



CLIENT PROFILE &  
CONVERSATIONS

## SEQUENCE OF RETURNS RISK— RETIREMENT RED ZONE

Matt &  
Kate are  
pre-retirees  
and have a  
well-diversified  
portfolio of  
investments

**DO YOU SEE  
THEM AMONG  
YOUR CLIENTS  
& PROSPECTS?**

### THE MATT & KATE STORY

**“We’re stuck in a ‘GROWTH’ mindset”**

Matt and Kate have seen their savings grow over the years, having invested in 401(k)s with a company match, invested an IRA and a ROTH IRA, and have worked with an advisor to grow their portfolio.

Now that the kids have flown the coop, it’s time for Matt and Kate to focus on living their retirement years. Their retirement dreams include vacations to Disney with the grandchildren, a vacation home on a lake in the North Carolina mountains, and enjoying the warm waters and sunshine of Florida.

They have lived through recessions, seen market volatility, and know that the stock market always bounces back...it’s best to stay diversified and catch the upswing when the market bounces back.

### THE PROFILE

#### MATT (64) & KATE (62)

- ✓ **Married with two children (30 & 33)**
- ✓ **\$3 million assets**
- ✓ **Diversified portfolio**
- ✓ **\$500,000 life insurance policy**

Matt and Kate are a fictional couple based on consumer research.

## Shift the end-goal of client conversations away from retirement portfolio growth to income strategies & financial security.

1

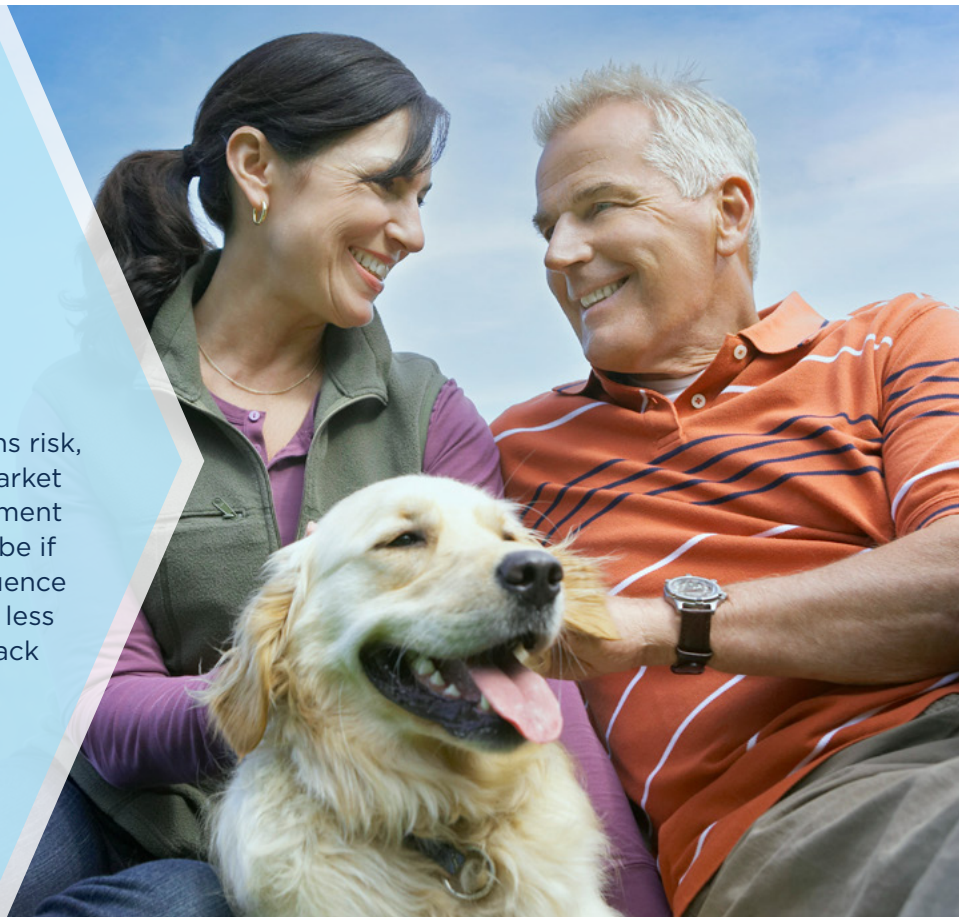
Start with what their retirement dreams are made of—a retirement bucket list.

2

Discuss the sequence of returns risk, and what can happen if the market downturns during their “retirement redzone.” What will their plan be if they experience negative sequence of returns? Will they withdraw less or lower their expenses? Go back to work or delay retirement?

3

Then discuss the benefits and features of your solution. Persuade through reason and motivate through emotion.



### TALKING WITH MATT & KATE

Connect with clients on an emotional basis. Research shows financial professionals can better engage with clients by showing them they understand where they’re coming from — starting with what they value and then explaining what solutions best fit their needs.

#### DISCOVERY QUESTIONS

- What is your day-to-day life going to be like in retirement?
- What are your thoughts about maintaining your current lifestyle in retirement?
- How do you view creating retirement income from your investments?
- What are your plans for handling volatility?
- What are your sources of guaranteed income?

#### THE APPROACH

- Acknowledge their results so far and optimistic aspirations for the road ahead.
- Encourage clients to convert their success into the comfort of a safer retirement.
- Focus on the benefits of income planning, protection, and guaranteed income.
- Conduct a portfolio review through the lens of risk management. Discussion should address preparedness for adversity along the way and options for risk mitigation.

