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SAMPLE REPORT

Retirement Plan - Findings & Action Items

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DISCLOSURE

This Investment Analysis Tool uses "Future Value of Money" and an elaborate cash flow model to represent the likely outcome given the variables provided by the user input.

The tool makes no implicit or explicit recommendations to the performance of individual securities or otherwise favors specific asset classes or investment strategies.

This investment analysis tool does not restrict or otherwise apply bias to the selection of investment options as it does not use specific investments as the basis for its results.

All recommendations about specific allocations are the sole discretion of your advisor and are based on his/her knowledge of your financial situation and of your needs.

All calculations of historical returns are based on the weighted average of the user-specified allocation in each account. Such historical averages are intended only as reference and should not be used to derive recommendations or imply reasonable expectations or future results. Historical returns are no indication of future performance. The historical data referred to in this tool is for the following asset classes:

Returns as of 05/31/2014.

Inflation: US Consumer Price Index (CPI).

Cash: US Treasury Bill Auction Average 3 Month.

Bonds: BarCap US Agg Bond TR USD

Large Cap Stocks: Standard & Poor's 500 Total Return Index (w/GFD extension).

Mid Cap Stocks: S&P MidCap 400 Stocks Total Return Index.

Small Cap Stocks: S&P SmallCap 600 Stocks Total Return Index.

International Stocks: MSCI World Ex USA Growth USD.

Alts and Other: MSCI World USD.

The tool operates on a yearly model assuming that contributions, returns, inflows, and expenses are processed at mid and/or end year

(Contributions, Inflows, Expenses: Mid Year; Growth: Mid and EOY; Taxes: EOY). Projections are calculated using fixed or variable returns (as in the case of the Monte-Carlo simulations), for the time intervals specified by the user.

Fixed rates are used to calculate the growth of assets and the increases in expenses and incomes.

The projections made by the Monte Carlo simulations (if applicable) are based on the Cholesky Matrix. Results generated by the Monte Carlo analysis vary with each use and over time.

The results provided by this analysis tool are based on mathematical principles that do not predict or project the performance of an investment or investment strategy.

"IMPORTANT: The projections or other information generated by Finance Logix software regarding the likelihood of various investment results and are not guarantees of future results."



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Talking Points

- *RETIREMENT ANALYSIS*
- *INCOME PLANNING*
- *CURRENT PORTFOLIO ANALYSIS*
- *FINAL OVERVIEW & ACTION ITEMS*



Retirement Analysis

Desired monthly income	\$ 12,500.00
Social Security Income (combined)	\$ 2,753.00
Pension	\$ 6,339.00
Alimony	\$1,300.00
<hr/>	
Shortfall	\$(2,108.00)
Percentage of portfolio needed to generate shortfall:	\$25,296.00 Annualized shortfall
	\$804,000.00 Portfolio Value
	<hr/>
	3.15% Initial Withdrawal Rate

- Your current portfolio will allow you to generate roughly **\$151,000** (pre-tax) annually
 - Based on the assumptions below, you can afford to live on approximately \$12,640 per month (pre-tax)
 - You may have potentially have a surplus
 - These figures are based in “today’s dollars”

- This will help in providing for.....

- Rebalance your portfolio

- Determine position on drafting a will.....

- Portfolio balance at your passing will be approximately **\$27,943 (see next page)**

- Adjust your spending and budget if you would like to leave something to your heirs

