact your investment plan.

Unparalleled Service

Your dedicated Investment Counselor is here to serve you, not sell to you. Your Investment Counselor is well versed in your financial goals and helps you stay on track with your investment plan. She or he calls you to make sure you understand what we're doing in your portfolio and why. Our financial planning, educational resources and client events also help you understand challenging and often unpredictable markets.

Investment Experience

We have been working to make the financial services industry a better place for investors since 1979. Today, we apply that experience in helping more than 75,000 clients around the world reach their long-term goals.* Led by our founder Ken Fisher, our Investment Policy Committee—the primary decision makers for your portfolio—has 140+ combined years of industry experience. Moreover, the *Financial Times* named us a Top Registered Investment Adviser seven years in a row.**

FT FINANCIAL TIMES

Top Financial Advisers 2014 - 2020

**As of 09/30/2020. Includes Fisher Investments and subsidiaries.*

***Fisher Investments named Financial Times Top 300 US-Based Financial Adviser (RIAs) from 2014 to 2020.The* Financial Times (FT) *invites Registered Investment Advisers that meet certain criteria to apply to be considered for the Top 300 Financial Adviser List. Applicants are graded on six broad factors: assets under management (AUM), asset growth, years in operation, industry certifications of key employees, online accessibility, and compliance record. Neither Fisher Investments nor its affiliates pay to be considered and selected for this award.*

Simply put, we do better when you do better.

Fisher Investments	Some Money Managers
✓ Tailors your portfolio to your goals and needs	✗ Provide cookie-cutter portfolios
✓ Calls regularly to keep you informed	✗ Only call when they have something to sell
✓ Charges one simple, straightforward fee	✗ Sell high-commission investment products

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