



FRANKLIN
TEMPLETON

INVESTOR'S GUIDE

INCOME FOR WHAT'S NEXT®



46% are **concerned** about managing their retirement **income** to meet their retirement **expenses**.¹

INCOME FOR WHAT'S NEXT

“How will I pay for my retirement?” If you find yourself asking this question, you are not alone. Managing retirement income to meet retirement expenses can feel challenging.

For many, the challenge is making sure their income lasts long enough, yet keeps up with rising prices and is able to withstand unexpected economic bumps in the road.

It's time to work with your financial professional to develop a written retirement income plan designed to meet your needs. The following information is designed to help make that process easier.

1 | **The New Retirement**

What retirement was yesterday is not what it is today, or what it will be in the future—a brief history and look at changes over the years.

2 | **The Building Blocks of a Retirement Income Plan**

Learn about prioritizing your goals and concerns, calculating your retirement expenses and determining your potential retirement income sources.

3 | **Developing Your Retirement Income Plan**

Review ideas for developing your own personal strategy with your financial professional and Franklin Templeton funds.

4 | **Next Steps**

Start developing your retirement income plan.

1 | THE NEW RETIREMENT

When the concept came about in the early 1900s, “retirement” meant spending a few brief years resting from a lifetime of toil. Today’s “retirement” barely resembles that early definition. Rather than stopping, many individuals today are moving on to more flexible work, rediscovered passions, or even entirely new careers—sometimes even very late in life. For these reasons, the word “retirement” gets used less and less. For many, “retirement” is more about being able to do what’s next.

To enable what’s next, you need to prepare a plan for income that can be sustained through a variety of circumstances. Understanding what your income sources are, and how those can be used to match your expenses, can be a simple way to plan. It is also important to make sure you are using the appropriate income sources to sustain you for the long term.

You Are Not Rich Enough to Retire on CDs Alone

As you know, we are in a situation with relatively low interest rates. Just walk into your local bank and ask them about their current rate on a savings account. Because of these low rates, people who thought that they could simply put money into very conservative accounts are facing the harsh reality that they will likely have to look elsewhere for needed income. These are things to keep in mind as you begin developing your retirement income plan.

The chart below shows what you would earn, as of September 30, 2020, if you invested \$10,000 in a Money Market, a 1-Year CD or 10-Year Treasuries for one year. Factor in inflation and taxes and these meager yields look even worse.

After One Year, a \$10,000 Investment Would Earn

Yields as of September 30, 2020²



This chart is for illustrative purposes only and does not reflect the performance of any Franklin Templeton fund. Past performance does not guarantee future results.

It's important to note that money market accounts and CDs are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 and CDs offer a fixed rate of return. Treasuries, if held to maturity, offer a fixed rate of return and fixed principal value; their interest payments and principal are guaranteed. Fund investment returns and share prices will fluctuate with market conditions, and investors may have a gain or a loss when they sell their shares. Sources: Money Market Accounts and 1-Year CDs: FRED; 10-Year Treasuries: The Federal Reserve H.15 Report.

1. The Franklin Templeton Retirement Income Strategies and Expectations (RISE) survey was conducted online among a sample of 2,004 adults comprising 1,002 men and 1,002 women 18 years of age or older. The survey was administered between January 31 and February 11, 2020, by Engine's Online CARAVAN®, which is not affiliated with Franklin Templeton. Data is weighted to gender, age, geographic region, education and race. The custom-designed weighting program assigns a weighting factor to the data based on current population statistics from the U.S. Census Bureau.

2. Sources: FRED; Federal Reserve. Money Market Accounts yield data is from FRED: <https://fred.stlouisfed.org/series/MMNRN#0>. 1-Year CDs yield data is from FRED:

<https://fred.stlouisfed.org/series/CD12NRN#0>. 10-Year Treasury Yield is from the Federal Reserve's H.15 Report. Amount earned on a 1-Year \$10,000 investment assumes the investment is made on the as of date above.

2 | THE BUILDING BLOCKS OF A RETIREMENT INCOME PLAN

Prioritize Your Goals and Concerns

The first and perhaps the most important part of a retirement income plan is to prioritize your goals and concerns. A good retirement strategy will balance both. A plan that focuses on goals and doesn't address your concerns may cause worry. Similarly, a plan that only addresses concerns and does not consider your goals runs the risk of implementing a strategy that is not rewarding.

