



Six steps to help secure your retirement

We all have goals in life — providing for our families, saving for our children's or grandchildren's education, retiring comfortably, or leaving a legacy for future generations. For many of us, however, a very important goal is to enjoy a financially secure retirement.

This workbook will walk you through a step-by-step process to help you get to where you want to be. The first step is to be aware of the challenges you face.

If you retire at age 65, the average years in retirement are 19 for a man and 21 for a woman. With that in mind, you can expect to spend 19 or more years in retirement.*

*Source: Based on average life expectancy, July 2020, ssa.gov.

Step 1: Challenges

What concerns you the most?

Rank the following:

___ Experiencing poor investment performance

___ Paying taxes

___ Living far longer than you imagined

___ Supporting parents and/or children

___ Dealing with increased inflation

___ Encountering the unexpected

___ Facing health concerns and the possible
medical costs

A smart retirement strategy can account for almost all of these challenges—even the unexpected—and help make sure that they don't stand in your way.

Notes:

Step 2: Where you stand today

The second step toward a comfortable retirement is to take a quick inventory of your current situation.

Estimate:

- Your assets and liabilities: _____

- The annual amount and sources of your retirement income: _____

- The amount of insurance you have: _____
- The amount of any potential inheritance: _____
- The annual amount of potential company benefits: _____

Other considerations:

- The amount you want your legacy to be: _____

- Do you have an updated will or trust? Yes No
- Do you have medical directives? Yes No
- Does your family know where your key documents are? Yes No

Step 3: Funding your dreams and goals

Now that you know where you are, you can start putting together a plan to get you where you want to be. There are a number of important factors to consider, including:

- Your need for income versus growth
- Types of risk
- Your need for rebalancing
- Asset allocation

Step 4: Picturing your retirement

At Wells Fargo Advisors, the tool we use to help our clients achieve comfortable retirements is called the *Envision*[®] process.

