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Sample

Disclaimer

The following report is a diagnostic tool intended to review your current financial situation and suggest potential planning ideas and concepts that may be of benefit. The purpose of the report is to illustrate how accepted financial and estate planning principles may improve your current situation.

This report is based upon information and assumptions provided by you (the client). This report provides broad and general guidelines on the advantages of certain financial planning concepts and does not constitute a recommendation of any particular technique. The consolidated report is provided for informational purposes as a courtesy to you. We recommend that you review your plan annually, unless changes in your personal or financial circumstances require more frequent review. All reports should be reviewed in conjunction with your fact summary and this Disclaimer page.

The term "plan" or "planning," when used within this report, does not imply that a recommendation has been made to implement one or more financial plans or make a particular investment. Nor does the plan or report provide legal, accounting, financial, tax or other advice. Rather, the report and the illustrations therein provide a summary of certain potential financial strategies. The reports provide projections based on various assumptions and are therefore hypothetical in nature and not guarantees of investment returns. You should consult your tax and/or legal advisors before implementing any transactions and/or strategies concerning your finances.

Additionally, this report may not reflect all holdings or transactions, their costs, or proceeds received by you. It may contain information on assets that are not held at the broker/dealer with whom your financial representative is registered. As such, those assets will not be included on the broker/dealer's books and records. Prices that may be indicated in this report are obtained from sources we consider reliable but are not guaranteed. Past performance is no guarantee of future performance and it is important to realize that actual results may differ from the projections contained in this report. The presentation of investment returns set forth in this report does not reflect the deduction of any commissions. Projected valuations and/or rates of return may not take into account surrender charges on products you might own. They will reflect any fees or product charges when entered by the advisor/ representative. Deduction of such charges will result in a lower rate of return.

It is important to compare the information on this report with the statements you receive from the custodian(s) for your account(s). Please note that there may be minor variations due to calculation methodologies. If you have any questions, please contact your financial representative. Also, your account(s) may not be covered by FDIC or SIPC. FDIC and SIPC coverages apply only to certain assets and may be subject to limitations. Questions about coverage that may apply should be directed to the asset provider or sponsor.

The information contained in this report is not written or intended as financial, tax or legal advice. The information provided herein may not be relied on for purposes of avoiding any federal tax penalties. You are encouraged to seek financial, tax and legal advice from your professional advisors.

Tools such as the Monte Carlo simulation will yield different results depending on the variables inputted, and the assumptions underlying the calculation. For those reports that perform a Monte Carlo analysis, the term 'Monte Carlo' will be included in the report title. The assumptions with respect to the simulation include the assumed rates of return and standard deviations of the portfolio model associated with each asset. The assumed rates of return are based on the historical rates of returns and standard deviations, for certain periods of time, for the benchmark indexes comprising the asset classes in the model portfolio. Since the market data used to generate these rates of return change over time your results will vary with each use over time.

Monte Carlo Analysis is a mathematical process used to implement complex statistical methods that chart the probability of certain financial outcomes at certain times in the future. This charting is accomplished by generating hundreds of possible economic scenarios that could affect the performance of your investments.

The Monte Carlo simulation uses at most 1000 scenarios to determine the probability of outcomes resulting from the asset allocation choices and underlying assumptions regarding rates of return and volatility of certain asset classes. Some of these scenarios will assume very favorable financial market returns, consistent with some of the best periods in investing history for investors. Some scenarios will conform to the worst periods in investing history. Most scenarios will fall somewhere in between.

The outcomes presented using the Monte Carlo simulation represent only a few of the many possible outcomes. Since past performance and market conditions may not be repeated in the future, your investment goals may not be fulfilled by following advice that is based on the projections.

I/We have received and read this Disclaimer page and understand its contents and, therefore, the limitations of the report. Furthermore, I understand that none of the calculations and presentations of investment returns are guaranteed.

