

ParsecFinancial

**Welcome to Parsec's
Longevity Forum**

Why Host a Longevity Forum?

- We are a community of retirement advocates. We want to see a better quality of life and improved longevity for all.
- We come together to share best practices for making the most out of time.
- We want to preserve financial security through good stewardship and to think about your legacy.
- We hope to inspire you to live a fulfilled life.



Preserving Your Wealth

Parsec Tax Services

- Roth conversions
- capital gain advice
- tax efficient distribution planning
- Philanthropic strategies: QCD, CRT, donor-advised fund



Co-Directors of Tax Services Larry Harris and Brad Burlingham

Leaving a Legacy

Trust Strategies

- Gifting rules
- Trusteeship
- Bill payment
- Governance



Partners Michael Bruder, Roger James and Rick Manske

Longevity Planning

- Issues and decisions: care options, housing, financial and healthcare decision making.
- Family meeting: family fire drill
- Inspirational living
- Legacy: values-centered goals



Sr. Financial Advisor Michael Baughman

But before diving into longevity topics, let's review the current economic and market struggle.

Disclosures

This presentation is not an offer or a solicitation to buy or sell securities. The information contained in this presentation has been compiled from third party sources and is believed to be reliable; however, its accuracy is not guaranteed and should not be relied upon in any way, whatsoever. This presentation may not be construed as investment advice and does not give investment recommendations. Any opinion included in this report constitutes our judgment as of the date of this report and are subject to change without notice.

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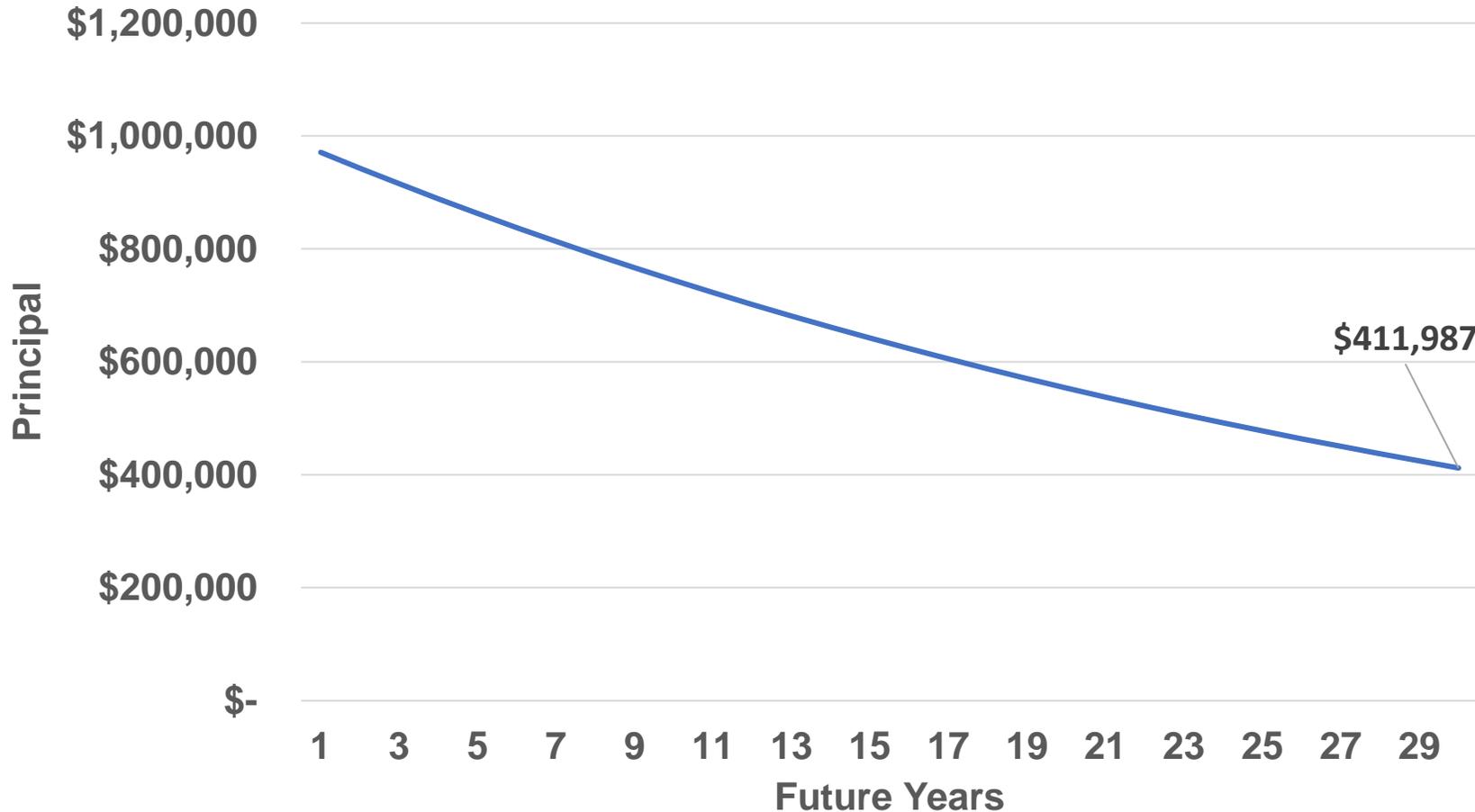
The Certainty of Uncertainty