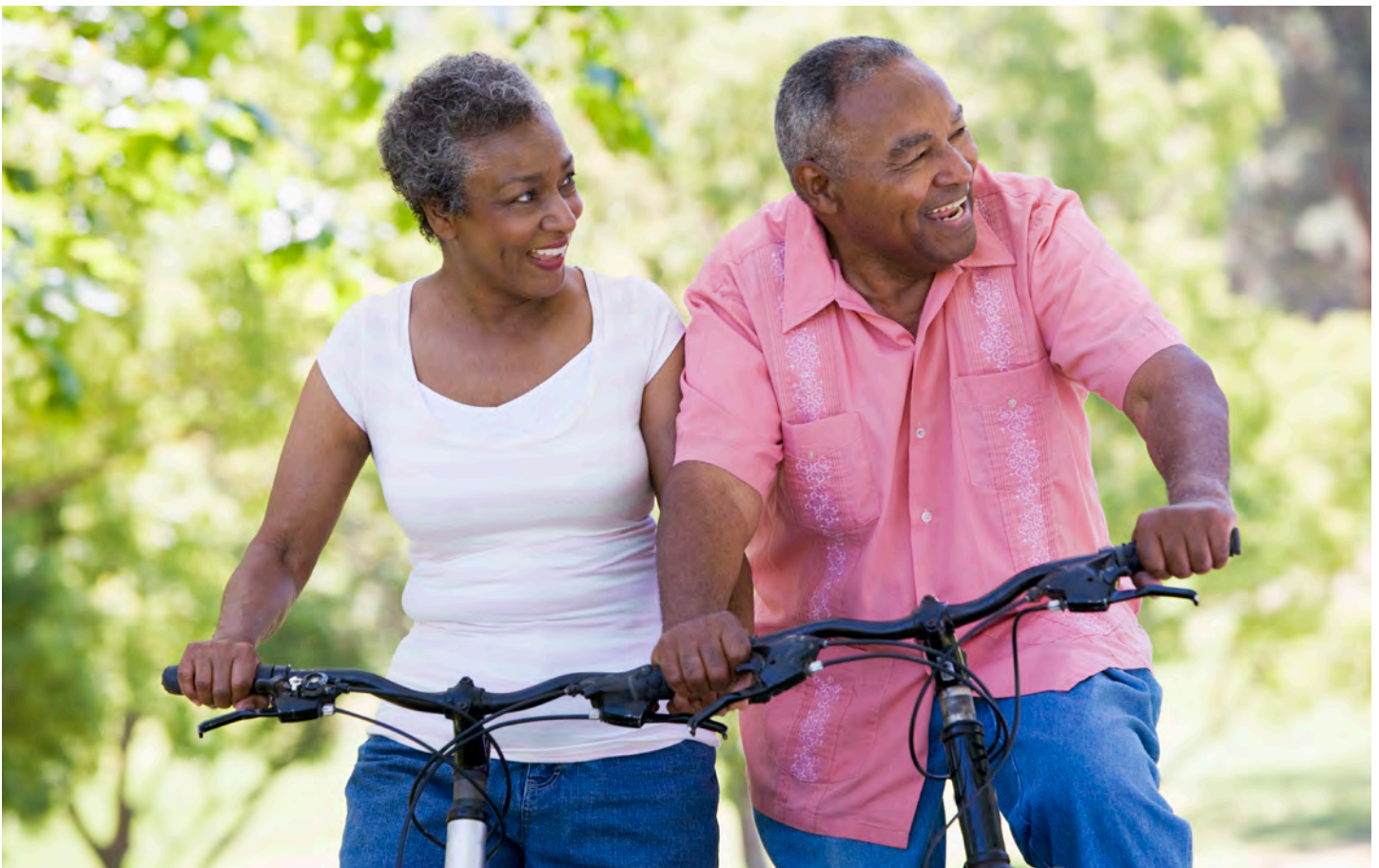
The *Envision* process combines goal-based guidance with sophisticated statistical modeling to produce an easy-to-understand plan for working toward your financial goals.

The *Envision* process's goal is to let you live the one life you have the best way you can, without undue financial sacrifice or overexposure to risk.

We believe that the *Envision* process offers advantages over traditional investment planning. But simply having and using a plan at all is the most important thing.

Envision methodology: Based on accepted statistical methods, the *Envision* tool uses a simulation model to test your Ideal, Acceptable, and Recommended Investment Plans. The simulation model uses assumptions about inflation, financial market returns, and the relationships among these variables. These assumptions were derived from analysis of historical data. Using Monte Carlo simulation, the *Envision* tool simulates 1,000 different potential outcomes over a lifetime of investing, varying historical risk, return, and correlation amongst the assets. Some of these scenarios will assume strong financial market returns, similar to the best periods of history for investors. Others will be similar to the worst periods in investing history. Most scenarios will fall somewhere in between.

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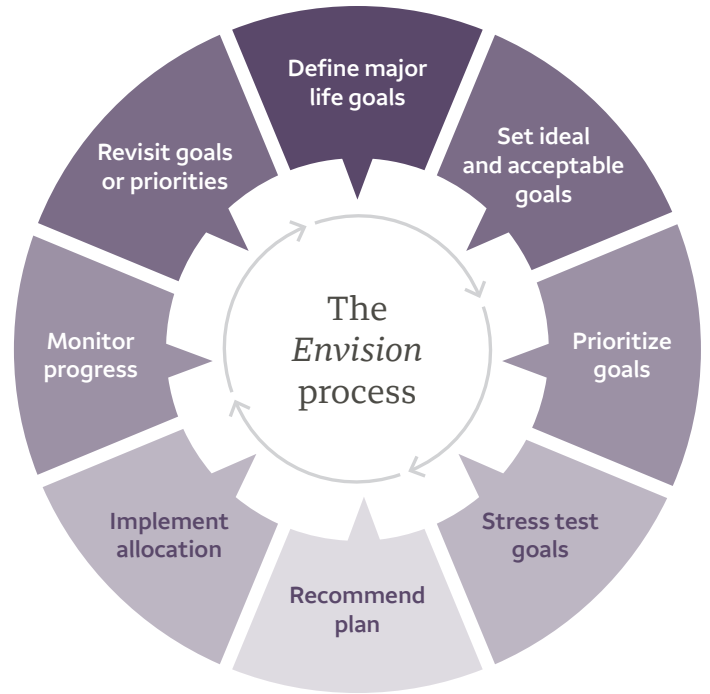