Translate Your Goals and Concerns into Expenses

Once you prioritize your goals and concerns, you can identify your expected retirement expenses. It helps to think about your expenses in terms of what they will be used for, such as basic needs or discretionary "nice to haves." You also need to look at how each type of expense may change over time—do they rise with inflation? Are they impacted by changes in the economy?

Generally, there are three distinct categories of retirement expenses: Fixed, Rising and Discretionary. Basic expenses are separated between Fixed and Rising.

**Greater Impact
from Income Volatility**

**Limited Impact
from Income Volatility**



FIXED EXPENSES

Mortgage
Life Insurance
Fixed Loans

RISING EXPENSES

Health Care
Food
Utilities

DISCRETIONARY EXPENSES

Travel
Hobbies
Legacy

**Limited Impact
from Inflation**

**Greater Impact
from Inflation**

Understand Your Potential Retirement Income Sources

Many are tempted to think about their projected retirement income as a single block of money. In reality, there are multiple sources that may contribute to your projected annual income. Each source has a unique set of characteristics and risks. Some, like Social Security, are government-sponsored programs. Others, like Variable Annuities, may have some protections from losing value. And some, like Equity Mutual Funds or Stocks, have the potential to grow or decline over time.

Match Expenses with Potential Retirement Income Sources

Retirement expense categories and potential retirement income sources each have unique characteristics. How can they best be associated?

Fixed expenses are less impacted by inflation and need to be funded by a relatively stable source of income.

Rising expenses are more impacted by inflation and also need to be funded by a relatively stable source of income, but one that has the potential to grow over time. The potential for growth also increases the risk.


Discretionary expenses are also impacted by inflation, but have more flexibility in terms of the risk that might be assumed with potential sources of income.



3 | DEVELOPING YOUR RETIREMENT INCOME PLAN

Assess Your Situation

Now that you know about the building blocks, you can start putting them together to develop your own retirement income plan. We recommend beginning with the Income For What's Next Personal Assessment sheet. This sheet will help you prioritize your goals and concerns, calculate your retirement expenses and determine your potential retirement income sources. For your convenience, we have attached a blank form at the end of this brochure for you to fill out to prepare for meeting with a financial professional. This form is also available on our website at franklintempleton.com if you need to download additional copies.



PERSONAL ASSESSMENT

INCOME FOR WHAT'S NEXT®

Name _____

Date Prepared _____ Next Review Date _____

Financial Professional _____ Phone _____

Target Retirement Date _____

Prioritize Your Retirement

Define and prioritize your retirement Goals and Concerns. Please rank your top three Goals and Concerns with 1 being the highest.

GOALS

- Retire early
- Create a steady stream of income
- Go to school
- Volunteer
- Make a major purchase
- Business transition and succession
- Leave a legacy
- Travel/hobbies
- Other _____

CONCERNS

- Taxes
- Inflation
- Market declines
- Lack of guaranteed income
- Supporting parent and/or adult children
- Risk tolerance
- Increasing medical costs
- Longevity
- Outliving assets
- Uncertain interest rates
- Other _____

Calculate Your Retirement Expenses

Knowing your expenses is essential. List your expenses to estimate how much income you may need to maintain your desired lifestyle in retirement.

	CATEGORY	EXPENSE TYPE	ANNUAL AMOUNT	Check if impacted by inflation
BASIC EXPENSES <small>These expenses are the core elements of many retirement plans.</small>	Housing	Mortgage/rent	\$ _____	<input type="checkbox"/>
		Utilities	\$ _____	<input type="checkbox"/>
	Necessities	Home maintenance	\$ _____	<input type="checkbox"/>
		Property insurance	\$ _____	<input type="checkbox"/>
		Groceries	\$ _____	<input type="checkbox"/>
Health Care	Clothing	\$ _____	<input type="checkbox"/>	
	Personal items	\$ _____	<input type="checkbox"/>	
	Insurance premiums	\$ _____	<input type="checkbox"/>	
	Medical co-payments	\$ _____	<input type="checkbox"/>	
Transportation	Prescriptions	\$ _____	<input type="checkbox"/>	
	Long-term care ins. premiums	\$ _____	<input type="checkbox"/>	
	Car payments	\$ _____	<input type="checkbox"/>	
Taxes	Insurance premiums	\$ _____	<input type="checkbox"/>	
	Fuel/maintenance	\$ _____	<input type="checkbox"/>	
Debt	Property	\$ _____	<input type="checkbox"/>	
	Income	\$ _____	<input type="checkbox"/>	
Other	Personal loans	\$ _____	<input type="checkbox"/>	
	Credit cards	\$ _____	<input type="checkbox"/>	
BASIC EXPENSES SUBTOTAL			\$ 0.00	
DISCRETIONARY EXPENSES <small>These expenses are intended to enhance the quality of your retirement.</small>	Entertainment	Travel/vacation	\$ _____	<input type="checkbox"/>
		Recreation/hobbies	\$ _____	<input type="checkbox"/>
Other	Theater, dining out	\$ _____	<input type="checkbox"/>	
DISCRETIONARY EXPENSES SUBTOTAL			\$ 0.00	
TOTAL ANNUAL RETIREMENT EXPENSES			\$ 0.00	

