

Financial Plan Example

Goals, Risk Tolerance, Wealth Building Guidelines, Investment Summary, Projections and Retirement Income Plan



Example

David & Deborah Smith

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A financial plan is a written long-term plan to guide you to meet your retirement goals and maintain income in retirement. A plan provides peace of mind to your family, defines goals, monitors progress and drives adjustments. Plans make you less likely to overreact to market volatility and increase one's confidence and effectiveness in managing income, spending, saving, debt and investing.

The investment process is complicated and requires strict discipline without emotion. Without professional guidance, you will likely produce mediocre returns, and not meet your retirement goals. You should always seek professional advice unless you receive the proper training, invest in the proper tools, and are willing to put the time into managing your portfolio. Most people find investing complicated, difficult to find good advice and are worried about losing money.

Prepared by Philip Michalek
March 2019
(2017, 2016, 2015)

PDM Investment Services, LLC
A Registered Investment Advisor

5131 Standish Drive, Troy, Michigan 48085
248-890-4696 * www.fginvestor.com * info@fginvestor.com

See our website or brochure for our Disclosure, Fee Schedule and Privacy Policy

Personal Information & Goals

Birth Dates & Ages (2019)

David Smith 02/10/1973 (45)	Deborah Smith 09/10/1973 (45)	Michael Smith 02/10/2004 (14)	Michelle Smith 09/10/2008 (10)
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Retirement Dates

Job Income Ends	55/55 years old	
Social Security Starts	67/67 years old	\$2,965 + \$1,483 per month (SS Statement)

An ideal retirement is often defined as one including freedom, security, flexibility, reduced stress, peace of mind, travel, time with family and time with hobbies. Follow your investment plan to achieve your goals. How much will you need to save for retirement to maintain your standard of living?

Income

Current Income Job	\$120,000 + \$30,000 per year
Retirement Income Other	\$0 (rental, pension, part time job)

Spending

Current Spending	\$84,000 per year/\$7,000 per month + Expected large purchases
Retirement Spending	\$84,000 per year/\$7,000 per month + Expected large purchases

Savings & Investment or Distributions

Pre-tax saving rate	\$47,000 per year
Post-tax savings rate	\$5,000 per year

Net Worth

Investments Taxable	\$250,000	TD Taxable, Bank
Investments 401(k) & IRA	\$500,000	ML 401(k), TD IRA1, TD IRA2
Investments Roth	\$100,000	TD Roth
Home	\$300,000 (Zillow Estimate)	
Other (Cottage, Rental)	\$0	
Future Inheritance	\$0	
Liabilities (Debt)	-\$170,000	
	\$150,000 Home	4.0% 10 years left, \$1500/month
	\$0 Home Equity	
	\$0 Credit Card	
	\$20,000 Auto	4.0% 4 years left, \$800/month
Total Net Worth	\$980,000	

Other Assumptions

Inflation in retirement	2.25%
Tax Rates in retirement	15% federal, 5% state

Investment Strategy & Risk Tolerance

Portfolio Risk Level	Pre-Retirement: Moderate Risk (75% equity), In Retirement Moderate Risk
Portfolio Strategy	Diversified Mutual Fund & Sector Portfolio Tactical Equity Allocation Strategic Active Asset Class & Sector Allocation
Portfolio Performance	Varies
Stock market performance	Varies

Expected Returns

Expected 5-year annual returns for a moderate risk portfolio is 5.6%. (Starting 2019)
(Earnings growth 4.0%, Dividends 2.5%, Valuation PE Expansion 0.0% = 6.5% * .87 for Moderate = 5.6%.
Expected 20-year annual return for a moderate risk portfolio is 6.0%. (Money Guide Pro, 2019)

Probability of Success

Money Guide Pro Calculation 95%, NA
Probability of funding your financial goals if you implement and follow this plan.
The variables above will help determine your success rate of not running out of money in retirement.

Other Information

Address, phone numbers, email addresses, job information.

Risk Tolerance

Risk score (Money Guide Pro) is 70, Moderate Risk

Your current \$850,000 Investment Portfolio six-month risk is 70, Moderate Risk
 +24% (+\$200,000) to -15% (-\$125,000).

Risk Tolerance (Risk survey)

Risk tolerance is the amount of short-term price volatility and long-term investment loss an investor is willing to withstand before changing their behavior. Risk tolerance also considers the risk level needed to achieve your goals. Risk comes in the form of market risk, security risk, financial risk, valuation risk, economic risk, currency risk, political risk, interest rate risk, inflation risk and liquidity risk. Most investors are not trained to know their risk tolerance. At market tops, most people will say their risk tolerance is high. At market bottoms, they will say they have no tolerance for risk. Volatility is only a problem if you sell. There is long-term risk in not owning equities.

Time Horizon

The longer your time horizon, the higher the risk you can take.

Risk Composure (How did you react in past bull markets, corrections and bear markets?)

Risk composure is an investor's ability to consistently understand and correctly perceive the risks they're taking. Risk composure determines whether you are able to effectively stay the course during extreme market volatility, market tops and market bottoms. Unstable perceptions of risk lead to poor investment returns.

Achieving goals based on a long-term plan is more important than a benchmark beating returns each year. To participate in bull market gains, you must also endure the risk of corrections and bear markets. Without some risk, reward will likely be small.

