***- Confidential Report -***

### Financial Plan Introduction

These confidential reports were created for your personal use and future reference only. Each section is designed to give you a better understanding of your financial circumstances, and what's projected for the future. These reports reflect your financial standing today and where you are likely to be in the event of your disability, death, or retirement. It will provide valuable information for years to come.

The goal of this financial plan is to make the greatest possible use of your present and expected financial resources. The plan assumes your expressed willingness, and ability, to take on an appropriate level of risk; and also to make the cash and investment commitments required.

Your report coordinates all of your assets, liabilities, sources of incomes; and then puts them into perspective when compared to your stated financial goals and objectives. Needs or deficiencies are identified, and recommendations are included to illustrate how you may improve on all of your arrangements.

Supplementary information is also included to help clarify some issues.

Periodic review will be necessary to keep your reports up to date and pertinent to your life. If, after a thorough review of the plan, you feel you'd like to make different assumptions, we'll be happy to make adjustments based on whatever assumptions you may wish to adopt.

The value of this financial plan lies in its implementation. Once your plan accurately reflects what you both are personally trying to accomplish, and the more rapidly these changes are made, the more likely your desired results can be achieved.

No financial plan is of any value unless it is implemented promptly. Our services are available to assist you in these endeavors.

About the *Cost Benefit Ratio* report: The total annual fee for constructing your financial plan was $2,500. According to our projections, the difference in your net worth in ten years between the current version (assuming you continued going down the road you're currently on), and the proposed version (following all of our recommendations) is roughly $495,000.

This number divided by the total fee is 19.8. So for every dollar you spent on our fee, the value of our plan returns around $19 to you. The cost benefit ratio in 20 years is 27.3.

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### Financial Plan Disclaimer

Your financial plan was designed from the personal information and documents furnished to us by you, and it is based on your expression of the personal objectives and your attitudes. It is essential that the tax and legal planning steps be considered only with the advice of your attorney, CPA, and your other financial advisors; which we will be happy to coordinate with. This plan is not to be construed as offering legal or accounting advice. You are encouraged to discuss this plan and its findings with your attorney and accountant.

These reports show ballpark estimates of your future financial situation, and are intended only as a basis for discussion with your professional advisors. The estimates shown in this report are based on many assumptions that may or may not occur. Both principal value and investment returns will fluctuate over time. No warranty as to correctness is given and no liability is accepted for any error, or omission, or any loss, which may arise from relying on this data.

Every effort has been made to assure the highest reasonable degree of accuracy in your financial plan. However, due to the dynamic nature of our economic and tax environments, no guarantees or assurances can be given regarding the profitability or tax benefits of any investment. The only assurance is that over time, every investment program is likely to produce some losses on the road to achieving long-term gains. Also, taxes and inflation could be much higher than projected, which will seriously impede your progress.

This plan is only as accurate as the information on which it was based. If the data originally supplied to us is incorrect, the plan will reflect these inaccuracies, and these errors will project into the future at a magnified rate. Certain assumptions made by us, or you, may also limit the accuracy of the data. Please review your data carefully. Also, the further into the future this plan projects, the more inaccurate it becomes. As a result, your plan should be updated at least annually to ensure its continued accuracy.

Where rates of return, taxes, and inflation estimates are used to simulate investment results, they should not be construed as guarantees or warranties of profitability. Computerized performance projections of assets, portfolios, and markets are to be considered as statistical models based on past performance only. Past performance is no guarantee of any future results. No warranty as to correctness is given and no liability is accepted for any error, or omission, or any loss, which may arise from relying on this data. No investment, strategy, or recommendations in this report is insured by the FDIC, any governmental agency, or other corporation.

Where tax benefits are illustrated they are based on the best information currently available. Various proposals are made from time to time to change the tax laws, and it seems probable that many of our current tax laws will undergo changes during the years illustrated in this financial plan. Some of these proposals, if enacted, might have a serious adverse effect on tax consequences of some of the investment strategies proposed. On the other hand, some proposals may significantly enhance your position if enacted.

**About the Resulting Number to the Right of: *Probability of Success Given All Assumptions***

In the retirement plan, and college savings plan reports, there is (usually) a percentage number shown. This is the result of the Monte Carlo simulation. This is also known as “stress testing” your financial plan.

Your financial plan was created using actual real “cash-flow based” money software, and not “fake goal- or goals-based software.”

The point is that using real financial planning software makes it so your financial plan has several more degrees of magnitude more validity, when it comes to projecting your financial life into the future.

Fake investment software is just not capable of projecting accurate numbers more than a few years into the future, simply because it totally ignores the very heart of financial planning – which pumps the life blood into the future of your financial plan.

The heart of your financial plan, is your budget and cash flow; or earned and other incomes compared to your actual real-world expenses. The difference between these two factors - annual surpluses and deficits, and replacement costs, are usually what will end up determining your ability to reach your long-term goals (unless you have a large pool of financial assets, or interest-free credit, that you can freely tap at any time, when there are annual cash flow deficits).

Numbers more than 70% mean that your retirement plan has a good chance of succeeding, by weathering storms.

With numbers less than 70%, there is significant risk that more money will be needed than what was input into the retirement plan, in order to remain in retirement without running out of money.

Numbers under 50% mean much more money will probably need to spent and invested than what's showing. This is because what was input was a "rosy scenario," meaning your investment returns will probably be lower than what was input, fees and expenses will be higher, and/or total costs will end up being much more than anticipated.

These things change, so it’s important to update your financial plan at least annually.