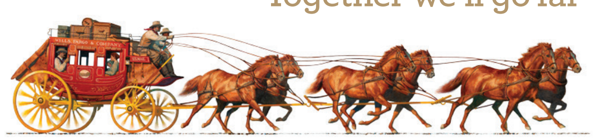
WELLS FARGO ADVISORS

Six steps to help secure your retirement

Together we'll go far



The average age for retirement in America is 62.* If you retire at age 65, you can expect to spend 19 years in retirement.**

*Source: *Gallup*

**Source: *The Wall Street Journal*

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, the most important goal is to enjoy a financially secure retirement.

But there are always nagging questions:

- Will I have enough money to do the things I want?
- How can I tell whether I'm making progress toward my goals? And if I'm not, what can I do?
- Am I compromising too much of my current lifestyle to save for the future?
- Am I taking on too much risk?

This seminar addresses questions like these, and more, and suggests ideas to help you create a truly successful and secure retirement.

We all have some idea about how we want our retirement to look. 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 and perils you face.

Step 1: Challenges and perils

- A couple retiring in 2015 with Medicare needed **$157,000** in savings to have a **50%** chance of covering health care costs during retirement. [1]
- Only **48%** of workers have tried to calculate what they'll need to save to maintain a comfortable standard of living during retirement. [2]
- **57%** of workers report less than $25,000 in total savings and investments (excluding their home and defined benefit plans). [2]
- **31%** of workers expect Social Security to be a major source of retirement income. [2]
- More than **25 million** Americans age 60 or older are considered "economically insecure." [3]
- The average 401(k) year-end account balance in 2013 was **$72,383**. [4]

[1] Employee Benefit Research Institute, "Funding Savings Needed for Health Expenses for Persons Eligible for Medicare," October 2015. Assumes a 65-year-old couple and no subsidized employer-based coverage.
[2] Employee Benefit Research Institute, "2015 Retirement Confidence Survey, April 2015."
[3] National Council on Aging, December 2015.
[4] Employee Benefit Research Institute and Investment Company Institute, " 401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2013."

What concerns you the most? Rank the following:

___ Experiencing poor investment performance

___ Living far longer than you imagined

___ Dealing with increased inflation

___ Facing health concerns

___ Paying taxes

___ Supporting parents and/or children

___ Encountering the unexpected

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 secure 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 secure 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.

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.

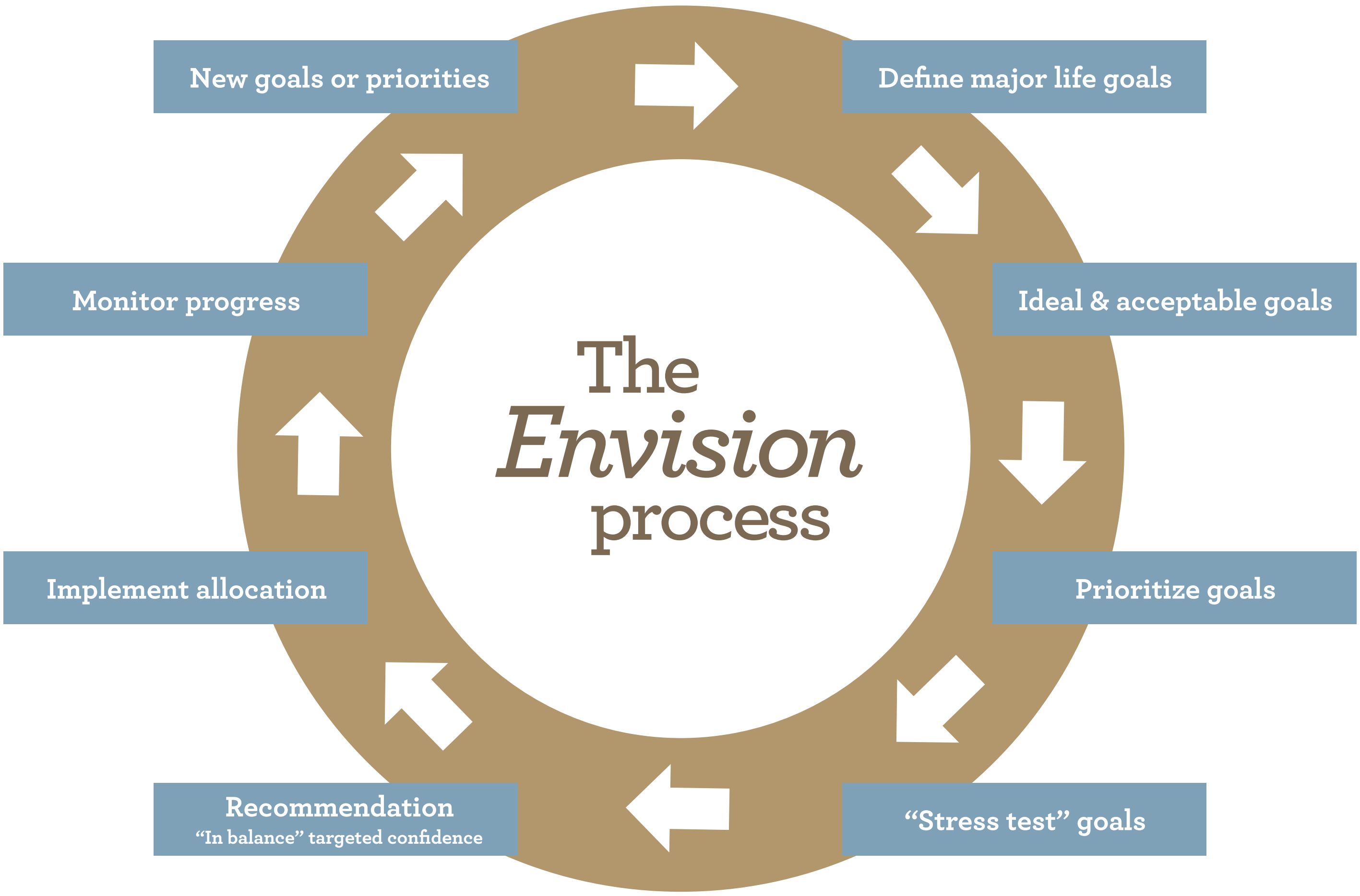
***Envision* methodology:** Based on accepted statistical methods, the *Envision* tool uses a simulation model to test your Ideal, Acceptable and Recommended Investment Plans. The simulation model uses assumptions about inflation, financial market returns and the relationships among these variables. 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. Other will be similar to the worst periods in investing history. Most scenarios will fall somewhere in between.

