3 Oaks Partners
INVESTMENT COUNSEL

A PRIVATE CLIENT GUIDE TO RETIREMENT INCOME

Modern Guardrails & The War Chest

A steadier way to turn a lifetime of savings into dependable retirement income.

Greg Newman, CFA, CIMA
Founder & Chief Investment Officer

OUR STARTING POINT

Your retirement income should fund your life, not put it on a leash.

Most retirees do not run out of money. They run out of permission to spend it. They hold back through their healthiest, most active years because no one ever told them, with real conviction, how much was actually safe to spend.

We build you a Total Retirement Income Plan (TRIP), a more dynamic method designed to remove that doubt. It pairs dependable monthly income with a cash reserve sized to outlast a downturn, so your income can hold steady even when markets do not. The result is a plan you can live on, and live with.

> *"We pursue outcomes, not benchmarks."*

THE PROBLEM

The 4% rule was built for a spreadsheet. Good news: you can do better in real life.

Designed for the way real lives unfold

For decades, retirees have been pointed to rigid withdrawal rules that assume spending stays flat, markets behave, and life moves in a straight line. It never does. A fixed rule cannot tell you when it is safe to spend more, and it cannot tell you when a small adjustment today prevents a painful one later.

The cost of that rigidity runs both ways. Some retirees spend too freely early and put their later years at risk. Far more do the opposite. They underspend out of fear, leave their best years unlived, and pass on wealth they could have enjoyed. A better system has to do two things at once: keep income steady, and adapt as your life and the markets change.

3 Oaks Partners
INVESTMENT COUNSEL

01

The Retirement Income Problem

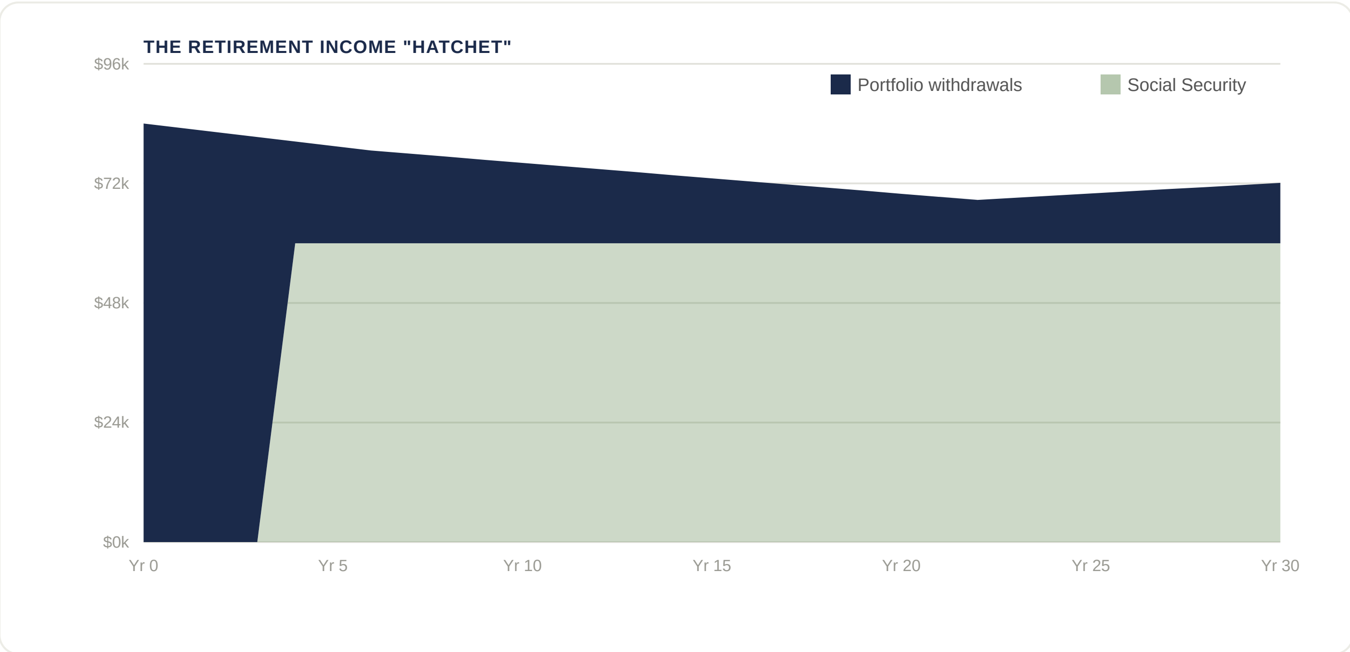
Why the old rules of thumb fall short for real retirees.