Client(s): _____

Luke Affluent

_____ Date

_____ Jen Affluent

_____ Date

Advisor: _____

Jim Adkins

_____ Date



Basics of Retirement Planning

Prepared for Luke and Jen Affluent

Retirement Planning is the process of creating a realistic strategy for funding your retirement that balances current financial needs with expected retirement needs many years into the future.

A successful retirement is the highest financial priority for many people. Because of the long-term nature of retirement and all of the variables that go into determining potential success or failure, it is often the most difficult financial goal for which to plan.

Items to consider when creating a retirement plan:

Longevity

With average life expectancy now in the 80s it is likely that you could experience a retirement period that lasts 20-30 years. Your plan must be flexible enough to account for a long retirement.

Expenses and Inflation

Inflation is always a powerful enemy in any retirement plan, especially for a retirement that could last multiple decades. Your living expenses could increase multiple times over a long retirement. And, certain expenses such as medical expenses could easily outpace inflation.

Income

Any extra income, whether from part-time work or from delayed retirement, could make a substantial difference in your retirement income. Your selected social security start date can also make a meaningful difference.

Withdrawals

Almost everyone will need to augment their retirement income with withdrawals from their portfolio assets. Many recent studies have indicated the importance of reasonable and sustainable withdrawal rates. A generally accepted withdrawal rate is 4%, but every case is different.

Asset Allocation

It is always important to have a reasonable asset allocation, but it is especially important in or near retirement since your time horizon to recoup any losses is shorter. A proper allocation that balances income needs with growth needs is critical. Asset allocation does not guarantee a profit or protect against a loss in a declining market.

Other Goals

Other financial goals (purchasing a vacation home or subsidizing your parents' care for example) will impact your retirement. This analysis will take into account any other goals you have defined.

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Retirement Expenses

Base Facts

Prepared for Luke and Jen Affluent

Thinking about retirement can be daunting. It is difficult to plan for something that may not start for many years and can last multiple decades. Nonetheless, it is very important to create a retirement plan. With longer than average life expectancy, you could spend a third of your life in retirement. The first step in creating a retirement plan is determining the expected cost of retirement.

Retirement is assumed to start in 2022 when Luke is age 65. Retirement for Jen starts in 2024 at age 65. Annual living expenses during retirement are expected to be \$180,000 (in today's dollars) and are projected to grow at the specified inflation rate(s) beginning immediately.

SUMMARY

Retirement Lasts
2022 - 2049 (28 years)

Living Expenses (2022)
\$250,274

Living Expenses
\$12,130,322

Cost of Retirement
\$17,977,541

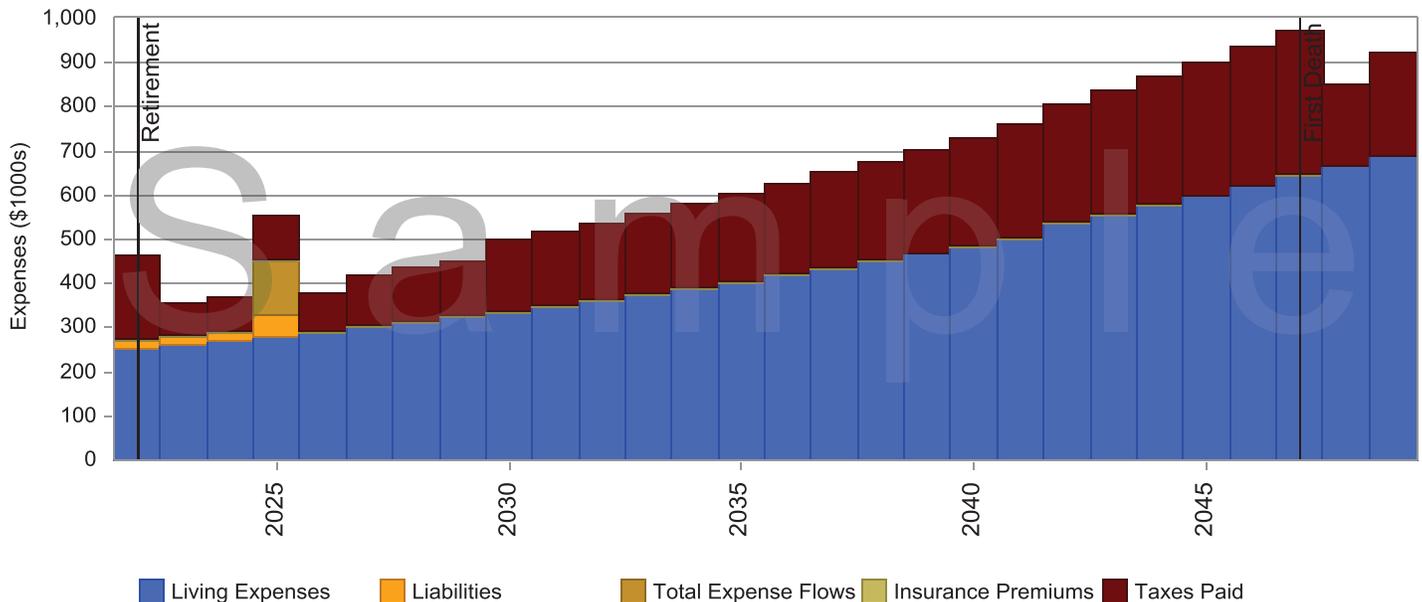
You can expect living expenses to be \$250,274 in the first year of retirement and \$691,400 in the last year of retirement. Total cost of retirement is expected to be \$17,977,541.