The *Envision* process

The *Envision* process begins by identifying a range of life goals. For each goal you have, we establish Ideal and Acceptable goals.

The next step is to prioritize your goals from most to least important. We then determine the viability of your Ideal goals versus your Acceptable goals by stress-testing them against a wide range of simulated market conditions based upon historical and assumed market performances of various asset classes.

Based on the stress test results, your financial advisor will provide you with a recommended plan. After you agree on the recommendations, you and your financial advisor will work together to implement your plan, monitor its progress, and adjust it when necessary.

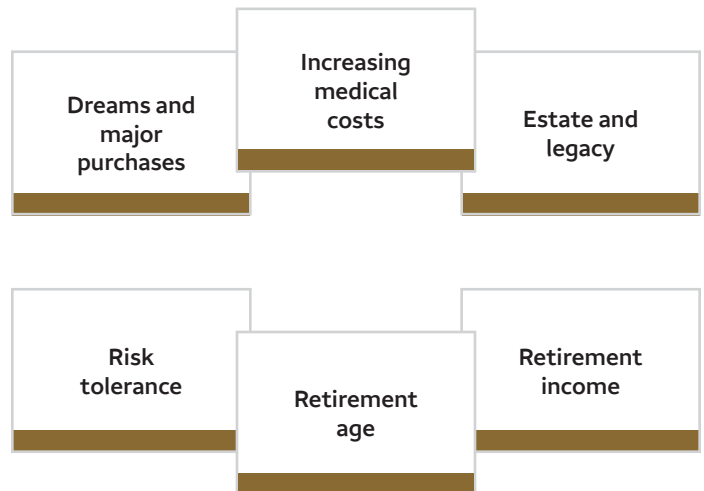


Step 5: Your dreams and goals

The *Envision* Priority Cards feature the major goals and concerns that most of us have for retirement, from “Retirement age” to “Estate and legacy.”

We all have different — sometimes very different — ideas of what is most important to us. But setting your personal priorities is the first and most important step toward achieving a successful retirement.

What do you want your retirement to look like? Take a moment to order the priorities for you and your spouse or partner.



What are your major goals and concerns? Consider from the list below.

Check or rank in order which are most important to you.

- | | | |
|---|---|---|
| <input type="checkbox"/> Retirement age | <input type="checkbox"/> Philanthropy | <input type="checkbox"/> Increasing medical costs |
| <input type="checkbox"/> Retirement income | <input type="checkbox"/> Business transition and succession | <input type="checkbox"/> Taxes and inflation |
| <input type="checkbox"/> Dreams and major purchases | <input type="checkbox"/> Outliving assets | <input type="checkbox"/> Supporting parents and/or children |
| <input type="checkbox"/> Estate and legacy | <input type="checkbox"/> Market decline | <input type="checkbox"/> Managing liabilities |
| <input type="checkbox"/> Education goals | <input type="checkbox"/> Risk tolerance | <input type="checkbox"/> Today vs. tomorrow |

Create a list of your priorities.

