THE STORY-SELLING RECIPE BOOK

ADVISORS EXCEL

The biggest risk you have to your retirement is procrastination.

"Sailing the Unsinkable Titanic"

Calvin Goetz

Toward the end of the seminar, when getting to the risk section, I show a chart of historical returns that shows where the markets are now compared to where they've been. The next seminar slide goes to a picture of the Titanic.

PRODUCER: Does anybody recognize that ship? Can you name that ship?

CLIENT 1: The Titanic.

PRODUCER: Was the captain of the Titanic ever warned there were icebergs in the Northern Atlantic?

CLIENT 1: Yes.

PRODUCER: Sure. But what did they say? What did they think?

CLIENT 1: It's unsinkable.

PRODUCER: The ship was unsinkable, right? Was the captain of the ship ever warned there weren't enough lifeboats on the ship or life jackets for all the passengers?

CLIENT 1: Yeah.

PRODUCER: But what'd they think? It's unsinkable. We all know what happened next – it sank. Everyone is enjoying this stock market rally, but we know historically they only last from five to seven years, and we're nine years into this market rally. You want to be prepared. The biggest risk you have to your retirement is procrastination.

Tonight, in a moment, you're going to have a chance to book an appointment to make sure you're not going to be a passenger on a ship like that. Take the opportunity, fight the procrastination and make sure you're prepared.

"Planning with a Travel Agent"

Pete Benson

At the beginning of a first appointment, people are trying to figure out, "Why should I choose you? What's different about you from somebody else?"

I hand them our deliverable and I'll talk to them about what makes us different: We're planners. We're not just going to sell you a product.

I tell them a story about a few years ago, when I was invited to speak at a conference at Velden, Austria. At the same time, it was my wife and my 25th wedding anniversary, and we'd never been to Europe before. We decided, "Hey, they're going to bring us over there to speak, so we're going to make a big trip out of this."

We started sitting down in front of the computer, looking at maps and all kinds of things, and saying, "Well, what do we want to do when we go to Austria, and what is that near?" and "Well, I wonder how far it is to Paris, France," or "Boy, it'd be nice to go to Rome, and you know in Venice, you've got these canals and everything, all these beautiful things."

We had no idea what we were doing. We started writing all this stuff down and, after about two and a half months of fighting and everything else, we said, "You know what? We need help."

So, we found a travel agent near our home. We visited with them, and we told them all the things we'd like to do but didn't know if we'd have time or even if it was close enough to be able to do it. They took notes and said: "Come back in two weeks."

Two weeks later, we go in. Sitting in front of this lady is a thick book. She said, "Here is your trip. Here is your plan. All you need to do is be able to read and follow directions." It told us to show up at the Nashville airport on this date, to look for this airline flying into Paris, France, when we were going to land, and detailed our transportation to get to our hotel.

Here was our hotel for the next three days, and here was the train we were going to take through Germany on this day to Salzburg, Austria, and then to Vienna, and then over to our conference I was going to speak at for two days, in a little town called Velden. Then, we were going to go down to Venice, and then to Rome and fly home. A 19-day trip, and all we had to do each day was turn the page and follow the directions. Why? Because, we had a written plan for our destination of where we could go in to start and where it was going to end.

After telling this story, I'd pick up our deliverable and say, "This is what we do. We do comprehensive planning that gives you a plan. Not a wing and a prayer, but a plan. This is what we do that's different. If you already have that, you're probably all set. If you don't, then this is we want to help design for you."

This is what we do. We do comprehensive planning that gives you a plan. Not a wing and a prayer, but a plan.

"Volatility and Avoiding Losses"
Tom Gandolfi

With our clients, we use the S&P 500® because they always recognize it. Here's how:

In 2000, the S&P 500® was 1560. Between 2000 and 2002, it lost about 50 percent of its value and went down to 800.

When the market goes down, we must make a return to get back to even, so between 2002 and 2007 it rebounded. In fact, it got all the way back to 1575. If we lose 50 percent, how much do we have to earn just to get back to even? (Most people will mess this up, so you must educate them.) The answer is 100 percent.