Total retirement expenses include not only living expenses, but also taxes, insurance premiums, and other defined expenses.

How Will Your Expenses Grow?

The chart below illustrates the cost of your retirement over time, showing that you can expect total living expenses of \$250,274 in the first year of retirement (2022) and \$691,400 in the last year of retirement (2049). These living expense figures include any excess cash flow that is assumed to be spent. Other expense categories are displayed as well.

Retirement Expenses



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Retirement Expenses

Base Facts

Prepared for Luke and Jen Affluent

Year	Age	Living Expenses	Liability Payments	Total Expense Flows	Insurance Premiums	Taxes Paid	Total Expenses	Total Outflows
2022	65/63	\$250,274	\$19,320	\$0	\$4,000	\$192,543	\$466,137	\$466,137
2023	66/64	259,609	19,320	0	4,000	74,662	357,591	357,591
2024	67/65	269,293	19,320	0	4,000	77,154	369,767	369,767
2025	68/66	279,337	49,146	124,150	4,000	95,331	551,964	551,964
2026	69/67	289,757	0	0	4,000	84,591	378,348	378,348
2027	70/68	300,564	0	0	4,000	115,930	420,494	420,494
2028	71/69	311,776	0	0	4,000	120,177	435,953	435,953
2029	72/70	323,405	0	0	4,000	124,649	452,054	452,054
2030	73/71	335,469	0	0	4,000	158,361	497,830	497,830
2031	74/72	347,983	0	0	4,000	165,688	517,671	517,671
2032	75/73	360,962	0	0	4,000	173,054	538,016	538,016
2033	76/74	374,426	0	0	4,000	180,629	559,055	559,055
2034	77/75	388,393	0	0	4,000	188,439	580,832	580,832
2035	78/76	402,881	0	0	4,000	196,812	603,693	603,693
2036	79/77	417,909	0	0	4,000	205,309	627,218	627,218
2037	80/78	433,497	0	0	4,000	214,386	651,883	651,883
2038	81/79	449,667	0	0	4,000	223,712	677,379	677,379
2039	82/80	466,441	0	0	4,000	233,505	703,946	703,946

