



MyIncomeStrategy.comSM

The Manuscript – Version 1.5.2
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Forward - Readmefirst

The information contained herein is for informational purposes only and does not constitute investment, legal, tax or other advice. Before making any investment decision, investors must consider their particular investment objectives and financial situation and are encouraged to utilize our advisory services and to consult with your broker, advisor, planner or other financial or tax advisor.

Use of the information in this manuscript indicates your acceptance of the Privacy Policy and Terms of Use located in the last Chapter and posted on the website “<http://www.MyIncomeStrategy.com>”.

Examples given are illustrative, and are not representative of any particular individuals situation.

A few quick notes about the format of the manuscript; this manuscript has been ‘lifted’ from the DVD and on-line video for the web site MyIncomeStrategy.com. It is published and available for anyone that likes a written guide, and for those who are hearing impaired.

It can be read straight through, or can be used as a reference for each income strategy presented. There is duplication of text in explanation of shared concepts and of warnings and disclaimers.

This is done intentionally. We want to make sure that if you read just one strategy, you will be aware of important matters that pertain to that topic, even if they are shared by others.

For example: review your investments and your income strategies at least once per year. Another example: before changing your portfolio consult with a tax professional to see if you are taking steps that are beneficial for your specific tax situation. You will see language like: past performance is not indicative of future behavior, throughout the text. These statements are important, of substance, and cannot be repeated or stressed often enough.

Chapter I - Introduction

Welcome to MyIncomeStrategy.com. Thank you for your purchase of this manuscript. You have taken an important step into your financial future. Use this powerful program to turn your savings and investments into spendable cash with the goal to not run out of money. This program is intended for use by individuals and advisors.

Do you, or does someone you know want to supplement their income? Retiring? Already retired? Just want some extra dollars each month?

Looking for a place to get unbiased information, with only your interests in mind?

A lot of people are looking for advice that isn't sales or investment oriented. They want strategies and an understanding of what choices they have, without any conflict or investment pressure.

They want to be educated, informed, and empowered.

I'm Alan Klayman and for close to 25 years I've been creating strategies and helping individuals and their advisors understand their choices. With the MyIncomeStrategy.com program you will gain the knowledge to pick the strategy that works best for you. You will have a better understanding of your options, and have better conversations with your professional advisors.

There are no investments or investment products sold in this program. You will get strategies and solutions that help you better equip yourself financially now and forever.

It is important to know how to grow your money, and save for retirement. But it is equally important to know how to DISTRIBUTE your money, what strategies are available to you, and to know that you have choices.

The math behind taking money out of savings and investments is not the same as growing your money.

Experienced investors and advisors know that there is always more to learn. It is in your best interest to get as much information as you can, educate yourself, be informed, and be empowered to make decisions.

This program will help you do just that.

In the member area, you have access to a user community of individuals and financial professionals, as well as newsletters, use of all of the calculators on the site, all with the purchase of this manuscript.

We will be walking through the program, so you can choose the income strategy that works best for you. We've also added a calculator for those who want to save a little more before they start to receive income.

We will be discussing the difference between an income strategy and an investment strategy, and the danger of 'reverse dollar cost averaging'.

You will have the ability to get a firm grasp on how much money you will be able to realistically generate in your retirement, for a period of time, or whatever your need for additional spendable cash.

Additionally, we offer a DVD and online video plus advisory services to help find the right strategy for you. We can 'do it for you' with numbers you provide to us, or we can give you a tailored investment strategy which takes into account your investments, which strategies work best for you, how taxes will affect your strategy, and how to best use your savings and investments.

Remember we do NOT sell investment products. We strictly want to educate you so you can pick the strategy that best fits your situation.

Advisors are encouraged to work with their clients and use the MyIncomeStrategy.com calculators to guide them through their

income choices. Once an advisor finds the appropriate income choice, they can work with their client to help find the investments that are the most suitable.

Make sure you and your financial professional review your income strategy and your investments at least once a year.

Now let's get started.