Acknowledging the level of uncertainty and recognizing that it is always present in our world.

Living within our means and using debt cautiously.

Planning for contingencies and avoiding knee jerk reaction.

Inflation Erosion: Equities and Real Estate Historically Keep Up with Inflation

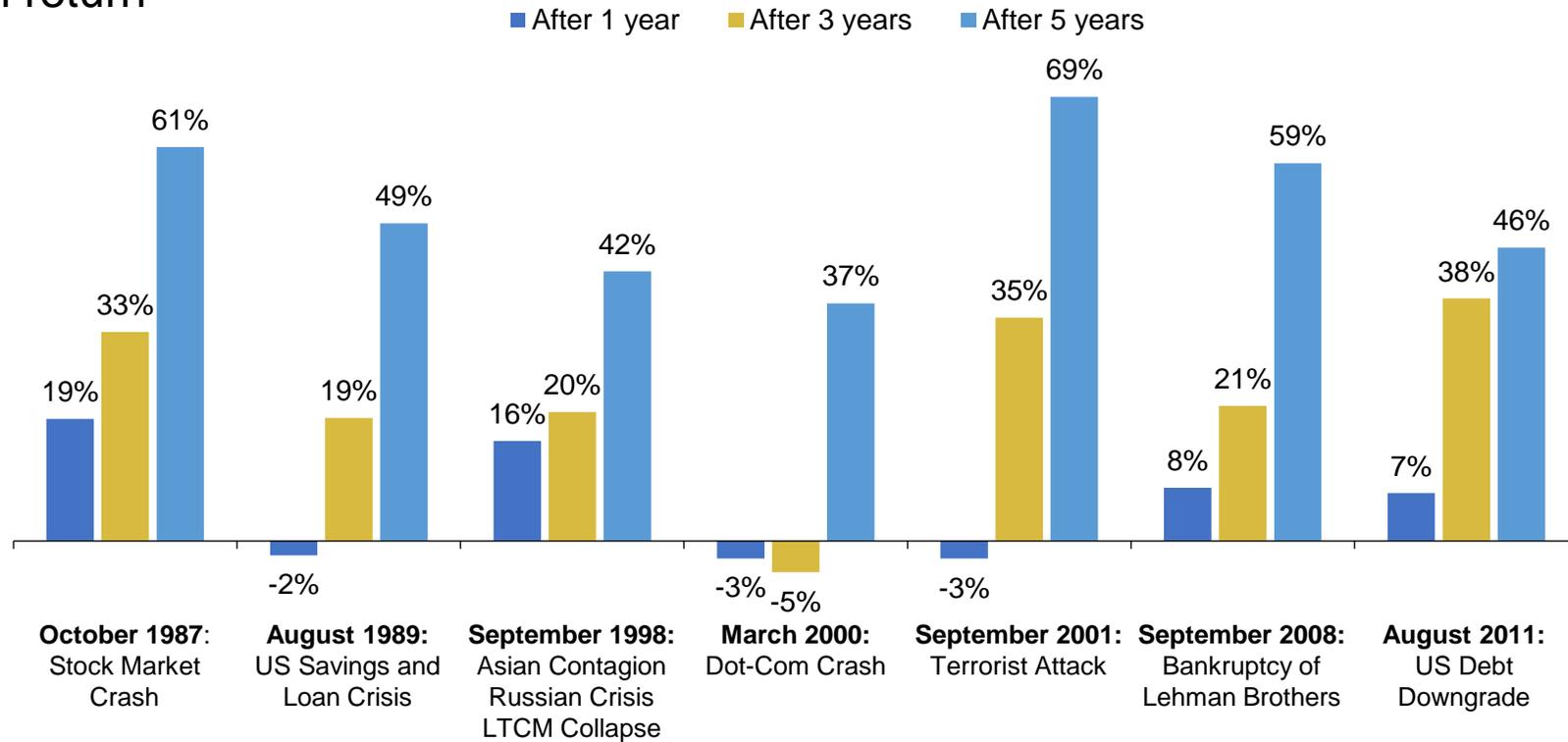


>50% of \$1m
uninvested over
30-year period is
lost to inflation
(3% inflation/yr)*

