

Transition Report

Bill & Brenda Business

Advisor:

Case Study



WEALTHCARE
CAPITAL MANAGEMENT

Manage Your Goals
Using Time-Tested
Principles

TRANSITION EXECUTIVE SUMMARY

A. CURRENT

HOUSEHOLD RISK ALLOCATION

Broad	\$	%
Cash	55,000	15.3
Fixed Income	198,679	55.2
Equity	105,340	29.3
Real Assets	981	0.3
Totals	360,000	100.0

HOUSEHOLD ACCOUNTS

Registration	\$
SEP IRA	125,000
Bill Rollover IRA	112,500
Taxable Joint	60,000
Bill Rollover IRA Joint	37,500
Roth IRA	25,000

HOUSEHOLD ASSET ALLOCATION

Asset Class	\$	%
Cash Equivalents	55,000	15.3
Investment Grade Bonds	103,513	28.8
High Income Bonds	95,166	26.4
Large Cap Equity	96,530	26.8
Small-Mid Cap Equity	1,511	0.4
International Equity	7,293	2.0
Emerging Market Equity	7	0.0
Real Estate	981	0.3
Totals	360,000	100.0

B. TARGET

Strategy	Passive Domestic Core
Allocation	Moderate Growth (65E / 35F)

C. TRANSITION TRADE-OFFS

PROJECTED FEE SAVINGS

Horizon	Beginning Market Value	GDXi Portfolio Cost (%)*	Current Portfolio Cost (%)**
	360,000	0.09	0.68
1 years			2,162
3 years			7,236
5 years			13,454
7 years			21,012
10 years			35,369
15 years			69,741
20 years			122,243
30 years			316,955

TAX COSTS

Assumptions: Short-Term rate 39% : Long term rate 20%

Target Portfolio	Liquidation Strategy	Realized Gain/Loss	Total Tax Cost*	Retained Securities
Option 1				
A.Passive Domestic Core	Liquidate All	-6,000	-2,340	0
Option 2:				
A.Passive Domestic Core	Liquidate Now but do not sell Security Substitutes and Retain Securities (see details)	-11,000	-4,290	1

The table reflects potential cost savings if the Wealthcare portfolio has a cost of .09%, and the current portfolio has a cost of .68%. In 5 years time assuming a portfolio return of 6%, the savings of transitioning to the Wealthcare portfolio will be \$13,454.

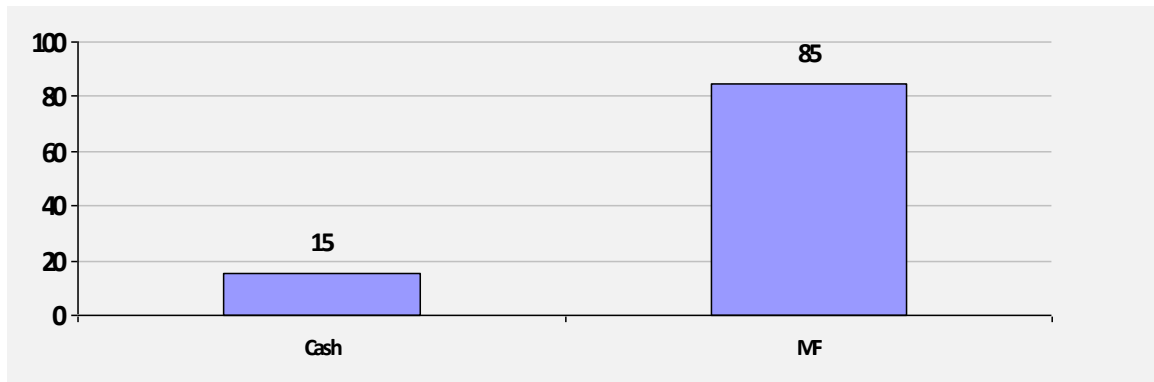
See Underlying Fee page for additional details. GDXi refers to Goals Driven Experience Investments. GDXi is the brand of the investment solutions managed by Wealthcare Capital Management.

* Total Tax Cost: Approximates the additional amount owed in taxes as result of liquidating. Negative numbers assume that losses can be used to offset other capital gains or income.