- The more you understand the markets, the more likely you will be comfortable with more risk.
- Holding large cash amounts is not recommended before or in retirement, cash rarely keeps up with inflation.
- Over long periods of time the stock market has been on an upward trend and has always recovered. Look at the 100-year stock market graph and see how insignificant corrections were over the long term.
- Corrections and bear markets should not worry you if you do not need most of the money at the time of the bear market.
- In most years, the stock market ends higher, even in years with corrections.
- Retirement account value projections with injected bear markets will show you how bear markets affect your portfolio value.
- Look at your total investment allocation and how it will perform in a downturn, not just one of your portfolios.
- If your investment will be passed on to heirs, it is long term money that should be invested for a 30-year risk level. If you do not need the money for living expenses, you can take on more risk.
- If we are in the early or middle stages of a secular bull market, you may want to take on more risk.
- If you have a large pension, you may be able to take on more investment risk.
- If your job earned income is very stable into your sixties, you may be able to take on more risk.
- If you have no debt, you may be able to take on more risk.

Select a portfolio type based on your goals, risk tolerance and time horizon from the table below.

Portfolio Asset Allocation & Risk Table

Fidelity Asset Manager Funds	40% FFANX	50% FASMX	60% FSANX	70% FASGX	85% FAMRX	100% PREIX
Risk Category	INCOME	CONSERVATIVE	MODERATE CONSERVATIVE	MODERATE	MODERATE AGGRESSIVE	AGGRESSIVE
% Stocks / % Bonds & Cash	40% / 60%	50% / 50%	60% / 40%	75% / 25%	80% / 20%	100% / 0%
Risk Description	Low	Low	Medium	Medium	High	High
Beta, Standard Deviation (5 /10 year)	B=0.8 /0.8, SD=5 /7	B=0.9 /0.9, SD=6 /8	B=1.1 /1.1, SD=7 /9	B=1.2 /1.3, SD=8 /11	B=1.5 /1.5, SD=7 /12	B=1.0 /1.0, SD=10 /13
Time Horizon Until Retirement	0 years	0 years	0 to 5 years	0 to 10 years	10 to 15 years	20 to 30 years
Annual Return (Past 5 /10 years)	3.6% /7.6%	3.8% /8.5%	4.1% /9.1%	4.3% /9.8%	4.6% /10.7%	8.2% /12.9%
Best Year Return (Past 11 years)	26%	31%	33%	36%	39%	32%
Worst Year Return (Past 11 years)	-23%	-28%	-30%	-35%	-39%	-37%

The Risk Category, Risk Description and Time Horizon are defined by PDM Investment Services. The other numbers are from Morningstar ending December 31, 2018. Beta is volatility relative to the S&P 500 of 1.0 and Standard Deviation is return variation from the mean. Past returns are used for comparison between risk categories only. Future returns may be significantly different and are not guaranteed in the future.

Career Income

- Maintain or increase your income level until retirement.
- Select a career in a field that is in demand and pays well.
- Increase your income by at least 5% annually by employing continued education, acquiring new skills, hard work and developing strong interpersonal skills.
- Seek out promotions into management to get bonus and stock option income.

Spending Plan

- Document your monthly spend, create a budget and review it annually. What are your liquidity needs?
- Prioritize saving over spending, plan savings first then adjust your budget for what you have left.
- Live within your means with a modest home and car. Vacation homes and boats are not typically good investments. Do not buy more house than you need. The house you live in is more of a liability than an asset. A large home mean high interest payments and high taxes, insurance, utilities and maintenance.
- Your home is not a good investment. Over long periods of time, homes grow near the inflation rate of 3% to 4%. A diversified mutual fund portfolio historically saw returns of 7% to 8%.
- Bag a lunch and only purchase insurance you need. Buy a car, maintain it and keep it at least 8 years, stay in your house at least 15 years before you move.
- Use a cash flow tracking app like mint.com cash flow tracking app or Personal Capital's mobile PFM app.