TWO FORCES MOST PLANS IGNORE

Real spending is not a straight line. Neither is real risk.

Spending follows an arc. Retirement tends to unfold in three acts. The active "go-go" years come first, when travel and family plans run highest. Spending then settles in the "slow-go" middle years, not from sacrifice but from a simpler rhythm. It rises again late, as healthcare and care needs take over. Economists call this the retirement spending smile.

The order of returns matters. Once you start withdrawing, the sequence of returns can matter more than the average. A weak first decade forces you to sell more shares at low prices, and the portfolio may never recover, even if long-run average returns look fine. This is sequence-of-returns risk, and it is the quiet threat to most retirement plans.



Actual retiree income often forms a "hatchet": higher portfolio withdrawals early, a step down once Social Security begins, then a long, gentle taper. A static rule fits none of this.

WHY STATIC PLANS BREAK

Rigidity creates a cascade of avoidable problems.

The 4% rule is too rigid

It sets one withdrawal rate at the start and never adapts to your portfolio, your health, or how your life actually goes.

Old guardrails cut too hard

Fixed-band systems can demand sudden 10% spending cuts the moment a portfolio touches a threshold, jarring your lifestyle for no good reason.

Monte Carlo leaves you guessing

A probability of success is not a decision. It tells you the odds, not what to actually do this month, and it often feeds fear-based underspending.

Fear drives underspending

Without clear, flexible guidance, most retirees play it too safe and quietly forfeit the experiences their healthiest years were meant for.

