



# Lifestyle Quality Financial Management<sup>SM</sup>

Financial Freedom House is a federally registered and CEFEX-certified Investment Adviser that utilizes TD Ameritrade as an independent and unaffiliated custodian for client accounts.



CFX10319

**We Do What Others Imply<sup>SM</sup>**  
Providing fiduciary services since 1983



# Six Reasons You Should Let Us Guide You



1. The FFH Process
2. Team-Based Service & Advice
3. Accountable
4. Independent
5. No Pressure
6. Fiduciary Approach to Retirement Income Planning



# Benefit #1



## The FFH Process

- Refined over 30+ years with thousands of plans delivered
- A transparent decision-making process
- Not sales transaction oriented
- Quality control procedures



## Benefit #2

### Team-Based Service & Advice

- FFH's advisers aren't "*know-it-alls*"
- Access to a Multiple Adviser Team (MAT) and other specialists
- Clients "belong" to FFH (like a law firm) not the adviser

## Benefit #3

Accountable



**As fiduciaries we are obligated to act in your best interests.**

**We also hold ourselves accountable to others when serving you.**

- Your family
- Your co-workers or friend that referred you to us
- Your employer, union, or organization that arranged for us to help

## Benefit #4

Independent



### **Not owned by or obligated to any Insurance Co., Wall Street Firm, or Bank**

- Our due diligence seeks the optimal balance of quality, price, and service
- Funds are selected free from the influence of secondary “home office” agendas

### **Greater flexibility and freedom compared to**

- Advisors working at the “Big Banks” or Wall Street firms
- Brokers at full service and discount investment firms

#### ***Bottom Line***

*No one pays FFH or its advisers to use their products or to be put on a preferred list*