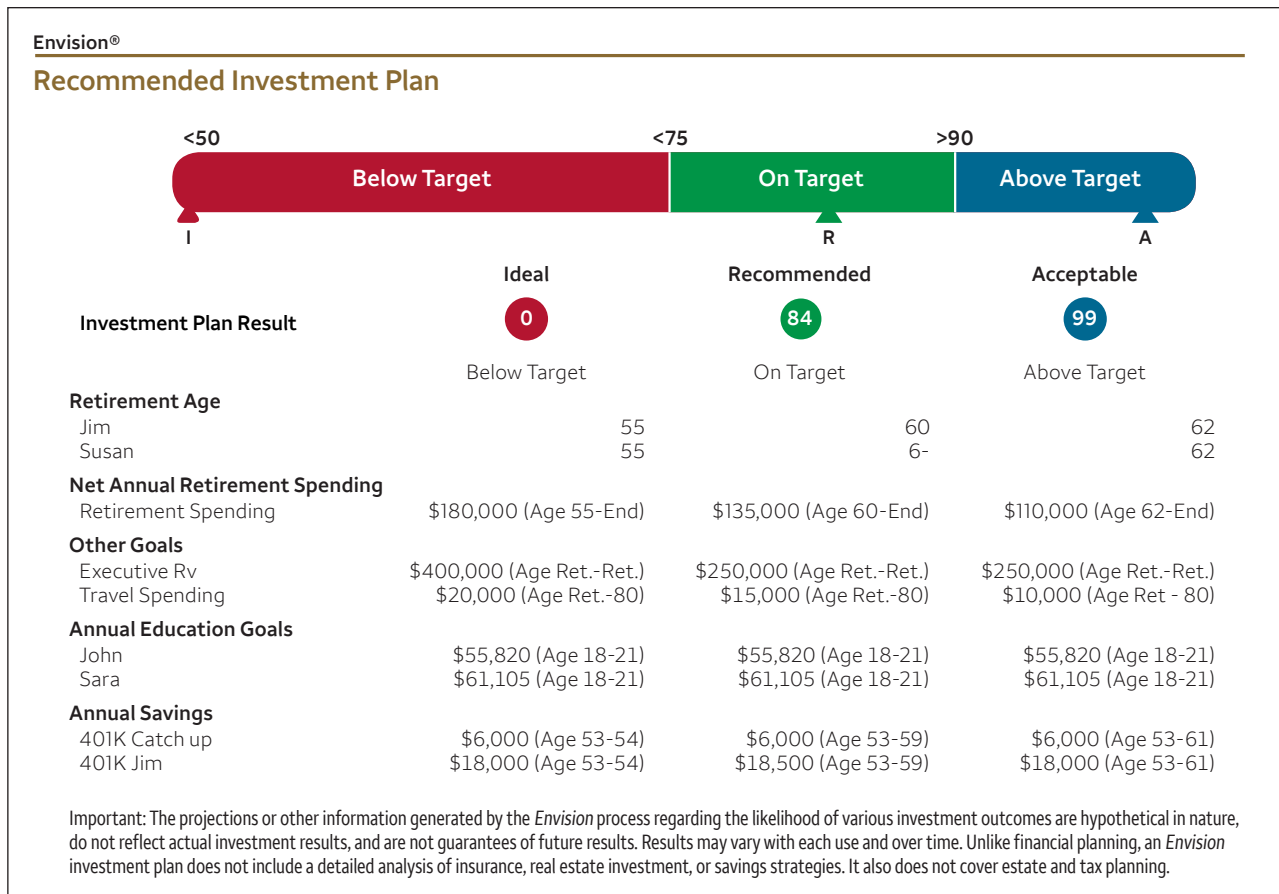
1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

In an ideal world, we would be able to have our cake and eat it too. We could retire tomorrow, earn all the income we enjoyed while we were working, travel constantly, buy a big dream house, and leave our heirs with an enormous estate.

But for most of us, that may not fully be possible. We have to balance what is really important to us with what is possible.

Some goals are more important than others, which is a key consideration in the *Envision* process.