3

distinct spending acts in a typical retirement

1

withdrawal rate that the old rule never revisits

0

spending decisions a probability score actually makes for you

3 Oaks Partners
INVESTMENT COUNSEL

02

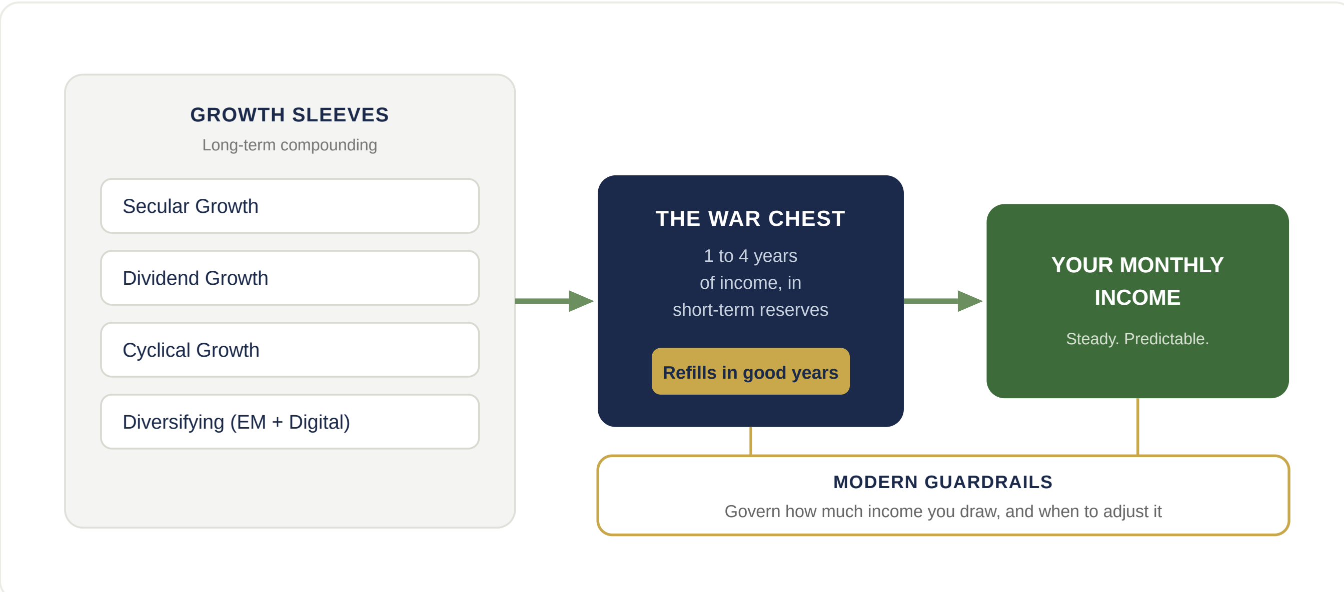
Two Systems, One Outcome

The War Chest tells your income where to come from. Modern Guardrails tell it how much, and when to adjust.

THE TOTAL RETIREMENT INCOME PLAN (TRIP)

How your retirement income actually gets made.

Most income strategies do one job. Ours connects three. Growth sleeves do the long-term compounding. The War Chest holds the near-term income in reserve. Modern Guardrails decide how large your income should be and when a small adjustment is warranted. Each part covers a weakness in the others.



The Total Retirement Income Plan (TRIP). Growth feeds the reserve, the reserve funds your income, and the guardrails keep the whole plan on course.

PILLAR ONE

The War Chest: one to five years of income, ready before you need it.

Traditional plans bury your safety in a bond allocation that still carries duration and credit risk. We take a different path. Think of the War Chest as one deliberate step out on the risk spectrum from a bank account or CD. It is not FDIC insured, but it is built for minimal interest-rate and market sensitivity. Returns vary, typically in the 4% to 8% range, and the reserve is intentionally designed to limit the chance of a negative year.

That single design choice is what tackles sequence-of-returns risk. When markets fall, your income can come from the reserve rather than from selling growth assets at depressed prices. That reduces the pressure to sell growth at an inopportune time simply to meet liquidity demands, and your long-term holdings get the time they need to recover. In good years, the reserve refills.

- Income runway of one to five years, set aside in advance
- A place to draw from in down markets, reducing the pressure to sell growth at an inopportune time just to meet cash needs
- Dry powder to deploy when down markets create opportunity
- A dampener on overall portfolio volatility