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Year	Age	Living Expenses	Liability Payments	Total Expense Flows	Insurance Premiums	Taxes Paid	Total Expenses	Total Outflows
2040	83/81	483,839	0	0	4,000	243,767	731,606	731,606
2041	84/82	501,886	0	0	4,000	254,521	760,407	760,407
2042	85/83	535,056	0	0	4,000	266,307	805,363	805,363
2043	86/84	555,014	0	0	4,000	277,658	836,672	836,672
2044	87/85	575,716	0	0	4,000	289,087	868,803	868,803
2045	88/86	597,191	0	0	4,000	300,982	902,173	902,173
2046	89/87	619,466	0	0	4,000	313,271	936,737	936,737
2047	90/88	642,572	0	0	4,000	325,495	972,067	972,067
2048	91/89	666,539	0	0	0	185,700	852,239	852,239
2049	92/90	691,400	0	0	0	230,243	921,643	921,643
Totals		\$12,130,322	\$107,106	\$124,150	\$104,000	\$5,511,963	\$17,977,541	\$17,977,541

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Retirement Income

Base Facts

Prepared for Luke and Jen Affluent

Income sources like Social Security, pension plans, and annuities can help offset your retirement expenses. Total inflows during retirement can also include planned distributions, investment income and other inflows such as insurance benefits, asset sales, and income from a business or trust.

Income sources available during retirement include the following:

Luke's Social Security	\$29,056 starting in 2022
Jen's Social Security	\$1,441 starting in 2024
Variable Annuity - Annuitized	\$18,707 starting in 2022
Investment Income	\$0 during retirement
Planned Distributions	\$69,795 starting in 2027

SUMMARY

Cost of Retirement	\$17,977,541
Retirement Inflows	\$9,706,186
Unfunded Costs	\$8,271,355
Pct Funded by Income	54%

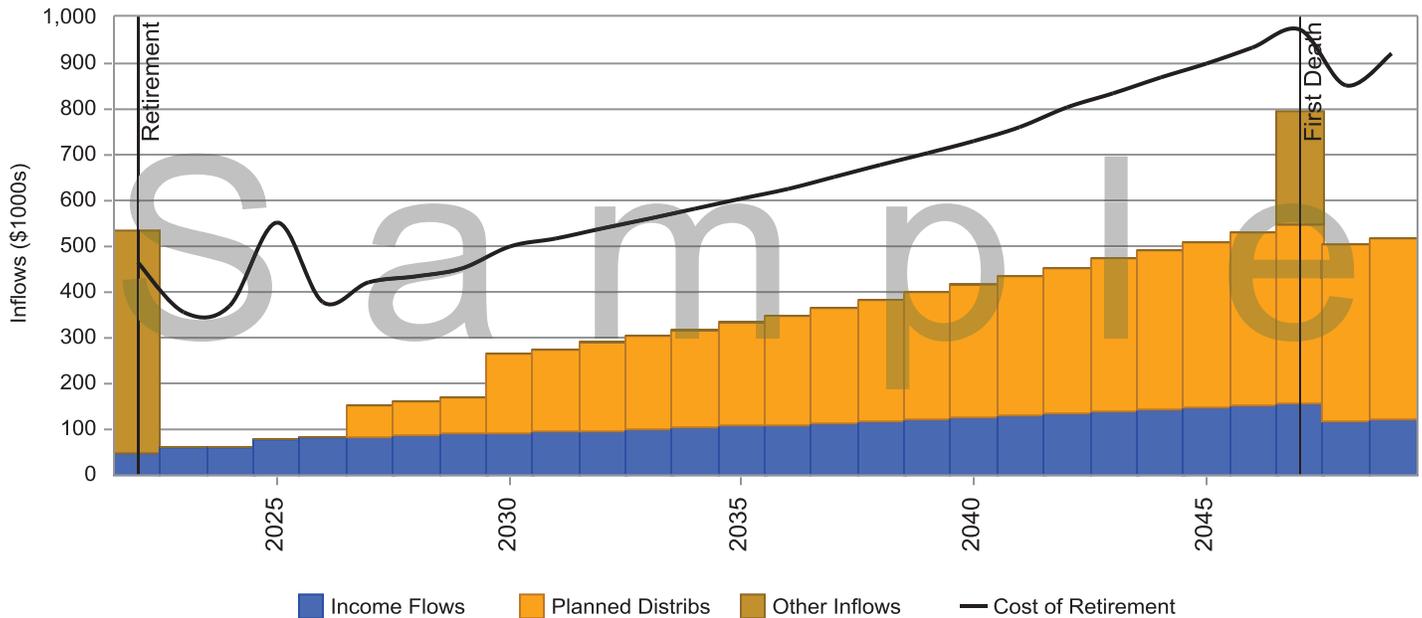
Total inflows are expected to include **\$3,008,275** in income flows, **\$0** in investment income, and **\$5,961,271** in planned distributions. Other inflows will total **\$736,640**.

