Here is the draft for your PDF Guide. I have organized it into a professional "White Paper" format that logically flows from the critique of the Ackman portfolio to your proposed solution, using the data from your slides and the commentary from your transcript.

You can copy and paste this directly into a Word document or a design tool like Canva to create the final PDF.

A Better Retirement Portfolio?

Beating the Bill Ackman Model with Less Risk

By Rich Warner | SmartInvestorModels.com

Introduction

Billionaire hedge fund manager Bill Ackman recently proposed a model portfolio for seniors (specifically those over age 70) titled "The 4 Safest Investments to Buy."

While the premise sounds promising, a deeper look reveals that a "cookie-cutter" approach may not be the safest or most efficient route for retirees in the withdrawal phase of their lives.

This guide explores whether Ackman's recommended securities—TIPS, REITs, Corporate Bonds, and Dividend Aristocrats—are truly the best options for seniors, and presents a "New Kid in Town" alternative that has historically generated higher returns with significantly lower risk.

Part 1: The Ackman Seniors Portfolio

Ackman suggests a 35% Stock / 65% Bond allocation divided into four specific buckets:

1. **40% TIPS** (Treasury Inflation-Protected Securities)

2. **25% Aristocratic Dividend Growers**
3. **25% Individual Corporate Bond Ladder**
4. **10% REITs** (Real Estate Investment Trusts)

Let's analyze the pros and cons of these four components.

1. TIPS (40% Allocation)

- **The Theory:** TIPS are government securities where the principal is pegged to the CPI, protecting investors from inflation.
- **The Reality:** While secure (AA+ rated) and tax-advantaged at the state level, TIPS have a major flaw. They tend to underperform in steady or deflationary environments because their yields are lower than conventional bonds.
- **The Verdict:** In two out of three market scenarios, TIPS underperform. There are better ways to fight inflation.

2. Dividend Aristocrats (25% Allocation)

- **The Theory:** Investing in blue-chip companies with a history of increasing dividends provides stable income and lower volatility than the broader market.
- **The Critique:** Ackman suggests investors pick their own portfolio of 20-30 stocks. This requires expertise and exposes the investor to stock-specific risk.
- **The Solution:** Instead of picking stocks, use specialized ETFs like **DGRO**, **VIG**, or **LVHI** to get the same exposure with better diversification.

3. Individual Corporate Bond Ladders (25% Allocation)

- **The Theory:** Building a ladder of bonds provides predictable income.
- **The Critique:** Managing a bond ladder requires dealing with rollovers, credit research, and interest rate risk. If you pick individual bonds and a few companies fail, your retirement takes a hit.

- **The Solution:** Use bond funds. Funds provide "survivorship bias"—managers fade out losing positions before they collapse—and offer diversification across hundreds of issues.

4. REITs (10% Allocation)

- **The Theory:** High dividend income from real estate.
- **The Reality:** REITs are roughly 15% more volatile than the S&P 500 and are highly correlated with stocks (0.79 correlation). They are tax-inefficient (taxed as ordinary income) and offer little growth.
- **The Verdict:** For seniors, this adds unnecessary volatility for a minimal yield advantage.

Part 2: The Performance Showdown (1983–2024)

Does the Ackman model actually work? We backtested his suggested allocation over the last 40+ years.

The Ackman Senior Portfolio Performance:

- **Average Annual Return:** 5.98%
- **Worst Drawdown (2008):** -13.98%
- **Number of Down Years:** 5
- **Reward/Risk Ratio:** 0.47

The Problem: For a conservative senior portfolio, a drawdown of nearly 14% is dangerous. Seniors generally need short recovery times, and deep drawdowns can devastate a portfolio during the withdrawal phase.

Part 3: The Better Alternative ("New Kid in Town")

We designed a competing portfolio that simplifies the strategy while improving the numbers.

The "New Kid in Town" Allocation:

- **50% Fidelity Balanced Fund (FBALX)**
- **50% Model A2 (Conservative Short-Term Bonds)** ○ *Model A2 Tickers:* SGOV, JPST, JAAA

This creates a mix of approximately **33% Stocks / 67% Bonds**—actually *more* conservative than Ackman's 35/65 split.