## Benefit #5



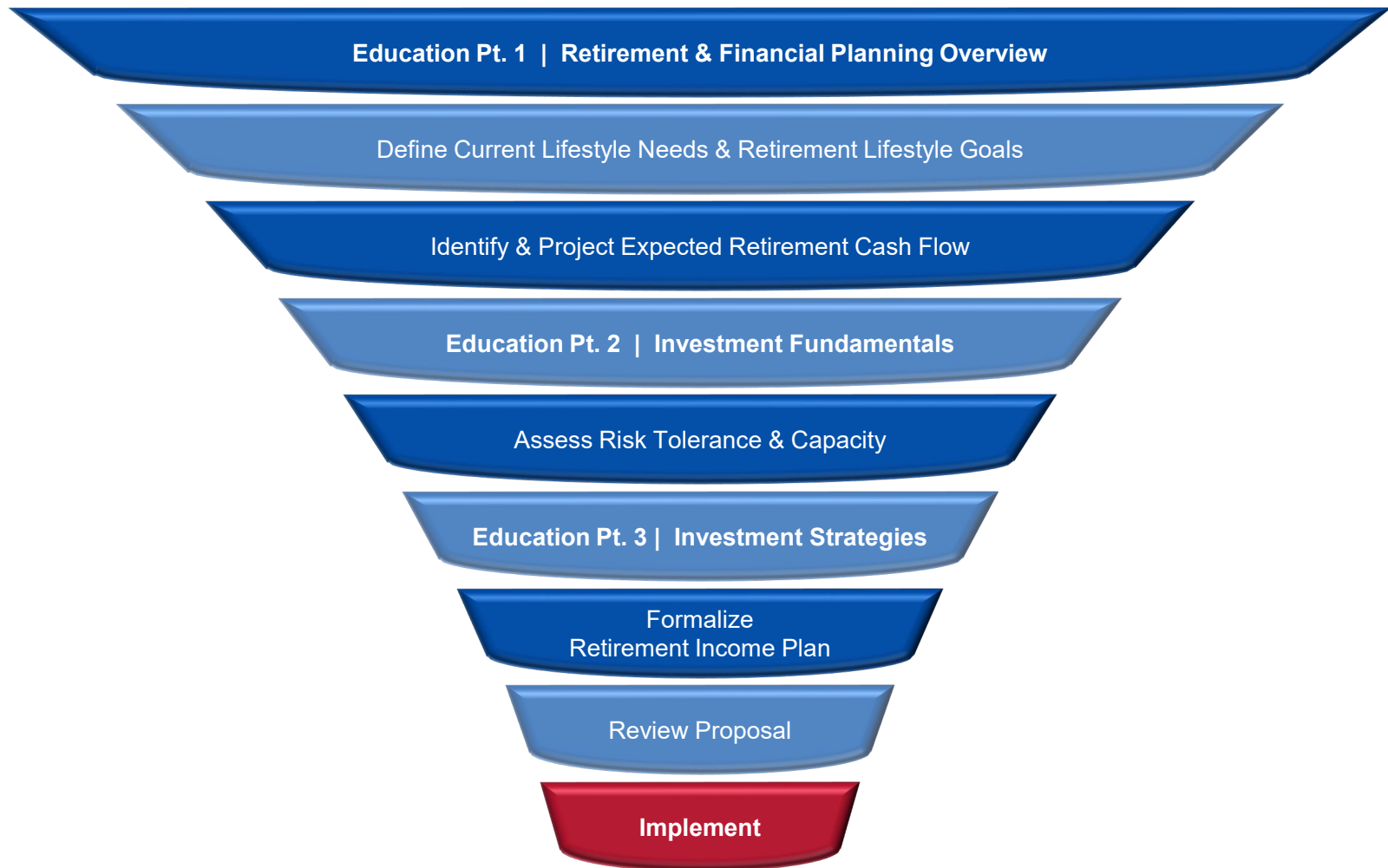
### No Pressure

- The transparency of the FFH Process puts you in control
- Our responsibility is to be your guide through the FFH Process
- Advisers are paid a salary . . . not by commissions
- Our business model focuses on keeping operating costs and overhead low



# Benefit #6

## Fiduciary Approach to Retirement Income Planning





Not only do we embrace our fiduciary status and the obligation to act in your best interest, but we put it in writing.

**No loopholes. No gimmicks.**

Brian S Lakkides, AIF® - President

Ted Lakkides, CFP® - Chairman and Founder



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**Fiduciary Oath**

# What are Your **Key Issues**



Let's Create a "To-Do" List Now . . . We Can Prioritize it Later

## **Planning**

Retirement Income Plan

Financial Planning

Investment Planning

Lump Sum Distributions

Saving for College

Pension/401(k) Plans

Estate Planning\*

Tax Planning\*

## **Investing**

401(k) Rollovers

No-Load Index Funds

Fee-Only Managed Accounts

IRA Required Distributions

Annuities

Trust Accounts

Guaranteed Income

Portfolio Analysis and Review

## **Insurance**

Insurance Review

Life Insurance

Disability Insurance

Long-Term Care Insurance

Short-term Health Insurance\*

Health Insurance\*

Medicare Supplement\*

Healthcare Savings Accounts\*

\* Services referred to outside specialists. FFH will remain involved in the process of analysis and implementation.

# Financial Planning Can Help

True Purpose of Financial Planning



## **Understand your numbers so you can achieve your goals**

1. Make sound financial decisions
2. To improve your level of financial control
3. While managing your family's lifestyle quality
4. By optimizing the use of your financial resources

Our mission is to help you make sound financial decisions so you can achieve your retirement and other financial goals.

***Lifestyle Quality Financial Management<sup>SM</sup>***

# Financial Plan Components



Coordination is Critical

## **Career Planning | Retirement Income Planning**

Plan and maximize your career path and then develop and implement a plan to support your lifestyle quality and minimize stress during retirement

## **Benefits Planning**

Make good decisions about the retirement and insurance benefits you have available through work.

## **Estate Planning | Insurance Planning**

Prepare/update estate plan documents and take steps to assure you have adequate insurance to protect you and your family in the event of premature death, disability, or long-term care needs.

## **Income Tax Planning**

Develop strategies to take minimize the impact of taxes on your current and future income and wealth.

## **Investment Planning**

Develop and implement an investment strategy that will help you achieve your short-term and long-term financial goals while properly managing risk.



# Why Plans Can Fail

Lack of Perspective and Coordination

- Conflicting advice
- Tunnel vision
- No coordination
- Wastes your time and money
- Failure to achieve goals