Saving Investing Plan

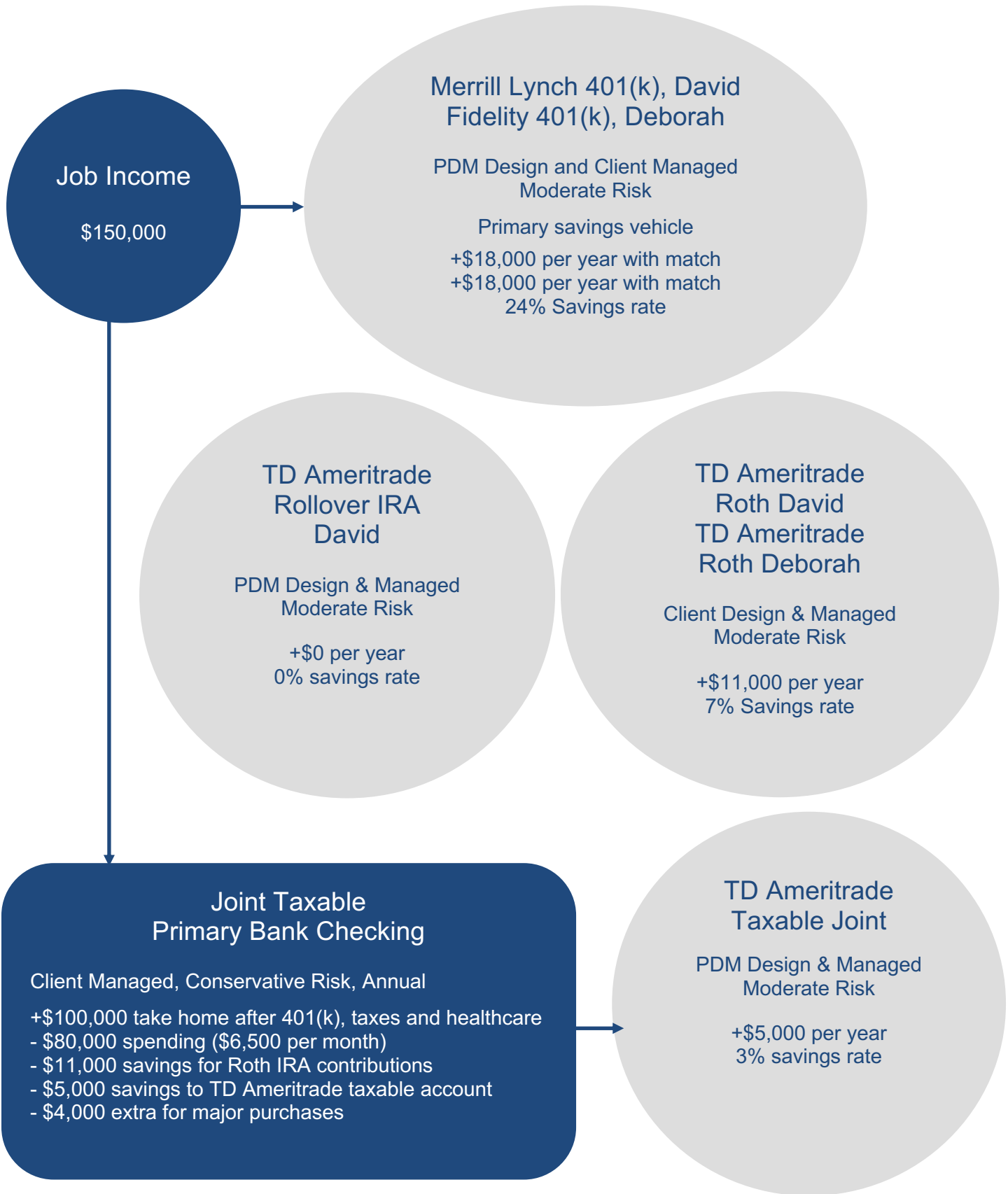
- Automate your savings to control your budget.
Automate your paycheck to be distributed to your 401(k), stock purchase plan, savings account and IRA account by taking money out before you see it setting up the self-discipline to save.
- Target saving 20% of your wages annually.
- Your 401(k) should be your primary saving account for retirement.
You should be contributing as much as you can from each paycheck in bull and bear markets. Do not try to time the market or your returns will likely suffer from poor emotional decisions. Contribute enough to your 401(k) to get at least the full match. Invest profit sharing into your 401(k). Once you reach the IRS max in your 401(k), contribute to your Roth or IRA and last your taxable account. Invest extra money in your taxable account for a home, home improvement or a car.
- A Health Savings Account (HSA) is an employer sponsored health insurance saving plan that allows you to accumulate pre-tax money to be used to pay medical bills like co-payments and deductibles. Typically offered by plans with higher deductibles. Money going in is pre-tax, grows tax free and the money is not taxable on the way out if used for qualified health-care expenditures. There is no limit on the amount of unused HSA funds that can roll over one year to the next. Once you build up the account with enough cash to use for the year, the extra can be invested for long-term.
In 2017, IRS rules allow you to contribute \$6,750 per family and \$7,750 if 55 and older per year. For single's it is \$3,400 or \$4,400 per year. There are no wage restrictions.
This is a great tax advantaged savings tool to help pay for your medical expenses in retirement. Not all health care plans and employees offer HSA's.
These plans take some work to manage. You must manage your cash balance for withdrawal and the investment portion of the account. Most people cannot even manage their 401(k) let alone another HSA account. For many it may not be worth the effort unless you max out each year. Annual fees may eat away at the tax advantage.

Debt Reduction Plan

- Document your debt level.
- Pay off high interest loans first. Pay off credit card balances each month.
- Maintain a good credit rating to get lower interest loans.
- Focus on reducing your debt to zero by age 55. Make double house payments. Use bonuses and stock sales to pay down debt.

Wealth Building Mechanics

Below you can see how job income is invested pre-tax into 401 (k)'s and the rest after tax into your primary bank account for spending and investing in taxable and IRA accounts. The investment accounts show the custodian, manager, risk level, and annual savings amount and rate.



- **Merrill Lynch 401(k), David**
PDM Investment Services design and client managed
Moderate Risk (Base Allocation: 75% stocks / 25% bonds & cash)
Contributions: 2017= \$18,000, 2016=\$18,000, 2015= \$15,000
Performance: 2017 to 2012: 21.1%, 9.9%, -0.7%, 5.7%, 23.5%, 16.6%
Benchmark: 2017 to 2012: 18.7%, 7.1%, -0.6%, 5.6%, 20.1%, 14.2%
\$200,000 (December 2017)
- **TD Ameritrade Rollover IRA, David**
PDM Investment Services design and managed (Started 2012)
Moderate Risk (Base Allocation: 75% stocks / 25% bonds & cash)
Contributions: 2018= \$0, 2017=\$0, 2016= \$0
Performance: 2018 to 2012: -6.5%, 17.9%, 7.0%, -0.3%, 5.2%, 22.8%, 14.5%
Benchmark: 2018 to 2012: -7.7%, 18.7%, 7.1%, -0.6%, 5.6%, 20.1%, 14.2%
Performance does not include annual management fee. 0.6% - 0.3% Financial Planning -0.2% Advice = 0.1%.
\$200,000 (December 2017)
- **TD Ameritrade Roth, David**
Client design and managed
Moderate Risk (Base Allocation: 75% stocks / 25% bonds & cash)
Contributions: 2017=\$5,500, 2016= \$5,500
Performance: See quarterly performance report.
\$30,000 (December 2017)
- **TD Ameritrade Roth, Deborah**
Client design and managed
Moderate Risk (Base Allocation: 75% stocks / 25% bonds & cash)
Contributions: 2016=\$5,500, 2015= \$5,500
Performance: See quarterly performance report.
\$40,000 (December 2017)
- **TD Ameritrade Taxable, Joint**
PDM Investment Services design and managed
Moderate Risk (Base Allocation: 75% stocks / 25% bonds & cash)
Contributions: 2017=\$5,000, 2016= \$5,000
Performance: See quarterly performance report.
\$200,000 (December 2017)
- **Bank of America, Taxable, Joint**
Client design and managed
Conservative Risk (Base Allocation: 0% stocks/100% cash)
\$30,000 (December 2017)