*Money lost would be even greater if inflation runs higher than 3%, which it is currently

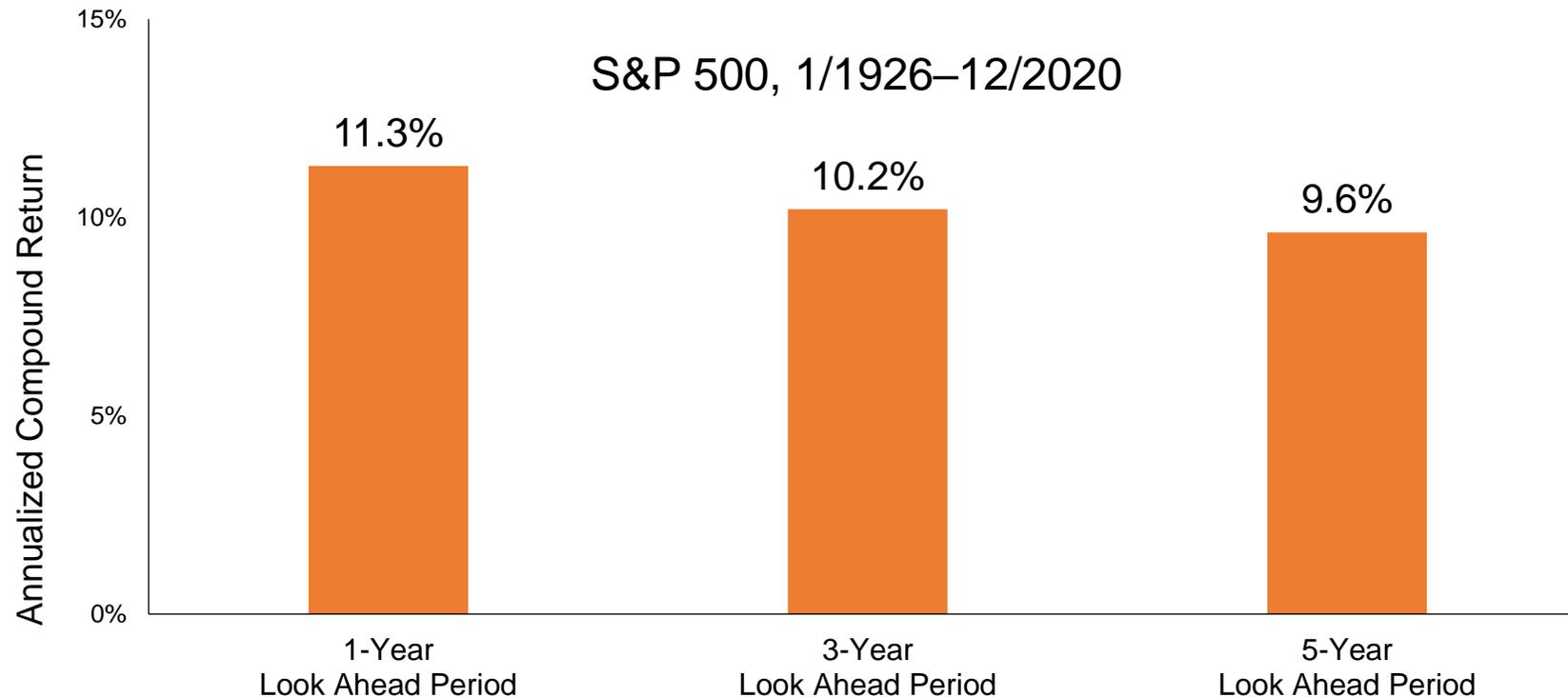
The Market's Response to Crisis

Performance of a balanced strategy: 60% stocks, 40% bonds
Cumulative total return