The Results (1983–2024):

- **Average Annual Return:** 7.19% *(vs Ackman's 5.98%)*
- **Worst Drawdown:** -8.60% *(vs Ackman's -13.98%)*
- **Number of Down Years:** 4 *(vs Ackman's 5)*
- **Reward/Risk Ratio:** 0.67 *(vs Ackman's 0.47)*

Why It Wins: By using a tactically managed balanced fund (FBALX) paired with conservative short-term fixed income instruments, you achieve higher returns with significantly less downside risk. Keeping drawdowns below 10% is the "Golden Rule" for senior portfolios.

Part 4: Bonus Insights

1. **Why FBALX?** Fidelity Balanced (FBALX) is a "tactically managed" fund, meaning managers can shift the equity allocation between 50% and 70% based on market conditions. It consistently rivals top competitors like T. Rowe Price's **PRWCX** (closed to investors) and Dodge & Cox's **DODBX**.

- *Note:* It is difficult to find ETF equivalents that perform as well because mutual funds have greater flexibility in active security selection and hiding positions.

2. **The Bucket Investing Approach** Instead of a "one-size-fits-all" portfolio, consider "Bucket Investing." This involves timesegmenting your money:

- **Bucket A:** Immediate expenses (Cash/Safe equivalents).
- **Bucket B:** 2–7 year needs (Moderate growth/Income).
- **Bucket C:** 7+ years (Long-term growth).

This approach reduces anxiety by ensuring immediate cash flow is safe regardless of stock market volatility.