Benchmarks

Moderate-Aggressive (Fidelity Asset Manager 70%/85%, FASGX/FAMRX)

2018 to 2012: -8.5%, 20.5%, 7.3%, -0.6%, 5.7%, 22.7%, 15.1%

Moderate Aggressive (Fidelity Asset Manager 70%/85%, Morningstar 2015 thru 2012)

2018 to 2012: -8.5%, 20.5%, 7.3%, -2.1%, 5.1%, 16.1%, 12.4%

Moderate (Fidelity Asset Manager 70%, FASGX)

2018 to 2012: -7.7%, 18.7%, 7.1%, -0.6%, 5.6%, 20.1%, 14.2%

Moderate (Fidelity Asset Manager 70%, Morningstar 2015 thru 2012)

2018 to 2012: -7.7%, 18.7%, 7.1%, -1.8%, 4.9%, 14.3%, 12.1%

Moderate-Conservative (Fidelity Asset Manager 60%, FSANX)

2018 to 2012: -6.6%, 16.4%, 6.8%, -0.6%, 5.8%, 16.9%, 12.7%

Investment Action List (Proposed - January 2019)

Career Income, Spending, Saving and Debt Reduction

- Increase your income by at least 5% annually by employing continued education, acquiring new skills, hard work and developing strong interpersonal skills.
- Stick to your spending plan. Review your budget and spending for reductions annually.
- Focus on reducing your debt to zero by age 60.

Merrill Lynch 401 (k), David

- Allocate mutual funds to the recommended allocation for the Contribution and the Balance.
- Setup your contribution rate to save \$19,000 per year.
The maximum contribution for 2019 is \$19,000 under 50 years old, \$25,000 over 50 years old plus match.

Fidelity 401 (k), Deborah

- Allocate mutual funds to the recommended allocation for the Contribution and the Balance.
- Setup your contribution rate to save \$19,000 per year.
The maximum contribution for 2019 is \$19,000 under 50 years old, \$25,000 over 50 years old plus match.

TD Ameritrade Rollover IRA, David

- Contribute \$0 per year.

TD Ameritrade Roth IRA, David

- Contribute \$6,000 per year.
The maximum contribution for 2019 is \$6,000 for under 50 years old and \$7,000 for over 50 years old.

TD Ameritrade Roth IRA, Deborah

- Contribute \$6,000 per year.
The maximum contribution for 2019 is \$6,000 for under 50 years old and \$7,000 for over 50 years old.

TD Ameritrade Taxable, Joint

- Setup an auto-investment plan to transfer \$416 per month automatically from your primary bank checking.

Bank of America Taxable, Joint

- No actions

Education Savings Account

- Start an ESA with TD Ameritrade for each child and contribute \$2,000 each year to each account.

Insurance Planning, Tax Planning and Estate Planning

- Review your home, auto, health, life, disability, umbrella policy and long-term care insurance needs and rates annually.
- Make sure your accountant and investment advisor are working together.
- Make sure you keep your Will and Revocable Living Trust updated with your estate planning attorney.
- Setup your online Social Security account at www.socialsecurity.gov and verify your earnings are recorded are correct. To correct earnings, gather your W2's and call 800-772-1213.

Beneficiaries

- TD Ameritrade IRA account have your spouse as primary and children as contingent.
- TD Ameritrade taxable account is Joint so spouse is primary. To add contingent change to TOD or Trust.
- Check other accounts for primary and contingent beneficiaries.

Life Insurance (2018)

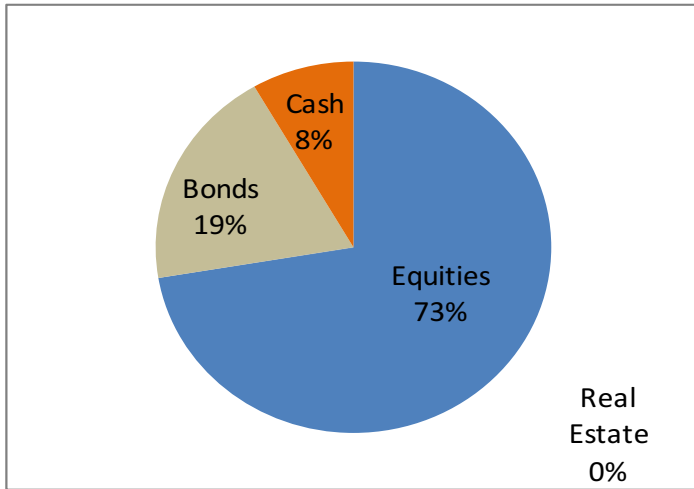
- Family monthly spend \$6,500 per month
- David's income \$9,000 per month @\$135,000 – 20% taxes
- Deborah's income \$2,700 per month @\$40,000 – 20% taxes
- Investment income now \$1,667 @500,000 (taxable account, IRA account after 60)
- Life Insurance David \$2,800 @500,000 (not taxed, 15% capital gains on investment income)
- Life Insurance Deborah \$830 @200,000 (not taxed, 15% capital gains on investment income)
- Total Deborah Only \$7,100 per month max
- Total David only \$11,500 per month max

Assume: 5% return, 20% taxes IRA and 15% taxable account.