# Why the FFH Process Succeeds



A Fully Integrated and Coordinated Planning Process

- Transparent
- Cash Flow Based
- Goal Oriented
- Focused on Lifestyle Quality

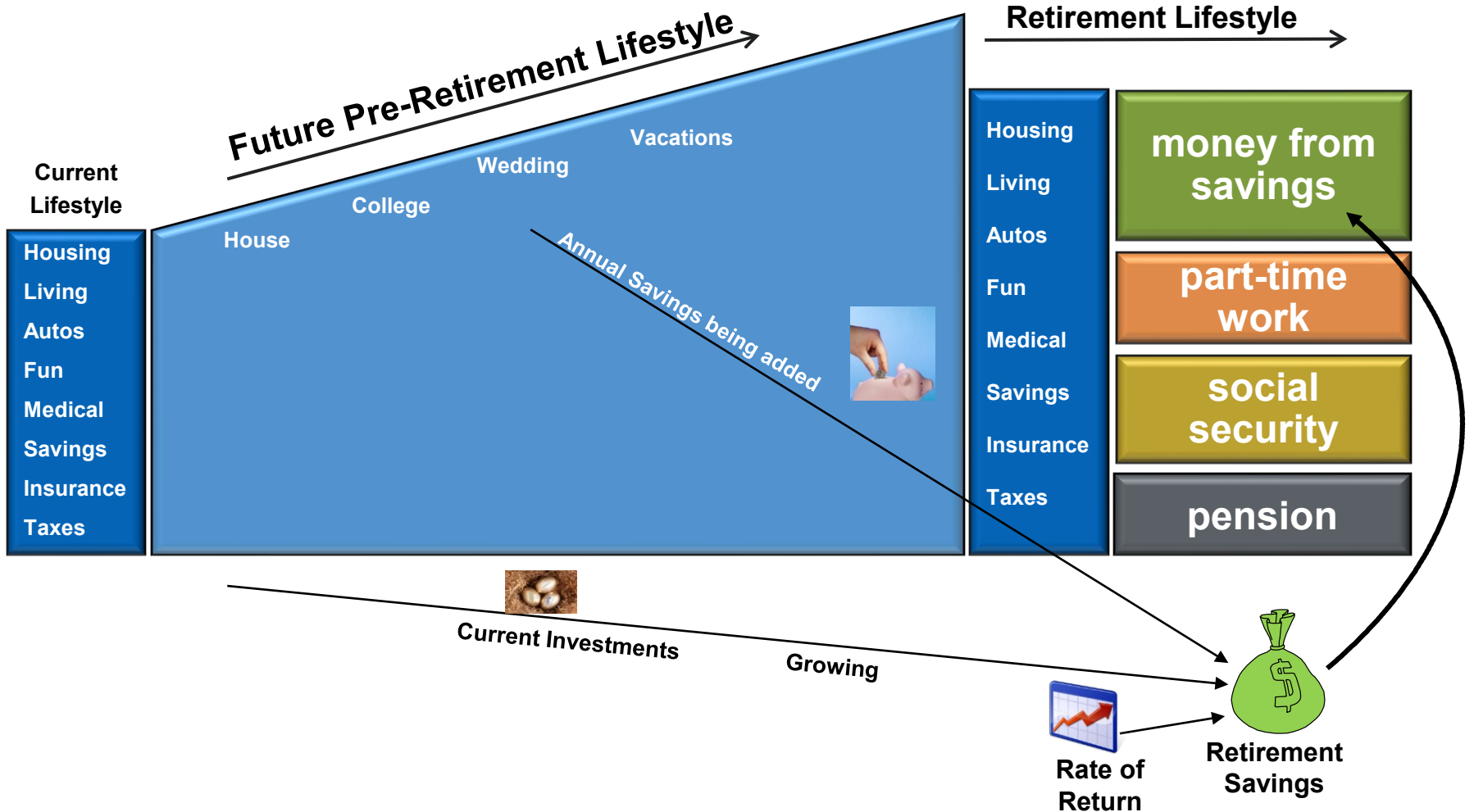


1. *We're your Financial General Contractor.*
2. *We work with your other professionals.*
3. *We ask the questions others might not.*

# How The Cygnet System Works



Cash Flow Connects Your Present with Your Future







# The Golden Rule

Balance Your Resources With Your Requirements

## Income Needs

- Lifestyle
  - Current spending (*your homework*)
  - Retirement spending (*use current spending as a foundation*)
- Special expenses

## Revenue Sources

- Working income
- Pension
- Social security
- Savings

# Do You Know Where Your Money Goes?



## **HOUSING**

Mortgage  
Rent  
Property Tax  
Mortgage Insurance  
Homeowner Insurance  
Water  
Sewer  
Electricity  
Natural Gas  
Oil (Fuel)  
Telephone  
Cable T.V.  
Trash Removal  
Appliances/Furnishings  
Appliance Repair  
Home Improvements  
Home Maintenance & Repair

## **LIVING EXPENSES**

Groceries  
Food Out  
Alcoholic Beverages  
Tobacco/Misc.  
Newspapers  
Magazines & Books  
Membership Dues  
Laundry/Cleaning Products  
Housekeeping Services  
Dry Cleaning  
Personal Care Services  
Personal Care Goods  
Men's Clothing  
Women's Clothing  
Children's Clothing  
Pet Care  
Dependent Care  
Camps  
Donations  
Gifts  
Personal Cash