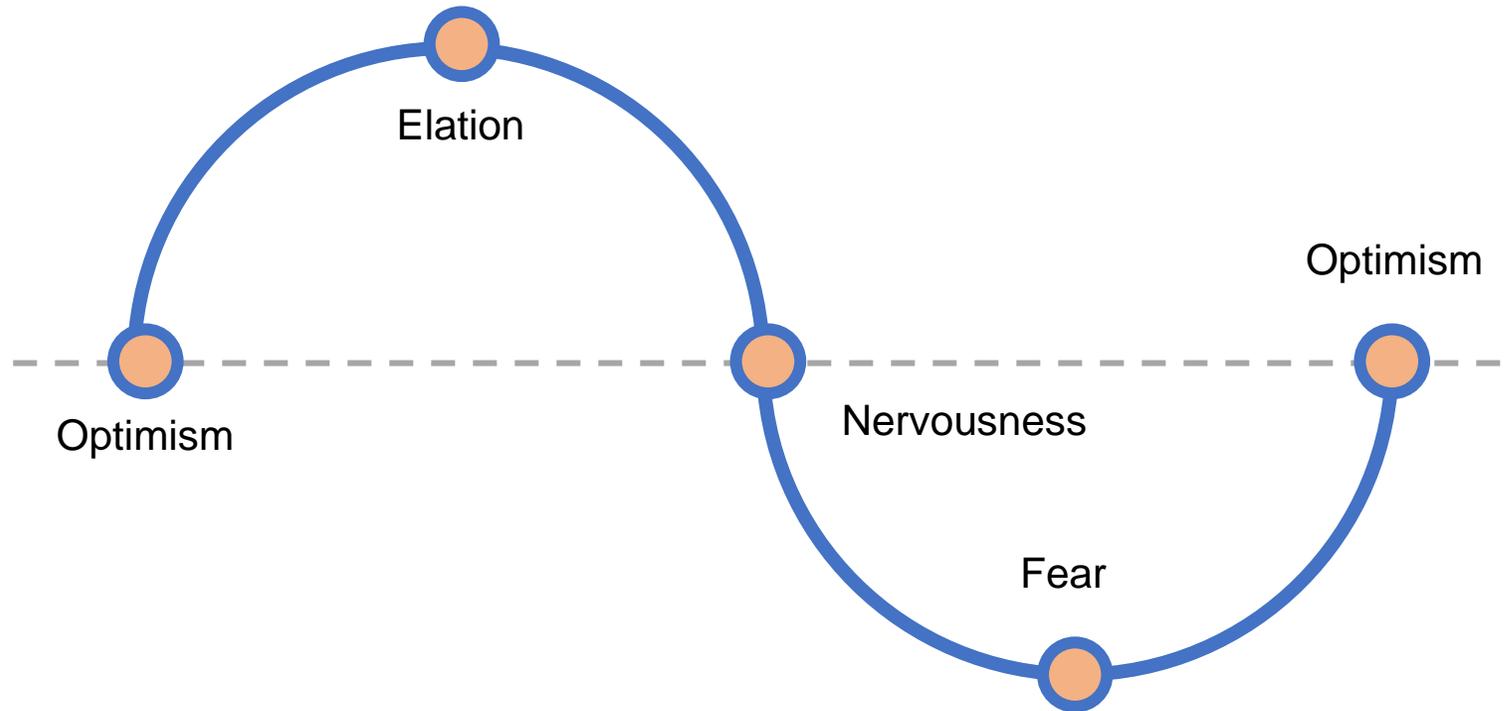
In US dollars. Represents cumulative total returns of a Wealth Index Model invested on the first day of the following calendar month of the event noted. Assumes all strategies have been rebalanced monthly. All performance results of the Wealth Index Models are based on performance of indices with model/backtested asset allocations; the performance was achieved with the benefit of hindsight; it does not represent actual investment strategies. The model's performance does not reflect advisory fees or other expenses associated with the management of an actual portfolio. There are limitations inherent in model allocations. In particular, model performance may not reflect the impact that economic and market factors may have had on the advisor's decision making if the advisor were actually managing client money. Past performance is no guarantee of future results. S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Bloomberg data provided by Bloomberg. See Core 60/40 Wealth Index Model and Index Descriptions pages in the Appendix for additional information.

Average Annualized Returns After Market Decline of More Than 10%



In US dollars. Past performance is no guarantee of future results. Declines are defined as months ending with the market below the previous market high by at least 10%. Annualized compound returns are computed for the relevant time periods after each decline observed and averaged across all declines for the cutoff. There were 1,139 observation months in the sample. January 1990–present: S&P 500 Total Returns Index. S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. January 1926–December 1989; S&P 500 Total Return Index, Stocks, Bonds, Bills and Inflation Yearbook™, Ibbotson Associates, Chicago. For illustrative purposes only. Index is not available for direct investment; therefore, its performance does not reflect the expenses associated with the management of an actual portfolio. There is always a risk that an investor may lose money.

