



## Wealthcare Profile 2020 10-26

Monday, October 26, 2020

P R E P A R E D F O R

John and Susie Average

P R E P A R E D B Y

Alicia Advisor

Securities offered through LPL Financial. Member FINRA/SIPC. Investment advice offered through Wealthcare Advisory Partners, a registered investment advisor. Wealthcare Advisory Partners is a separate entity from LPL Financial.

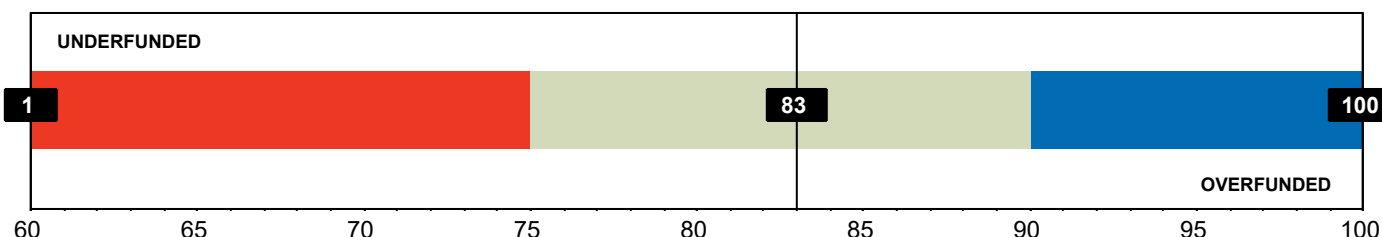
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# Comfort Analysis

**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	1%	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
<b>Retirement Age</b>			
John	62	65	67
Susie	62	65	67
<b>Life Expectancy</b>			
John	92	92	92
Susie	95	95	95
<b>Retirement Spending</b>			
John	\$73,860	\$65,000	\$60,011
Susie	\$29,544	\$26,000	\$24,005
<b>Other Goals</b>			
Winter in the South	\$15,000	\$15,000	No
<b>Education Goals</b>			
Billy	\$20,544	\$20,544	\$15,000
<b>Target End Value</b>			
Today's Dollars	\$1,000,000	\$0	\$0
Actual Dollars	\$2,684,102	\$0	\$0
<b>Savings (Current)</b>			
John	\$25,000	\$30,000	\$35,000
<b>Default Inflation Rate</b>	1.75%	1.75%	1.75%
<b>Investment Adjustment</b>	-1.518%	-1.518%	-1.521%
<b>Portfolio</b>			
All Accounts	ACTIVE DOMESTIC CORE - BALANCED 50% EQUITIES	ACTIVE DOMESTIC CORE - MODERATE GROWTH 65% EQUITIES	ACTIVE DOMESTIC CORE - GROWTH 80% EQUITIES
<b>Median Return</b>	5.97%	6.73%	7.52%
<b>Risk</b>			
Std. Deviation*	9.22%	11.68%	14.16%
Downside (95%-tile)**	-8.08%	-10.74%	-13.27%

\*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

Highest  
Priority

1

2

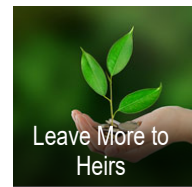
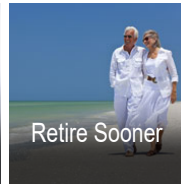
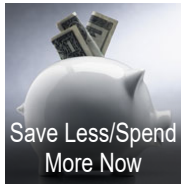
3

4

5

6

Lowest  
Priority



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.