MYINCOME STRATEGY.COMSM INCREASE TEXT SIZE
*I don't want to run out of money!*SM Home . Contact . About . FAQs . Glossary MEMBER AREA LOGIN: PASSWORD:
 Sign In
 Create an account Forgot ID or password?

Determine the strategies to derive income from your assets without investment bias!

WHAT STRATEGY IS GOOD FOR ME?
 ENTER A DOLLAR AMOUNT BELOW & CLICK "GO" TO START

1 Total Value of your Investments: \$

2 Annual Income needed from your Investments: \$

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TO START CLICK GO!

DON'T KNOW WHAT INCOME YOU NEED?
 Click here for assistance.

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 enter zipcode

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Chapter II – Income vs. Investment Strategies

One of the driving factors in creating this program is that so many people are in one of the following situations:

- They are afraid of outliving their money 'I don't want to run out of money'
- They have savings and investments but don't know how to utilize them
- They don't have an income strategy
- They have been 'sold' investments that don't really fit their situation
- They want to better understand their situation so they can have more educated conversations with their advisor or so they can do it themselves
- They don't want advice from a company that manufactures it's own investment products or a company that has a vested interest in selling certain investments
- They want what's best for them
- They realize that the Income Calculators available from others are either linear (meaning they do not take into account changes) or they run a method which favors a certain type of investing

MyIncomeStrategy.com is part of Klayman Financial LLC a Registered Investment Advisor. Our only business is helping people just like you understand their financial situation, educate them, and empower them to make decisions.

Throughout the instruction I will be referring to the website. While reading the manuscript, you can follow along with the website up and running. Just go to www.myincomestrategy.com.

Having Internet Access is NOT mandatory. It will be very helpful to plug in numbers and try different strategies, but it is in no way necessary to get a better understanding of the choices available.

Keep in mind while you go through the program, we are making some assumptions (we'll show you as we come across them), and in many cases can be changed. This means that when you pick a strategy and it works here, it has a chance to work as well, probably better,

when you look at actual investments. Although we try to be as realistic as possible, past performance is not an indication of future behavior. Your investments can do better or worse than demonstrated.

Before we look at the different Income Strategies available, let's discuss the difference between an Investment Strategy and an Income Strategy.

An Investment Strategy is specific to certain types of investments; this can include a method or approach to investing. Some examples include Dollar Cost Averaging, asset allocation, and laddering. Dollar cost averaging is typically used in stock and mutual fund investing to smooth out the bumps or volatility in the stock market. It is done by investing on a periodic basis, for example \$100/month every month. If you participate in a company sponsored retirement plan like a 401k, you are dollar cost averaging. Asset allocation is the process of putting together a diversified portfolio of stocks/bonds/cash and other investments in a ratio that meets an individual's risk tolerance, experience, time horizon and goals. Laddering is used by investors in fixed income instruments, like bonds and cd's. They stagger the maturities to hedge against interest rate movements. We will take a look at laddering later in the program. Some other examples of investment strategies include duration swaps, barbell strategies, the anchor strategy, and there are many more.

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An Income Strategy provides a means of turning your investments into spendable cash (which is a steady paycheck) over a period of time. An Income Strategy will incorporate different investments (and along with them different Investment Strategies). So in other words, your Income Strategy dictates your investment choices, not the other way around.

A mistake many people make, and the basis for many of today's Income and Retirement Income calculators, is to choose investments or an investment strategy without a way to distribute those investments. So they're picking investments without picking a strategy. Basically, putting the cart before the horse.

As you will see there are many different ways to distribute your savings and investments, and many different investments that can work within these income strategies.

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Chapter VI – The Strategy Selector

Need some help picking a strategy? You've arrived at the right place. By answering 4 ½ questions we will be able to determine which income strategies you should try first.



Question 1 - Would you prefer your strategy uses fixed or guaranteed investments only?

Answering yes to this question includes the most conservative of the income strategies, the Income Investments Strategy. Even if you have plenty of money, or are willing to take a lot of risk, we believe you should examine this strategy, since it is so conservative and risk averse. If it works for you, you may find it to be the easiest to run.