Between 2007 and 2009, the same thing happened again. You probably remember the pain from 2008. From this time frame, the market lost 60 percent and went down to 630. Between 2009 and 2013, it did come back all the way up to 1580.

When we put together a portfolio talking about your retirement money, we want to avoid these downturns and capture some of the upside. If we lose 60 percent, we're going to have to make 150 percent just to get back to even.

When we put together a portfolio talking about your retirement money, we want to avoid these downturns and capture some of the upside.

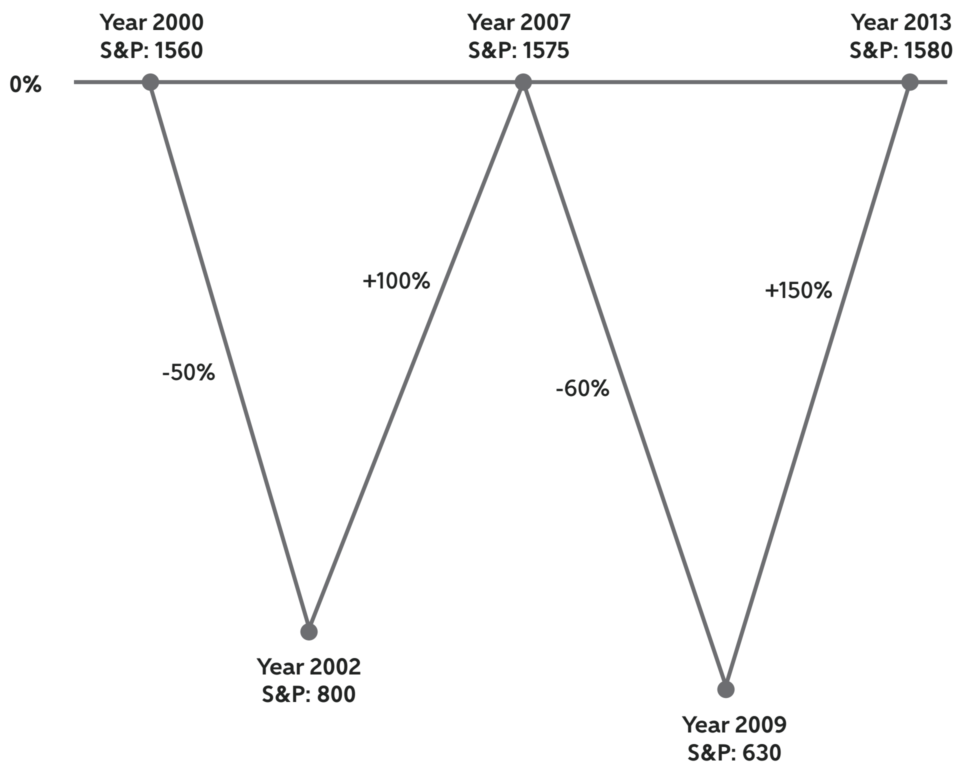
Keeping in mind that this was a period of extreme volatility, let's apply real dollars to this. If you had $100,000 invested and the market lost 50 percent, how much would you have? $50,000. If the market went up 100 percent and you started with $50,000, how much would you have? $100,000. If the market lost 60 percent and you had $100,000, how much would you have? $40,000. Anyone comfortable losing 60 percent of their portfolio? I'm not. If we start with $40,000 and gained 150 percent, how much would we have? $100,000.