Total inflows during retirement are projected to be **\$9,706,186**, funding **54%** of your total cost of retirement.

Retirement Inflow Details

The chart below highlights your retirement inflows. These inflows total **\$9,706,186** realized over your expected retirement and represent approximately **54%** of your total cost of retirement.

Retirement Income



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Retirement Income

Base Facts

Prepared for Luke and Jen Affluent

Year	Age	Income Flows	Investment Income	Planned Distributions	Other Inflows	Total Inflows
2022	65/63	\$47,763	\$0	\$0	\$486,640	\$534,403
2023	66/64	58,893	0	0	0	58,893
2024	67/65	61,833	0	0	0	61,833
2025	68/66	79,881	0	0	0	79,881
2026	69/67	82,163	0	0	0	82,163
2027	70/68	84,530	0	69,795	0	154,325
2028	71/69	86,985	0	73,862	0	160,847
2029	72/70	89,532	0	78,161	0	167,693
2030	73/71	92,173	0	171,037	0	263,210
2031	74/72	94,913	0	180,980	0	275,893
2032	75/73	97,755	0	191,489	0	289,244
2033	76/74	100,703	0	202,593	0	303,296
2034	77/75	103,762	0	213,836	0	317,598
2035	78/76	106,934	0	226,202	0	333,136
2036	79/77	110,225	0	238,084	0	348,309
2037	80/78	113,639	0	251,156	0	364,795
2038	81/79	117,180	0	264,184	0	381,364
2039	82/80	120,853	0	277,790	0	398,643

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Year	Age	Income Flows	Investment Income	Planned Distributions	Other Inflows	Total Inflows
2040	83/81	124,663	0	291,988	0	416,651
2041	84/82	128,616	0	306,783	0	435,399
2042	85/83	132,716	0	321,136	0	453,852
2043	86/84	136,969	0	335,952	0	472,921
2044	87/85	141,380	0	349,962	0	491,342
2045	88/86	145,955	0	364,219	0	510,174
2046	89/87	150,701	0	378,672	0	529,373
2047	90/88	155,624	0	391,612	250,000	797,236
2048	91/89	119,095	0	385,479	0	504,574
2049	92/90	122,839	0	396,299	0	519,138
Totals		\$3,008,275	\$0	\$5,961,271	\$736,640	\$9,706,186

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Building Your Retirement Assets

Base Facts

Prepared for Luke and Jen Affluent

Along with your expected retirement income, the other primary resource for funding your retirement is your accumulated portfolio assets. When estimating the portfolio assets you could have available at your retirement, the key assumptions are your current portfolio balance, planned savings, expected growth rate of the portfolio assets and annual cash flow prior to retirement. You can also increase your portfolio assets before or during retirement by liquidating other assets such as a house or business.

Defined portfolio assets currently total **\$7,682,963**. In **2013**, savings include **\$12,500** in planned savings and **\$6,250** in employer contributions. From **2013** through **2022** planned savings will total **\$130,832** and employer contributions will total **\$65,417**, for a total of **\$196,249**. Projected asset growth prior to retirement is **\$5,068,344**.

In the first year of retirement, your portfolio assets are projected to consist of **\$7,426,171** in taxable assets, **\$1,802** in cash, **\$2,897,684** in retirement assets, **\$372,870** in annuities, and **\$62,568** in life insurance cash value.

Taking into account savings, growth, and cash flow, your portfolio assets are projected to total **\$10,761,095** at the beginning of **2022**.