Answering 'no' excludes this conservative strategy.

Question 2 - Do you want to have the income from your investments aligned with the movement of the stock and bond markets? (If your investments go up, your income/account value goes up, investments go down, and income/account value goes down)

Answering 'yes' to this question includes the most volatile solution to your income strategy, the Market Withdrawal Strategy. Generally this type of strategy works best for individuals that can absorb losses in their savings and investments, and not have it immediately affect their income.

This is the default strategy that most calculators use, both linear, and probability calculator's. (We'll discuss these in Chapter X the Market Withdrawal Strategy)

Answering 'no' excludes this strategy.

Question 3 - Do you have longevity in either your family or your spouse or partners family?

This question will help determine whether or not you should consider a lifetime component in your income strategy.

No one knows how long they are going to live, but if you have longevity in your family, then there is the chance that you can reap the benefits that a lifetime component to an income strategy can give you, which is more money for those who live longer.

A 'no' to this question excludes a lifetime component to your income strategy.

Question 4 - Do you want a strategy that can reset/reevaluate in several years?

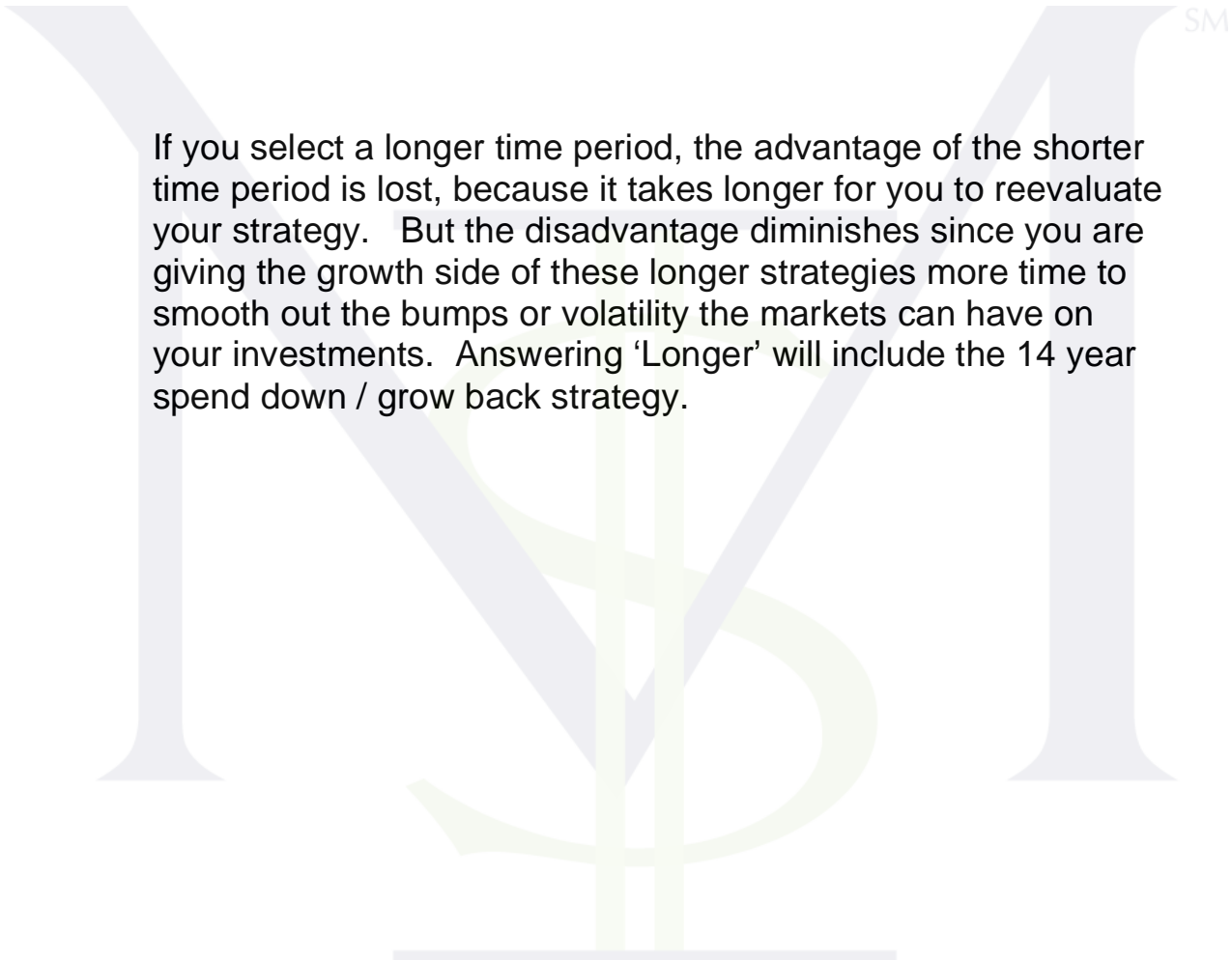
If you answer NO to question 4, you will not see Question 5 (4 ½).