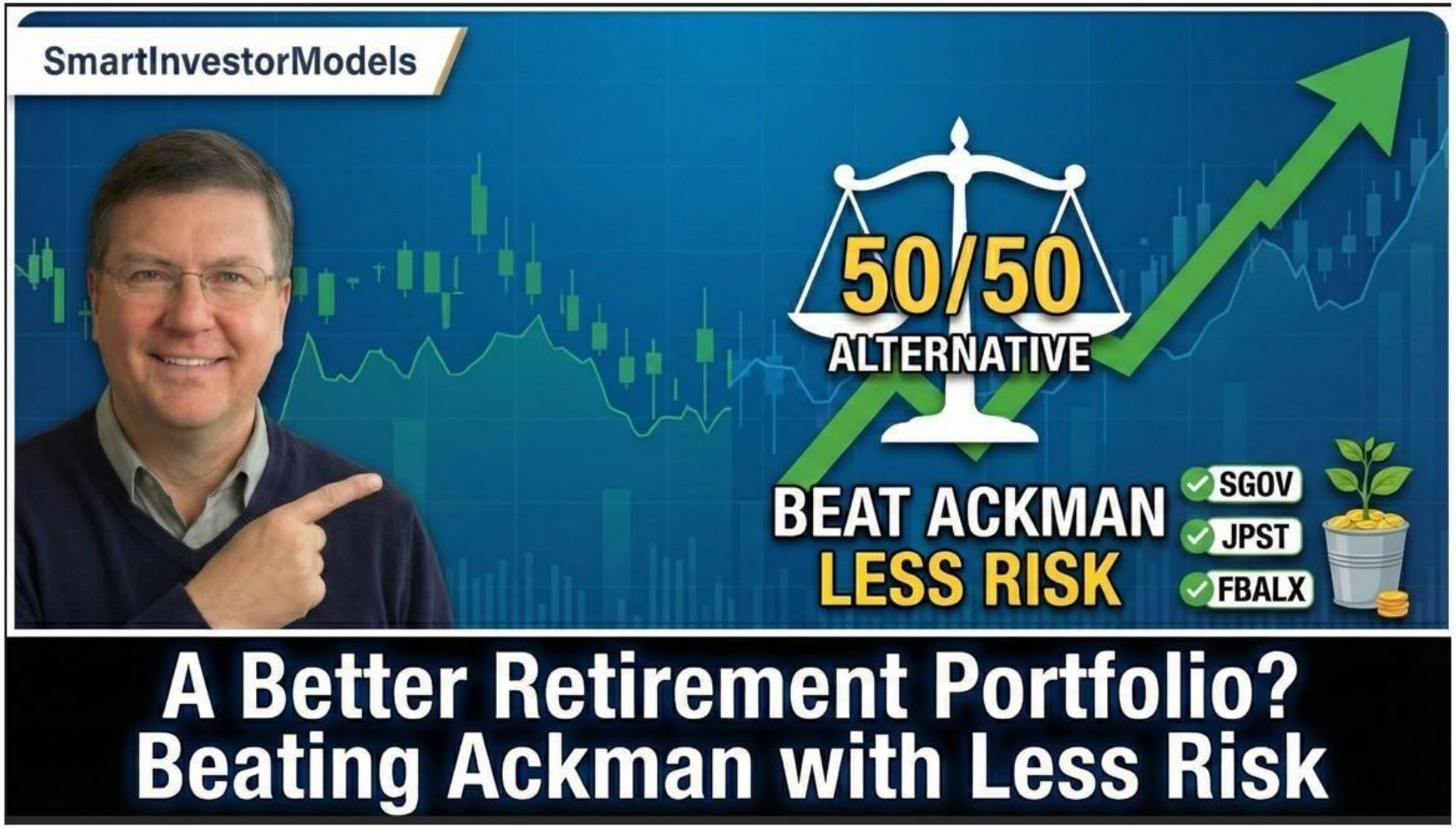
Resources & Next Steps

Get the Book For a step-by-step guide on how to implement these strategies, pick up *The Smart Investor's Guide to Bucket Investing* by Rich Warner, available now on Amazon. **Stay Connected**

- **Website:** SmartInvestorModels.com
- **Newsletter:** Sign up at SmartInvestorModels.com/sign-up for updates on new models and video courses.

Disclaimer The funds, portfolios, and ideas discussed in this guide are intended to offer general guidance. There is no guarantee that they will be the best fit for your specific financial situation. Past performance does not guarantee future results. Please consult with a certified financial planner before making investment decisions.

The Powerpoint slide presentation for this video follows below: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50/50
ALTERNATIVE
BEAT ACKMAN
LESS RISK
SGOV
JPST
FBALX
A Better Retirement Portfolio?
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Welcome

- Hi, I'm Rich Warner, founder of SmartInvestorModels.com
- Glad to be with you today
- In today's video, we'll explore a portfolio for seniors designed and recommended by Bill Ackman, billionaire hedge fund mgr
- It appeared in a recent YouTube video entitled "If You're Over 70: The 4 Safest Investments to Buy"
- We're going to see whether these are, in fact, the safest securities seniors can buy, and if we can beat it.

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- **Why a cookie-cutter one-size-fits-all portfolio may not be right for you**
- **Why TIPS, REITS, LQD and individual corporate bonds may present unexpected risks**
- **An alternative portfolio mix that has generated higher returns with lower risk**

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Disclaimer

This video/pdf is intended for educational and informational purposes only. Since each household's financial situation—including cash flows, net worth, goals, wants, and needs—varies significantly, the author suggests consulting with an experienced, certified financial planner or tax specialist. They can help evaluate your financial condition and develop personalized plans to achieve your specific goals and needs.

The funds, portfolios, and ideas discussed in this video/pdf are intended to offer general guidance on important issues related to personal investing. There is no guarantee that they will be the best fit for your specific financial situation, nor is this a solicitation to invest in them.

Past performance of funds, benchmark indices, and models does not guarantee future results. Investing carries risks. The author encourages readers to conduct their own due diligence before making any investment decisions and to use the concepts outlined in this and other reliable sources.

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The Ackman seniors portfolio

% Weighting	Ticker
40%	TIPS
25%	Aristocratic dividend growers
25%	LQD (or corp.bond ladder)
10%	REITS
100%	Conservative portfolio?

The Ackman seniors portfolio

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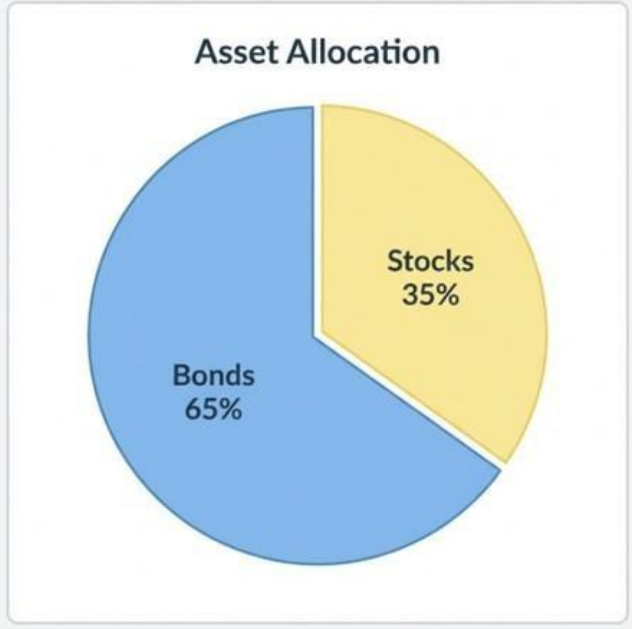

