



DPL ClearLine Annuity Case Study

Monday, August 24, 2020

P R E P A R E D F O R

Bobby and Betty Boomer

P R E P A R E D B Y

Alicia Advisor

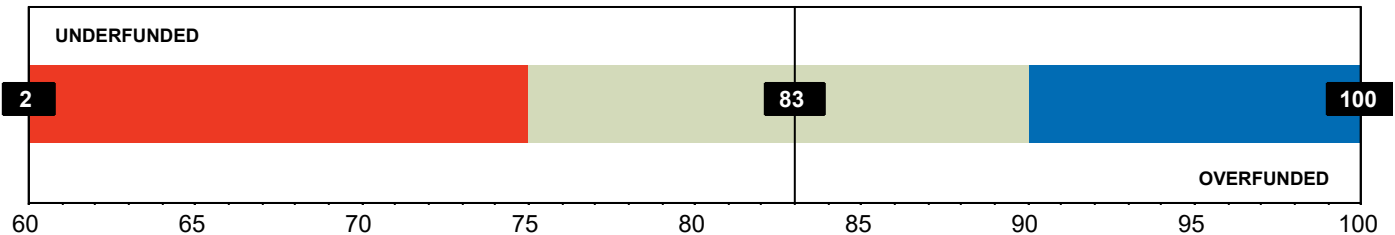
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Comfort Analysis

Important: The projections or other information generated by WCM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.



	NAME	SIMULATION METHOD	COMFORT LEVEL	STATUS
I	<i>Ideal</i>	Monte Carlo	2%	UNCERTAIN (UNDERFUNDED)
R	<i>Recommended</i>	Monte Carlo	83%	COMFORT
A	<i>Acceptable</i>	Monte Carlo	100%	SACRIFICE (OVERFUNDED)

■ SACRIFICE (OVERFUNDED). Unnecessary sacrifice to lifestyle or undue investment risk.

■ COMFORT. Sufficient confidence without undue sacrifice, changes to goals likely to be minor and manageable.

■ UNCERTAIN (UNDERFUNDED). Confidence is too low, changes to goals may be necessary now and into the future.

	IDEAL	RECOMMENDED	ACCEPTABLE
Retirement Age			
Bobby	62	65	70
Betty	62	65	70
Life Expectancy			
Bobby	93	93	93
Betty	95	95	95
Retirement Spending			
Bobby	\$58,344	\$108,000	\$47,405
Betty	\$58,344	\$0	\$47,405
Target End Value			
Today's Dollars	\$250,000	\$0	\$0
Actual Dollars	\$657,218	\$0	\$0
Default Inflation Rate	2%	2%	2%
Investment Adjustment	-1.250%	-1.250%	-1.250%
Portfolio			
All Accounts	DSA GLOBAL CORE - CONSERVATIVE 30% EQUITIES	DSA GLOBAL CORE - MODERATE GROWTH 66% EQUITIES	DSA GLOBAL CORE - GROWTH 80% EQUITIES
Median Return	5.54%	7.11%	7.70%
Risk			
Std. Deviation*	7.05%	12.74%	15.32%
Downside (95%-tile)**	-5.40%	-11.68%	-14.45%

*Standard deviation is a risk statistic used to measure the volatility of return observations around the portfolio's average return.

**Downside represents the 1-year 95th percentile return. 95% of all 1-year returns simulated are better than this return and 5% are worse.

Priorities

Below, you will find a list of priorities outlined by you in our last meeting. Please take a moment to review your choices and note any changes.

Understanding your priorities is very important to the advice process. Please take a moment to review your acceptable compromises.						
		Acceptable Compromises				
		Take More Investment Risk	Save More	Retire Later	Reduce Size of Estate	Reduce Retirement Spending
G O A L	To reduce the investment risk in our portfolio, we would be willing to:	N/A				
	We would like to reduce our current savings and to achieve this we would prefer to:	◆	N/A			
	To achieve our early retirement age, we would be willing to:			N/A		
	In order to achieve our larger estate goal, we would be willing to:				N/A	
	To achieve our higher spending target in retirement, we would prefer to:					N/A

We understand that your goals and priorities may change. If you have any new goals or changes to your priorities since we last met, please explain below.

Updated as of: _____

Important: If you have made adjustments to your current values above, please fax these changes to your advisor.