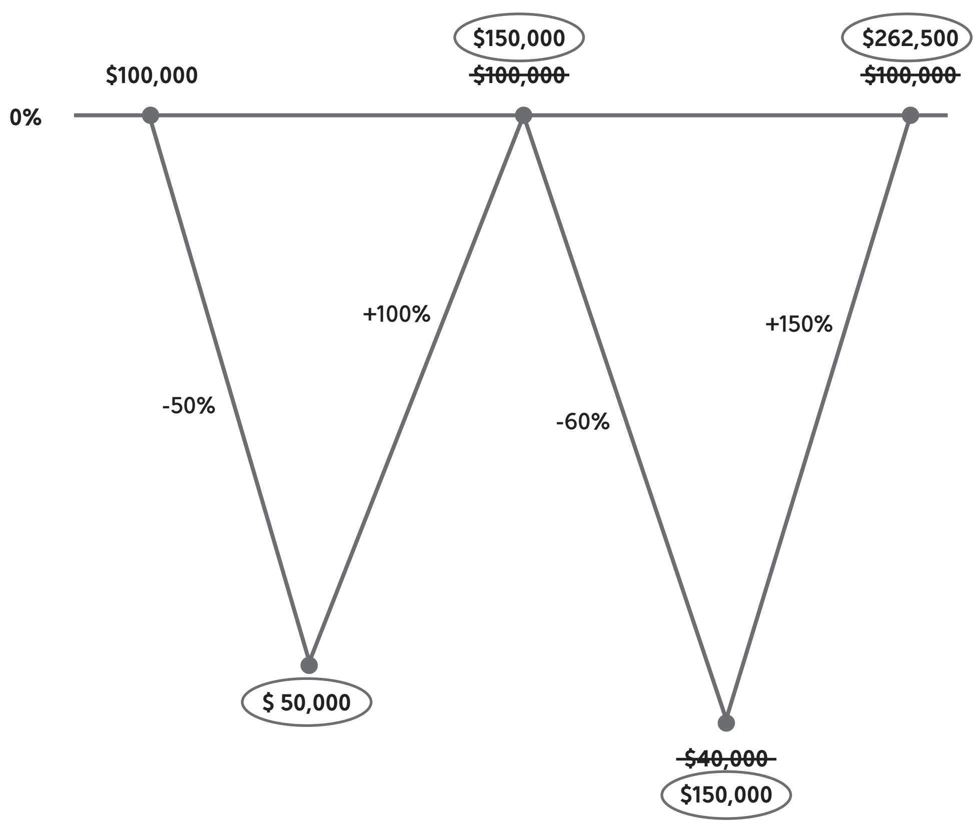
Let's look at this a different way. If we could capture some of this upside and limit this downside, would you be interested in hearing about it? Let's assume we could capture 50 percent of the upside but avoid all of the downside. Let's go back to our example using $100,000.

If we have $100,000 and the market loses 50 percent, but we avoid all of the downside, how much do we have? $100,000. Since we have protection on the downside, we have to give up some of the upside, so we only get 50 percent of the upside earnings. Sound fair enough? If we could capture 50 percent of the upside and the market gœs up 100 percent, how much do we have? $150,000. Market gœs down 60 percent and we have a guarantee against market loses, how much do we have? $150,000. Market gœs up 150 percent and we get 50 percent of the upside. How much do we gain? 75 percent. What's 75 percent of $150,000 - $112,500? Our $150,000 has now grown to $262,500.

In a time frame of 13 years, which could be the first 13 years of your retirement, the S&P 500® effectively earned zero, but if you'd positioned your money to limit the downside risk and capture just some of the upside your $100,000 would have grown to $262,500 in the same time frame. This is what we do with a portion of your assets during retirement. There are alternatives to being 100 percent in the market, which we do not believe is the smart choice when retiring, but fortunately there are financial products that allow for interest credits to be based off market performance, while also protecting from losses due to market fluctuations.

FIA Whiteboard Presentation





"Become a Symphony Conductor"

Fabian Guerra

For clients to understand what a financial advisor does, I paint a picture for them:

If you attend a symphony or an orchestra performance, before the conductor comes out, everything's going crazy as you're sitting there listening to the instruments warm up. You see the violins on the left-hand side, the cellos on the right and other brass instruments all around, and they're all playing different notes at a different time in different measures – they're going crazy before the actual symphony starts and before they actually start playing the music. But then, out of the corner walks the conductor with a little stick. The moment he stands up on that little podium and clicks the baton on the music stand in front of him, the orchestra gets quiet and gets ready to play.