Many Investors Follow Their Emotions

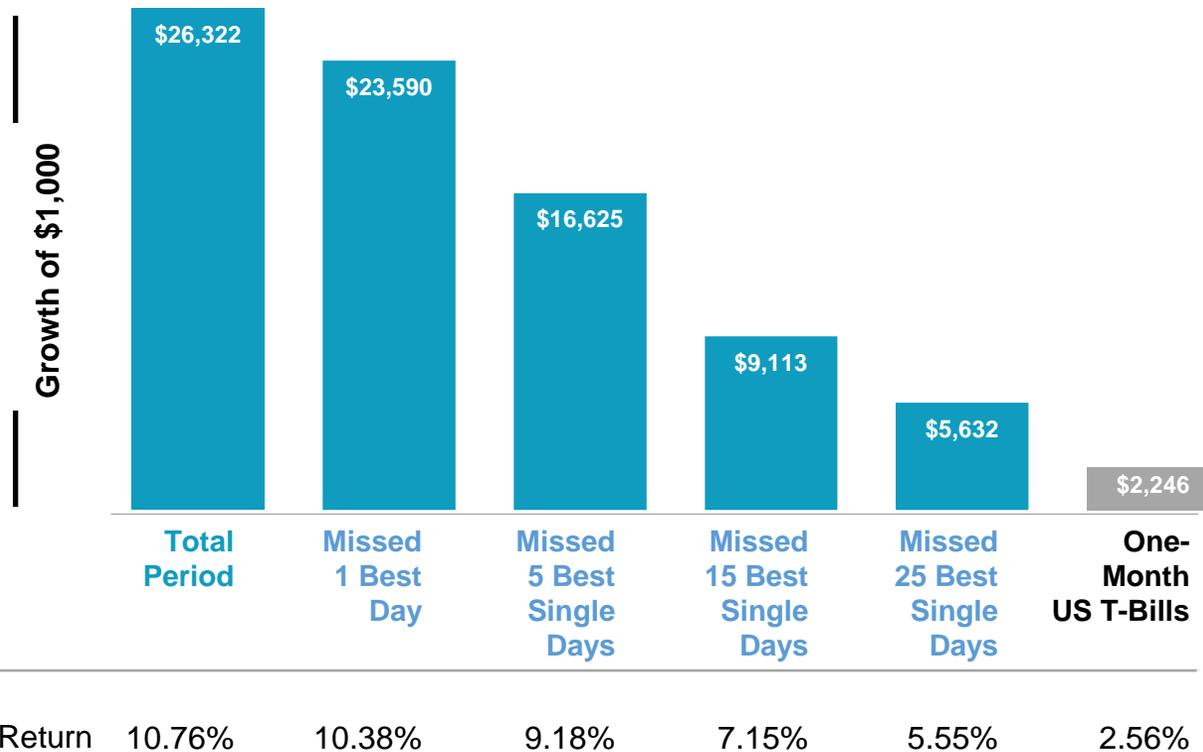


People may struggle to separate their emotions from their investment decisions.

Following a reactive cycle of excessive optimism and fear may lead to poor decisions at the worst times.

Reacting Can Hurt Performance

Performance of the S&P 500 Index, 1990–2021



Missing only a few days of strong returns can drastically impact overall performance.

Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. In US dollars. For illustrative purposes. The missed best day(s) examples assume that the hypothetical portfolio fully divested its holdings at the end of the day before the missed best day(s), held cash for the missed best day(s), and reinvested the entire portfolio in the S&P 500 at the end of the missed best day(s). Annualized returns for the missed best day(s) were calculated by substituting actual returns for the missed best day(s) with zero. S&P data © 2022 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. "One-Month US T- Bills" is the IA SBBI US 30 Day TBill TR USD, provided by Ibbotson Associates via Morningstar Direct. Data is calculated off rounded daily index values.