Determine Your Retirement Income*

List how much retirement income you are expecting annually from non-investment sources.

INCOME SOURCE	ANNUAL AMOUNT
Social Security	\$ _____
Pension	\$ _____
Employment	\$ _____
Other	\$ _____
TOTAL NON-INVESTMENT RETIREMENT INCOME	\$ _____

Many retirees need to supplement Social Security and traditional employer pensions by using their investments. This could include receiving dividends or the proceeds from the sale of shares.

ANNUAL AMOUNT NEEDED FROM INVESTMENTS \$ _____

Subtract Total Non-Investment Retirement Income from Total Annual Retirement Expenses.

*Retirement Income may be subject to federal, state or municipal taxes, which may lower the amount available to pay for your retirement expenses. Worksheets are made available to you as educational tools and should not be construed as investment, legal or tax advice. We cannot and do not guarantee the accuracy of the results or their applicability to your individual circumstances.

Not FDIC Insured | May Lose Value | No Bank Guarantee

Determine

Where will your retirement income come from? Find out how much you will need from investments.

Prioritize


It is important to understand and prioritize your goals for retirement.

Calculate

Estimating annual expenses in retirement is a crucial part of building a retirement strategy. You should account for both basic and discretionary expenses.

Work with Your Financial Professional

Once you have completed the Personal Assessment, your financial professional will help you translate it into an actionable strategy using the Income For What's Next Worksheet. It is important to do this with your financial professional, as he or she will be able to make recommendations based on your individual situation. Your expenses will be categorized according to Fixed, Rising and Discretionary characteristics, and your potential income sources will be listed. Doing this will show you how much additional income is needed, and your financial professional will help you associate your potential income sources with your expense categories to identify the amount needed to generate the desired income. Finally, your financial professional will help you determine appropriate withdrawal rates based on your specific circumstances and investment strategy and set aside additional funds for an emergency or special purchase.



WORKSHEET

INCOME FOR WHAT'S NEXT™

Name _____

Date Prepared _____ Next Review Date _____

Financial Professional _____ Phone _____

Target Retirement Date _____

Use this worksheet to match your estimates for different sources of retirement income with different types of retirement expenses*:

Fixed: Income to cover expenses generally not impacted by inflation, such as fixed mortgages and other fixed loans

Rising: Income to cover expenses such as food, utilities and health care that are frequently impacted by inflation

Discretionary: Income to cover expenses such as travel and hobbies that, although not essential, can enhance your retirement