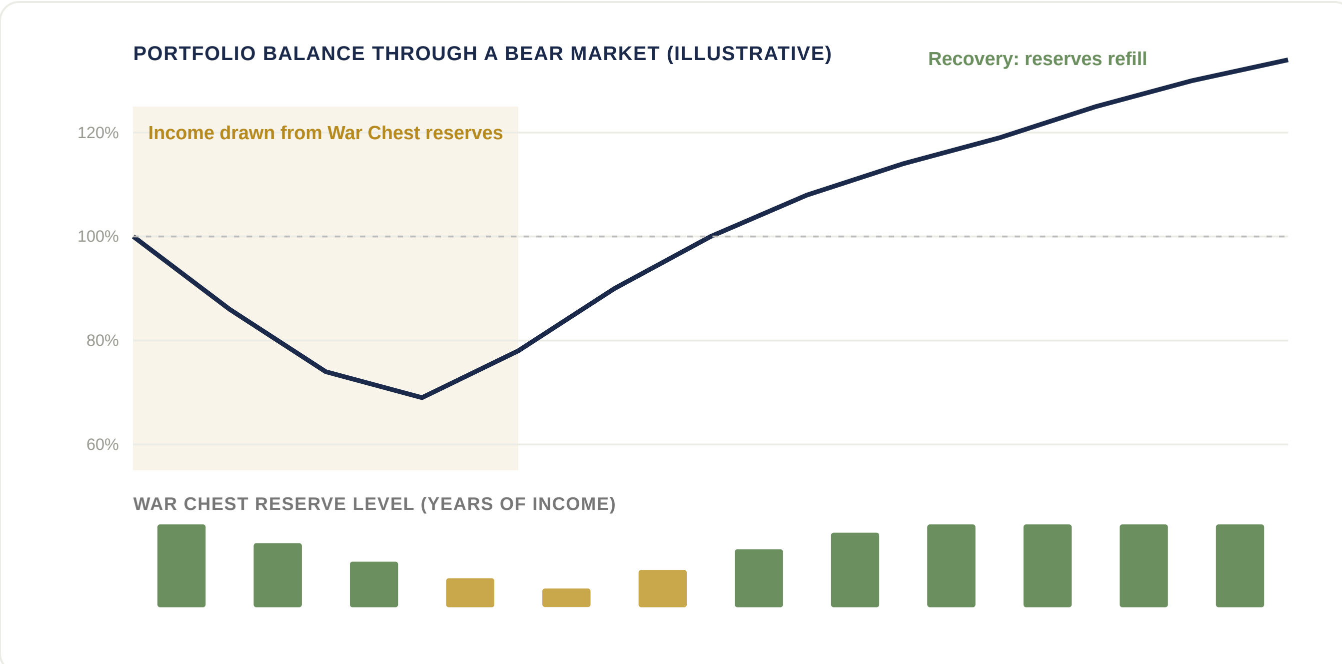
REPRESENTATIVE RESERVE INSTRUMENTS

T-Bills | Ultra-short income | Floating-rate income | Structured notes | Volatility-harvest strategies

Representative only. Holdings are actively managed and change over time. The War Chest targets returns above cash with limited drawdown risk over one-year holding periods. It is an objective, not a guarantee.

THE WAR CHEST AT WORK

A down market is a withdrawal problem. The reserve solves it.



In the early years of this illustration, the portfolio falls. A retiree without a reserve may have to sell shares into that decline to fund spending, locking in losses and thinning the base that has to recover.

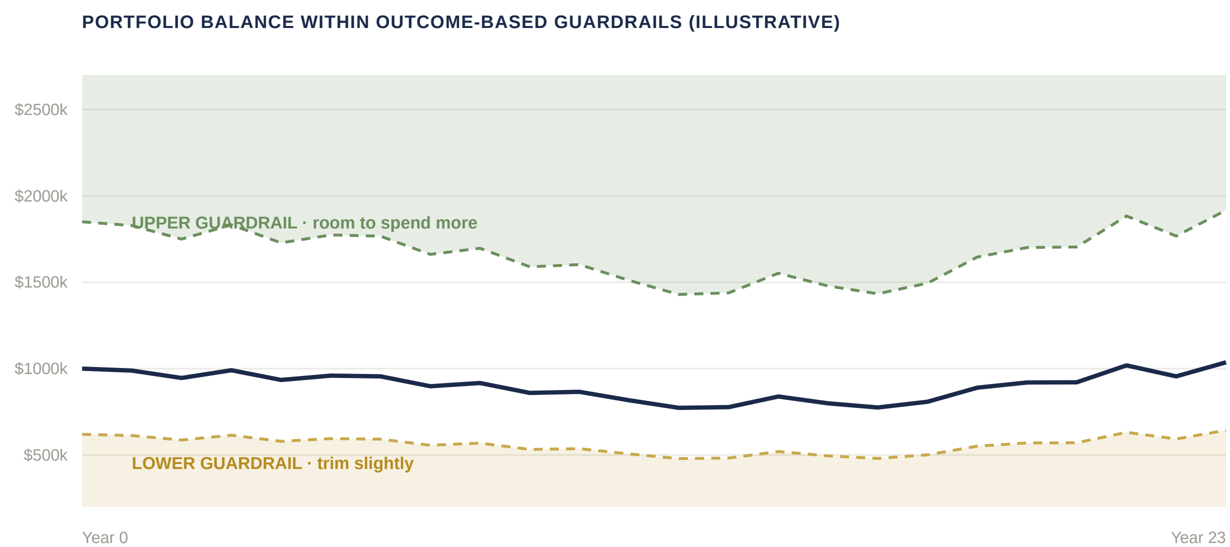
With the War Chest, income can flow from the reserve through the drawdown. Growth holdings can stay invested, the recovery does its work, and the reserve refills as conditions improve. Same market. Very different experience.

PILLAR TWO

Modern Guardrails: income that adjusts before it has to.