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're satisfied with your plan, your Financial Advisor will help implement it, monitor your progress and modify the plan when necessary.

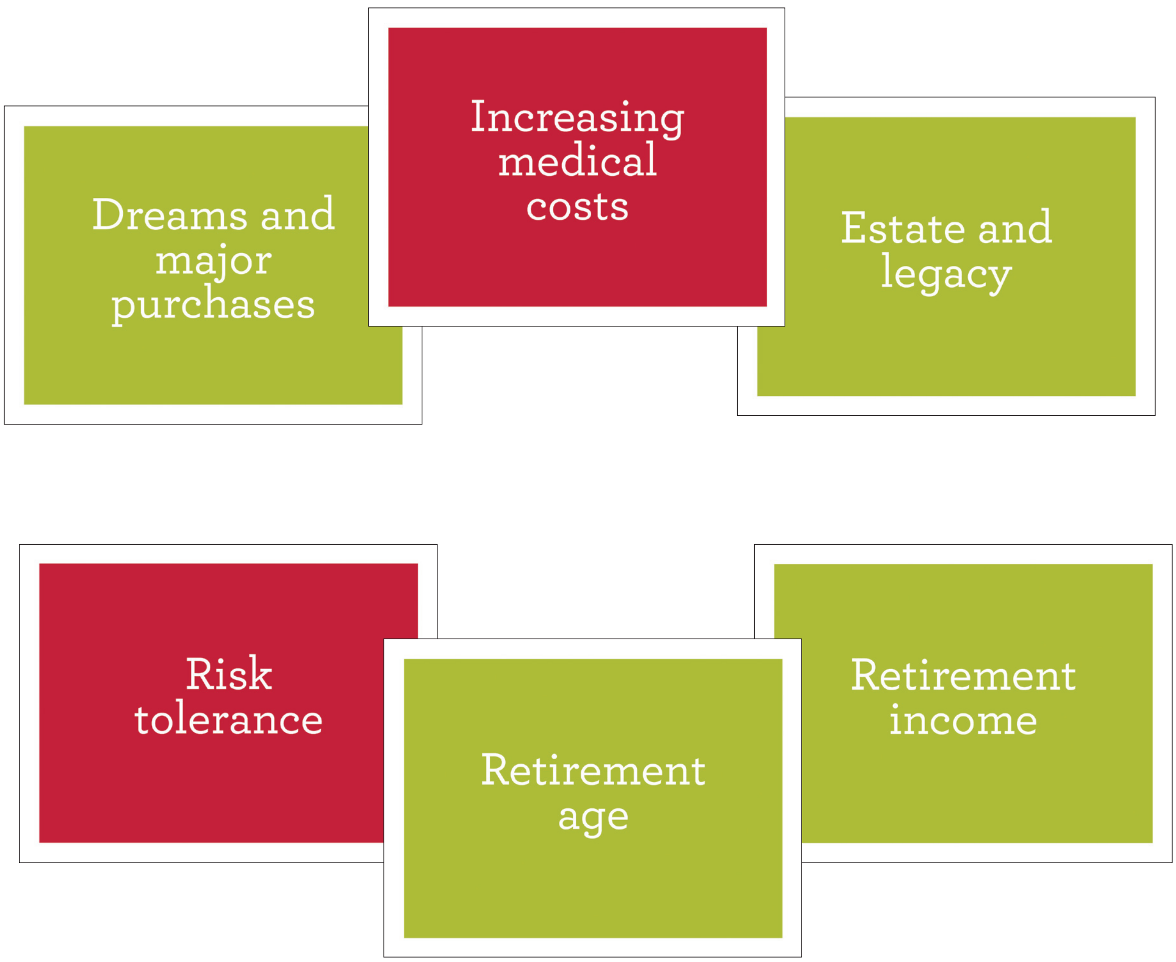


Step 5: Your dreams and goals

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.



Your priorities:

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________
6. ______________________________

Your spouse's or partner's priorities:

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________
6. ______________________________

Notes:

Create a new list that reconciles your priorities with those of your spouse or partner.

Ideal:

1. ___
2. ___
3. ___
4. ___
5. ___
6. ___

Acceptable:

1. ___
2. ___
3. ___
4. ___
5. ___
6. ___

Notes:

Case study: Todd and Tonya Johnson (ages 51 and 53)

- Tonya is a school administrator.
- Todd is an attorney.
- Their daughter, Pam, is age 23 and out of school.
- Their goal is a "comfortable" retirement, ideally at age 55, but 62 would be acceptable.
- They're not sure what amount of retirement savings is "right."

They would like to:

- Travel
- Buy a larger boat
- Leave an inheritance for Pam

- Tonya's salary is $60,000.
- Todd's salary is $150,000.

They have:

- $165,000 in taxable investments
- $600,000 in retirement accounts
- $35,000 in cash
- $350,000 home with $150,000 left on mortgage
- $206,000 home with $50,000 left on mortgage (rental property); currently receiving $12,000 in income; plan to sell around age 81
- $15,000 in Tonya's pension

- They're saving $35,000 a year.

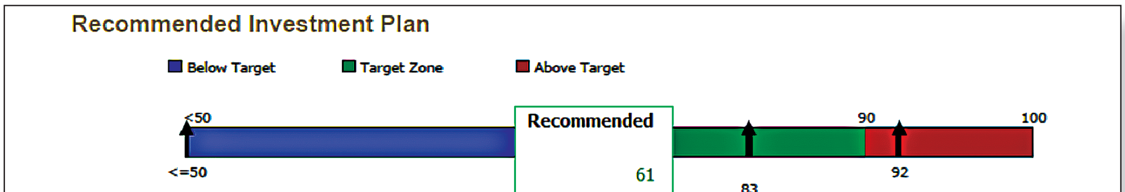