## **VEHICLES**

Car #1 Loan/Lease  
Car #1 Fuel  
Car #1 Maintenance & Repair  
Car #1 Insurance  
Car #2 Loan/Lease  
Car #2 Fuel  
Car #2 Maintenance & Repair  
Car #2 Insurance

## **FUN**

Annual Vacation  
Occasional Trips  
Rec Vehicle Costs  
Entertainment  
Recreation Services  
Recreation Goods  
Other

## **ANNUAL SAVINGS**

Client's Savings  
Partner's Savings

## **MEDICAL EXPENSES**

Client's Medical Care  
Client's Dental Care  
Client's Prescriptions  
Client's OTC Medicine  
Partner's Medical Care  
Partner's Dental Care  
Partner's Prescriptions  
Partner's OTC Medicine  
Medical Insurance  
Other

## **PERSONAL INSURANCES**

Life Insurance  
Group Life Insurance  
Disability Insurance  
Other

## **TAXES**

FICA  
Federal Income Tax  
State/City Income Taxes



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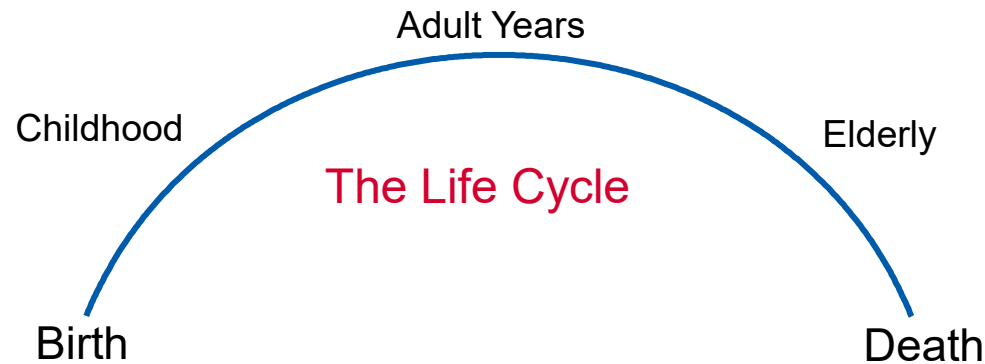
...as an example...