Assets By Accounts

Account Type	Name	\$	%
IRA			
	SEP IRA	125,000	34.7
	Bill Rollover IRA Joint	37,500	10.4
	Bill Rollover IRA	112,500	31.3
		275,000	76.4
Roth			
	Roth IRA	25,000	6.9
		25,000	6.9
Taxable			
	Taxable Joint	60,000	16.7
		60,000	16.7
	Total	360,000	100.0

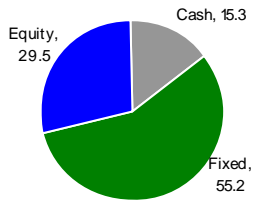
Current Holdings By Product



Product Type	\$	%
Cash	55,000	15.3
MF	305,000	84.7
	360,000	100

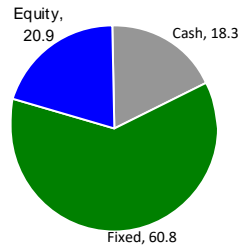
Current Holdings

Total Portfolio



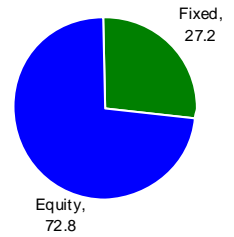
Total : 360,000

Tax Deferred



Tax Deferred: 300,000

Taxable

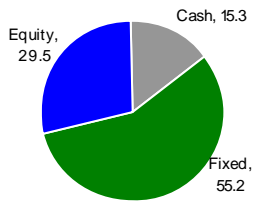


Taxable: 60,000

Description	Ticker	Account Name	Acct Type	Percent	Market Value
Cash Equivalents					
Cash	CASH	xxxx3	IRA	13.89	50,000
Cash	CASH	xxxx4	Roth	1.39	5,000
Cash Equivalents Totals				15.28	55,000
Investment Grade Bonds					
Fidelity Advisor Strategic Income I	FSRIX	xxxx2	IRA	20.83	75,000
Investment Grade Bonds Totals				20.83	75,000
High Income Bonds					
Hartford Floating Rate I	HFLIX	xxxx3	IRA	20.83	75,000
Fidelity Advisor Floating Rate Hi Inc I	FFRIX	xxxx4	Roth	5.56	20,000
High Income Bonds Totals				26.39	95,000
Large Cap Equity					
Fidelity Advisor New Insights A	FNIAX	xxxx1	Taxable	10.42	37,500
Fidelity Advisor New Insights A	FNIAX	xxxx2	IRA	10.42	37,500
Large Cap Equity Totals				20.83	75,000
Balanced					
Invesco Balanced-Risk Allc Y	ABRYX	xxxx1	Taxable	6.25	22,500
American Funds American Balanced F1	BALFX	xxxx2	IRA	10.42	37,500
Balanced Totals				16.67	60,000
Portfolio Totals				100.00	360,000

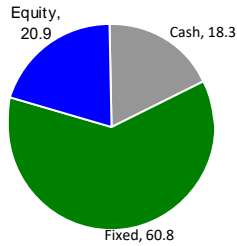
Option 1: Liquidate All

Total Portfolio



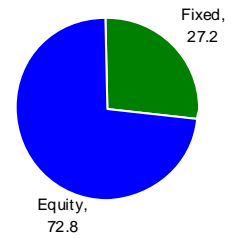
Total : 360,000

Tax Deferred



Tax Deferred: 300,000

Taxable



Taxable: 60,000

Description	Ticker	Acct Type	Percent	Market Value	Short Term	Long Term	Total
Cash Equivalents							
Cash	CASH	SEP IRA-IRA	13.89	50,000	0	0	0
Cash	CASH	Roth IRA-Roth	1.39	5,000	0	0	0
Cash Equivalents Totals			15.28	55,000	0	0	0
Investment Grade Bonds							
Fidelity Advisor Strategic Income I	FSRIX	Bill Rollover IRA-IRA	20.83	75,000	0	0	0
Investment Grade Bonds Totals			20.83	75,000	0	0	0
High Income Bonds							
Hartford Floating Rate I	HFLIX	SEP IRA-IRA	20.83	75,000	0	0	0
Fidelity Advisor Floating Rate Hi Inc I	FFRIX	Roth IRA-Roth	5.56	20,000	0	0	0
High Income Bonds Totals			26.39	95,000	0	0	0
Large Cap Equity							
Fidelity Advisor New Insights A	FNIAX	Taxable Joint-Taxable	10.42	37,500	0	5,000	5,000
Fidelity Advisor New Insights A	FNIAX	Bill Rollover IRA Joint-IRA	10.42	37,500	0	0	0
Large Cap Equity Totals			20.83	75,000	0	5,000	5,000
Balanced							
Invesco Balanced-Risk Allc Y	ABRYX	Taxable Joint-Taxable	6.25	22,500	0	-11,000	-11,000
American Funds American Balanced F1	BALFX	Bill Rollover IRA-IRA	10.42	37,500	0	0	0
Balanced Totals			16.67	60,000	0	-11,000	-11,000
Portfolio Totals				360,000	0	-6,000	-6,000
Option 1: Liquidate All -Assumes no carryforwards as all net losses deducted at short term rates.				Capital Gains Rates		39.0%	20.0%
				Dollar Effect			-2,340
Option 1A: Liquidate @ Long Term Rates				Dollar Effect		0	-1,200
							-1,200

Planner Name Case Study
Client Name Bill & Brenda Business



Above given options on liquidating the portfolios are only for discussion purpose and actual numbers may differ from the given above.