Todd and Tonya ranked their priorities as follows:

1. Retirement age
2. Retirement income
3. Increasing medical costs
4. Dreams and major purchases
5. Risk tolerance
6. Estate and legacy

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, the world is not ideal. We have to balance what is really important to us with what is possible.

For most people, some goals are more important than others. After prioritizing your goals, we can develop your Recommended Plan — which normally falls somewhere between your Ideal and Acceptable Goals. We then use the plan to help monitor and review your progress and your asset allocation.



	Ideal	Recommended	Acceptable
Retirement Age			
Todd	55	61	62
Tonya	53	59	60
Annual Retirement Spending	$105,000	$90,000	$84,000
Other Goals			
Bigger Boat - 32ft. Shamrock	$80,000	$60,000	$55,000
Caribbean Vacations	$25,000	$10,000	$10,000
Country Club Dues	$5,000	$5,000	$5,000
Annual Savings	$16,000	$35,000	$35,000
Other Sources of Income (Annual)			
Tonya Pension	$15,000	$15,000	$15,000
Rental Property Income	$13,000	$12,000	$10,000
Sell Rental Property	$235,000	$220,000	$206,000
Estate Goal	$500,000	$100,000	$100,000
Strategic Allocation	Conservative Growth	Moderate Growth	Long Term Growth
Percent in Equities	67.0%	83.0%	95.0%
Downside Risk	-8%	-11%	-13%
Investment Plan Result	0	83	92

IMPORTANT: The projections or other information generated by the *Envision* process 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. Unlike financial planning, an *Envision* investment plan does not include a detailed analysis of insurance, real estate investment or savings strategies. It also does not cover estate and tax planning.