Your plan sets two boundaries, an upper guardrail and a lower one. These are outcome-based, tied to the health of your plan, not to the daily mood of the market. As long as you stay comfortably between them, nothing changes. You simply spend, as planned. Stay the course, you are on track, and we will check back in a few times a year.

When your trajectory drifts toward a boundary, the system flags a measured move. At the upper rail, your portfolio can comfortably support a spending increase of roughly 5% to 10%, projected across the rest of your retirement. Near the lower rail, a decision to tap the War Chest, or alternatively a temporary trim of about 5% protects you from a deeper cut later.



Powered by Income Lab, an institutional-grade retirement income engine that re-evaluates your plan monthly using current portfolio, market, inflation, and spending data, and stress-tests it against real historical downturns.

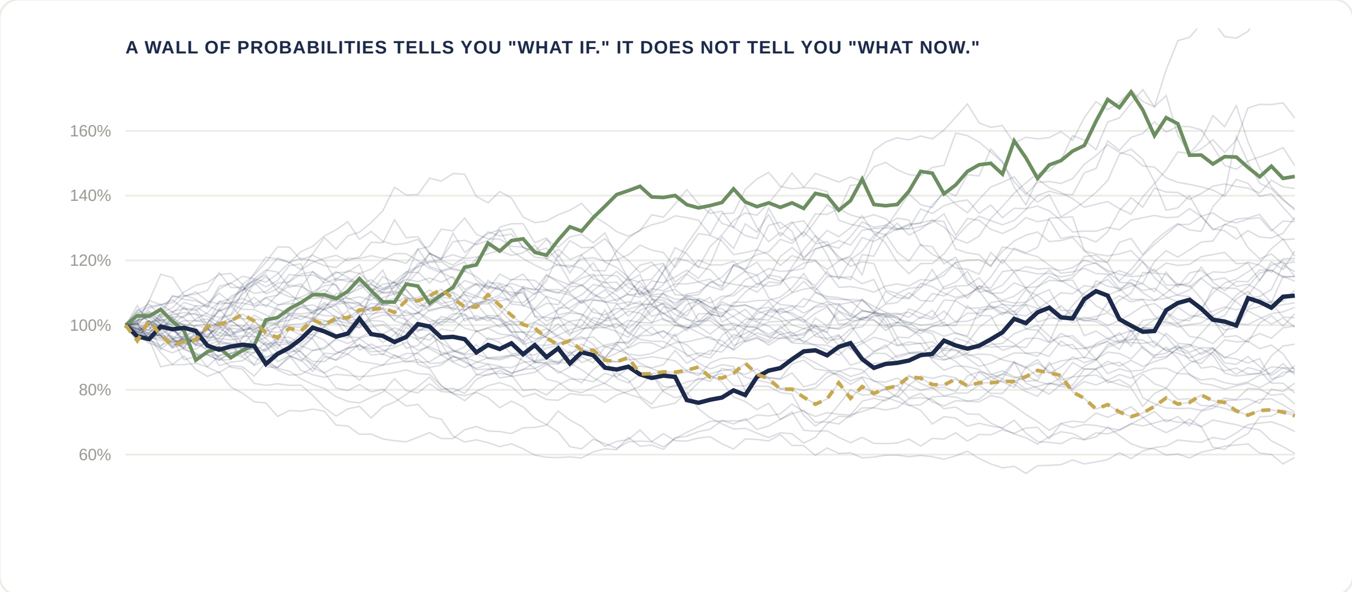
A stitch in time saves nine. Small corrections made early beat large ones made in a panic.

SMALLER, SMARTER CORRECTIONS

Not all guardrails, and not all simulations, are equal.

Older guardrail systems such as Guyton-Klinger rely on fixed withdrawal bands and can call for abrupt cuts of around 10% when a portfolio hits a level. They react to the portfolio, not to the plan. Our guardrails are risk-based and forward-looking, which produces gentle course corrections instead of sharp shocks.

The same logic applies to simulation. A static Monte Carlo throws hundreds of probability lines at the wall and assumes conditions never shift. We use regime-based simulation and historical stress tests, then translate the result into one clear answer: spend the same, spend a bit more, or trim slightly.



A probability chart is a breakthrough that stops one step short. It shows the odds, but not the decision. We replace "what if" with "what now."