Summary of Assumptions

Key Variables

	IDEAL	RECOMMENDED	ACCEPTABLE
Annual Income			
Bobby	\$100,000	\$100,000	\$100,000
Betty	\$100,000	\$100,000	\$100,000
Retirement Age			
Bobby	62	65	70
Betty	62	65	70
Life Expectancy			
Bobby	93	93	93
Betty	95	95	95
Length	36 years	36 years	36 years
Target End Value	\$250,000	\$0	\$0

Contributions

None

Withdrawals

None

Retirement Income

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE
<i>Ret. to End</i>				
Retirement Spending	BOBBY	\$58,344	\$108,000	\$47,405
Retirement Spending	BETTY	\$58,344	\$0	\$47,405

Social Security Income

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE
<i>62 to Death</i>				
Social Security (Betty)	BETTY	\$20,735		
Social Security (Bobby)	BOBBY	\$20,735		
<i>65 to Death</i>				
Social Security (Betty)	BETTY		\$26,194	
Social Security (Bobby)	BOBBY		\$26,194	
<i>70 to Death</i>				
Social Security (Betty)	BETTY			\$38,609
Social Security (Bobby)	BOBBY			\$38,609

Other Retirement Income

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE
<i>65 to Death</i>				
DPL ClearLine Annuity	BOBBY	\$24,381	\$24,381	\$24,381

Education

None

Tax Assumptions †

	IDEAL	RECOMMENDED	ACCEPTABLE
Filing State (pre-retirement)	VA	VA	VA
Filing State (post-retirement)	VA	VA	VA
Filing Status	Joint	Joint	Joint
Tax Method	Dynamic	Dynamic	Dynamic
Turnover Rate	20.00%	20.00%	20.00%
% Long-term Cap. Gains	80.00%	80.00%	80.00%
Federal Income Tax	0.00 - 37.00%	0.00 - 37.00%	0.00 - 37.00%
Federal Cap. Gains Tax	0.00 - 20.00%	0.00 - 20.00%	0.00 - 20.00%
Invest. Income Medicare Tax	0.00 - 3.80%	0.00 - 3.80%	0.00 - 3.80%
State Income Tax	0.00 - 5.75%	0.00 - 5.75%	0.00 - 5.75%
State Cap. Gains Tax	0.00 - 5.75%	0.00 - 5.75%	0.00 - 5.75%
Local Tax	0.00%	0.00%	0.00%

† Definitions of terms such as Federal Income Tax, Federal Cap. Gains Tax and the like are included in Appendix II.

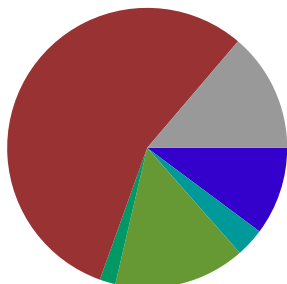
Allocation Summary (Detail)

IDEAL

Age: Now Name: *DSA Global Core - Conservative*

Tax Status: All Accounts

*Risk: 7.14% *Downside: -5.19% **Return: 5.90%



10.18% Large Cap
15.16% International Equity
55.75% Aggregate Bonds

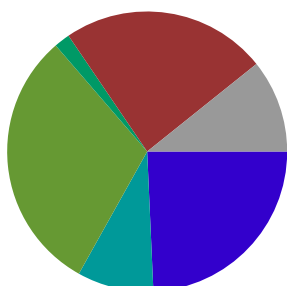
3.32% Small-Mid Cap Equity
1.83% Emerging Market Equity
13.76% Cash Equivalents

RECOMMENDED

Age: Now Name: *DSA Global Core - Moderate Growth*

Tax Status: All Accounts

*Risk: 12.73% *Downside: -11.35% **Return: 7.52%



24.29% Large Cap
30.56% International Equity
23.75% Aggregate Bonds

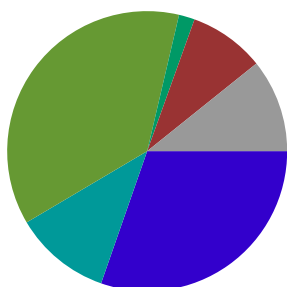
8.82% Small-Mid Cap Equity
1.83% Emerging Market Equity
10.75% Cash Equivalents

ACCEPTABLE

Age: Now Name: *DSA Global Core - Growth*

Tax Status: All Accounts

*Risk: 15.30% *Downside: -14.10% **Return: 8.09%



30.34% Large Cap
37.16% International Equity
8.75% Aggregate Bonds

11.16% Small-Mid Cap Equity
1.83% Emerging Market Equity
10.76% Cash Equivalents

* Risk is based on the standard deviation of individual asset classes and the correlations between them.

** Return is an estimated geometric median based on a weighted arithmetic mean and standard deviation.

International investing involves additional risks such as foreign currency fluctuations, differing financial accounting standards, and possible political and economic instability. Mid and Small cap investing generally involves greater risk and volatility. In a rising interest rate environment, the value of fixed-income securities typically declines.