Brain Physiology

Reward System

Produces dopamine

- Chemical plays a role in motivational component of behavior, we sense pleasure

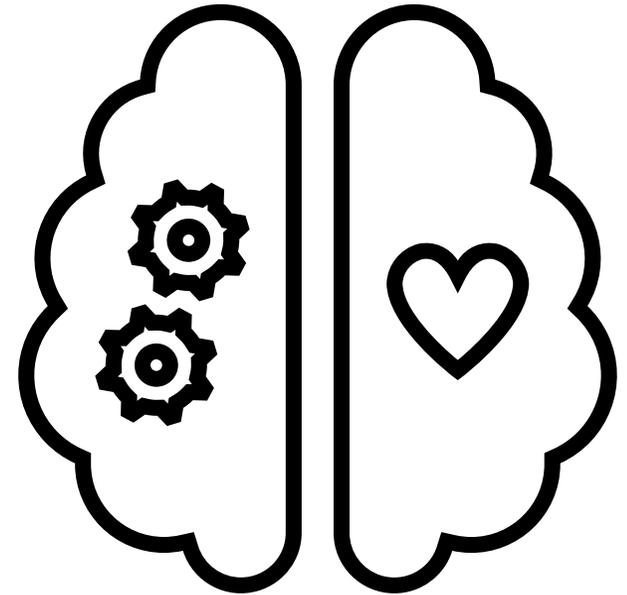
Danger System

Adrenal gland produces cortisol (stress) & adrenaline

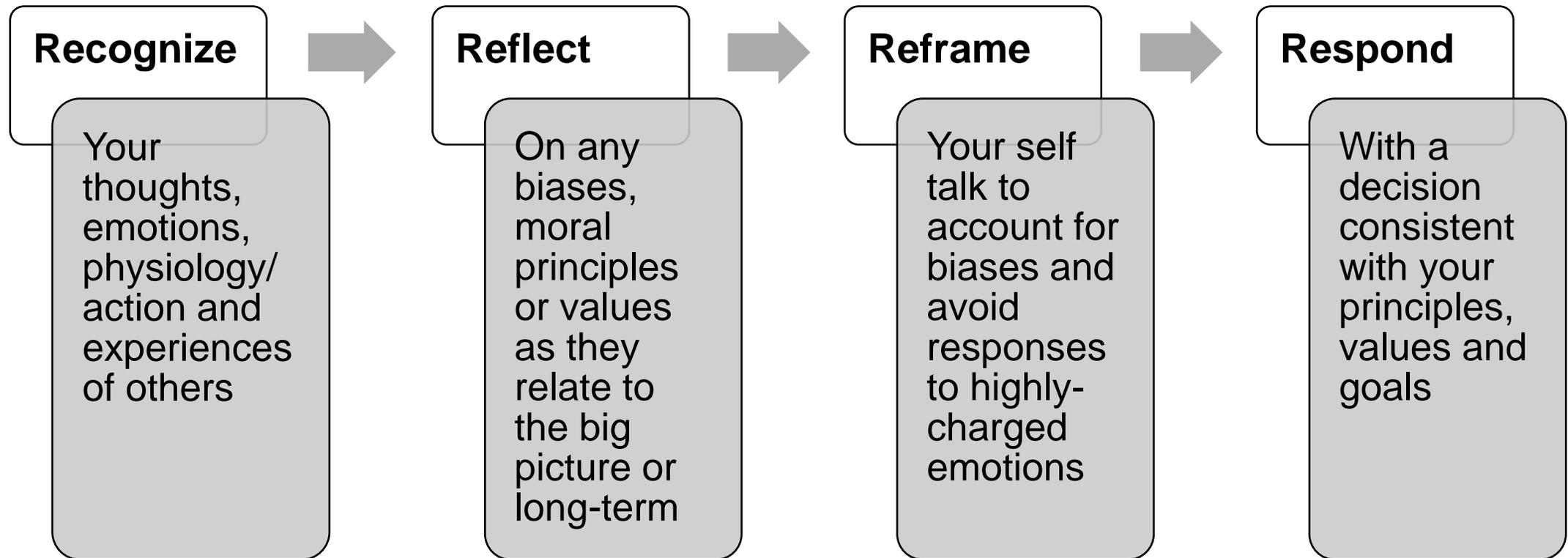
- Preparing the body to fight, flight (flee the danger we are facing) or freeze

Emotional versus Rational Sides of the Brain

- We can better balance between the emotional and the rational sections of the brain:
 - Emotions sacrifice accuracy for speed
 - Rational thinking is more accurate but not quite as fast
- We are hard wired this way, but we can gradually change so we can make better decisions



Use the 4Rs To Make Decisions from the Inside Out:



Most Investors Suffer from Myopic Loss Aversion

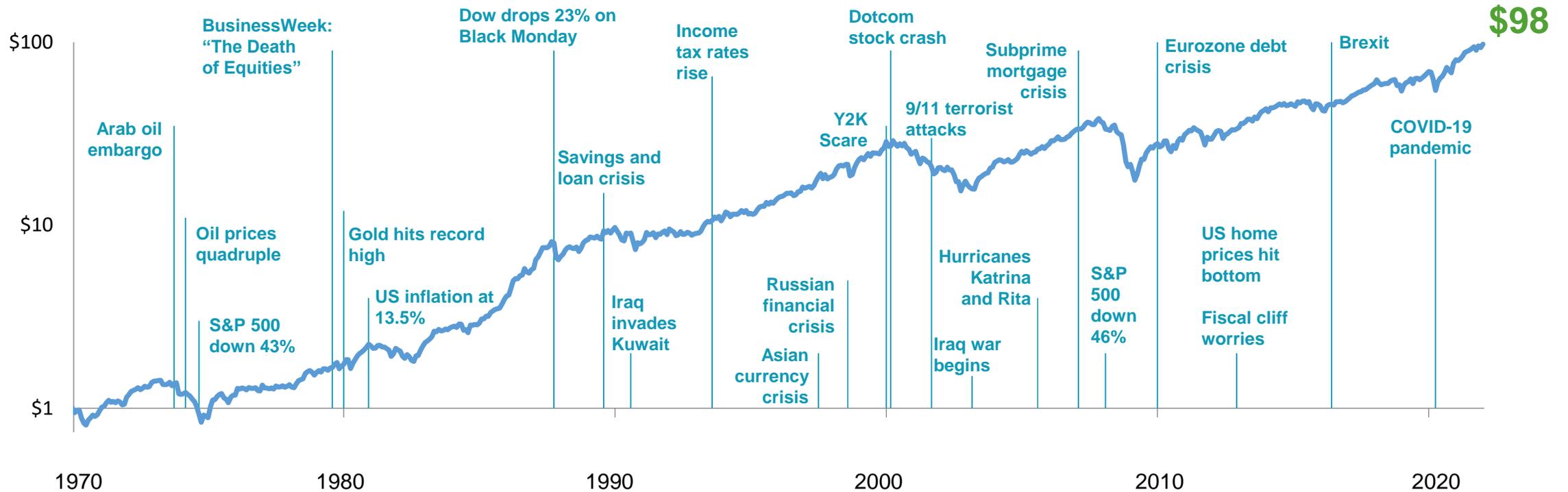
- The tendency to compare the performance of their portfolio from the perspective of avoiding a possible loss rather than potential gains
- They have a greater sensitivity to losses than gains and a tendency to evaluate outcomes frequently



Markets Have Rewarded Discipline

A disciplined investor looks beyond the concerns of today to the long-term growth potential of markets.

Growth of a dollar—MSCI World Index (net dividends), 1970–2021



\$98

Having Discipline and a Long-Term View is the Financial Strategy.

Choosing to focus on the things we can control in our lives can be liberating.



Once a financial plan is developed and a prudent portfolio is implemented there is not much one can do besides be patient and resist the temptations that grip us.



Rebalancing and cash flow planning can help us avoid having to sell at the wrong time.