Sources include Morningstar and MPI Stylus

Option #2 : Liquidate with Constraints

Model: Passive Domestic Core

Description	Ticker	Acct. Type	Current %	Current \$	Like Sec	Retain All	Retain 2%	Sell %	Liquidate %	Liquidate \$	Short Term	Long Term	Total	
Cash Equivalents														
Cash	CASH	IRA	13.89	50,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		13.89	50,000	0	0	0	
Cash	CASH	Roth	1.39	5,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		1.39	5,000	0	0	0	
Cash Equivalents Totals									15.28	55,000	0	0	0	
Investment Grade Bonds														
Fidelity Advisor Strategic Income I	FSRIX	IRA	20.83	75,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		20.83	75,000	0	0	0	
Investment Grade Bonds Totals									20.83	75,000	0	0	0	
High Income Bonds														
Hartford Floating Rate I	HFLIX	IRA	20.83	75,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		20.83	75,000	0	0	0	
Fidelity Advisor Floating Rate Hi Inc	FFRIX	Roth	5.56	20,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		5.56	20,000	0	0	0	
High Income Bonds Totals									26.39	95,000	0	0	0	
Large Cap Equity														
Fidelity Advisor New Insights A	FNIAX	Taxable	10.42	37,500	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		0	0	0	0	0	
Fidelity Advisor New Insights A	FNIAX	IRA	10.42	37,500	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		10.42	37,500	0	0	0	
Large Cap Equity Totals									10.42	37,500	0	0	0	
Balanced														
Invesco Balanced-Risk Allc Y	ABRYX	Taxable	6.25	22,500	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		6.25	22,500	0	-11,000	-11,000	
American Funds American Balance	BALFX	IRA	10.42	37,500	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		10.42	37,500	0	0	0	
Balanced Totals									16.67	60,000	0	-11,000	-11,000	
Portfolio Totals											0	-11,000	-11,000	
											Capital Gains Rate	39.0%	20.0%	
Option 2: Liquidate with constraints											Tax Effect	0	-2,200	-2,200
											Tax Effect -at long term rates			-2,200

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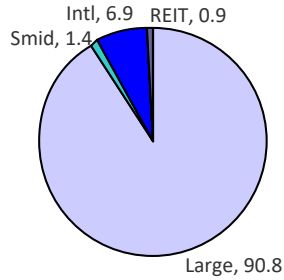
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Sources include Morningstar and MPI Stylus

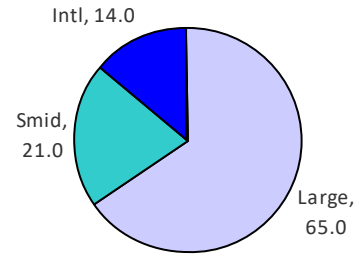
Equity Asset Allocation

Current Allocation vs GDxi Model

Current Growth Allocation



GDxi Model



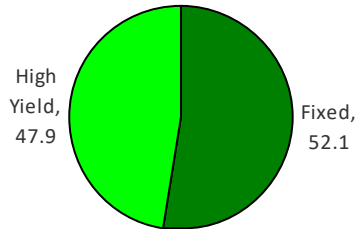
Asset Class	Current		GDxi Model
	%	\$	%
Real Estate	0.9	981	0.0
Large Cap Equity	90.8	96,530	65.0
Small-Mid Cap Equity	1.4	1,511	21.0
International Equity	6.9	7,293	14.0
Emerging Market Equity	0.0	7	0.0
Commodities	0.0	0	0.0
Alternative Strategies	0.0	0	0.0
	100.0	106,322	100.0

GDxi Model=Strat Passive Domestic Core C TD

Fixed Income Asset Allocation

Current Fixed Income Asset Allocation vs GDXi Portfolio

Current



Model



Asset Class	Current		GDXi Model
	%	\$	%
TIPs	0.0	0	0.0
Investment Grade Bonds	52.1	103,513	100.0
High Income Bonds	47.9	95,166	0.0
	100	198,679	100