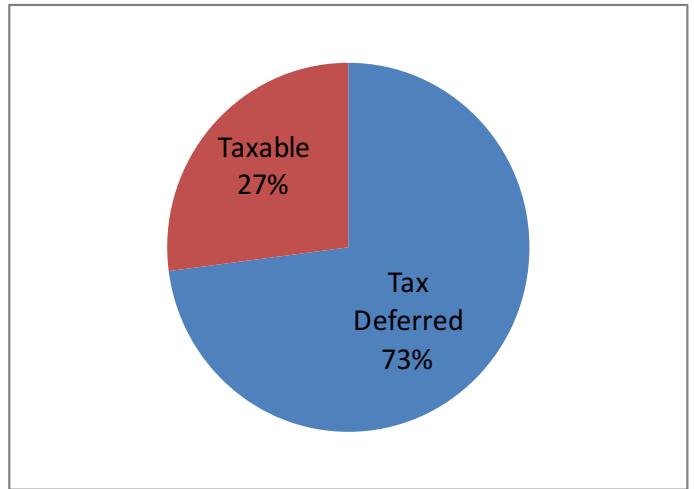
Long Term Care Insurance is Self-Funded.

Investment Total Allocation (Current)

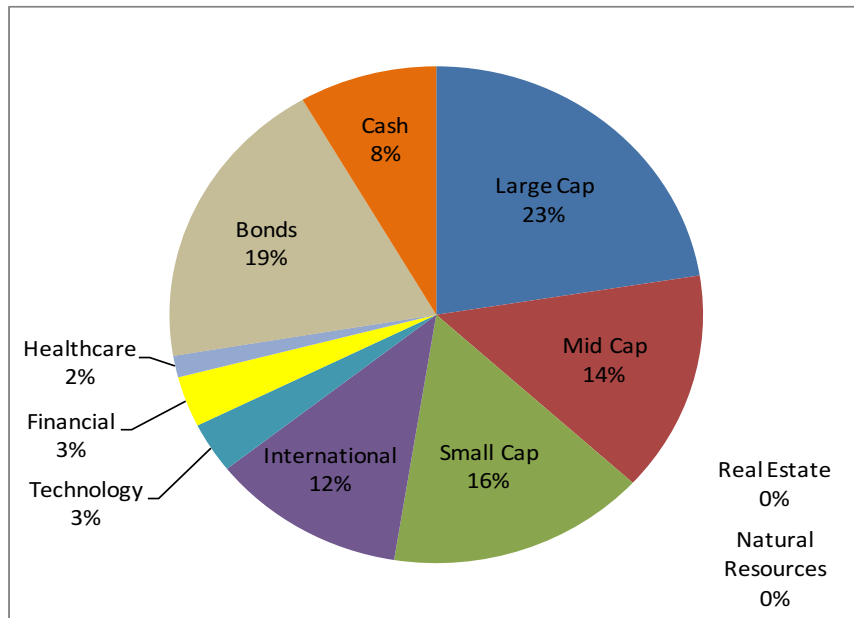
Total Allocation



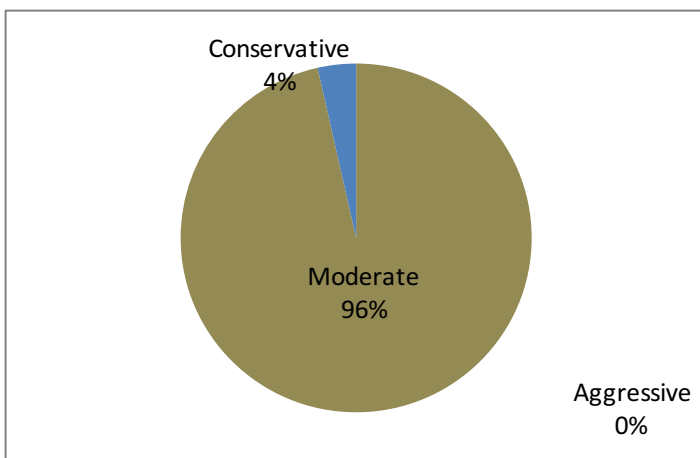
Taxable/Tax Deferred



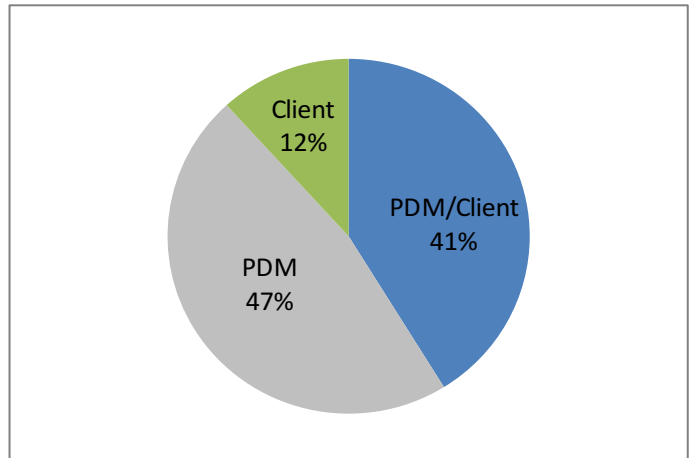
Asset Allocation



Risk Allocation



Financial Advisor



Investment Projection Table

The table below shows your accumulation of wealth created at various retirement dates. Future value calculations are calculated using the assumptions in the table and the excel FV formula.