Assumptions

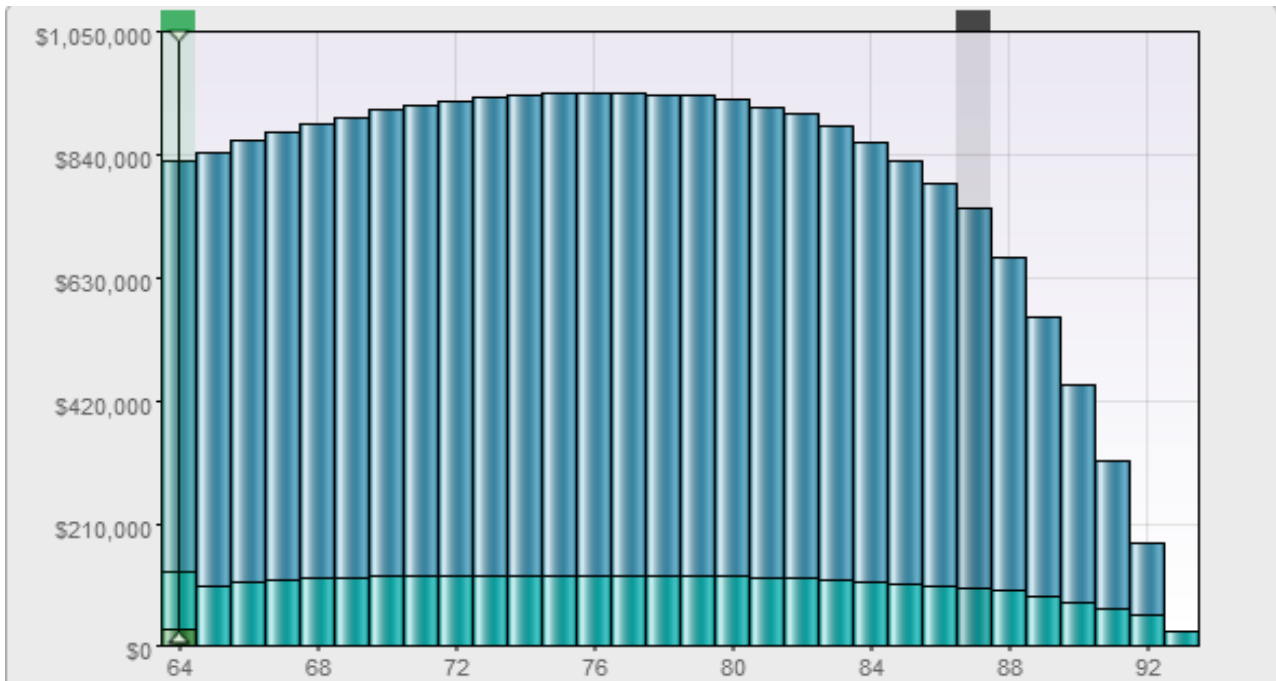
Rate of return	5.55%
Standard Deviation (risk)	8.33%
Inflation	3.80%
Retirement Age	N/A
Life Expectancy (Him)	90
Life Expectancy (Her)	93
Retirement Income Need (Pre-Tax)	\$150,000 per year



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This chart illustrates the growth of your assets and includes withdrawals.



● Taxable Savings	\$30,000
● Taxable Investments	\$0
● Traditional/Simple IRA	\$100,000
● Roth IRA	\$0
● Deferred Annuities	\$0
● 401(k)/403(b) Plan	\$704,000
● Deferred Comp.	\$0
● Municipal Bonds	\$0
● Stock Options	\$0
Total Savings	\$834,000

Sample Age: 64
Sample Age: 67
Year: 2014



Income Sustainability



In this chart the Fixed Return line represents the projected total savings assuming no variation in the returns specified on each account. The Low, Median, and High Return lines represent respectively the 25, 50, and 75 percentile outcomes of the Monte Carlo simulation, which randomize the returns for each year in the plan for each account.

Real life involves many factors that could affect the outcome of your savings plan. In order to help analyze the impact of varying returns on your total savings, the software looks at your entire plan (spending, incomes, gifting, goals, pre tax and after-tax contributions) and employs the Monte Carlo model to simulate the unstable nature of the financial markets.

The results shown in the chart above are based on random scenarios. In each scenario the engine steps through every year in the plan and adjusts the rate of return of each account based on the historical performance of the individual account's asset mix. By maintaining a separation between accounts during the projections we are able to show a more realistic simulation of market volatility vs. asset depletion.

After all simulations are performed, the system evaluates the results as they pertain to your financial goals, and it calculates the probability of success versus failure.