GDXi Model Strat Passive Domestic Core C TD

Underlying Expense Ratios

excluding advisory fees

Description	Ticker	Vehicle	MV	%	Expense Ratio
Taxable Joint-xxxx1					
Fidelity Advisor New Insights A	FNIAX	MF	37,500	10.4	1.07
Invesco Balanced-Risk Allc Y	ABRYX	MF	22,500	6.3	0.99
		Account Total	60,000	16.7	1.04
Bill Rollover IRA-xxxx2					
Fidelity Advisor Strategic Income I	FSRIX	MF	75,000	20.8	0.72
Fidelity Advisor New Insights A	FNIAX	MF	37,500	10.4	1.07
American Funds American Balanced F1	BALFX	MF	37,500	10.4	0.64
		Account Total	150,000	41.7	0.79
SEP IRA-xxxx3					
Hartford Floating Rate I	HFLIX	MF	75,000	20.8	0.71
		Account Total	75,000	20.8	0.71
Roth IRA-xxxx4					
Fidelity Advisor Floating Rate Hi Inc I	FFRIX	MF	20,000	5.6	0.73
		Account Total	20,000	5.6	0.73
		Total	305,000	84.7	
				% Securities With Expense Data :	84.7
				Portfolio Costs - this assumes that securities without expense ratios (such as individual stocks and closed end funds) have the same cost as those that had recorded expense ratios.	0.82
				Portfolio Costs - this assumes that securities without expense ratios (such as individual stocks and closed end funds) have zero investment costs.	0.69

Disclosures

All investments carry a degree of risk of loss of principal and there is no assurance that an investment will provide positive performance over any period of time.

Investors should consider the investment objectives, risk, charges and expenses of an investment carefully before investing. A rise/fall in the interest rates can have a significant impact on bond prices and the NAV (net asset value) of a fund. Funds that invest in bonds can lose their value as interest rates rise and an investor can lose principal. High yield bonds (lower rated or junk bonds) experience higher volatility and increased credit risk when compared to other fixed income investments.

Past performance is not necessarily indicative of future returns and the value of an investment may decrease as well as increase, an investor may not receive the amount initially invested, and income, if any, may fluctuate. The value of an investment may be affected by a variety of factors, including economic and political developments, interest rates and foreign exchange rates, as well as issuer-specific events. Returns do not reflect the deduction of advisory fees, brokerage fees or any other expenses that the accounts would have or actually paid.

Small-Mid Cap stocks may be subject to a higher degree of risk than more established companies' securities. The liquidity of the small-cap market may adversely affect the value of these investments so that shares, when redeemed, may be worth more or less than their original cost.

International stocks may be subject to a higher degree of risk than stocks of established domestic companies because of currency fluctuations, political instability and other uncertainties. Shares when redeemed may be worth more or less than their original cost.

Exchanged Traded Funds (ETFs) are designed to track an assigned index or strategy. ETFs are structured so that the shareholder owns an portfolio of securities. There is no guarantee that an investor in an ETF will earn the return of the target index. ETF fees, bid/offer spreads, deviations from net asset value and tracking risk to the target portfolio can reduce the return earned by the investor.

Exchanged Traded Notes (ETNs) are designed to track an assigned index or strategy. ETNs are structured so that the issuer guarantees the return of the target index less fees. There is no guarantee that an investor in an ETN will earn the return of the target index less fees. ETN bid/offer spreads, deviations from net asset value and default risk of the issuer can reduce the return earned by the investor.

Please note that programs providing tax aware investment management should not replace your consultation with a professional advisor regarding your tax situation. Municipal bond income may be subject to state income tax if issued by a state other than your domicile state, and may be subject to the Alternative Minimum Tax. This information should not be construed as specific tax or investment advice. A prospective client should review their investment objectives, risk tolerance, tax situation, and liquidity needs before choosing an investment.

Investors should note that there are frequently material differences between hypothetical, back-tested or simulated performance results and actual results subsequently achieved by any investment strategy. Unlike an actual performance record based on trading actual client portfolios, simulated results are achieved by means of the retroactive application of a back-tested model itself designed with the benefit of hindsight. Simulated performance does not necessarily reflect the impact that material economic or market factors might have on an adviser's decision making process if the adviser were actually managing a client's portfolio. The back-testing of performance differs from actual account performance because the investment strategy may be adjusted at any time, for any reason and can continue to be changed until desired or better performance results are achieved. No representation is made that any index or account will or is likely to achieve profits or losses similar to those shown. Alternative modeling techniques or assumptions might produce significantly different results and prove to be more appropriate. Past hypothetical, back-test or simulated results are neither indicators nor guarantees of future returns.