Custodian	Account Type	Name	Risk Level	Annual Estimated Average Return	Annual Contribution	2013 Q4 Worth Age 42	2014 Q4 Worth Age 43	2015 Q4 Worth Age 44	2016 Q4 Worth Age 45	2026 Worth Age 55	2031 Worth Age 60	2038 Worth Age 67	
Merrill Lynch	401 (k)	David	Moderate	6%	\$18,000	\$140,000	\$160,000	\$180,000	\$200,000	\$493,285	\$682,392	\$1,008,223	
Fidelity	401 (k)	Deborah	Moderate	6%	\$18,000	\$110,000	\$120,000	\$130,000	\$150,000	\$422,755	\$598,625	\$901,647	
Scottrade	IRA	David	Moderate	7%	\$0	\$160,000	\$180,000	\$180,000	\$200,000	\$310,594	\$387,056	\$526,730	
Scottrade	Roth	David	Moderate	6%	\$5,500	\$20,000	\$25,000	\$25,000	\$30,000	\$106,841	\$156,387	\$241,754	
Scottrade	Roth	Deborah	Moderate	6%	\$5,500	\$30,000	\$35,000	\$35,000	\$40,000	\$120,947	\$173,140	\$263,069	
Scottrade	Taxable	Joint	Moderate	7%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Scottrade	Taxable	Joint	Moderate	7%	\$5,000	\$170,000	\$190,000	\$190,000	\$200,000	\$372,035	\$490,977	\$708,247	
Bank	Taxable	Joint	Conservative	1%	\$0	\$30,000	\$30,000	\$30,000	\$30,000	\$25,792	\$23,915	\$21,514	
Totals					\$52,000	\$660,000	\$740,000	\$770,000	\$850,000	\$1,852,248	\$2,512,491	\$3,671,185	
Based on David's Age				Moderate Risk			12.1%	4.1%	10.4%				
Inflation Rate				2.5%	ST 5.0%					10	15	22	
Distribution: 5% return after inflation, 20% Tax rate				LT 6.0%	LT PDM 6.0%					Annual Income	\$74,090	\$100,500	\$146,847
				PDM After 0.8% fee						Monthly Income	\$6,174	\$8,375	\$12,237

Retirement Income Plan

Spend in Retirement Goal (70%-80%-90% pre-retirement) \$6,500 current x 90% **\$6,000**
 Higher withdrawal in the first half of retirement years and lower in the second half. **Per Month After 20% Tax**

Retirement	(David @55 in 2026)	
100% Moderate Risk Portfolio	\$1,852,248	5% return
0% Conservative Portfolio	\$0	4% return
0% Real Estate Condo	\$0	3% return
Total	\$1,852,248	\$6,174 max
+ Part time job income	(David 55 to 60)	\$2,000 (\$30k income)
Total		\$8,174 max
+ Pension	(David @60 in 2031)	\$1,600 (\$2,000 pre-tax)
Total		\$7,774 max
+ Social Security	(David @67 in 2038)	*\$2,000 (\$2,500 pre-tax)
+ Social Security	(Deborah @67 in 2038)	*\$1,000 (\$1,250 pre-tax)
Total		\$10,774 max

Goals: Income, minimize risk of running out of money, protecting portfolio principal and minimizing taxes.

Assumptions on Returns (Future returns are not guaranteed each year and are an average of the years)

Accumulation Mode: Annual estimated average return is based on timeframe until retirement, strategy, portfolio size, risk level and portfolio past performance. Numbers and calculations are estimates and should be updated annually. Long term returns are more accurate than short term return calculations. Capital gains tax should be paid with extra money.

Short term return assumptions (< 5 years): Base annual returns for a moderate risk portfolio is 5.0%, 6.0% for PDM portfolio. (Alpha=1)

Long term return assumptions (> 5 years): Base annual returns for a moderate risk portfolio is 6.0%, 7.0% for PDM portfolio. (Alpha=1)

PDM portfolios use strategic asset class & sector allocation, active security selection & tactical asset allocation.

PDM portfolio alpha over the past 10 years was about +1.8% - 0.8% fees = +1.0%.

Distribution Mode: Retirement return assumptions: 5.0% annual return on investment portfolio. (7.5% - 2.0% inflation - 0.5% fees)
 Timeframe is 30 years, moderate risk (70%/30), inflation of 2.0%, portfolio management fees (0.6% x 80% = 0.5%), a 20% combined federal and state tax rate and no depletion of capital.

Social Security: (Birth year before 1960) Max amount

Age 62: \$2,100 75% of full Subtract 6.25% per year from full

Age 66-67: \$2,800 Full Benefit Break even 62 vs 66 is 76 to 78 years old

Age 70: \$3,700 132% of full Add 8.00% per year from full to 70 Break even 62 to 70 is 79 to 81 years old

Social Security benefits are based on the average of the top 35 years of earnings. Only up to the allowable max is counted.

(\$128,000 in 2018) *Social Security tax rate for married couples: Adjusted gross income plus tax-exempt interest and 50% social security >\$44,000 taxed on up to 85% of SS benefits. \$25,000 to \$35,000 SS taxed at up to 50% of benefits.

Social Security Trust fund is scheduled to run out of money in 2034. Payroll taxes would still provide 80% of payout.

Portfolio Allocation & Analysis

Merrill Lynch 401(k) David

(Proposed Portfolio - December 2018)

The portfolio is designed to meet your goals, risk tolerance and time horizon.
 Grades are derived from technical charts, fundamentals and other rating services.
 Funds listed below may be like funds and not exactly the ones in the plan.