initial		06/03/20		ESTIMATED EXPECTED INCOME FROM THE FOUR RESOURCES:								Computations are based on hypothetical rates of return				
Joe Sample		Joe's & Jane's	Joe's Pension	Joe's Temp/Suppl	Jane's Sp Pension	Joe's Soc Sec	Jane's Sp Soc Sec	Combined IRAs, 401-k	All Other Savings	August 3, 2020 TOTAL	Purchasing Power of Expected Income with Inflation @ 2.50%	Value of Retirement Savings with (additions) and withdrawals as shown columns "G" and "H"				
Jane Sample 123 Main Street Anytown MI		Wages	\$1,259			\$1,101	\$733	\$1,125	\$125	EXPECTED HOUSEHOLD INCOME	Income with Inflation @ 2.50%	\$155,000 growing at 5.00%	\$25,000 growing at 4.04%	Portfolio Size Any Year		
revised 08/03/20		per Year w/ncr @ 1.50%	before 62 \$1,259	per month w/ncr @ 0.00%	before 62 after 62	per month w/ncr @ 1.00%	per month w/ncr @ 1.00%	per month from total \$155,000	per month from total \$25,000	EXP. INC.	J	K	L	M		
Joe Age	Jane Age	YEAR	A	B	C	D	E	F	G	H	I	J	K	L	M	
					0.00%					A thru H	see col. "I"	from "G"	from "H"	K+L		
57	55	2020	\$60,000						(\$3,600)		\$56,400	\$56,400	\$161,244	\$25,337	\$186,580	
58	56	2021	\$60,900						(\$3,654)		\$57,246	\$55,849	\$173,144	\$26,360	\$199,504	
59	57	2022	\$61,814						(\$3,709)		\$58,105	\$55,304	\$185,698	\$27,424	\$213,122	
60	58	2023	\$62,741						(\$3,764)		\$58,976	\$54,764	\$198,937	\$28,532	\$227,469	
61	59	2024	\$63,682						(\$3,821)		\$59,861	\$54,229	\$212,898	\$29,684	\$242,582	
62	60	2025	\$21,546	\$15,106			\$13,885		(\$431)		\$50,106	\$44,284	\$223,997	\$30,883	\$254,880	
63	61	2026	\$21,869	\$15,106			\$14,024		(\$437)		\$50,562	\$43,597	\$235,659	\$32,130	\$267,789	
64	62	2027		\$15,106			\$14,165	\$9,431	\$13,500	\$1,500	\$53,702	\$45,174	\$233,269	\$31,867	\$265,136	
65	63	2028		\$15,106			\$14,307	\$9,526	\$13,500	\$1,500	\$53,938	\$44,266	\$230,760	\$31,593	\$262,353	
66	64	2029		\$15,106			\$14,450	\$9,621	\$13,500	\$1,500	\$54,176	\$43,377	\$228,125	\$31,309	\$259,434	
67	65	2030		\$15,106			\$14,594	\$9,717	\$13,500	\$1,500	\$54,417	\$42,506	\$225,358	\$31,013	\$256,371	
68	66	2031		\$15,106			\$14,741	\$9,814	\$13,500	\$1,500	\$54,661	\$41,655	\$222,453	\$30,704	\$253,158	
69	67	2032		\$15,106			\$14,888	\$9,913	\$13,500	\$1,500	\$54,906	\$40,821	\$219,403	\$30,384	\$249,787	
70	68	2033		\$15,106			\$15,037	\$10,012	\$13,500	\$1,500	\$55,155	\$40,005	\$216,200	\$30,050	\$246,250	
71	69	2034		\$15,106			\$15,188	\$10,112	\$13,500	\$1,500	\$55,405	\$39,207	\$212,837	\$29,703	\$242,540	
72	70	2035		\$15,106			\$15,340	\$10,213	\$13,500	\$1,500	\$55,659	\$38,425	\$209,306	\$29,342	\$238,648	
73	71	2036		\$15,106			\$15,493	\$10,316	\$13,500	\$1,500	\$55,914	\$37,659	\$205,598	\$28,967	\$234,565	
74	72	2037		\$15,106			\$15,648	\$10,419	\$13,500	\$1,500	\$56,173	\$36,910	\$201,705	\$28,576	\$230,281	
75	73	2038		\$15,106			\$15,805	\$10,523	\$13,500	\$1,500	\$56,434	\$36,177	\$197,617	\$28,169	\$225,787	
76	74	2039		\$15,106			\$15,963	\$10,629	\$13,500	\$1,500	\$56,697	\$35,459	\$193,325	\$27,747	\$221,071	
77	75	2040		\$15,106			\$16,123	\$10,735	\$13,500	\$1,500	\$56,963	\$34,756	\$188,818	\$27,307	\$216,124	
78	76	2041		\$15,106			\$16,284	\$10,842	\$13,500	\$1,500	\$57,232	\$34,068	\$184,086	\$26,849	\$210,934	
79	77	2042		\$15,106			\$16,447	\$10,951	\$13,500	\$1,500	\$57,504	\$33,395	\$179,117	\$26,372	\$205,489	
80	78	2043		\$15,106			\$16,612	\$11,061	\$13,500	\$1,500	\$57,778	\$32,735	\$173,899	\$25,877	\$199,776	
81	79	2044		\$15,106			\$16,778	\$11,171	\$13,500	\$1,500	\$58,055	\$32,090	\$168,421	\$25,361	\$193,782	
82	80	2045		\$15,106			\$16,946	\$11,283	\$13,500	\$1,500	\$58,335	\$31,458	\$162,668	\$24,825	\$187,493	
83	81	2046		\$15,106			\$17,116	\$11,396	\$13,500	\$1,500	\$58,617	\$30,839	\$156,628	\$24,267	\$180,895	
84	82	2047		\$15,106			\$17,287	\$11,510	\$13,500	\$1,500	\$58,903	\$30,233	\$150,286	\$23,686	\$173,972	
85	83	2048		\$15,106			\$17,460	\$11,625	\$13,500	\$1,500	\$59,191	\$29,639	\$143,627	\$23,082	\$166,709	
86	84	2049		\$15,106			\$17,635	\$11,742	\$13,500	\$1,500	\$59,482	\$29,058	\$136,634	\$22,454	\$159,088	
87	85	2050		\$15,106			\$17,812	\$11,859	\$13,500	\$1,500	\$59,776	\$28,490	\$129,292	\$21,800	\$151,092	