	Total Retirement Savings	Total Annual Retirement Expenses
	\$	\$

STEP 1 Answer the following questions. Start with Fixed and then repeat for each column.	Fixed <i>e.g., fixed mortgages and other fixed loans</i>	Rising <i>e.g., food, utilities and health care</i>	Discretionary <i>e.g., travel and hobbies</i>																																				
A. How much will I spend every year in retirement? List total expenses for each column. \$ _____	\$ _____	\$ _____	\$ _____																																				
B. What are my potential non-investment retirement income sources? If you have retirement income from sources other than investments in your Total Retirement Savings, use this section to incorporate them into your strategy. For each column, check the appropriate source(s), enter an annual income, and calculate the total. Income sources can be split over multiple columns.	<table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <thead> <tr> <th style="width: 10%;">TYPE</th> <th style="width: 10%;">AMOUNT</th> </tr> </thead> <tbody> <tr><td><input type="checkbox"/> Social Security</td><td>\$ _____</td></tr> <tr><td><input type="checkbox"/> Pension</td><td>\$ _____</td></tr> <tr><td><input type="checkbox"/> Employment</td><td>\$ _____</td></tr> <tr><td><input type="checkbox"/> Other</td><td>\$ _____</td></tr> <tr><td>TOTAL</td><td>\$ 0.00</td></tr> </tbody> </table>	TYPE	AMOUNT	<input type="checkbox"/> Social Security	\$ _____	<input type="checkbox"/> Pension	\$ _____	<input type="checkbox"/> Employment	\$ _____	<input type="checkbox"/> Other	\$ _____	TOTAL	\$ 0.00	<table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <thead> <tr> <th style="width: 10%;">TYPE</th> <th style="width: 10%;">AMOUNT</th> </tr> </thead> <tbody> <tr><td><input type="checkbox"/> Social Security</td><td>\$ _____</td></tr> <tr><td><input type="checkbox"/> Pension</td><td>\$ _____</td></tr> <tr><td><input type="checkbox"/> Employment</td><td>\$ _____</td></tr> <tr><td><input type="checkbox"/> Other</td><td>\$ _____</td></tr> <tr><td>TOTAL</td><td>\$ 0.00</td></tr> </tbody> </table>	TYPE	AMOUNT	<input type="checkbox"/> Social Security	\$ _____	<input type="checkbox"/> Pension	\$ _____	<input type="checkbox"/> Employment	\$ _____	<input type="checkbox"/> Other	\$ _____	TOTAL	\$ 0.00	<table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <thead> <tr> <th style="width: 10%;">TYPE</th> <th style="width: 10%;">AMOUNT</th> </tr> </thead> <tbody> <tr><td><input type="checkbox"/> Social Security</td><td>\$ _____</td></tr> <tr><td><input type="checkbox"/> Pension</td><td>\$ _____</td></tr> <tr><td><input type="checkbox"/> Employment</td><td>\$ _____</td></tr> <tr><td><input type="checkbox"/> Other</td><td>\$ _____</td></tr> <tr><td>TOTAL</td><td>\$ 0.00</td></tr> </tbody> </table>	TYPE	AMOUNT	<input type="checkbox"/> Social Security	\$ _____	<input type="checkbox"/> Pension	\$ _____	<input type="checkbox"/> Employment	\$ _____	<input type="checkbox"/> Other	\$ _____	TOTAL	\$ 0.00
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TOTAL	\$ 0.00																																						
C. How much more retirement income is needed to address my expenses? Subtract the total in B from A. \$ _____	\$ _____	\$ _____	\$ _____																																				
D. How do I convert my Total Retirement Savings to address my retirement income needs? Enter estimated retirement savings amount needed to build an investment portfolio that can help meet your retirement income needs (from C), through interest, dividends, or the sale of shares. \$ _____	\$ _____	\$ _____	\$ _____																																				

STEP 2 Check if your withdrawal rates seem realistic.

Divide the amount in C by the amount in D to calculate the annual withdrawal rate.

As a general rule of thumb, this chart may help determine realistic withdrawal rates for retirement planning. Everyone's situation is unique. Work with your financial professional to determine a rate that is right for your retirement income investment strategy.

Length of Retirement	Withdrawal Rate		
40 Years	2%–4%	%	%
30 Years	3%–5%	%	%
20 Years	4%–6%	%	%

STEP 3 Consider setting something aside just in case.

If needed, dedicate a portion of your retirement savings to emergencies or special purchases. Simply enter the desired amount needed to address the specific need or goal.

\$ _____

Client Signature _____

*Retirement income may be subject to federal, state or municipal taxes, which may lower the amount available to pay for your retirement expenses. Worksheets and informational tables are made available to you as educational tools and should not be construed as investment, legal or tax advice. We cannot and do not guarantee the accuracy of the results or their applicability to your individual circumstances.

Not FDIC Insured
May Lose Value
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Transfer

Use the Total Annual Retirement Expenses from the Personal Assessment sheet.

Categorize

(A) Categorize annual expenses according to Fixed, Rising or Discretionary. (B) Enter sources of potential income. (C) Calculate income needed from investments. (D) Calculate the target investment amount.

Estimate

Estimate an appropriate withdrawal rate with your financial professional.

Customize

If you have unique expenses, plan to invest accordingly.

What Are Withdrawal Rates and Why Are They Important?