SUMMARY

Planned Savings
\$130,832

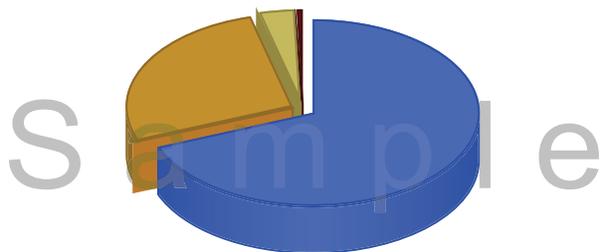
Employer Contributions
\$65,417

Growth
\$5,068,344

Portfolio Assets (2022)
at Beginning of Year
\$10,761,095

What Comprises Your Portfolio Assets

The chart below reflects the projected value of portfolio assets at the beginning of 2022.



- Taxable Assets (69.01%)
- Cash Assets (0.02%)
- Retirement Assets (26.93%)
- Annuity Assets (3.46%)
- Insurance Assets (0.58%)

At the beginning of 2022, the breakdown of portfolio assets is projected to be as follows:

Asset Type	Amount	Percent
Taxable	\$7,426,171	69.01%
Cash	1,802	0.02%
Retirement	2,897,684	26.93%
Annuity	372,870	3.46%
Insurance	62,568	0.58%
Total	\$10,761,095	100.00%

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Retirement Withdrawals

Base Facts

Prepared for Luke and Jen Affluent

Withdrawals from portfolio assets are a critical component of all retirement plans. The size and frequency of withdrawals will go a long way to determining if your portfolio assets will last for your lifetime. Withdrawals can be made from taxable or tax deferred accounts, each providing different tax consequences. You should always be mindful of your total withdrawals to make sure you are not liquidating your assets too quickly.

Supplemental withdrawals from portfolio assets are required when retirement inflows, including planned withdrawals, are insufficient to cover expenses for a given year. It is not unusual to make supplemental withdrawals during retirement, but care must be taken to ensure your portfolio assets last.

Supplemental withdrawals during retirement will total **\$9,010,384** funding **50%** of retirement expenses.

Planned withdrawals, such as required minimum distributions, are withdrawals that you already intend to make. Planned withdrawals are projected to total **\$5,961,271** over your retirement and are accounted for as part of total retirement inflows.