Hedge funds and other alternative investments may involve additional risks, may not be suitable for all investors, may involve complex tax structures and delays in tax reporting, are not subject to the same level of regulation as mutual funds and often charge high fees.

Standard deviation is a risk statistic used to measure the amount of volatility of the return observations around the portfolio's average return.

Past performance is not an indication of future results.

See Appendix I - Table of Asset Classes, Indexes and Definitions.

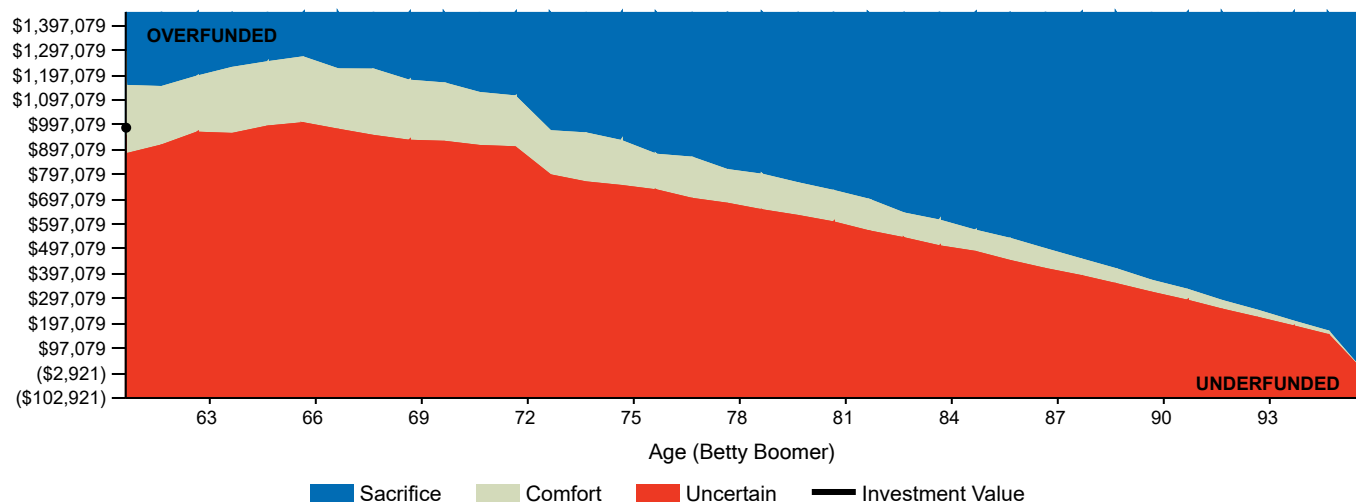
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Wealthcare Recommendation Summary

results shown in Today's Dollars

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Comfort Zone® (long term)



RECOMMENDED GOAL PACKAGE (RECOMMENDED)

Retirement Age	
Bobby	65
Betty	65
Life Expectancy	
Bobby	93
Betty	95
Retirement Spending	
Bobby	\$108,000
Target End Value	
Today's Dollars	\$0
Actual Dollars	\$0
Default Inflation Rate	2%
Investment Adjustment	-1.250%
Portfolio	
All Accounts	DSA GLOBAL CORE - MODERATE GROWTH 66% EQUITIES
Median Return	7.11%
Risk	
Std. Deviation*	12.74%
Downside (95%-tile)**	-11.68%