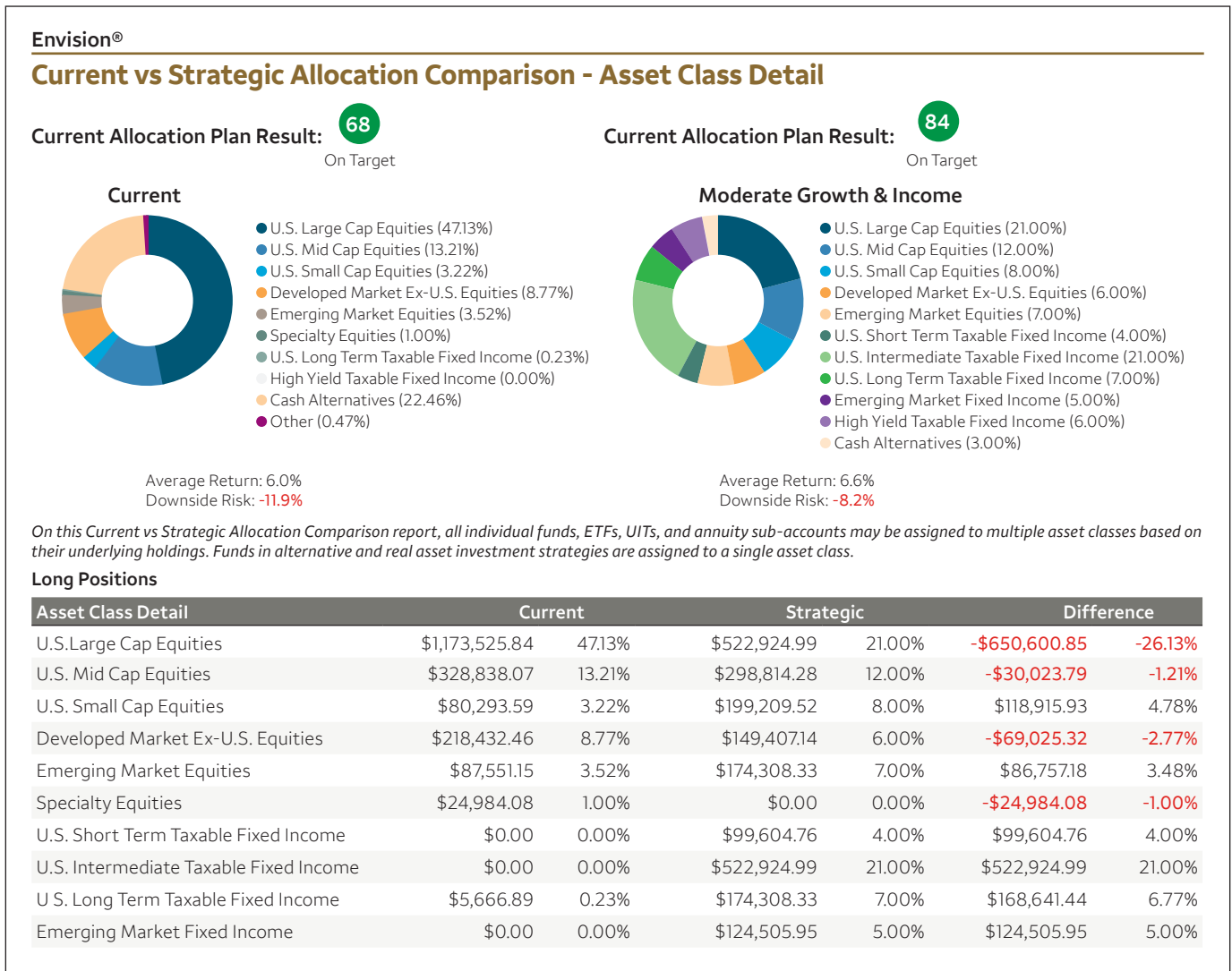
You'll notice from the example below that the Recommended Investment Plan falls in the Target Zone between ideal and acceptable. Your Recommended Plan is personalized specifically for you by considering the priority of your goals.