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Updated as of: \_\_\_\_\_

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

# 529 Plan Summary

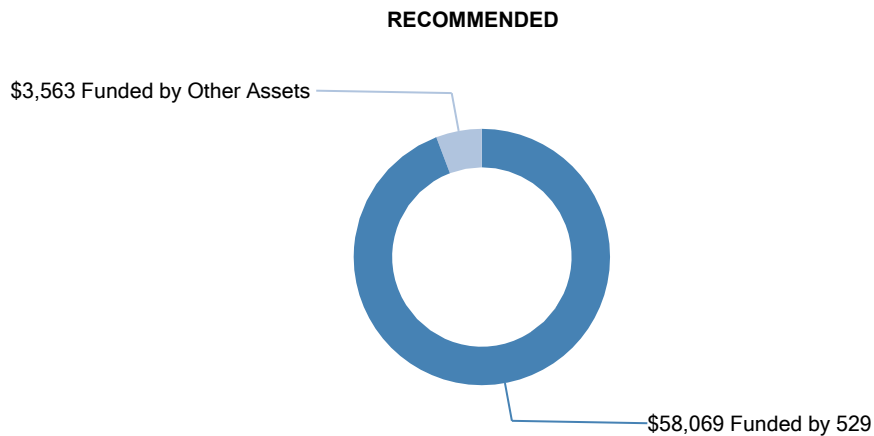
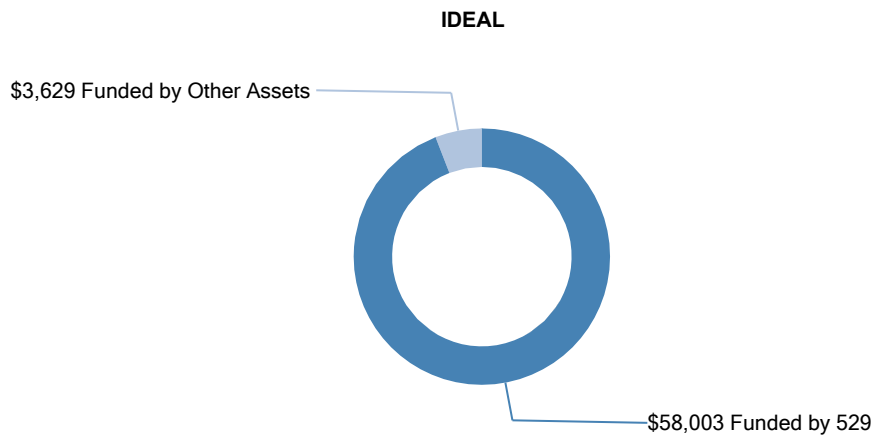
## Education Goals

	IDEAL	RECOMMENDED	ACCEPTABLE
<b>Billy</b>			
18 to 21			
Lock Haven University of Pennsylvania	\$20,544	\$20,544	\$15,000

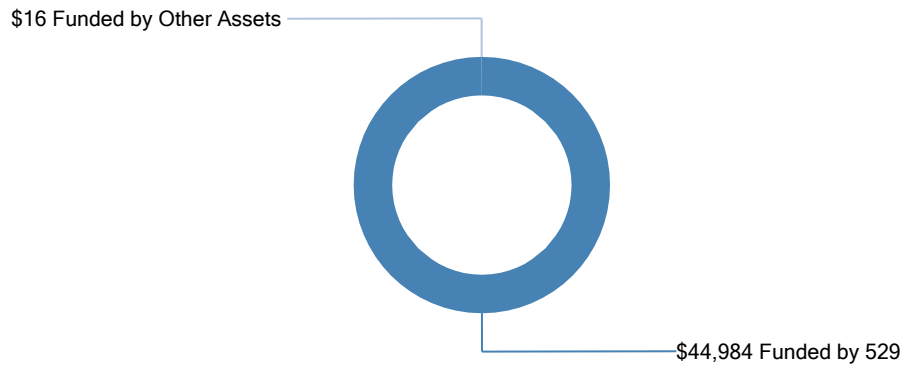
## 529 Plan Contributions

## 529 Plan Assets

DESCRIPTION	ACCOUNT No.	LAST UPDATED	LAST VALUATION
Billy's 529	XX3456	10/25/2020	\$55,000
<a href="#">529 Total</a>			<b>\$55,000</b>



**ACCEPTABLE**



# Summary of Assumptions

## Key Variables

	IDEAL	RECOMMENDED	ACCEPTABLE
<b>Annual Income</b>			
John	\$125,000	\$125,000	\$125,000
Susie	\$50,000	\$50,000	\$50,000
<b>Retirement Age</b>			
John	62	65	67
Susie	62	65	67
<b>Life Expectancy</b>			
John	92	92	92
Susie	95	95	95
<b>Length</b>	40 years	40 years	40 years
<b>Children</b>	1	1	1
<b>Target End Value</b>	\$1,000,000	\$0	\$0