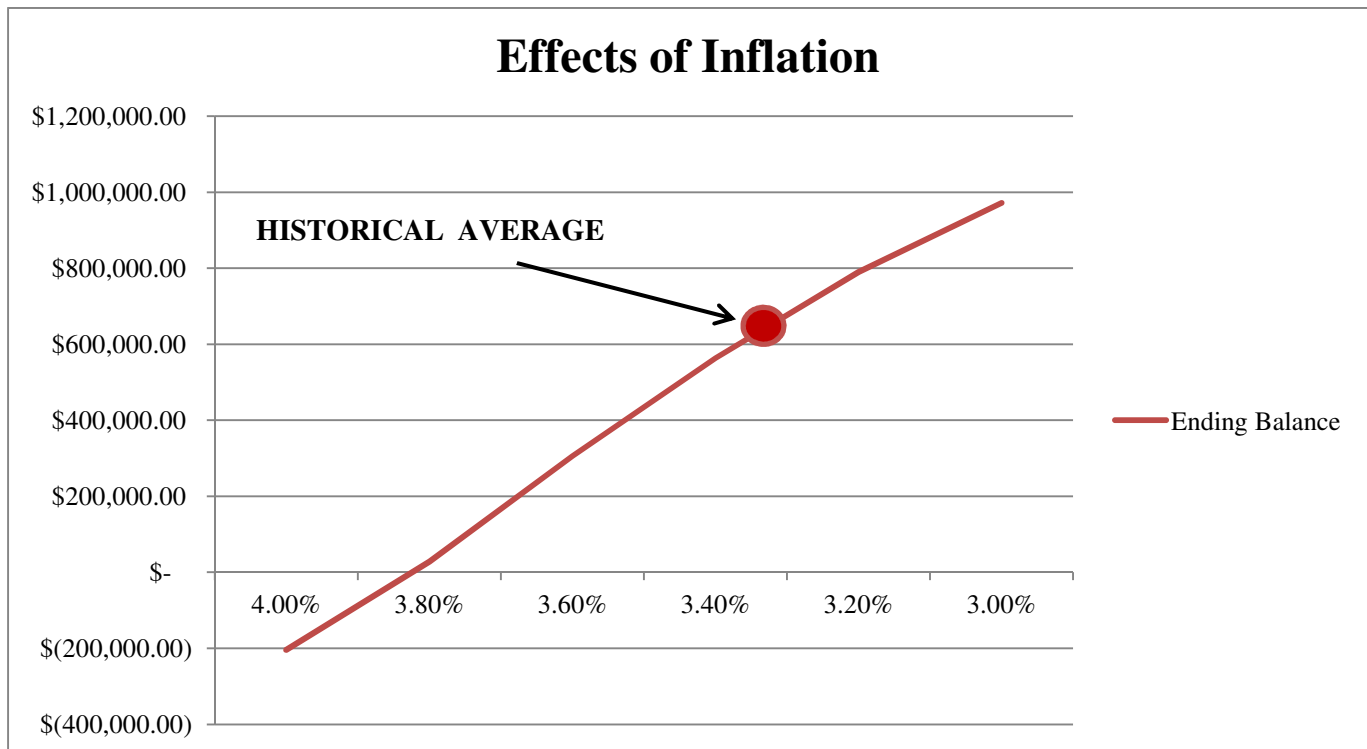
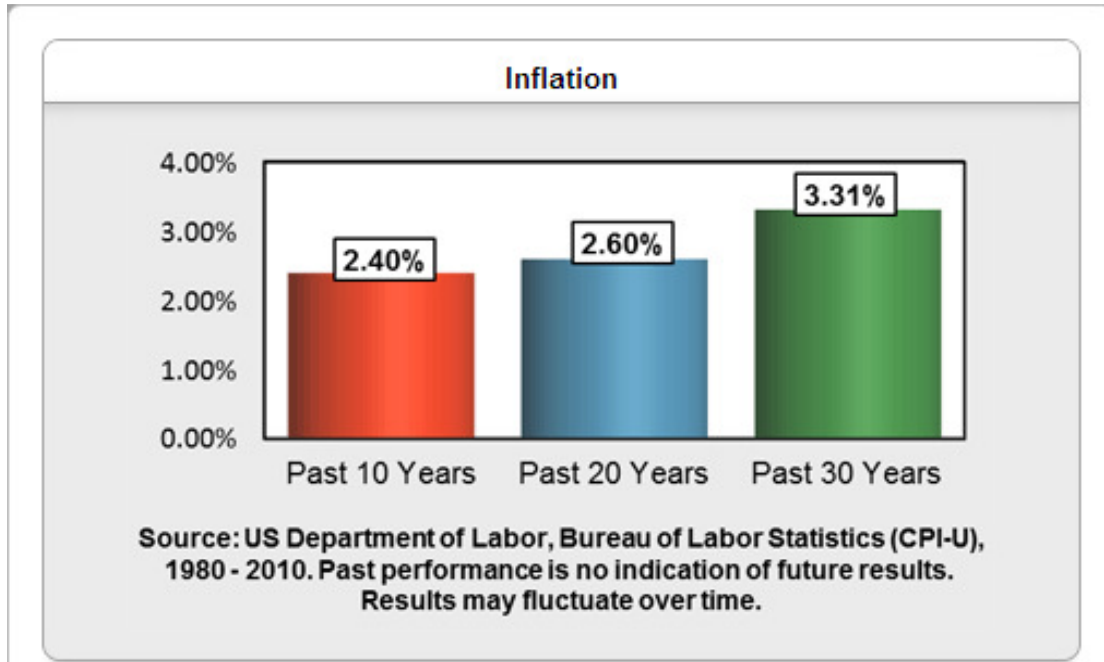
Based on the information listed above, we estimate that your current savings strategy is sufficient to achieve your retirement goal with a 100.00% confidence rate (based on the Monte Carlo simulation). As a result of your hard work the following alternatives may be of interest to you:

1. You specified a desired income goal of \$60,000 /yr in today's dollars, but you may be interested in knowing that you can increase that goal to \$91,155
2. You could reallocate your accounts to reduce the amount of risk in your portfolio.
3. Perhaps you and Robert may be interested in retiring a bit early.

You may consider any combination of these options, and we will be happy to show you the impact on your retirement plan.



INFLATION





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INCOME PLANNING

• CASH MANAGEMENT

- Keep one year's worth of expenses in cash
 - **Year one, you will need \$30,000 in cash**
- This will be replenished every year with the invested assets
- Re-examine toward the end of every year
- Maintain a monthly systematic withdrawal schedule to replicate your pay
- Utilize a budgeting strategy to keep track of spending habits
 - Many online banking tools are available to help with this

• PORTFOLIO MANAGEMENT

- Develop and maintain a portfolio that is built for income and risk management
- Maintain a nice balance among Stocks, Bonds, Cash and Alternative Assets (ex. Real Estate)
- Rebalance annually to avoid overweighting in certain asset classes
- Apply annual withdrawal increases based upon the increase of inflation (i.e. CPI index)



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Portfolio Review

(Proposed portfolio)



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Proposed Portfolios

Name	Identifier	Morningstar Category
XYZ Fund	N/A	High Yield Bond
XXXXXXXXXXXXXX	N/A	Bank Loan
XXXXXXXXXXXXXX	N/A	Utilities
XXXXXXXXXXXXXX	N/A	US ETF Long Government
XXXXXXXXXXXXXX	N/A	US ETF Intermediate Government
XXXXXXXXXXXXXX	N/A	Bank Loan
XXXXXXXXXXXXXX	N/A	US ETF Consumer Defensive
XXXXXXXXXXXXXX	N/A	US ETF Large Blend
XXXXXXXXXXXXXX	N/A	US ETF Short-Term Bond
XXXXXXXXXXXXXX	N/A	US ETF Short Government
XXXXXXXXXXXXXX	N/A	US ETF Intermediate-Term Bond
XXXXXXXXXXXXXX	N/A	US ETF Large Blend
XXXXXXXXXXXXXX	N/A	Conservative Allocation

Asset allocation as of 07-31-2014



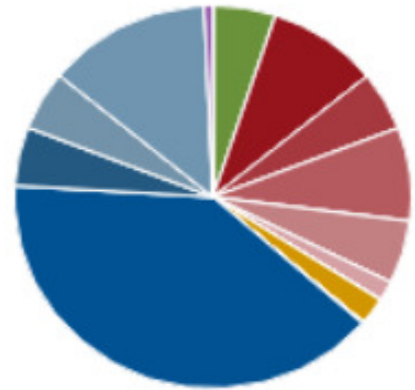
	Portfolio
Bonds	62.85%
Cash	5.11%
Non-US stocks	2.43%
US stocks	28.93%
Other	0.68%



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	Portfolio
■ Cash	5.11%
■ US Large-Cap Value Stocks	9.03%
■ US Large-Core Stocks	5.00%
■ US Large-Cap Growth Stocks	7.88%
■ US Mid-Cap Stocks	5.32%
■ US Small-Cap Stocks	1.65%
■ Other US Stocks	0.05%
■ Non-US Developed Stocks	2.28%
■ Non-US Emerging Stocks	0.00%
■ Other Non-US Stocks	0.15%
■ US Investment Grade Bonds	39.48%
■ US High-Yield Bonds	4.96%
■ Non-US Bonds	5.02%
■ Other Bonds	13.39%
■ Other	0.68%