SUMMARY

Cost of Retirement
\$17,977,541

Retirement Inflows
\$9,706,186

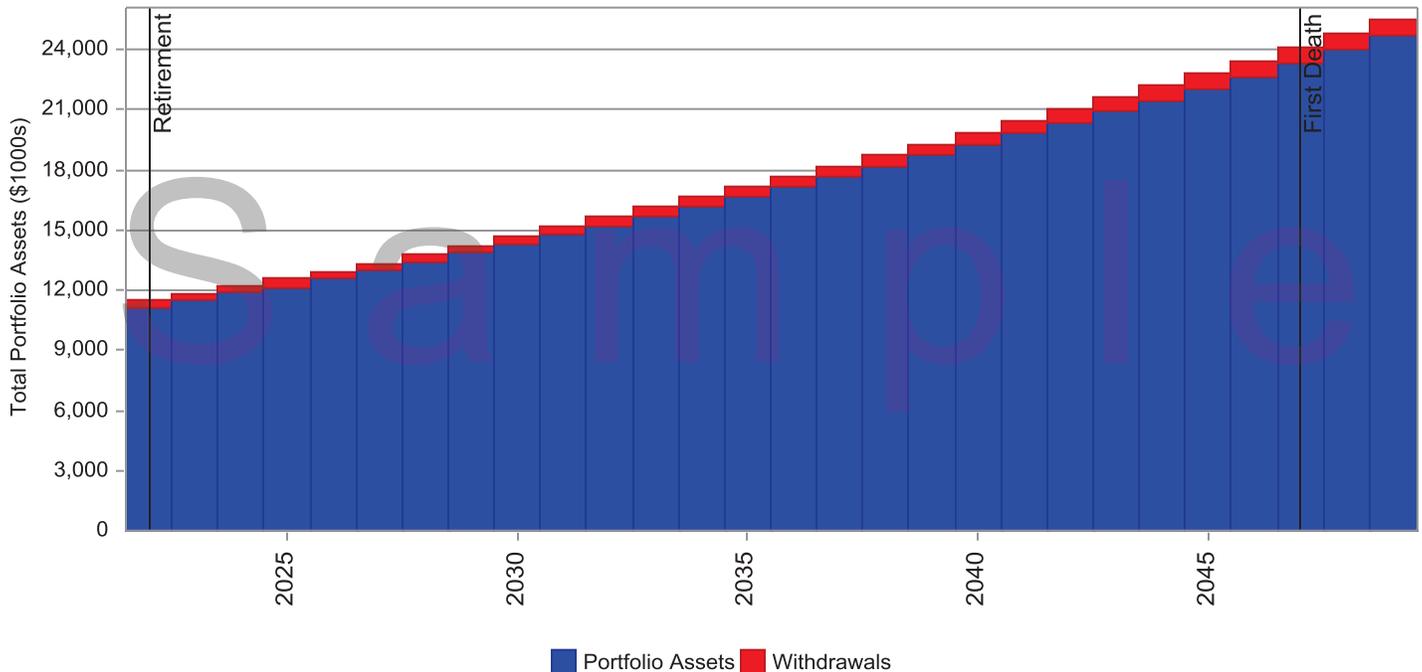
Supplemental Withdrawals
\$9,010,384

Pct Funded by Suppl Withdrawals
50%

Retirement Withdrawal Details

The chart below highlights your total withdrawals in relation to your total portfolio assets. Total withdrawals are comprised of planned withdrawals plus supplemental withdrawals.

Retirement Withdrawals



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Looking at Everything in Retirement

Base Facts

Prepared for Luke and Jen Affluent

There are two main resources at your disposal with which you can fund your retirement; income and portfolio assets. You accumulate portfolio assets during your pre-retirement years through savings and growth. Additionally, various sources may provide you with income during retirement. By comparing the combination of these resources with your expected retirement expenses, you can get a picture of how successful you may be in financing your retirement.

Over the course of your retirement years, you can expect total costs of **\$17,977,541**. During this time, you will have total retirement inflows of **\$9,706,186**. At the start of retirement in **2022**, your projected portfolio assets will be **\$10,761,095**. Desired assets remaining at death are **\$0**.

At the end of retirement in **2049**, you are projected to have a **surplus** of **\$24,751,324**.

