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Signature Estate & Investment Advisors LLC
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Must I lower retirement expectations?

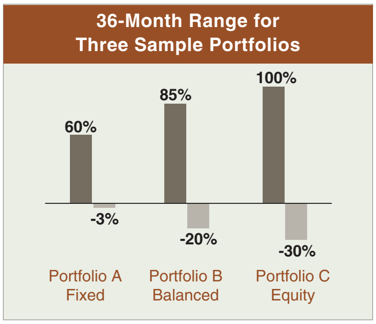
By Theodore E. Saadé

Investors nearing retirement are understandably shell-shocked by recent equity losses and market volatility. However, markets are historically cyclical, and One must be prepared to participate in both the upward and the downward market trends. A few short years can have a huge impact on One's portfolio and corresponding post-retirement lifestyle. Today's longer life expectancy dictates that One should plan on enjoying more years in retirement than the preceding generations. Facing heavy losses over the past few years, coupled with economic uncertainty for the next few, many Investors wonder if They will have to reduce Their standard of living in the supposed golden years. Those planning to retire within the next five years are likely to feel a greater impact.

One must consider both the span and the quality of One's desired retirement lifestyle, and plan accordingly. Key factors must be addressed including, but not limited to: the length of time until retirement; One's income needs in retirement; the type of life One wishes to lead in retirement; and the size of the estate needed to achieve desired goals.

Investors with fewer years to reach retirement will need to manage Their assets differently than Those with a longer time horizon. With less time to go through a complete market cycle, One will have a lesser duration to recoup any market losses, past or future. Such investors often consider a more conservative allocation; One might choose a portfolio mix that would be less impacted by expected market downturns. However, this might impact the level of income that would be available to maintain the desired lifestyle. Consider the following when assessing Your situation:

1. Does One simply make an emotional decision to abandon One's long-term goals and objectives, accepting what assets currently remain to quell One's emotional fears? If so, there will be a guaranteed reduced standard of living with no possibility of recouping any of the sustained market losses. Definitely not recommended advice.



Above graph shows hypothetical results of three sample portfolios over one-year and three-year holding periods; graphs show best potential gains and worst potential losses for each portfolio and time horizon.

2. Does One allocate a portion of the portfolio to higher-yielding assets and so-called risky investments in an attempt to recover losses, hoping to build the estate back to its level prior to the market downturn? One should readdress both short- and long-term goals and objectives and build a corresponding overall estate and financial plan. This should satisfy both current and future financial desires, keeping in mind that certain opportunities do exist in specific market segments that have been artificially depressed due to overall negative consumer sentiment versus factual financial data.

3. One needs to evaluate personal goals and desired lifestyle, the available assets, and One's real risk tolerance in the light of recent market volatility. The idea here is to take a step back and reexamine the composition of the overall estate, paying close attention to the ratios that have been committed to each asset class/investment vehicle. This will not only assist in reducing the impact of economic cycles that have existed in the past and will surely continue to occur in the future, but will also allow for the addition of certain tactical asset classes that could provide gainful opportunities in a time of artificial crisis.

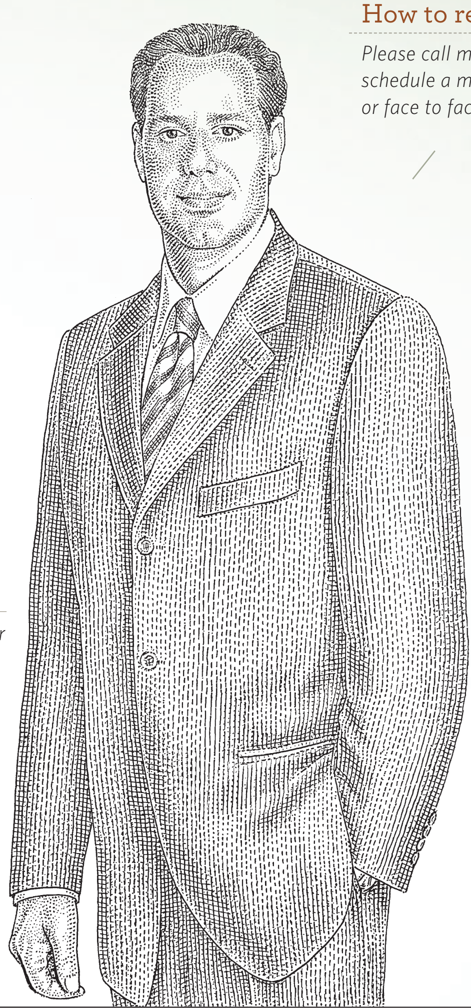
Regardless of how One chooses to invest, the key is an appropriately balanced allocation coupled with strategic sector exposure, strategically designed to fall within the framework of overall risk tolerance and estate composition. Your advisor should create a customized plan that should help:

- Meet Your personal goals and objectives while staying within the limits of Your acceptable volatility restrictions.
- Maximize participation in the market upside by taking advantage of sector rotations.
- Minimize Your downside by building Your appropriate strategic asset allocation.

Options do exist to make up for current sustained losses and to keep Your retirement expectations on track. Your wealth advisor should have a vested interest in Your continued financial well-being and should be fully aligned with You, The investor. The ultimate goal should be to maintain a mutually beneficial long-term relationship based on Your continued success.

"You must carefully consider the span and quality of your desired retirement lifestyle and plan accordingly."

– Theodore E. Saadé



How to reach Theodore E. Saadé

Please call my office at 310.712.2323 to schedule a meeting, either over the telephone or face to face.

WHAT'S ON MY DESK…

Two computer monitors, phone, iPad and trade publications

I NEVER LEAVE HOME WITHOUT…

Wallet, keys, iPhone and a bottle of water

MY HOBBIES ARE…

Traveling, skiing, exercising and spending time with my family

About Theodore E. Saadé

Theodore E. Saadé has been in the financial services industry since 1995. He joined Signature Estate & Investment Advisors LLC in 1997 as the firm was opening its doors. In less than 10 years, SEIA reached the milestone of $1 billion in assets under management. Mr. Saadé is a Certified Financial Planner, Accredited Investment Fiduciary and a Chartered Mutual Fund Counselor. He received a bachelor's degree in economics with a specialization in biochemistry from the University of California, Los Angeles. Mr. Saadé specializes in overall wealth and investment management strategies for affluent individuals, foundations and corporations. A long-time resident of Los Angeles, he is involved in multiple charities throughout Southern California.

Assets Under Management
$2.1 billion (firm, as of 7/31/11)
$150 million (Saadé, as of 7/31/11)

Minimum Fee for Initial Meeting
None required

Minimum Net Worth Requirement
$5 million (Private Client Group)
$2 million (estate planning)
$500,000 (investment services)

Largest Client Net Worth
Confidential

Financial Services Experience
16 years

Compensation Method
Asset-based and fixed fees

Primary Custodian for Investor Assets
Charles Schwab & Co

Professional Services Provided
Planning (estate, retirement, corporate, income tax and insurance), investment advisory and money management services

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