TIPS

Pros	Cons
Very secure	Underperform in cool inflation environments
State & local tax exemption	Phantom income taxes
Protect principal from inflation	Still subject to interest rate risk
Coupon adjusts to CPI	Lower yields than conventional bonds
Diversify stock exposure	CPI mismatch (delay)

There are better alternatives

Blue chip growers

Pros	Cons
Stable dividend income	Stock selection expertise required
Lower volatility	Sector concentration risk
Diversifies growth equity exposure	Managing 20-stock portfolio
Tax inefficient in taxable accounts	Stock market volatility
Inflation hedge	Income focused, not growth

Consider DGRO, VIG, LVHI

Corporate bonds

Pros	Cons
Stable dividend income	Company selection expertise required
Lower volatility	Sector concentration risk
Diversifies equity exposure	Managing bond ladder
Tax inefficient in taxable accounts	Interest rate risk
	No growth, just income
	Inflation risk

Consider VSDB, BINC, not LQD

REITs

Pros	Cons
High dividend income	Little growth, mostly income
Much more liquid than real estate	Correlated with stocks (0.79)
Inflation hedge	Taxed as ordinary income (as opposed to qualified income)
	Interest rate sensitivity
	15% more volatile than SP500

→ Consider VSDB, BINC, not LQD

How did it perform?

% Weighting	Ticker
40%	TIPS
25%	Aristocratic dividend growers
25%	LQD (or corp.bond ladder)
10%	REITS
100%	Conservative portfolio?

Ackman Seniors Portfolio (1983-2024)

	Ackman Senior
AATR%:	5.98%
StDev%:	6.21%
Worst D/D:	-13.98%
# Down Yrs:	5
Real Rew/Risk:	0.47

Source: PortfolioVisualizer.com

There's a new kid in town

% Weighting	Ticker
40%	TIPS
25%	Aristocratic dividend growers
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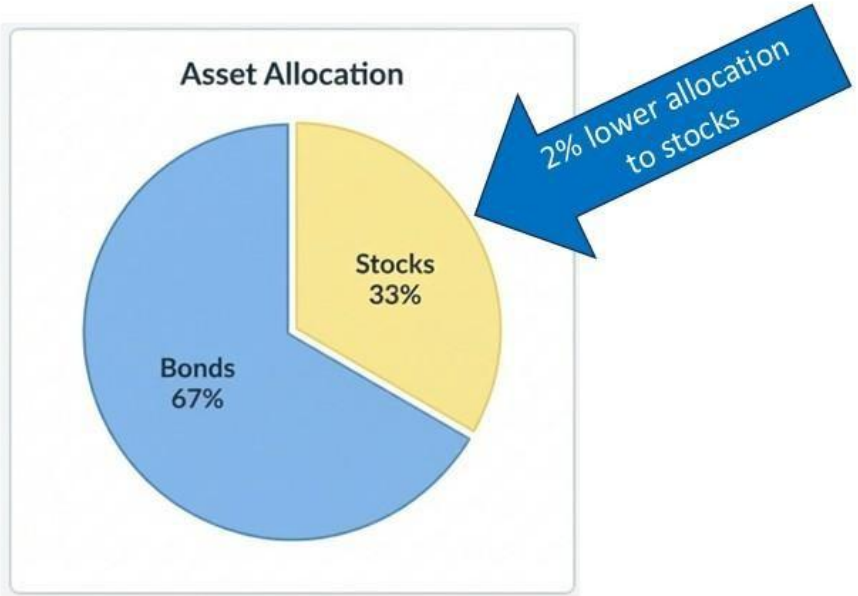
Portfolio Showdown (1983-2024)

	Ackman Senior	50/50 FBALX/A2
AATR%:	5.98%	7.19%
StDev%:	6.21%	6.21%
Worst D/D:	-13.98%	-8.60%
# Down Yrs:	5	4
Real Rew/Risk:	0.47	0.67

Source: PortfolioVisualizer.com

The 67/33 Bonds/Stocks alternative

% Weighting	Ticker
50%	A2 (SGOV, JPST, JAAA)
50%	FBALX (Fidelity Balanced)
100%	Conservative portfolio?