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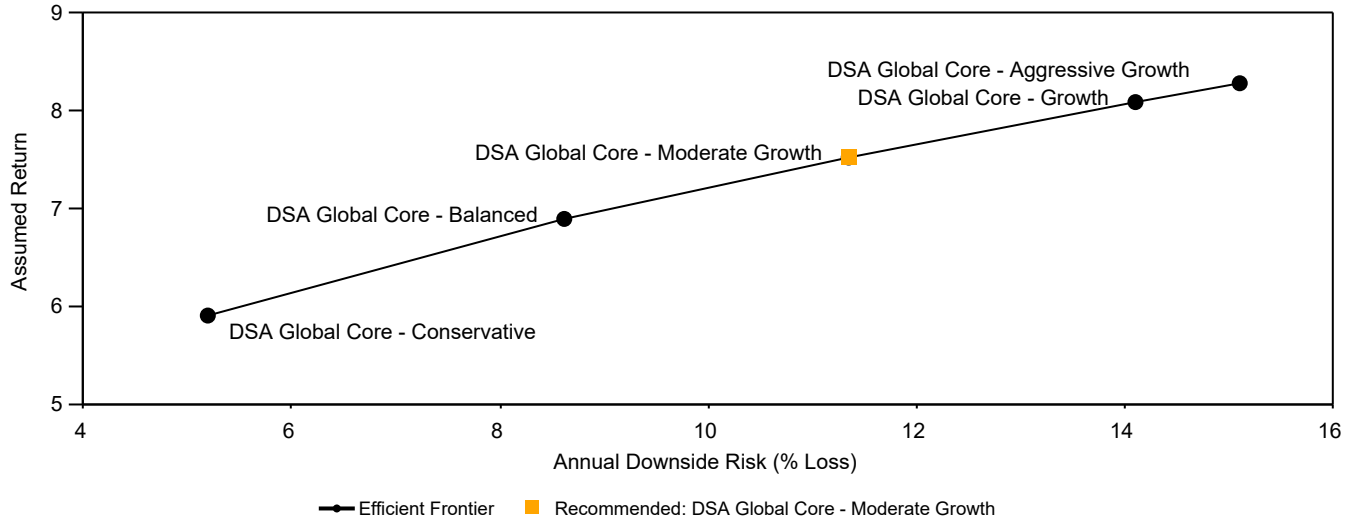
CHANCE OF FALLING OUTSIDE OF THE COMFORT ZONE®

	1 YEAR	3 YEARS	5 YEARS
Sacrifice (Overfunded above)			
Amount	\$1,148,883	\$1,226,022	\$1,268,386
Chance	16.2%	30.1%	40.8%
Uncertain (Underfunded below)			
Amount	\$913,412	\$960,058	\$1,003,142
Chance	13.9%	22.3%	23.8%
Outside			
Chance	30.1%	52.4%	64.6%

See Common Terms and Definitions in Appendix II at the end of this report for more information about the Wealthcare Analysis.

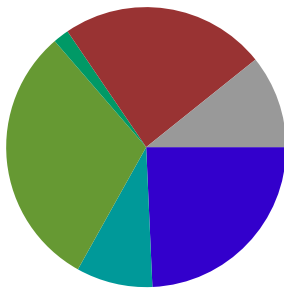
Wealthcare Allocation Summary (Detail)

Risk vs Return Chart



Annual Downside Risk represents the 1-year 95th percentile return. 95% of all 1-year returns simulated are better than this return and 5% are worse.

Age: Now Name: *DSA Global Core - Moderate Growth* Tax Status: All Accounts *Risk: 12.73% *Downside: -11.35% **Return: 7.52%



24.29% Large Cap	8.82% Small-Mid Cap Equity
30.56% International Equity	1.83% Emerging Market Equity
23.75% Aggregate Bonds	10.75% Cash Equivalents

* Risk is based on the standard deviation of individual asset classes and the correlations between them.
 ** Return is an estimated geometric median based on a weighted arithmetic mean and standard deviation.
 International investing involves additional risks such as foreign currency fluctuations, differing financial accounting standards, and possible political and economic instability. Mid and Small cap investing generally involves greater risk and volatility. In a rising interest rate environment, the value of fixed-income securities typically declines.
 Hedge funds and other alternative investments may involve additional risks, may not be suitable for all investors, may involve complex tax structures and delays in tax reporting, are not subject to the same level of regulation as mutual funds and often charge high fees.
 Standard deviation is a risk statistic used to measure the amount of volatility of the return observations around the portfolio's average return.
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 See Appendix I - Table of Asset Classes, Indexes and Definitions.
 Source: CRSP®, Center for Research in Security Prices. Graduate School of Business, The University of Chicago. Used with permission. All rights reserved. crsp.uchicago.edu

Detailed Holdings Comparison

	ACCOUNT NUMBER	IDEAL	RECOMMENDED	ACCEPTABLE
Investment Assets		\$985,000	\$985,000	\$985,000
<i>Taxable</i>		\$210,000	\$210,000	\$210,000
Taxable Investment	XXXXX6789	\$210,000	\$210,000	\$210,000
<i>Tax Deferred</i>		\$700,000	\$700,000	\$700,000
401K	XXXXX4321	\$500,000	\$500,000	\$500,000
Rollover		\$200,000	\$200,000	\$200,000
<i>Tax Exempt</i>		\$75,000	\$75,000	\$75,000
Her Roth		\$75,000	\$75,000	\$75,000
Non Investment Assets		\$1,000,000	\$1,000,000	\$1,000,000
DPL ClearLine Annuity		\$500,000	\$500,000	\$500,000
Residence		\$500,000	\$500,000	\$500,000
Net Worth		\$1,985,000	\$1,985,000	\$1,985,000

Holdings by Tax Status