Change the allocation of the **Contribution Elections** and the **Current Balance** to the new allocation below.

Q1 2018 Leaders in Bold

	TICKER SYMBOL	ASSET CLASS	ALLOCATION		GRADE
			CURRENT	RECOMMENDED	
T. Rowe Price Growth Stock	PRGFX	LCG	11%	15%	B
Vanguard Equity Income Admiral	VEIRX	LCV	16%	10%	A
PRIMECAP Odyssey Aggressive Growth	POAGX	MCG	7%	10%	A
JPMorgan Mid Value	FLMVX	MCV	11%	7%	A
Vanguard Extended Market Index	VIEIX	SCG MCG	6%	9%	B
T. Rowe Price US Small Cap Value	PRSVX?	SCV	10%	6%	B
American Funds Euro Pacific Growth R4	RERGX	INT LCG	5%	6%	B
Templeton Inst. Foreign Small Cap	TFSCX	INT MCV	6%	7%	B
Invesco Developing Markets	GTDIX	INT EM MKT	3%	5%	B
PIMCO Total Return (Y=3.3%, D=5.6yrs, Q=NR)	PTTRX	ITB	10%	10%	B
PIMCO Income Fund (Y=3.9%, D=2.6yrs, Q=NR)	PIMIX	MULTI BD	10%	10%	B
Vanguard Prime Money Market Fund	VMRXX	MONEY MKT	5%	5%	B

2018: Active managed funds, large > small, growth > value helped performance, International hurt performance.

Asset Class Key

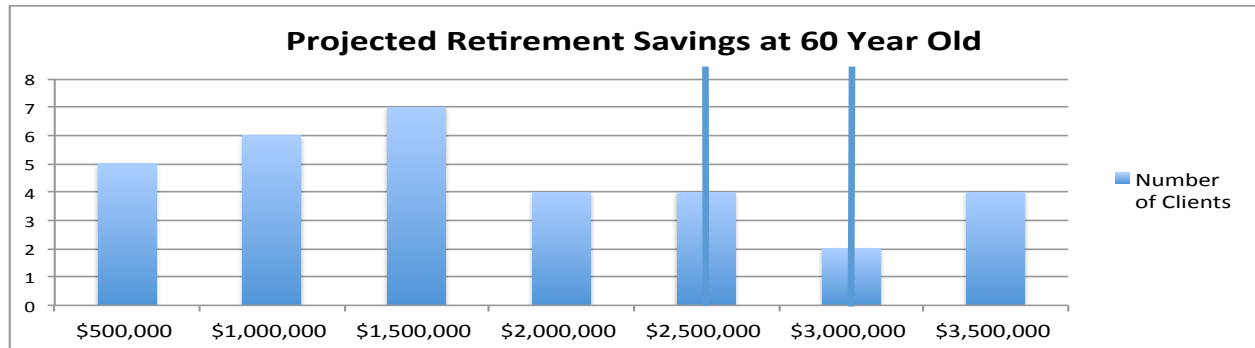
LCG-Large Cap Growth, LCV-Large Cap Value, MCG-Mid Cap Growth, MCV-Mid Cap Value, SCG-Small Cap Growth, SCV-Small Cap Value, INT-International, INT EM MKT-International Emerging Market, INT BOND-International Bond, HY BOND-High Yield Bond, IT BOND-Intermediate Term Bond, ST BOND-Short Term Bond, MM-Money Market.

Benchmarks

The chart below shows our client household projected Investment Net Worth at 60 years old and the number of clients at each level. The average client age was 48 years old in 2015. The numbers are based on average projection calculations in 2015 with 12 years to retirement. Does not include retired clients drawing income. See our wealth plan for projection calculation details. The table displays the monthly income at each level based on a 5% annual return and a 20% tax rate. The average client is projected to have \$1,500,000 of investment net worth at 60 years old. Data from 35 households was averaged and linearized. Outlier data points were not used in calculations. The net worth does not include social security. **The lines are you with and without your future annuity/pension.**

Pension Calculation:

$\$5,000/\text{month before taxes} \times 12 \text{ months} = \$24,000/\text{year} / 0.05 \text{ return} = \$480,000 @ 60 \text{ years old.}$

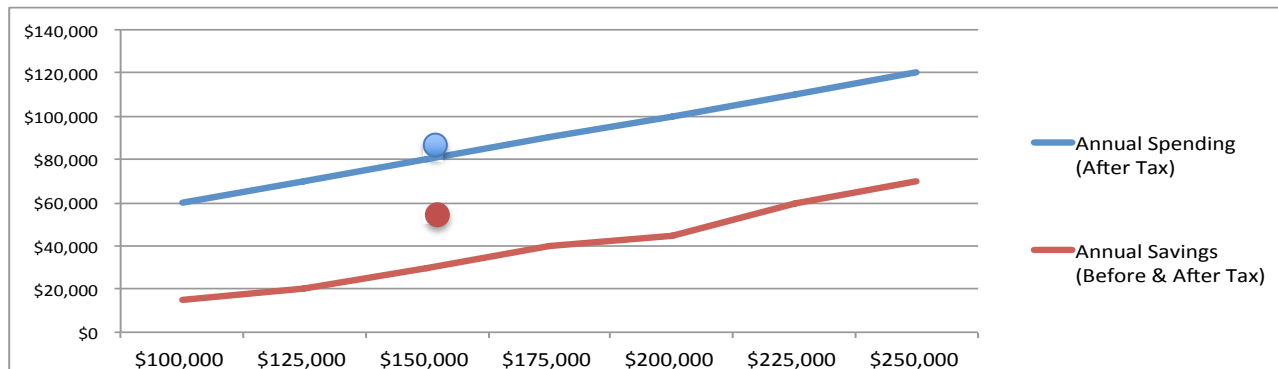


Investment Net Worth Projection at Age 60

Investment Net Worth Projection @ 60	\$500,000	\$1,000,000	Average Client \$1,500,000	\$2,000,000	\$2,500,000	\$3,000,000	\$3,500,000
Number of Client Households	5	6	7	4	4	2	4
Monthly Income After Tax @60 (5%Y, 20%T)	\$1,700	\$3,300	\$5,000	\$6,700	\$8,300	\$10,000	\$11,700