The 67/33 Bonds/Stocks alternative

% Weighting	Ticker
50%	A2 (VGUS, JPST, JAAA)
50%	FBALX (Fidelity Balanced)
100%	Conservative portfolio?

Typically a 60/40 balanced fund

Fidelity Balanced Fund FBALX ★★★★★

Portfolio | Medalist Rating as of Oct 28, 2025 | See Fidelity Investment Hub >

Quote Chart Fund Analysis Performance Sustainability Risk

Portfolio Equity Bond

Asset Allocation

Asset Class	Net	Short	Long	Cat.	Index
U.S. Equity	60.61	0.00	60.61	54.66	52.14
Non-U.S. Equity	3.91	0.00	3.91	8.77	7.81
Fixed Income	35.67	0.91	36.58	42.03	35.54
Other	0.37	0.06	0.43	8.66	4.51
Cash	-0.58	1.65	1.07	13.04	0.00
Not Classified	0.01	0.00	0.01	0.58	0.00

Equity allocation can range from 50% to 70%.

Source: Morningstar.com

There's a new kid in town

% Weighting	Ticker
50%	A2 (SGOV, JPST, JAAA)
50%	FBALX (Fidelity Balanced)
100%	Conservative portfolio?

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	Ackman Senior	50/50 FBALX/A2
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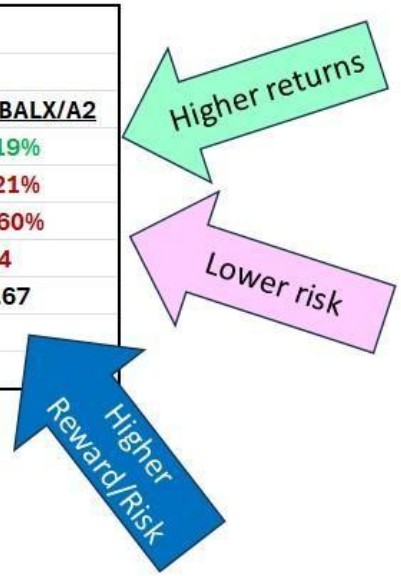

Bonus Facts

- FBALX is one of the better balanced funds around.
- It's top rival is PRWCX
  (T.Rowe Price Capital Appreciation Fund)
- Unfortunately, PRWCX is closed to new investors
- DODBX (Dodge & Cox Balanced) is another worthy competitor
- All 3 balanced funds are ***tactically and actively managed***
- ***Click on the link below this video or message me at SmartInvestorModels.com/Contact to access a private video where I show you step-by-step how to recreate FBALX for less than 1/3rd the cost!***

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Quick Recap

- With more than 4,500 ETFs across the major asset classes to choose from,
- A multitude of combination mixes (i.e. portfolios) deriving from all these funds,
- And social media influencers craving your attention
- It's no wonder that investors are being swamped by a barrage of investment strategies online
- Investors must be on their guard
- Most of these gurus know little to nothing about your personal financial situation
- Or don't know enough about the products/strategies they themselves promote
- The Ackman portfolio is a case in point
- I shared just one example of how to beat it (there are many other approaches out there)
- But only you know what's best for your personal situation

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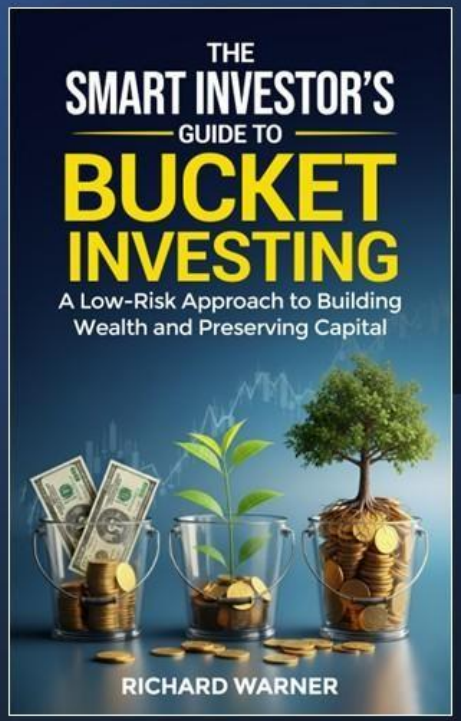