SUMMARY

Cost of Retirement
\$17,977,541

Retirement Inflows
\$9,706,186

Supplemental Withdrawals
\$9,010,384

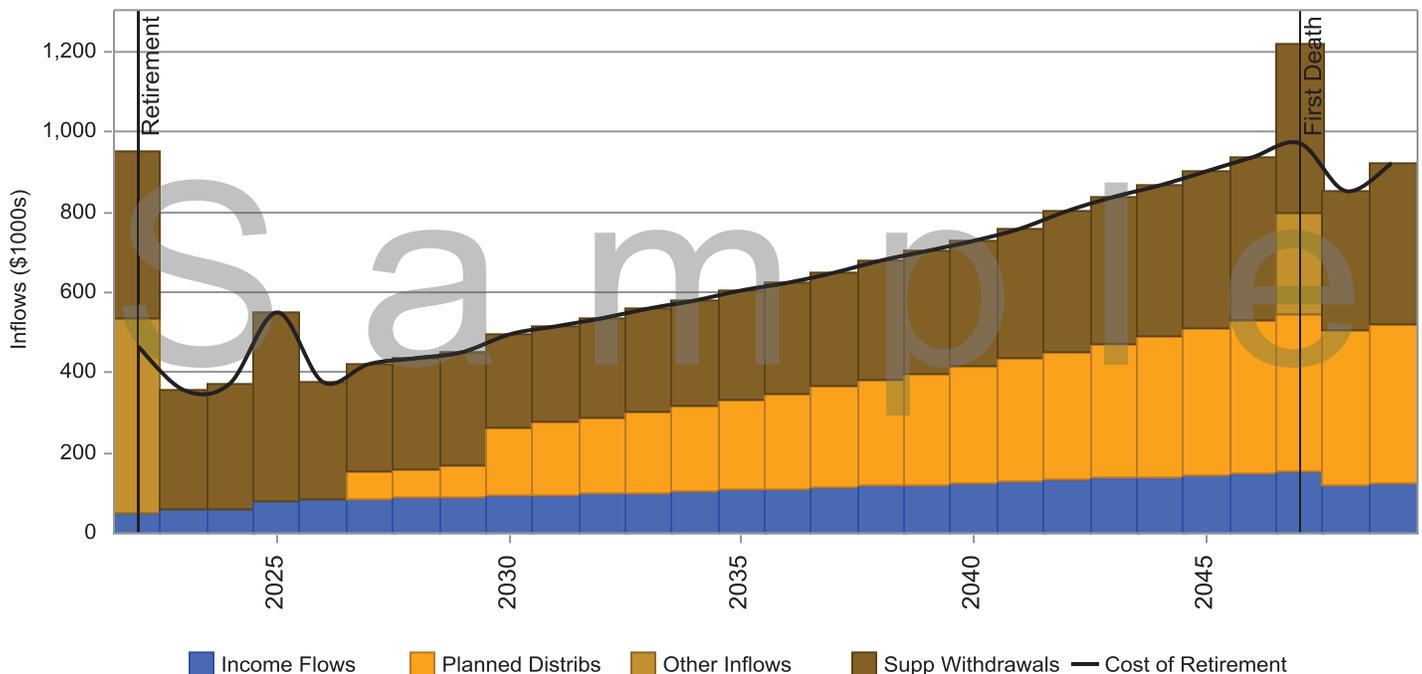
Funding Surplus
\$24,751,324

Unfunded Years
0

Retirement Resource Usage

The chart below illustrates how your income sources and portfolio assets could be used to fund your retirement. Years which are not successfully funded show the amount of shortfall.

Looking at Everything



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Options for Meeting Retirement Needs

Base Facts

Prepared for Luke and Jen Affluent

Based upon the assumptions utilized in this report, you are projected to have a retirement **surplus** of **\$24,751,324**.

There are several options presented below which, alone or in combination, might allow you to achieve your retirement objectives. These options include your desire to have at least **\$0** in portfolio assets at the end of retirement.

Retire Earlier

Without changing any other factors, you can consider retiring earlier than originally planned. This option typically increases the total cost of retirement and should be considered carefully.

Earliest retirement would start when **Luke** is age **56 (2013)** and **Jen** is age **54 (2013)**.

This results in portfolio assets of **\$7,925,419** at retirement, an adjusted retirement cost of **\$19,715,933**, and portfolio assets of **\$19,667,835** at the end of retirement.

SUMMARY

Retirement Starts

Ages 65 & 65 (current)

Ages 56 & 54 (new)

Cost of Retirement

\$17,977,541 (current)

\$19,715,933 (new)

Assets in 2049

\$24,751,324 (current)

\$19,667,835 (new)

Enhance Your Retirement Lifestyle

Without changing any other factors, you can consider spending more during retirement than originally planned. This option typically increases the total cost of retirement and should be considered carefully.

Based on the assumptions given, you may consider increasing your initial retirement living expenses of **\$180,000** (in today's dollars) up to a maximum of **\$377,000**.

This results in an adjusted retirement cost of **\$29,413,627**, and portfolio assets of **\$31,208** at the end of retirement.

SUMMARY

Living Expenses

\$180,000 (current)

\$377,000 (new)

Cost of Retirement

\$17,977,541 (current)

\$29,413,627 (new)

Assets in 2049

\$24,751,324 (current)

\$31,208 (new)

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