Annual Income, Spending & Saving Benchmark

The chart below shows our client household annual spending and saving at various income levels in 2015. Annual income is based on an average 10-year annualized income at 48 years old. Spending and savings is based on client averages in 2015. Each household is in a different situation with different variables. Some of the variables include the number of dependents, age, college expenses and debt service levels. **The dots are you in the accumulation mode before retirement.**



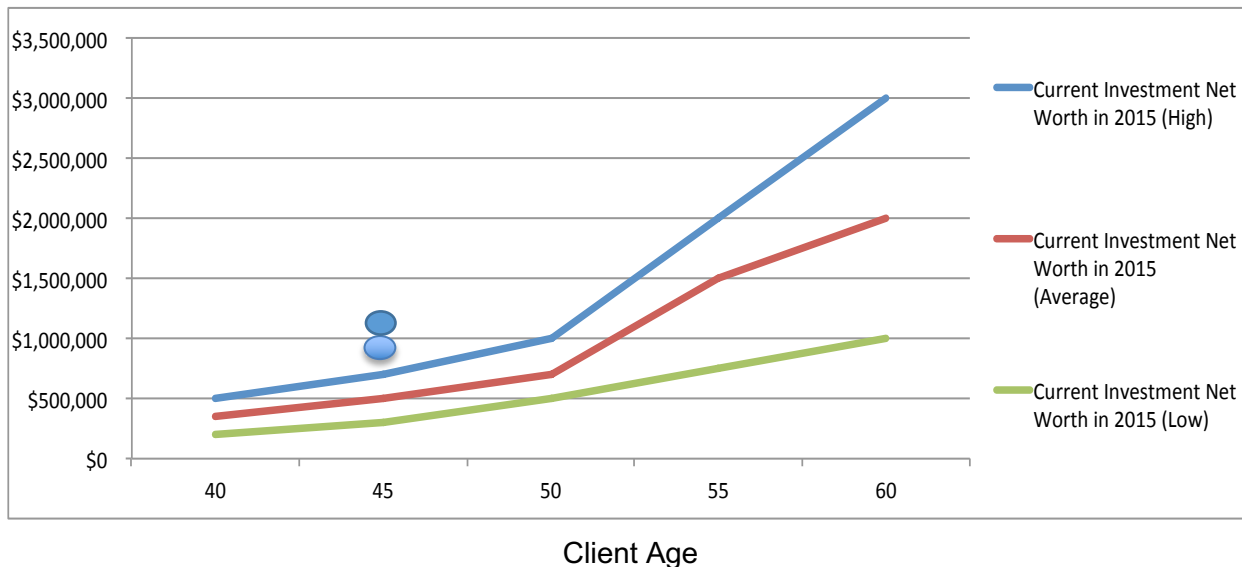
Annual Income (Before Tax)

Annual Income (Before Tax)	\$100,000	\$125,000	Average Client \$150,000	\$175,000	\$200,000	\$225,000	\$250,000
Annual Spending (After Tax)	\$60,000	\$70,000	\$80,000	\$90,000	\$100,000	\$110,000	\$120,000
Annual Savings (Before & After Tax)	\$15,000	\$20,000	\$30,000	\$40,000	\$45,000	\$60,000	\$70,000
Investment Net Worth Projection @ 60	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$3,000,000	\$3,500,000
Monthly Income After Tax @60 (5%Y, 20%T)	\$1,700	\$3,300	\$5,000	\$6,700	\$8,300	\$10,000	\$11,700
Number of Clients Households	5	6	7	4	4	2	4

Benchmarks

Investment Net Worth at Different Age Levels

The chart below shows our client current 2015 Investment Net Worth at different ages. Data was averaged, linearized and outlier data points were not used in calculations. The net worth does not include social security. **The dots are you with and without your future annuity/pension.**



Age in 2015	40	45	50	55	60
Current Investment Net Worth in 2015 (High)	\$500,000	\$700,000	\$1,000,000	\$2,000,000	\$3,000,000
Current Investment Net Worth in 2015 (Average)	\$350,000	\$500,000	\$700,000	\$1,500,000	\$2,000,000
Current Investment Net Worth in 2015 (Low)	\$200,000	\$300,000	\$500,000	\$750,000	\$1,000,000

Your Investment Projections Over Time

The chart below shows your Investment Net Worth and your projection at age 60 each of the year's projections were calculated. The net worth does not include social security and pension worth.

Projections: Steady
 Planned Contributions: Rising
 Market Performance: Higher (5.0% expected, 8.6% average)

YEAR	PLANNED CONTRIBUTION	BENCHMARK PERFORMANCE (Moderate Risk)	INVESTMENT WORTH @60
2012	x	12.1%	\$2,600,000
2013	\$40,000	14.3%	\$2,600,000
2014	\$40,000	4.9%	\$2,500,000
2015	\$45,000	-1.8%	\$2,500,000
2016	\$50,000	7.1%	\$2,500,000
2017	\$50,000	15.0%	\$2,500,000