That's what we do. We're that conductor. Our goal is to be the conductor for your orchestra. You come in here with a CD, with real estate, with money in the bank, possibly with money under your mattress. There are so many things going on, it's like cats fighting for what's more important, what's not important, or where should you take income from. At the end of the day, we're the conductor, we're ready to manage your entire financial picture. We just want you to sit back, relax and enjoy the music.

We're ready to manage your entire financial picture. We just want you to sit back, relax and enjoy the music

"Defined Benefits and Pittsburgh Sports"

Dave Hickey

We'll have people come into our office who will lay out their paperwork and to show they have one, two or even three 401(k) plans, and they've left them with their old employers. Here's how we handle that conversation:

Look, when you leave your old money in your 401(k), you have very, very limited options. You do not have the whole wealth and scope of what you can invest in and do, unless you rolled it into your own IRA we can help you manage.

Suppose you're a big sports fan of Pittsburgh. We have three major teams: Pirates, Penguins and Steelers. When you stay in your old 401(k) and you have to stay in that one lane, it's basically like saying you can only go to Pirate games and you can only sit in the outfield. And nobody really wants to go to Pirate games and sit in the outfield anymore – they're not very good.

If you move it into your own IRA, you now can decide what games you want to go to and you can decide where you want to sit, and you have a whole wealth – literally – of options available to you.

Normally, at that juncture, they say, "Well, what does it cost to make that move?" And the cost, of course, is zero.

This example is only appropriate for use by properly licensed investment advisers. Discussions of securities and securities transactions by those lacking the appropriate registration places their insurance license at risk.

"Rapid-Fire Questions"

Daniel Rey

PRODUCER:	[CLIENT 1], what I'm going to do is ask you a series of questions. I need you to answer loudly and as quickly as you possibly can. Do you think you can do that?
CLIENT 1:	Yes.
PRODUCER:	How many bedrooms do you have in your home?
CLIENT 1:	Four.
PRODUCER:	How many bathrooms do you have?
CLIENT 1:	Three.
PRODUCER:	How many different levels do you have in the home?
CLIENT 1:	Two.
PRODUCER:	Do you have a garage?
CLIENT 1:	Yes.
PRODUCER:	Do you have a pool?
CLIENT 1:	No.
PRODUCER:	What color is your home?
CLIENT 1:	It is beige.

OK. Good job. [I usually, I have a little trinket. I give them a little gift, thanks for helping out, because once somebody gets involved at the seminar, everybody thinks that they're going to get involved at some point.]

Our whole lives, we're told that your home is the most valuable asset you'll ever own. I think everybody was well-intentioned, but I'm here to tell you that they were all wrong. Because your home, you can downsize, you can outgrow, you can move away, you can have one of these storms that comes and takes the roof off, but your retirement, that's going to last you the rest of your life, whether you move across the world, whether you live until you're 105, it's going to last you or should last you the rest of your life.

If I were to ask anybody in this room detailed questions about how their retirement benefits work, whether it be through their employer, through the government, their personal investments, do you think you'd be able to answer those questions as quickly as [CLIENT 1] was able to answer the questions about the second most valuable asset he'll ever own?

My goal is when we get together, you're going to know those detailed questions about the most valuable asset you'll ever own. And then, we'll share with you our process. For everyone in here that has a home, even if you don't live in a home, wherever you live, at some point, when the notion of that place came into mind or came into thought, a plan was put in place. So, if the second most valuable asset that you will ever own had a plan put in place, why wouldn't you have a plan put in place for the most valuable asset you will ever own?

Note: This is done during a seminar. The producer always dœs the rapid-fire with the "meanest" looking person, the least engaged, to get them really engaged, because if that person is engaged, the rest of the audience is engaged.

If you spend the whole trip looking at the gas gauge, it's going to be a miserable trip.

"Death Valley Vacation"

Tom Mosley

At the end of my seminar, after I've had people sign up for appointments and everything and they're all at the back scheduling those appointments, I tell them a story about a family going on vacation to Death Valley. I say:

Let me tell you a story of a family from right here in Anaheim. They always wanted to go see Death Valley. It was a family: mom, dad and three little kids. They rented an SUV one Friday night, got in the car and took off to Death Valley. They get to Baker where the gigantic thermometer is, marking the fork in the road. (If you've ever driven to Las Vegas, you've probably seen this gigantic thermometer.)