Notes:

The Recommended plan includes a plan result. Please be aware that the plan result represents only the likelihood of success as modeled by the *Envision* technology's simulated testing. The plan result does not establish the actual probability of future success.

We take your current asset allocation and compare it to a strategic allocation simulated in your Recommended plan.



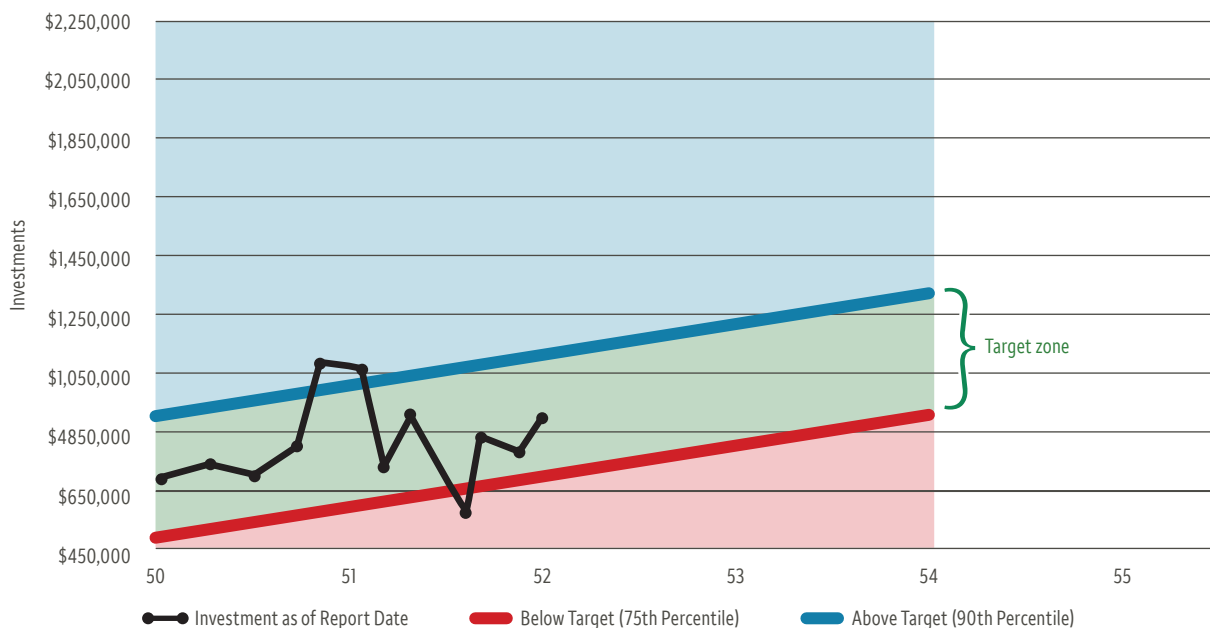
Notes:

Step 6: Bringing it all together

After you implement your plan, the *Envision* process helps you continue to monitor and test your plan as you progress through your life. You can assess the effects that your actual savings and spending patterns, investment returns, and portfolio values

have on your plan result. You can also add new goals or change existing goals. At any point when you move out of the Target Zone, we can review your goals, priorities, and assets to update your plan and help you achieve your new goals.

Achieving your goals



The Target Zone may help you evaluate your recommended plan. It does not represent a projection of future portfolio values. Our *Envision* tool uses Monte Carlo simulations, which are based on historical and hypothetical information; there is no guarantee that investments will perform in accordance with the simulated trials.

A Wells Fargo Advisors financial advisor can work with you to develop an *Envision* Plan that addresses your unique financial goals and may help put you more at ease with your financial future.

To start building a plan for the years ahead, connect with us today.

IMPORTANT: The projections or other information generated by the *Envision* tool 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.

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