WHERE IT ALL COMES TOGETHER

Where most plans break, this one holds.

Walk through a bad market with both systems running, and you can see why they belong together.

1. **The market falls.** A guardrail-only plan might still tell you to trim. A reserve-only plan still has to decide how much to spend. Neither is complete on its own.
2. **Guardrails set the dial.** Because the rails read plan health rather than headlines, most downturns call for no change or a small, temporary trim, not a drastic cut.
3. **The War Chest funds you.** Your income is drawn from short-term reserves, reducing the need to sell growth holdings into weakness.
4. **Growth recovers, reserves refill.** When markets turn, the long-term sleeves are still fully invested to capture it, and the reserve is replenished for the next time.

The guardrails tell you how much spending capacity you have.
The War Chest tells you where to take it from, and when.

THE LAYER MOST ADVISORS SKIP

Income is half the equation. Taxes are the other half.

A steady, well-designed, multi-layer income stream still leaks value if it is taxed poorly. Our Multi-Decade Tax Strategy treats your accounts as one coordinated system across your lifetime and your heirs.

Right asset, right account

Higher-growth holdings favor Roth and taxable accounts. Lower-volatility income favors traditional accounts. Location alone can change your lifetime tax bill.

Roth conversions and bracket filling

We use lower-income years to convert and fill brackets deliberately, smoothing taxes across decades rather than absorbing a spike at RMD age.

RMD and IRMAA awareness

We plan around required distributions and Medicare premium thresholds so a good year does not trigger an avoidable surcharge.

Efficient transfer to heirs

The same moves that lower your taxes can shrink the tax your children inherit, turning account structure into a legacy decision.

> *Most retirees don't overpay tax in a single year. They overpay across thirty of them.*

WHY 3 OAKS PARTNERS

You work with the investor who manages the money.

At most firms, the person across the table is a relationship manager presenting a portfolio built by a committee that has never met you. At 3 Oaks Partners Investment Counsel (TOPIC), you work directly with the Chief Investment Officer who designs and runs the strategy. That is the difference between being managed and being known.

3 Oaks Partners intentionally limits the practice to fifty (50) retiree households so every relationship remains personal and every plan receives the attention to detail it deserves. This allows us to deliver institutional-quality investment management with the care, responsiveness, and craftsmanship that are often lost in larger firms.

Direct CIO access

Built and run by your advisor, not a remote model desk.

25+ years institutional

A 25+ year career managing institutional portfolios at major trust and asset-management firms.

Fee-only fiduciary

No commissions. No product sales. No annuity quotas. Your interests, full stop.

Skin in the game

Every security in client accounts is held personally. We invest alongside you.

High active share, low turnover

Genuine conviction positions, not a closet index that charges for beta.

Capped at 50 households

Our boutique private client group is limited by design, so the attention to detail is never spread thin.

You didn't work this hard to be Standard and Poor. So why invest like it?