Withdrawal rates are the percentage of your investments that will be sold each year to provide retirement income. The most important thing about withdrawal rates is making sure they are realistic and sustainable throughout your retirement. Everyone's situation is unique. You will need to work with your financial professional to determine the appropriate withdrawal rate based on your specific circumstances and investment strategy.

If your withdrawal rate is too high...

- It increases the risk of negative long-term impact from market losses
- It increases the likelihood of depleting your investments as a potential source of income and running out of money

If your withdrawal rate is too low...

- You may not meet your expenses, creating unnecessary stress
- You might not enjoy retirement as much as you could

Develop an Investment Strategy

The final step towards completing your retirement income plan is to select the appropriate investments to address your additional income needs in each expense category. Your financial professional will consider your individual goals, situation and risk tolerance and make recommendations accordingly.

A Wide Range of Investment Options

Franklin Templeton has a wide range of investment options to choose from. Talk to your financial professional about funds that may be appropriate for you.

4 | NEXT STEPS

Retirement is complex and requires a well-designed plan. Recognizing the changing landscape of retirement, knowing about the building blocks of a retirement income plan, and learning about the Income For What's Next program are important steps toward achieving your retirement goals. Take these additional steps toward the next level of planning your retirement.



STEP 1

Complete the Income for What's Next Personal Assessment



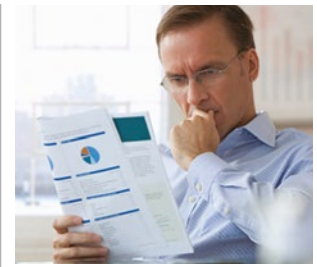
STEP 2

Set up time with your financial professional



STEP 3

Develop a written retirement income plan with your financial professional starting with the Income for What's Next Worksheet



STEP 4

Review and update your strategy annually



PERSONAL ASSESSMENT

INCOME FOR WHAT'S NEXT®

Name _____

Date Prepared _____ Next Review Date _____

Financial Professional _____ Phone _____

Target Retirement Date _____

Prioritize Your Retirement

Define and prioritize your retirement Goals and Concerns. Please rank your top three Goals and Concerns with 1 being the highest.

GOALS	<input type="checkbox"/> Retire early
<input type="checkbox"/> Create a steady stream of income	
<input type="checkbox"/> Go to school	
<input type="checkbox"/> Volunteer	
<input type="checkbox"/> Make a major purchase	
<input type="checkbox"/> Business transition and succession	
<input type="checkbox"/> Leave a legacy	
<input type="checkbox"/> Travel/hobbies	
<input type="checkbox"/> Other _____	
CONCERNS	
<input type="checkbox"/> Taxes	
<input type="checkbox"/> Inflation	
<input type="checkbox"/> Market declines	
<input type="checkbox"/> Lack of guaranteed income	
<input type="checkbox"/> Supporting parent and/or adult children	
<input type="checkbox"/> Risk tolerance	
<input type="checkbox"/> Increasing medical costs	
<input type="checkbox"/> Longevity	
<input type="checkbox"/> Outliving assets	
<input type="checkbox"/> Uncertain interest rates	
<input type="checkbox"/> Other _____	

Calculate Your Retirement Expenses

Knowing your expenses is essential. List your expenses to estimate how much income you may need to maintain your desired lifestyle in retirement.

CATEGORY	EXPENSE TYPE	ANNUAL AMOUNT	<small>Check if impacted by inflation</small>
BASIC EXPENSES <small>These expenses are the core elements of many retirement plans.</small>			
Housing	Mortgage/rent	\$ _____	<input type="checkbox"/>
	Utilities	\$ _____	<input type="checkbox"/>
	Home maintenance	\$ _____	<input type="checkbox"/>
	Property insurance	\$ _____	<input type="checkbox"/>
Necessities	Groceries	\$ _____	<input type="checkbox"/>
	Clothing	\$ _____	<input type="checkbox"/>
	Personal items	\$ _____	<input type="checkbox"/>
Health Care	Insurance premiums	\$ _____	<input type="checkbox"/>
	Medical co-payments	\$ _____	<input type="checkbox"/>
	Prescriptions	\$ _____	<input type="checkbox"/>
	Long-term care ins. premiums	\$ _____	<input type="checkbox"/>
Transportation	Car payments	\$ _____	<input type="checkbox"/>
	Insurance premiums	\$ _____	<input type="checkbox"/>
	Fuel/maintenance	\$ _____	<input type="checkbox"/>
Taxes	Property	\$ _____	<input type="checkbox"/>
	Income	\$ _____	<input type="checkbox"/>
Debt	Personal loans	\$ _____	<input type="checkbox"/>
Other	Credit cards	\$ _____	<input type="checkbox"/>
	BASIC EXPENSES SUBTOTAL	\$ 0.00	
DISCRETIONARY EXPENSES <small>These expenses are intended to enhance the quality of your retirement.</small>			
Entertainment	Travel/vacation	\$ _____	<input type="checkbox"/>
	Recreation/hobbies	\$ _____	<input type="checkbox"/>
Other	Theater, dining out	\$ _____	<input type="checkbox"/>
	DISCRETIONARY EXPENSES SUBTOTAL	\$ 0.00	
	TOTAL ANNUAL RETIREMENT EXPENSES	\$ 0.00	