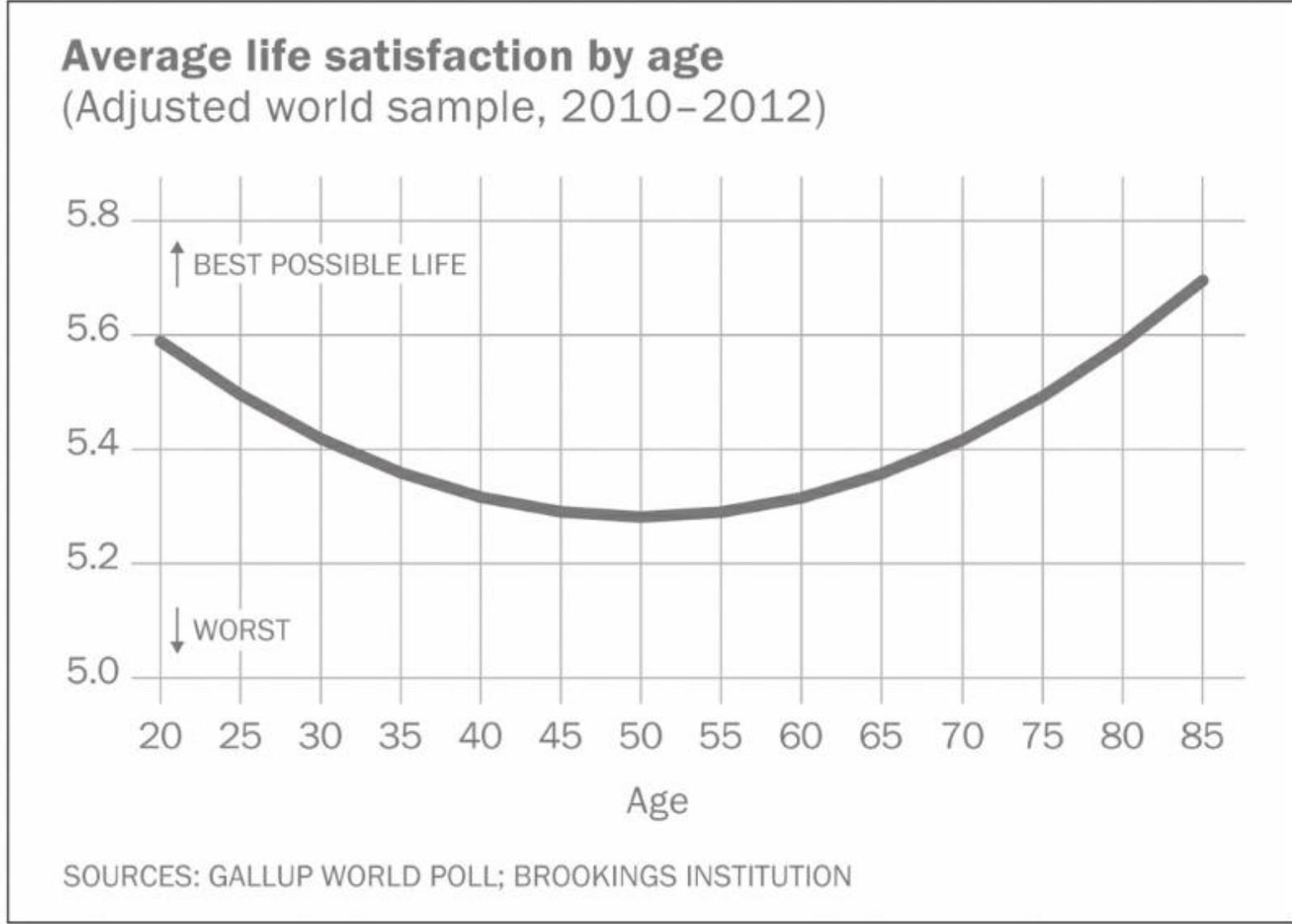
Financial Happiness in Retirement

- ✓ Having the correct amount in cash
- ✓ Having the correct asset allocation
- ✓ Feeling free from being debt-free
- ✓ Monitoring spending and establishing control
- ✓ Having clear communication with spouse or partner
- ✓ Investing in an active social life and hobbies
- ✓ Engaging in social spending versus consumer/materialistic spending

Financial Unhappiness in Retirement

- Sustained fear, stress and loneliness will alter biological systems and is bad wear and tear on the mind and body
- Sustained happiness is more important than how happy a person is on a single occasion
- Emotional vitality is having a sense of enthusiasm, hopefulness and engagement
- Negative emotions can harm the body

Happiness U Curve



We recommend four themes for sidestepping the negativity, focusing on what we control and having a satisfying and fulfilling retirement.

Movement

- Staying active in retirement benefits your physical and mental health and reinforces your skills and talents that you have. It can also keep cognitive function from aging and supports you to stay mentally active compared to not being active.
- An older adult looking to establish an exercise/cardio routine has options, that include walking, swimming, cycling, pickleball and yoga.
- Seniors can increase muscle. It is important because muscle mass decreases as we get older. People older than 50 can maintain and increase their muscle by weight training to improve strength, flexibility, and balance.
- Consult your physician first and consider getting a certified trainer.



Relationships

- Retirement is more fun when enjoying relationships, dining out with friends, staying fit, learning or spending time as a couple. You'll find that retirement hobbies are fun, exciting, and better done together.
- Retirees get their greatest sense of purpose from spending time with friends and family. Strong ties with friends and family help retirees age and have a longer life.
- Staying socially involved with friends and family members are more likely to live longer than those who remain isolated.



Mindset

- In a growth mindset, people believe that their most basic abilities can be developed through dedication and hard work – brains and talent are just the starting point. This view creates a love of learning and a resilience that is essential for great accomplishment.
- Viewing retirement as a step in personal growth is a healthy attitude. Being positive and cultivating a mindset of abundance helps us live a satisfied life.
- Learning causes physical changes in the brain by creating new neural connections. Learning positively impacts memory, attention, thinking and reasoning skills. Learning something new is a great way to boost your outlook on life.



Service

- Volunteering can help you learn skills, have experiences and foster a sense of accomplishment. Volunteering gives us an opportunity to challenge ourselves and try something different. It is great to practice using our skills and discover new ones.
- Finding meaning in retirement often involves going beyond yourself, contributing to the broader community. Getting a pet, volunteering at a hospital, or babysitting grandchildren are all ways to fulfill that basic human need to connect with and show compassion toward others.
- Grandparenting can help to maintain physical and mental health as well as reduced feelings of loneliness.



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