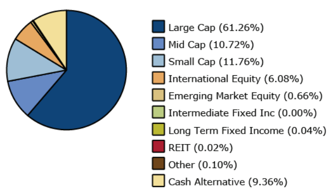
Notes:

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 trials. 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 Plans.

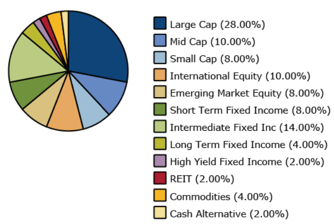
Current vs Strategic Allocation – Asset Class Sub Type

Current



Average Return: 8.7%
Downside Risk: -12.5%

Conservative Growth



Average Return: 8.3%
Downside Risk: -8.1%

On this Current vs Strategic Allocation report, funds, ETFs and UITs that have balanced or global allocations may be assigned to multiple asset classes based on their underlying holdings.

Long Positions

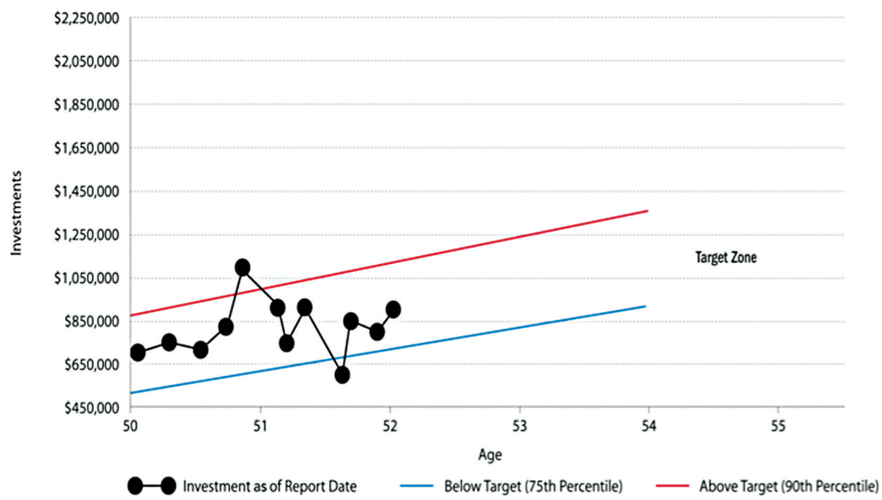
Asset Class Sub Type	Current		Strategic		Difference	
Large Cap	$ 1,347,333.13	61.26%	$ 615,860.00	28.00%	$ - 731,473.13	- 33.26%
Mid Cap	$ 235,727.63	10.72%	$ 219,950.00	10.00%	$ - 15,777.63	- 0.72%
Small Cap	$ 258,576.20	11.76%	$ 175,960.00	8.00%	$ - 82,616.20	- 3.76%
International Equity	$ 133,831.93	6.08%	$ 219,950.00	10.00%	$ 86,118.08	3.92%
Emerging Market Equity	$ 14,499.68	0.66%	$ 175,960.00	8.00%	$ 161,460.33	7.34%
Short Term Fixed Income	$ 0.00	0.00%	$ 175,960.00	8.00%	$ 175,960.00	8.00%
Intermediate Fixed Inc	$ 37.43	0.00%	$ 307,930.00	14.00%	$ 307,892.58	14.00%
Long Term Fixed Income	$ 892.80	0.04%	$ 87,980.00	4.00%	$ 87,087.20	3.96%
High Yield Fixed Income	$ 0.00	0.00%	$ 43,990.00	2.00%	$ 43,990.00	2.00%
REIT‡	$ 503.10	0.02%	$ 43,990.00	2.00%	$ 43,486.90	1.98%
Commodities	$ 0.00	0.00%	$ 87,980.00	4.00%	$ 87,980.00	4.00%
Other	$ 2,216.70	0.10%	$ 0.00	0.00%	$ - 2,216.70	- 0.10%
Cash Alternative	$ 205,881.43	9.36%	$ 43,990.00	2.00%	$ - 161,891.43	- 7.36%

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 and priorities and develop a new plan that helps you achieve your new goals and priorities.

Achieving Your Goals



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

At Wells Fargo Advisors, we can help you every step of the way.

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

The process begins with a complimentary consultation. It would be helpful (but it's not required) to bring:

- ☐ Tax returns from the last two years
- ☐ Insurance policies
- ☐ Information on stock options (if applicable)
- ☐ Statements, or at least balances, for all accounts:
  - ☐ Qualified retirement plans: 401(k), 403(b), 457
  - ☐ IRAs and other personal retirement accounts
  - ☐ Investment accounts
  - ☐ Bank accounts
  - ☐ Mortgages and other loans

Make your appointment today

We look forward to helping you pursue your financial goals for many years to come.

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