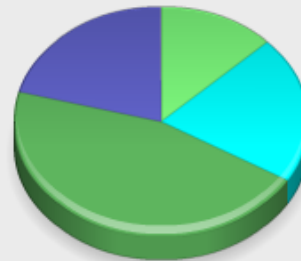




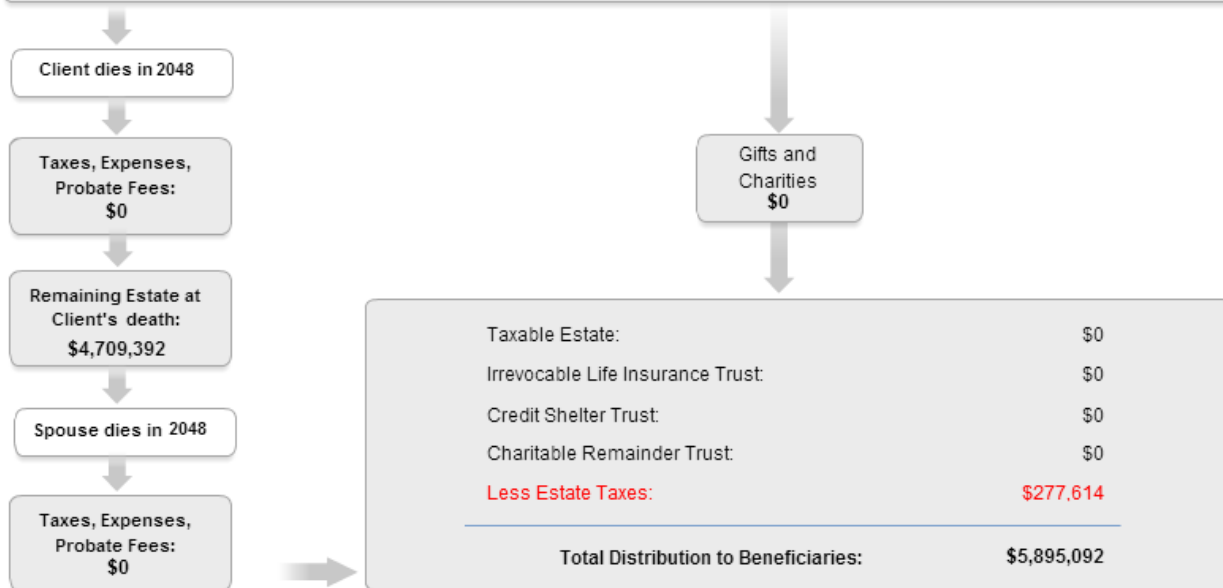
Estate Overview

Assets Breakdown

Tax-Advantaged:	\$370,000
Taxable:	\$600,000
Real Estate:	\$1,320,000
Residence:	\$600,000
Personal Property:	\$0
Business:	\$0
Other:	\$0



Client's Adjusted Gross Estate: \$4,709,392



It is difficult to determine the fiscal outlook on estate taxes. However, you will most likely have an estate tax issue based on the assumptions above. You have a few options with respect to limiting taxes for your beneficiaries:

- **IRREVOCABLE LIFE INSURANCE TRUST**
 - This allows insurance proceeds to be distributed tax-free
 - Creates estate liquidity
 - Helps pay for estate taxes and other fees
- **GIFTING STRATEGIES**
 - Create a trust that will generate income
 - Remaining balance will pass to heirs, excluded from estate
 - Make gifts during your lifetime that is under the gift exclusion
 - This may be difficult to gift all of your assets depending on their size



Overview

- The portfolios recommended on the previous page will allow you to generate a comfortable and reliable stream of retirement income.
- Consolidate all of your existing plans xxxxxxxxxxxx to provide greater flexibility and liquidity
 - IRA has high fees
 - Your XYZ plans do not have enough options to construct a retirement income oriented portfolio
- Consider revisiting the xxxxxx loan situation in 2015 since you will presumably be in a lower tax bracket

XYZ School Plan

Total as of 08/01/2014 \$ 551,125.27

Liquid \$ 478,020.12

ABC, Inc. Plan

Total as of 03/13/2014 \$ 236,236.50

Liquid \$ 201,817.68

TOTAL LIQUID TO MOVE \$ 679,837.80