If they turned right, they'd end up in Las Vegas and likely waste plenty of money. If they turned left, they'd head toward Death Valley. They turned left.

The dad looked over after they went over a little hill and said, "Look, there's a lake over there." Was it really a lake? No, it was a mirage they were looking at. The kids were loving it, and the mom said, "You know, on those mountains up there, one of those peaks is Mount Whitney. It's the tallest point in the continental United States." They were all having a great time. They went to the Visitors Center of Death Valley and walked around. Then the kids got snively because it was 110 degrees, so they piled back into the rented SUV and on the road back to Baker. They saw a sign that said: "Nearest Services: Baker, 107 miles."

The dad looked down at the gas gauge in this rented SUV, and it was halfway between empty and a quarter of a tank. How many eyes do you think were still looking for Mount Whitney? How many eyes were looking at the mirage? None. All eyes in the car were looking at the gas gauge to see if they were going to run out before they got there.

Now let me tell you some good news: That's not a real family. However, the bad news is: every one of us in this room are headed to Death Valley. If you spend the whole part of your trip looking at the gas gauge to see if you're going to run out before you get there, it's going to be a miserable trip. That's why our company, for 24 years, has made our mission to help make sure you don't run out of gas before you get get to the end of your retirement journey.

"Counting Poker Chips in Retirement"

Nick Royer

Do you know what these are? [shows poker chips to the audience] Poker chips. Right. So, imagine you're in Las Vegas. What happens if you spend your last poker chip? You whip out the ATM card and go down to the machine – you go get money, so you can have more chips to play.

Well, when it comes to retirement, what you have is what you have. You've stopped working, and this is it. How do we get this to last as long as you do? We don't know how long you're going to live, but we do know a couple things. If this is what you have, what happens when the stock market is down and a few of these things go away? [takes a few poker chips away] What happens when you have taxes? [takes more poker chips away] A few more of those things go away. And of that stack that you once had, this is all you really have left, [half the stack of poker chips] and this is what you have to use to get you to and through retirement, no matter how long you live. Well, what happens if you live to age 90? What happens if you spend more money than planned, and now you have virtually nothing left?

Now, you have to be dependent. We don't want to be dependent on anybody, do we? We want to be independent in retirement. We want to be able to make decisions on our own. We don't want to be dependent on the kids or anyone else. But if we plan incorrectly we might not have much left.

The right retirement strategy is the difference between running out of money during retirement, or not. It's the difference between paying unnecessary taxes, or not. It's the difference between having a stock market crash crush you, or not. Because ultimately, what we want to do is know exactly what you have when it comes to retirement. Our whole focus is to try and keep as much of this in your pocket as possible, so that you can live the retirement you want to have, on your terms – not somebody else's. Not the government, not the stock market, but your choices.

It's the difference between paying unnecessary taxes, or not. It's the difference between having a stock market crash crush you, or not.

“Talking Taxes Before Your 70½ Birthday”

Scott Winstead

Nine out of 10 times, taxes come up during our seminars. “How do I lower my taxes?” What we have found, at least in our area, is a lot of people with IRAs and 401(k) plans are going to leave all the money in those accounts until they are 70½, because that’s what they’ve been told to do, and there’s no reason to take it out before then.

I relate a story to them, and I ask them pretty simply: “By a quick show of hands, who in here owns a home?” Everybody’s hand goes up. And I’ll say, “Great. When you bought that home, did you have to take a mortgage out at a bank?” Most people say yes. Then, I’ll say, “Who would want to role-play a conversation with me?” And I’ll call on someone.

PRODUCER: [CLIENT 1], so you had to take a mortgage out. Let’s pretend I’m the banker [jokingly] – don’t hold that against me – and you come into my bank because you need a mortgage to buy a house. How much do you want? Make it up, any number.

CLIENT 1: $400,000.

PRODUCER: $400,000. All right. So, do you want 15 or 30 years to pay me back?

CLIENT 1: 30.