# Why Perspective is Important

So Simple - We Forget

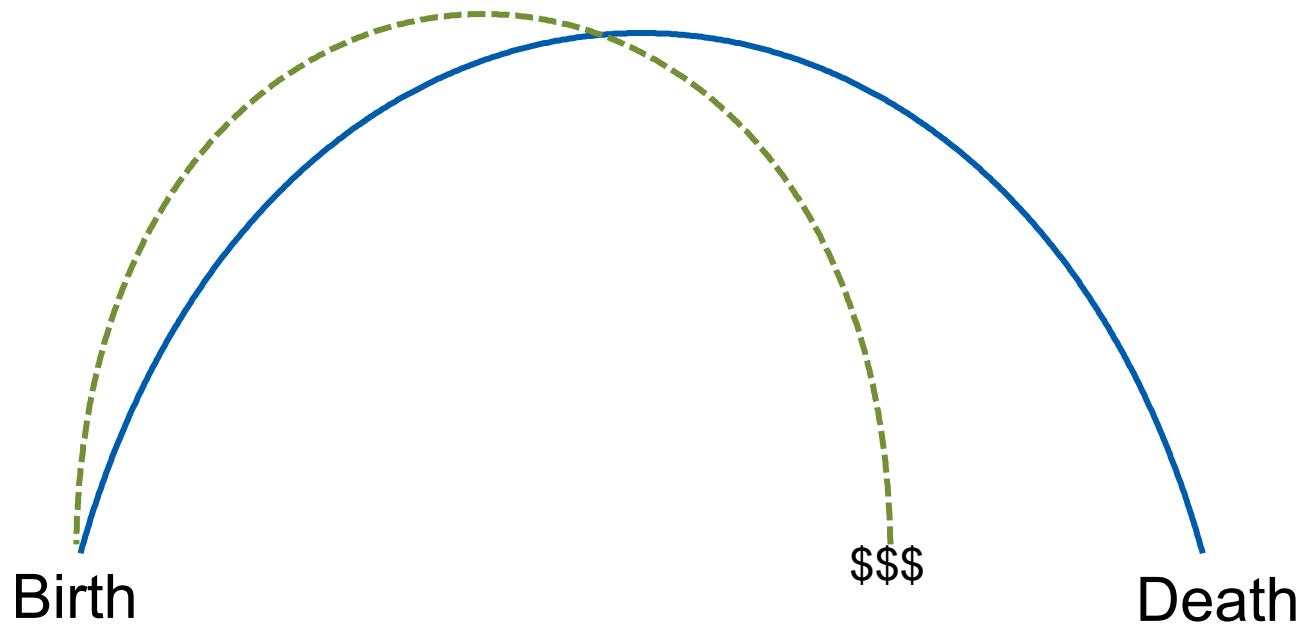


# Retirement Outcome #1

Some People Achieve This



Old and Broke

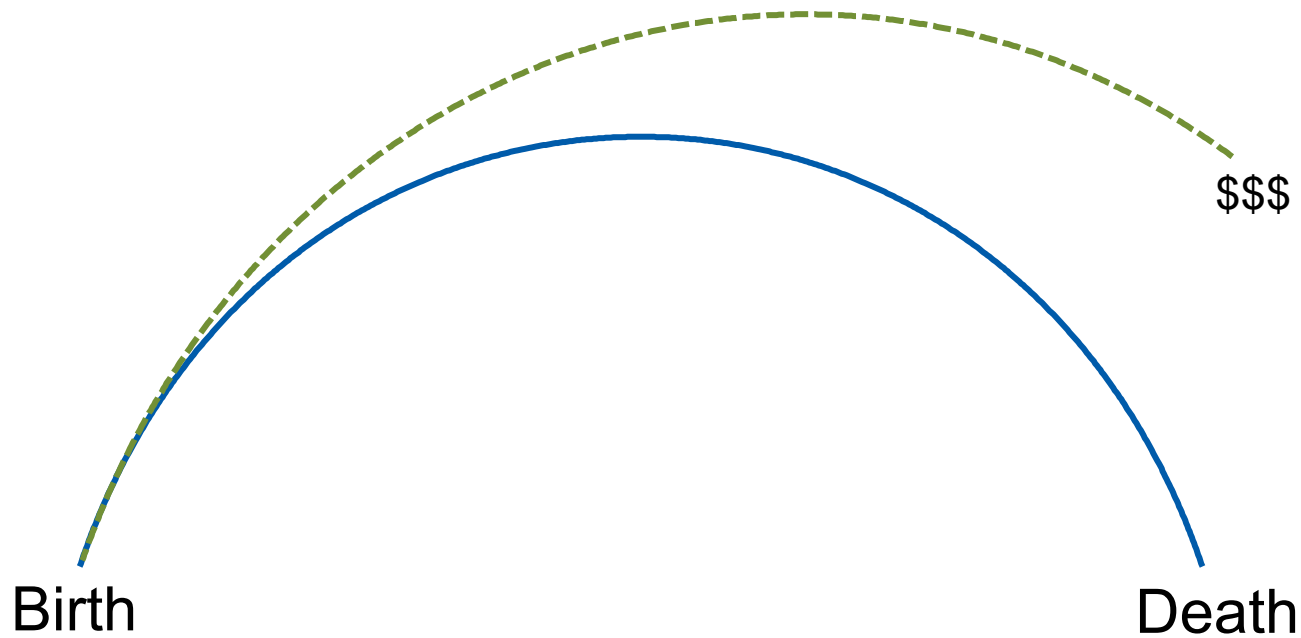


# Retirement Outcome #2

A Lot of People Achieve This



## Too Old With Too Much Money

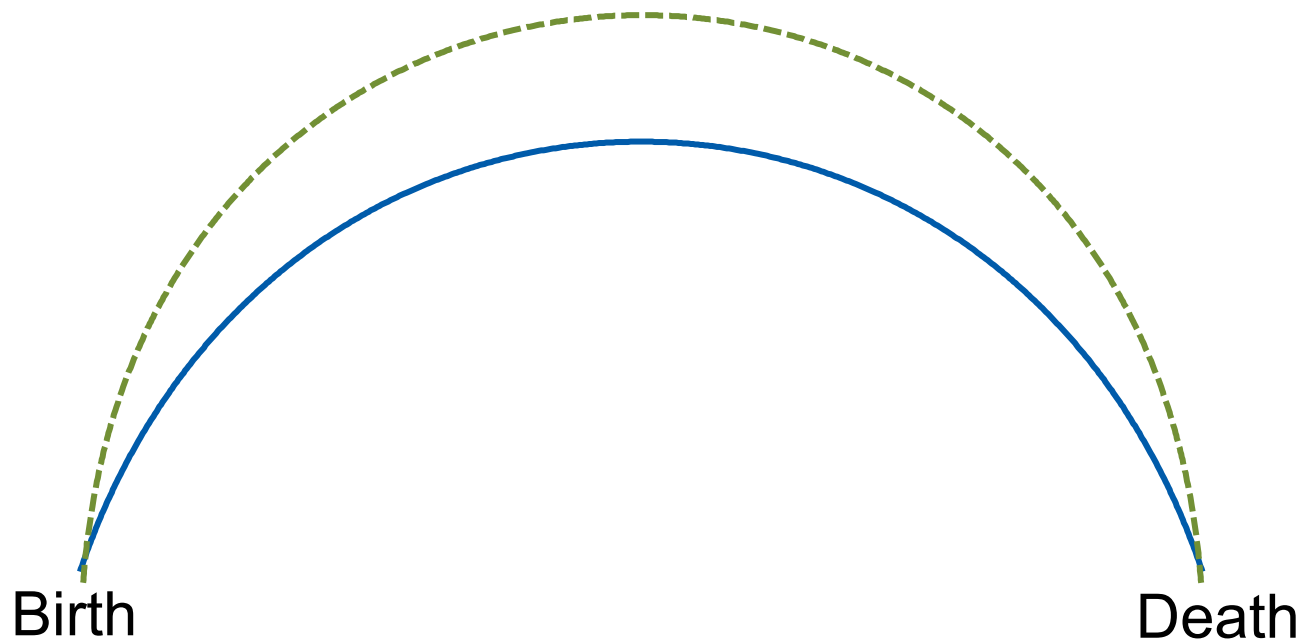


# Retirement Outcome #3

Few People Achieve This



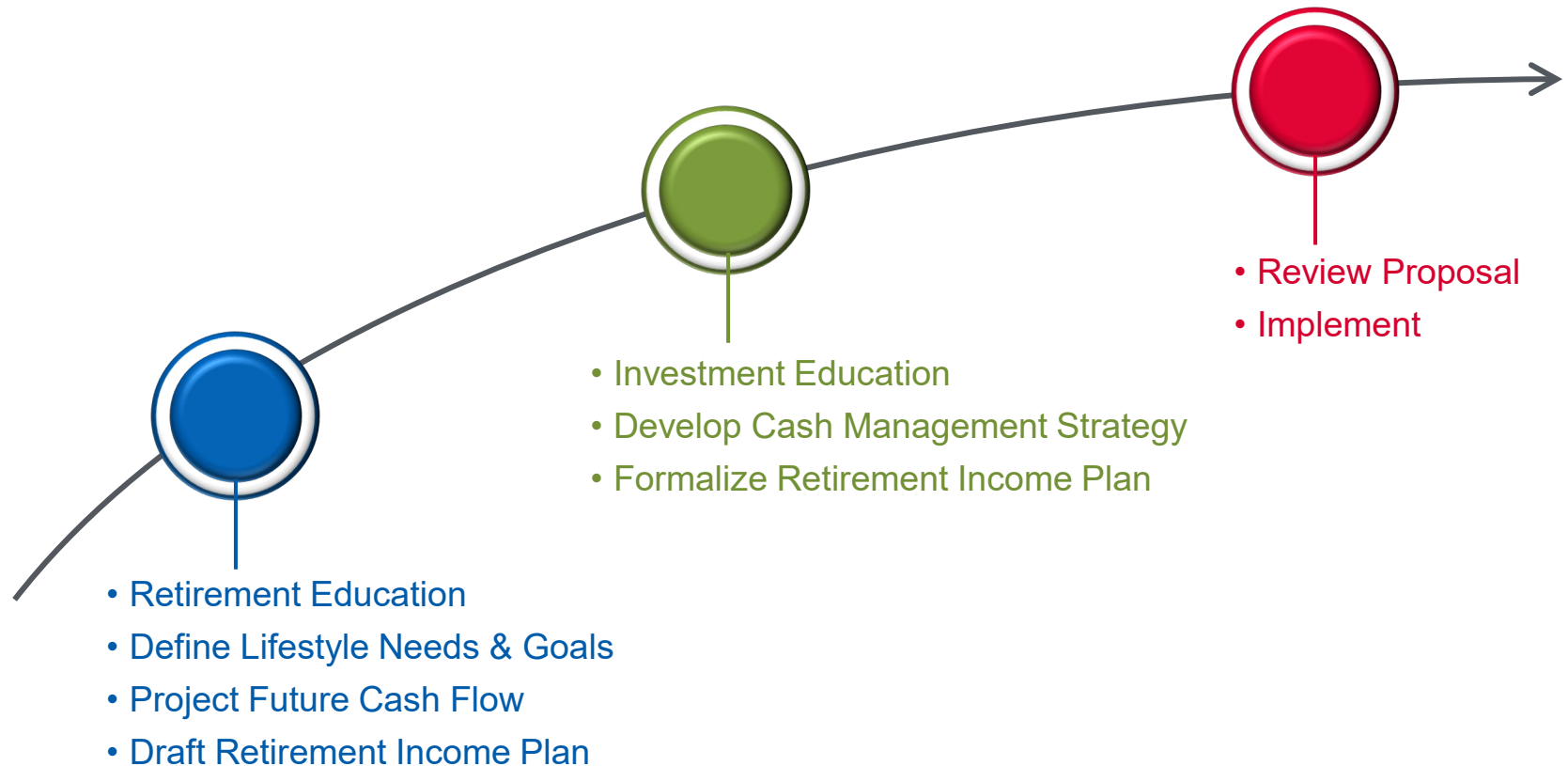
## Optimal Lifestyle Quality Throughout Retirement





# The 3 Stages of the FFC Process

Three to Five 1-hour Meetings





# Disclosures



The presentation is educational in nature and provides general information regarding retirement planning and FFH's financial planning process. It is not, however, intended to provide specific investment, legal, or tax advice.

CEFEX (Centre for Fiduciary Excellence) is an independent global assessment and certification organization that has conducted a voluntary third-party assessment of FFH's books and records to evaluate FFH's adherence to a defined fiduciary standard. The CEFEX assessment process is based upon ISO 19011 – an international standard and guideline for auditing management systems. More information about ISO 19011 can be found at [www.iso.org/standard/70017.html](http://www.iso.org/standard/70017.html). The CEFEX audit process is set forth at [www.cefex.org/process.shtml](http://www.cefex.org/process.shtml).

CEFEX charges a fee to cover costs related to the initial and annual certification audit. FFH's fee for the initial certification audit in 2016 was \$5,000 plus travel costs and the fee for annual recertification audits has ranged from \$2,000 to \$4,000 plus travel costs. The fees paid do not have any bearing on the outcome of the audit or the determination of the CEFEX Registration Committee. Furthermore, FFH did not pay any additional fees after receiving certification in order to use the CEFEX mark or otherwise to refer to its certification.

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