- ***A good place to start is to learn the bucket approach to investing***
- ***The Smart Investor's Guide to Bucket Investing* by Rich Warner is** available now on Amazon.
- Learn how to time-segment your money to preserve capital, ensure liquidity to meet immediate expenses and build wealth over the long haul.
- Reduce the stress and anxiety of the financial markets while meeting your goals

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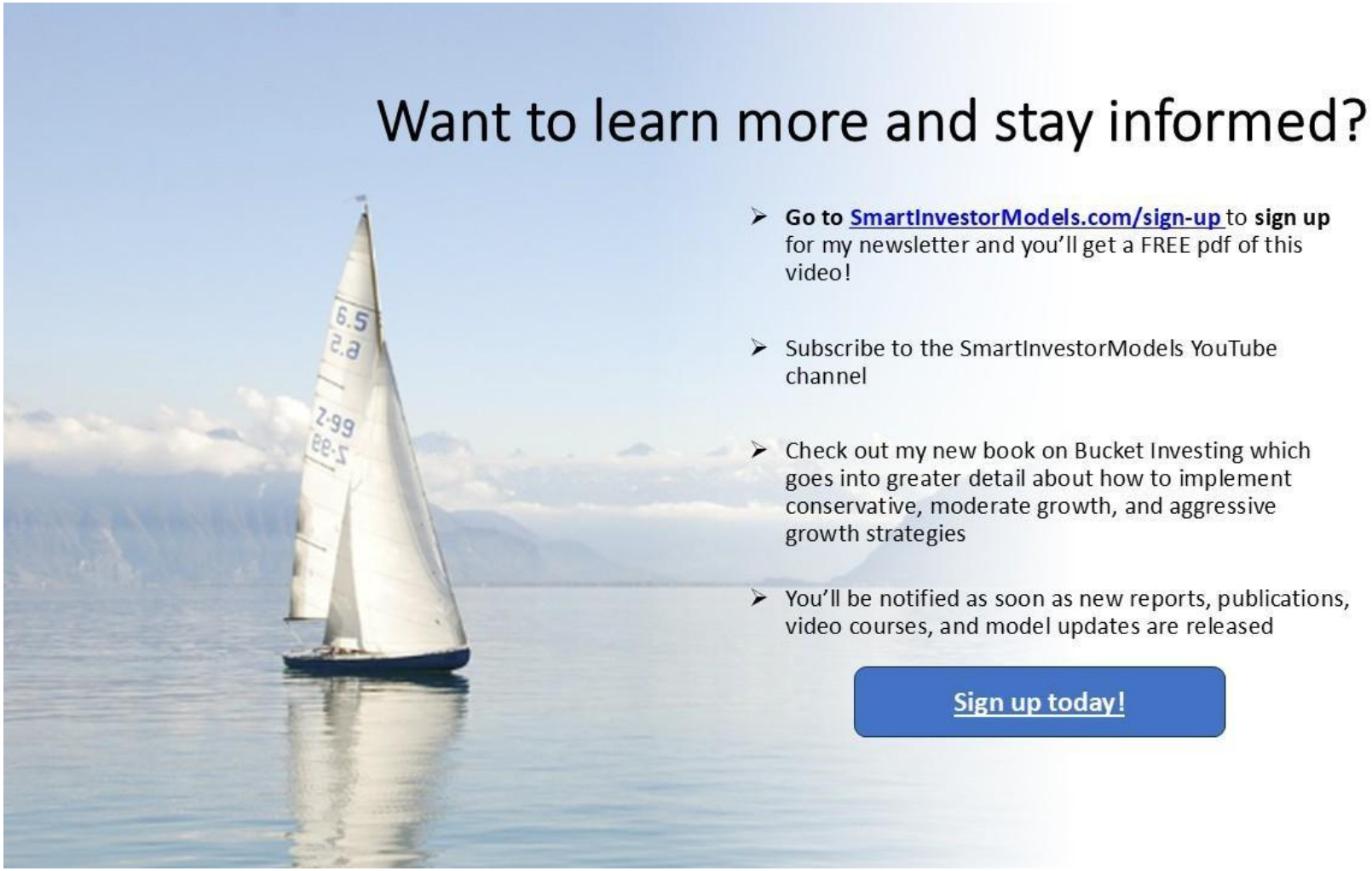
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