Determine Your Retirement Income*

List how much retirement income you are expecting annually from non-investment sources.

INCOME SOURCE	ANNUAL AMOUNT
Social Security	\$ _____
Pension	\$ _____
Employment	\$ _____
Other	\$ _____
TOTAL NON-INVESTMENT RETIREMENT INCOME	\$ _____

Many retirees need to supplement Social Security and traditional employer pensions by using their investments. This could include receiving dividends or the proceeds from the sale of shares.

ANNUAL AMOUNT NEEDED FROM INVESTMENTS \$ _____

Subtract Total Non-Investment Retirement Income from Total Annual Retirement Expenses.

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Our story

From large institutions to individual investors, each of our clients wants the same thing. To achieve their financial goals. And for more than 70 years, we've helped them do exactly that. Everything we do at Franklin Templeton is focused on delivering our clients better outcomes. And that's why millions of clients in more than 160 countries have entrusted us with their investments, making us one of the world's largest asset managers with over \$1.4 trillion in assets under management.**

Investment excellence and rigor

Consisting of more than 1,300 investment professionals, our unmatched range of specialist managers provides our clients deep expertise across asset classes, investment styles, and geographies. Each manager follows a well-defined investment process rooted in the discipline, rigor and experience gained over decades of successfully navigating global markets—and underpinned by robust risk management protocols at the portfolio and enterprise levels. And we continuously enhance these processes, incorporating new approaches developed through the work of our specialists in fields like sustainable investing and data science.

Global scale and local insights

As pioneers in global investing, we've long recognized that opportunity can spring up anywhere. Today, we have offices in 34 countries. And we combine the strength of our truly global scale with the specialized knowledge and local insights of our investment teams located in financial capitals, inside emerging markets, and at other strategic locations around the world.

Meaningful innovation

We're committed to pursuing innovation with one goal in mind: delivering meaningful benefits to our clients. From embedding artificial intelligence into our research and investment decision-making to creating a fintech incubation center on our main campus, we've made innovation a cornerstone of our business and culture. And that lets us rapidly harness the power of new technologies and other advances for our clients.

Connections that matter

In a business as complex as investing, no individual has all the answers. We believe that connections with others are a source of critical perspective. So we build valuable connections between our clients, our portfolio managers, business leaders, and economic experts. We've also committed ourselves to being good corporate citizens. That includes fostering a more inclusive investment environment, empowering our employees to volunteer in their communities, and helping create a brighter future through charitable giving.

**As of 6/30/20. Assets under management represent combined assets of Franklin Templeton, Legg Mason, and subsidiary investment management groups. Franklin Templeton acquired Legg Mason on 7/31/20.

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TEMPLETON**

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RTSI PA 09/20



WORKSHEET

INCOME FOR WHAT'S NEXT®

Name _____ Next Review Date _____

Date Prepared _____ Financial Professional _____ Phone _____

Target Retirement Date _____

Use this worksheet to match your estimates for different sources of retirement income with different types of retirement expenses*:

Fixed: Income to cover expenses generally not impacted by inflation, such as fixed mortgages and other fixed loans

Rising: Income to cover expenses such as food, utilities and health care that are frequently impacted by inflation

Discretionary: Income to cover expenses such as travel and hobbies that, although not essential, can enhance your retirement

STEP 1 Answer the following questions. Start with Fixed and then repeat for each column.

A. How much will I spend every year in retirement?

List total expenses for each column.

B. What are my potential non-investment retirement income sources?

If you have retirement income from sources other than investments in your Total Retirement Savings, use this section to incorporate them into your strategy. For each column, check the appropriate source(s), enter an annual income, and calculate the total. Income sources can be split over multiple columns.