3 Oaks Partners
INVESTMENT COUNSEL

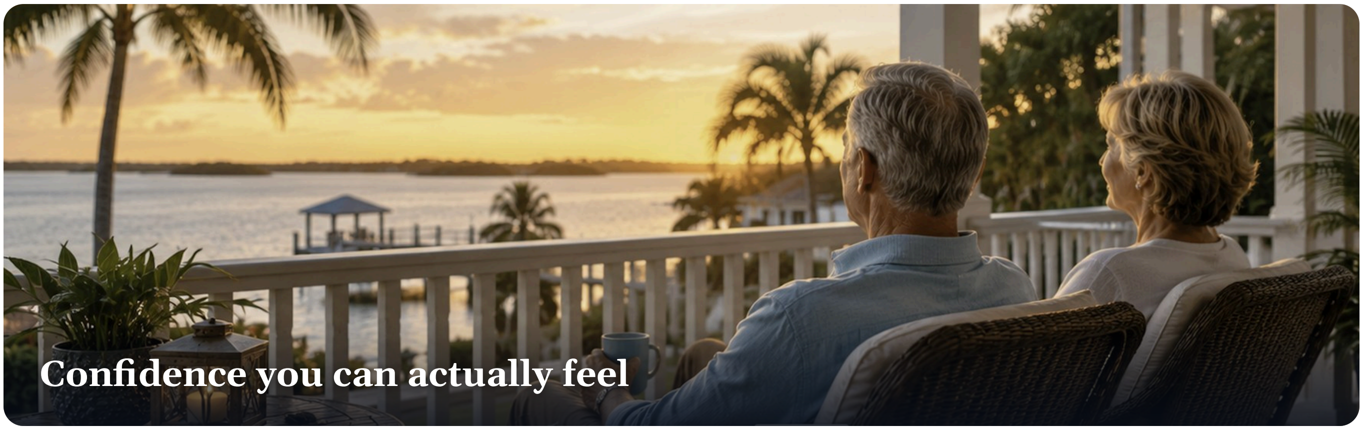
03

Confidence in Every Season

Spend wisely. Adjust early. Live fully.

THE REAL PAYOFF

Stop asking "will we be okay?" Start asking "what's next?"



Most retirees carry the same quiet questions. Can we really afford this trip? Should we help the kids? What happens if the market drops again? Without a system, those questions get answered by anxiety, and anxiety almost always says spend less.

A guardrail and War Chest reserve plan answers them with something better than a gut feeling. It answers with data tied to your own goals, refreshed every month. You stop second-guessing every decision, because the plan already told you where you stand and what, if anything, to do about it.

YOUR NEXT STEP

See where you stand.

There is no pressure here, and no obligation. The point is simply to find out whether your situation is a good fit for our private client group approach. There are two easy ways to begin, and both are free.

OPTION 1 · FREE

Take the Retirement Readiness Scorecard

Complete the short, self-guided assessment on your own. It scores your income plan across what matters most: spending sustainability, sequence-of-returns risk, tax efficiency, and reserve coverage. See your gaps in minutes, then book a call to review them with us.

OPTION 2 · FREE

Start with a Retirement Readiness Interview

Would rather just talk first? Begin with a 30-minute conversation, in person or by phone, and we will walk through your situation together. A relaxed, no-pressure way for both of us to see whether we are a good fit.

Raising the next generation of investors? Ask about the **First $100K Club**, our legacy offering for the children, grandchildren, and heirs of client families.

Start at 3OaksPartners.com

IMPORTANT DISCLOSURES

Disclosures

3 Oaks Partners Investment Counsel (TOPIC) is an investment adviser registered with the appropriate securities regulators. Registration does not imply a certain level of skill or training. This material is provided for educational and informational purposes only and does not constitute investment, tax, legal, or accounting advice, nor an offer or solicitation to buy or sell any security or to engage any service.

All charts, figures, and scenarios in this guide are hypothetical and illustrative. They are intended to explain concepts only. They do not represent the actual performance of any client account, portfolio, or strategy, and they are not a projection or guarantee of future results. Investing involves risk, including the possible loss of principal. Past performance is not indicative of future results.

"War Chest," "Modern Guardrails," "Confidence Corridor," "Total Retirement Income Plan (TRIP)," "Retirement Readiness Scorecard," "Retirement Readiness Interview," and "First $100K Club" refer to proprietary planning frameworks and service offerings of the firm. Stated objectives, including reserve return and drawdown characteristics, are targets and goals, not guarantees, and may not be achieved. Reserve holdings are actively managed and subject to change without notice. Any securities referenced are shown as representative examples and should not be considered recommendations.

Modern Guardrails are implemented using third-party retirement income technology, including Income Lab. Such tools rely on assumptions and data that may prove incorrect, and their output should be considered alongside professional judgment. Tax strategies, including Roth conversions and bracket management, depend on individual circumstances and current law, which is subject to change. Consult your own tax and legal professionals before acting.

3 Oaks Partners
INVESTMENT COUNSEL

727-607-0667 · 1901 Ulmerton Rd, Suite 625-304, Clearwater, FL 33762 · www.3OaksPartners.com

3 Oaks Partners
INVESTMENT COUNSEL

Standard & Poor shouldn't define your financial future.

727-607-0667 · www.3OaksPartners.com
1901 Ulmerton Rd, Suite 625-304, Clearwater, FL 33762