



## INVESTMENT U RESEARCH REPORT

# Calculate Personal ROI

The One Number That Guarantees You'll  
Never Run Out of Money

Calculate It Now, And Turn Your Savings Into a  
“Personal” Pension Plan Worth \$100k a Year

By the Investment U Research Team

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According to a recent Harris Poll, 88% of all U.S. citizens are expected to outlive their retirement savings.

Considering that the average income you can expect from Social Security is just \$11,510 per year, that means that millions of Americans who are at or near retirement age are headed toward a true nightmare scenario.

If they keep going at their current pace, the vast majority of U.S. Baby Boomers will literally run out of money in their old age, and wind up at the mercy of Federal Government handouts...

The good news?

We've uncovered a simple – and FREE – tool that can guarantee you never, ever run out of money.

In fact, this is the ONLY tool you'll need to accurately assess your current financial situation, and to determine the simple steps you can take to avoid becoming part of that “unlucky 88%.”

It's a simple calculation called “**Personal ROI.**” Here's how you can *calculate personal ROI* to ensure yourself of a comfortable – or even a luxurious – retirement...

### Calculate Personal ROI and Supercharge Your Savings

Developed by Michael Masterson, the best-selling author of [Seven Years to Seven Figures](#), “Personal ROI” is the calculated rate of return you will need to earn on your investments between today and retirement to reach your target net worth.

Here's how it works...

Let's say you want to retire in 10 years, with \$2 million in the bank – enough money to generate \$100,000 a year in income using a conservative bond portfolio yielding 5% a year.

What will it take to rack up \$2 million in the meantime? There are several variables...

1. The value of your portfolio today.
2. Your time horizon. (In this case, 10 years.)
3. The average annual rate of return on your money.

If your portfolio's worth \$150,000 right now, you'll need to average 29.6% (your Personal ROI) over the next 10 years to retire with \$2 million.

Of course, we're talking "personal" ROI here. Everyone's numbers will be different. If you can wait longer than 10 years to retire, your Personal ROI will go down.

In this case, waiting 15 years from now lowers it to 18.9%. If you wait 20 years, it drops to 13.8%.

If your portfolio's worth more than \$150,000, your Personal ROI will shrink even more.

### Calculating Your Own "Magic" Number

Personal ROI is computed using several "Time Value of Money" (TVM) variables – time horizon, portfolio value, the future value of your portfolio, interest earned, number of compounding periods... The math is pretty complex. To make it easier, we've created a [free calculator](#). Just plug in the numbers, and your Personal ROI appears.

Of course, calculating your Personal ROI is just the beginning of putting together a realistic action plan for retirement. Once you know your required rate of return, you'll have to find the investments that can generate it.

Here are a few ideas...

### High Current Income (7%-15%)

Income-producing securities, such as corporate bonds, Real Estate Investment Trusts (REITs) and a small group of quality closed-end funds, can safely generate annual yields of 7% or more. Plus, you're likely to get significant capital appreciation over time. The **Western Asset Global High Income Fund** (NYSE: EHI) fits this description...

The fund invests in high-yield corporates, emerging market bonds, mortgage bonds, and other short-term securities. And it yields 8.5%. It's also trading at an 11.7% discount to Net Asset Value (NAV).

Learn more about high-yield [closed-end funds](#).

### Long-Term Growth (15%-35%)

Earning 25% a year – every year – out of a handful of stocks isn't a realistic expectation. Companies (and markets) don't move up or down in a straight line. But over time, many businesses average exceptional annual returns.

Starbucks, Franklin Resources, General Dynamics, Amazon, Citigroup... These companies have posted average returns in excess of 30% a year, for more than a decade. To be sure, a diversified portfolio of high-growth stocks can generate similar gains. The key, of course, is to properly manage it...

Preserving your capital is as necessary as picking great stocks if you want to maintain excess returns. So not only do you have to select quality companies, you have to avoid significant losses.

### Annual Growth of \$150,000 at 29.6%

Year 1	\$194,400
Year 2	\$251,942
Year 3	\$326,517
Year 4	\$423,166
Year 5	\$548,423
Year 6	\$710,756
Year 7	\$921,140
Year 8	\$1,193,797
Year 9	\$1,547,161
Year 10	\$2,005,120

(Alexander Green, The Oxford Club's Investment Director, recommends using a 25% trailing stop on your equity positions to protect your profits and your principal. More on [trailing stops](#).)

A small group of mutual funds has significantly beaten the market, too. The **Legg Mason Opportunity Trust** (LMOPX), for example, has a 5-year annual return of 20.74%. Deft value investor Bill Miller manages the fund.

### Short-Term Aggressive Growth (35% +)

Companies accelerating their earnings, introducing new products, and making significant advances in market share are likely to produce higher, short-term returns. Stocks in this category include Microsoft, Home Depot and Cisco – before they launched into multiyear, triple-digit runs.

The “momentum” stocks of today have unique characteristics. And noticing them early can have huge rewards...

Our free report, *Knowing When Stocks Will Soar... Before “Big Money” Has a Chance to Get In*, explains this strategy in detail. Read of full report on [Momentum Investing](#).

In short, knowing how much money you need in 5, 10, or even 30 years will affect investment decisions you make today. Your Personal ROI can guide each of them... and ensure you'll never run out of money.

**Editor's Note:** The **Western Asset Global High Income Fund** is one of eight high-yield holdings in *The Oxford Club's* “Perpetual Money” portfolio. To learn more, [here's how it works](#). If your Personal ROI is in the double digits, here's how [the Club's Trading Portfolio](#) can meet your objective.

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