PRODUCER: 30. OK. Here’s the way my bank works, [CLIENT 1]. You don’t have to pay me anything for 30 years, OK? But in that 30th year, you have to pay me back the $400,000, plus what?

CLIENT 1: Interest.

PRODUCER: OK. Now I don’t know in 30 years how much interest I’m going to charge you. It’s going to be any number I choose. But just trust me, you’re going to pay. Do you want my mortgage?

CLIENT 1: No.

PRODUCER: Would anyone take that mortgage? No.

Well, if you’ve ever saved any money in a 401(k), or IRA, or Step IRA, or 403(b), or 457, you took the loan. Because here’s what the IRS said. They said: “You’re going to put all your money in that account, and you’re not going to pay anything on that. You’re going to take all the risk. You’re going to pay all the fees, and you’re going to owe all the taxes.” How many of you all got in writing what the tax rates are going to be on your 70½ birthday? None of us. But, the IRS said: “Trust us, you’re going to pay.” And your brokers aren’t going to tell you to take this money out before then, because how do they get compensated? By keeping the money in.

If you don’t believe taxes are going to be higher over the course of your retirement, why are we waiting for the federal government to dictate your tax rates? Why don’t you start getting money out of the accounts and into tax-free financial products today?

This example is only appropriate for use by properly licensed investment advisers. Discussions of securities and securities transactions by those lacking the appropriate registration places their insurance license at risk.

"The Cruise Ship Analogy"

Michael Martin

During our seminars, we talk about different tools that you can use in retirement. I usually list them on a whiteboard and talk about stocks being up here, cash being down there and then a bunch of different options in between. We'll use mutual funds, ETS, variable annuities, etc. One of the biggest objections is someone will tell me that they hate annuities – before I even mention it.

One of the main objections to annuities are the fees. If they knew anything about fixed index annuities, they might feel little bit more comfortable with it, but they just heard that they can be very high in fees. One of the things I do is start talking about my love of cruises. What you shouldn't do on the cruise is eat too much. What you should do is unplug. Anybody else like going on cruises? Raise your hand.

Let's consider this analogy, which isn't intended to fully explain any financial product, but really give us a starting point to have a conversation…

a. Do you like taking cruises? Of course, most folks do.

b. Let's say I'm a travel agent and I have two cruises to offer you.

c. A $7,000 cruise with seven stops total. It's a full agenda cruise.

d. A $9,000 cruise with the same stops, same boat, same amenities.

e. Which would you take? The $7,000, of course.

f. What if I said the $7,000 boat didn't have any life rafts, but the $9,000 boat had some. Which would you take?

g. You see that's really the difference between being all in the market and a variable annuity.

h. The stock market gives you all the "stops" on the cruise or all the upside, but no protection from downside losses.

i. Variable Annuities can give you all the same "stops" or upside but may have features that give you some protection from the downside, such as guaranteeing that you will receive at least a certain amount of income each year even if the investments lose money. The trade-off is a higher cost in the form of fees. Make sense?

j. Let's say I have a third cruise option for you. This cruise has the same boat and amenities. However, it has only five of the seven stops the other ones have. Also, while the second cruise had a few life boats, this cruise has enough for every passenger on board. The cost of this cruise is $7,000 just like the first. Would you choose this one instead?

k. This is how a second type of annuity works, called a fixed index annuity. It has a few less stops, or upside potential, as the first two options. However, it comes with principal protection from downside losses, typically with a lower cost. Interest earnings from a fixed index annuity are linked to the performance of an external market index. This means you are earning interest without actually participating in the stock market. The amount of interest you receive from a fixed index annuity can vary, and there is a limit on how much interest you could earn. Of course, this analogy isn't a full description of all the financial products we discussed, but would you be interested in learning more about those?

ADVISORS EXCEL

For financial professional use only.

These stories are provided as examples. Stories told at seminars or any part of the sales process must reflect the experiences, and licenses a producer personally holds. Producers are ultimately responsible for the implementation of these materials and should be aware of the compliance requirements of any broker-dealer or Registered Investment Adviser with which they may be affiliated.

AE608683