C. How much more retirement income is needed to address my expenses?

Subtract the total in B from A.

D. How do I convert my Total Retirement Savings to address my retirement income needs?

Enter estimated retirement savings amount needed to build an investment portfolio that can help meet your retirement income needs (from C), through interest, dividends, or the sale of shares.

STEP 2 Check if your withdrawal rates seem realistic.

Divide the amount in C by the amount in D to calculate the annual withdrawal rate.

As a general rule of thumb, this chart may help

determine realistic withdrawal rates for retirement

planning. Everyone's situation is unique. Work with

your financial professional to determine a rate that is

right for your retirement income investment strategy.

Length of Retirement	Withdrawal Rate
40 Years	2%–4%
30 Years	3%–5%
20 Years	4%–6%

STEP 3 Consider setting something aside just in case.

If needed, dedicate a portion of your retirement savings to emergencies or special purchases.

Simply enter the desired amount needed to address the specific need or goal.

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Total Retirement Savings \$ _____

Total Annual Retirement Expenses \$ _____

Fixed

e.g., fixed mortgages and other fixed loans

\$ _____

TYPE	AMOUNT
<input type="checkbox"/> Social Security	\$ _____
<input type="checkbox"/> Pension	\$ _____
<input type="checkbox"/> Employment	\$ _____
<input type="checkbox"/> Other	\$ _____
TOTAL	\$ 0.00

Rising

e.g., food, utilities and health care

\$ _____

TYPE	AMOUNT
<input type="checkbox"/> Social Security	\$ _____
<input type="checkbox"/> Pension	\$ _____
<input type="checkbox"/> Employment	\$ _____
<input type="checkbox"/> Other	\$ _____
TOTAL	\$ 0.00

Discretionary

e.g., travel and hobbies

\$ _____

TYPE	AMOUNT
<input type="checkbox"/> Social Security	\$ _____
<input type="checkbox"/> Pension	\$ _____
<input type="checkbox"/> Employment	\$ _____
<input type="checkbox"/> Other	\$ _____
TOTAL	\$ 0.00

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

_____ %

_____ %

_____ %

\$ _____

Client Signature _____

Not FDIC Insured | May Lose Value | No Bank Guarantee

Our story

From large institutions to individual investors, each of our clients wants the same thing. To achieve their financial goals. And for more than 70 years, we've helped them do exactly that. Everything we do at Franklin Templeton is focused on delivering our clients better outcomes. And that's why millions of clients in more than 160 countries have entrusted us with their investments, making us one of the world's largest asset managers with over \$1.4 trillion in assets under management.**

Investment excellence and rigor

Consisting of more than 1,300 investment professionals, our unmatched range of specialist managers provides our clients deep expertise across asset classes, investment styles, and geographies. Each manager follows a well-defined investment process rooted in the discipline, rigor and experience gained over decades of successfully navigating global markets—and underpinned by robust risk management protocols at the portfolio and enterprise levels. And we continuously enhance these processes, incorporating new approaches developed through the work of our specialists in fields like sustainable investing and data science.

Global scale and local insights

As pioneers in global investing, we've long recognized that opportunity can spring up anywhere. Today, we have offices in 34 countries. And we combine the strength of our truly global scale with the specialized knowledge and local insights of our investment teams located in financial capitals, inside emerging markets, and at other strategic locations around the world.

Meaningful innovation

We're committed to pursuing innovation with one goal in mind: delivering meaningful benefits to our clients. From embedding artificial intelligence into our research and investment decision-making to creating a fintech incubation center on our main campus, we've made innovation a cornerstone of our business and culture. And that lets us rapidly harness the power of new technologies and other advances for our clients.

Connections that matter

In a business as complex as investing, no individual has all the answers. We believe that connections with others are a source of critical perspective. So we build valuable connections between our clients, our portfolio managers, business leaders, and economic experts. We've also committed ourselves to being good corporate citizens. That includes fostering a more inclusive investment environment, empowering our employees to volunteer in their communities, and helping create a brighter future through charitable giving.

**As of 6/30/20. Assets under management represent combined assets of Franklin Templeton, Legg Mason, and subsidiary investment management groups. Franklin Templeton acquired Legg Mason on 7/31/20.

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All financial decisions and investments involve risks, including possible loss of principal.



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