FUTURE COST OF RETIREMENT INDEX AND FUND

ABSTRACT

A future cost of retirement index is used to quantify the present value of future income. The future cost of retirement index provides a way for an investor to quantify the present cost of funding a secure future income for retirement. Upon establishing a cost of retirement index that quantifies a present value of future estimated investment returns, an investment funds track the index. This permits an investor to accumulate funds that approximate an amount needed to purchase, at a future time, a defined income stream for life. Because the future cost of retirement index fund is not itself an annuity, but is merely a tool that can be used to acquire sufficient assets to purchase an annuity, a future cost of retirement index fund facilitates retirement planning while also preserving asset liquidity.

FIG. 4