There are a number of different income strategies that can be used for a period of time. You may want this type of strategy for a variety of reasons; for example until social security checks start coming, or you have a change in your income in a number of years.

A lot of people like this type of strategy because it gives them the ability to reset and re-evaluate their income strategy as their lives change. They don't feel tied down to one way of doing things, and it gives them multiple investment options.

Question 5 (Question 4 ½) - Would you prefer a shorter period of time or a longer period of time to reset/reevaluate your strategy?

When choosing an income strategy that can be reset and reevaluated, a shorter time period has both advantages and disadvantages. The advantage is that you can reevaluate your strategy quicker, and make changes as appropriate. Time is on your side when you are growing money, and these types of strategies have a growth component in them. If you reevaluate in a shorter period of time you lose the advantage that time gives you. Which is the ability to absorb bumps in the road for growth investments. Answering 'Shorter' will include the 7 year spend down / grow back strategy.



If you select a longer time period, the advantage of the shorter time period is lost, because it takes longer for you to reevaluate your strategy. But the disadvantage diminishes since you are giving the growth side of these longer strategies more time to smooth out the bumps or volatility the markets can have on your investments. Answering 'Longer' will include the 14 year spend down / grow back strategy.

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If you don't think you can get your investments to earn the number in the **Estimated Rate for Growth** field then this strategy is not for you. If you do think that you can achieve that rate of return over 7 years, then you have found a strategy that you feel can work for you.

What happens if you earn more? Then you have more money, have a bigger buffer, and you can possibly take a higher income.

What happens if you earn less, or lose money? Then you will have less to work with, and you will need to adjust your income down.

It is imperative that you understand the rate of return needed, and see if this is a number you and your financial professional are comfortable with.

If you can earn the rate of return needed, you have the option after 7 years to reevaluate your situation, choose a different strategy, or do it all over again.

If you use retirement assets in the 'spend down' column then all of your income will be taxable. If you use non-retirement assets (regular savings or investment programs) then most of your income will be derived from the use of your own principal and will be tax-free. The portion of income that is attributed to interest earnings will be taxable. If you use Investments like treasury zero-coupon bonds, then you have to pay the tax on those investments each year.

If you use retirement assets in the 'grow back' column, that growth will be tax deferred. Non-retirement assets can grow taxable, tax-deferred, or tax-free depending on the investment mix you choose for your portfolio.

If you are comfortable with this strategy, we encourage you to work with your financial professional to put together a portfolio that follows this methodology. If you are an experienced investor and feel that you can do the selecting of investments on your own, please take special care to look into all of the provisions of the investments you are investigating. Never put all of your money into one investment.

Carefully read any prospectus or offering statement, and ask questions.

It is important that you review your income strategy and your investments at least once a year. If you are over 70 ½ make sure your income is meeting the governments required minimum distributions for your retirement accounts (please consult with your advisor).

Before making changes to your portfolio carefully examine and work with a tax professional to determine if there are any tax advantages or disadvantages of these actions.

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