## Contributions

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE
<b>Taxable</b>				
<i>Now to Ret -1</i>				
Taxable	JOHN	\$0	\$5,000	\$10,000
<b>Tax Deferred</b>				
<i>Now to Ret -1</i>				
Her IRA	JOHN	\$10,000	\$10,000	\$10,000
His 401K	JOHN	9% Income	9% Income	9% Income
His Match	JOHN	3% Income	3% Income	3% Income

## Withdrawals

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE
<i>Ret. to 75</i>				
Winter in the South	JOHN	\$15,000	\$15,000	\$0

## Retirement Income

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE
<i>Ret. to End</i>				
Retirement Spending	JOHN	\$73,860	\$65,000	\$60,011
Retirement Spending	SUSIE	\$29,544	\$26,000	\$24,005

## Social Security Income

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE
<i>62 to Death</i>				
Social Security (John)	JOHN	\$23,380		
Social Security (Susie)	SUSIE	\$15,610		
<i>65 to Death</i>				
Social Security (John)	JOHN		\$29,539	
Social Security (Susie)	SUSIE		\$17,328	

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE
<i>70 to Death</i>				
Social Security (John)	JOHN			\$42,790
Social Security (Susie)	SUSIE			\$25,242
<i>At Death</i>				
Social Security Joint & Survivor	SUSIE	\$7,769	\$12,211	\$17,548

### Other Retirement Income

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE
<i>70 to 70</i>				
Inheritance	SUSIE	\$0	\$250,000	\$250,000

### Education Goals

		IDEAL	RECOMMENDED	ACCEPTABLE
<b>Billy</b>				
<i>18 to 21</i>				
Lock Haven University of Pennsylvania		\$20,544	\$20,544	\$15,000

### Tax Assumptions †

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

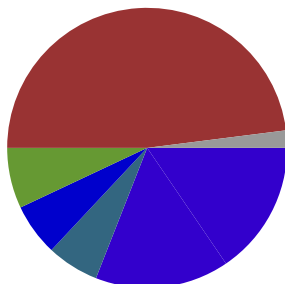
† Definitions of terms such as Federal Income Tax, Federal Cap. Gains Tax and the like are included in Appendix II.



# Allocation Summary (Detail)

## IDEAL

Age: Now Name: *Active Domestic Core - Balanced* Tax Status: All Accounts \*Risk: 9.80% \*Downside: -8.19% \*\*Return: 6.70%

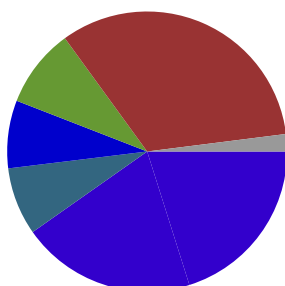


15.48% Large Cap  
6.02% Mid Cap  
7.00% International Equity  
2.00% Cash Equivalents

15.48% Active Large Cap  
6.02% Small Cap  
48.00% Active Agg Bonds

## RECOMMENDED

Age: Now Name: *Active Domestic Core - Moderate Growth* Tax Status: All Accounts \*Risk: 12.29% \*Downside: -10.92% \*\*Return: 7.37%

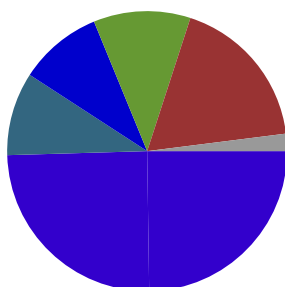


20.12% Large Cap  
7.83% Mid Cap  
9.10% International Equity  
2.00% Cash Equivalents

20.12% Active Large Cap  
7.83% Small Cap  
33.00% Active Agg Bonds

## ACCEPTABLE

Age: Now Name: *Active Domestic Core - Growth* Tax Status: All Accounts \*Risk: 14.87% \*Downside: -13.56% \*\*Return: 8.09%



24.77% Large Cap  
9.63% Mid Cap  
11.20% Active Intl Equity  
2.00% Cash Equivalents

24.77% Active Large Cap  
9.63% Small Cap  
18.00% Active Agg Bonds

\* 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.

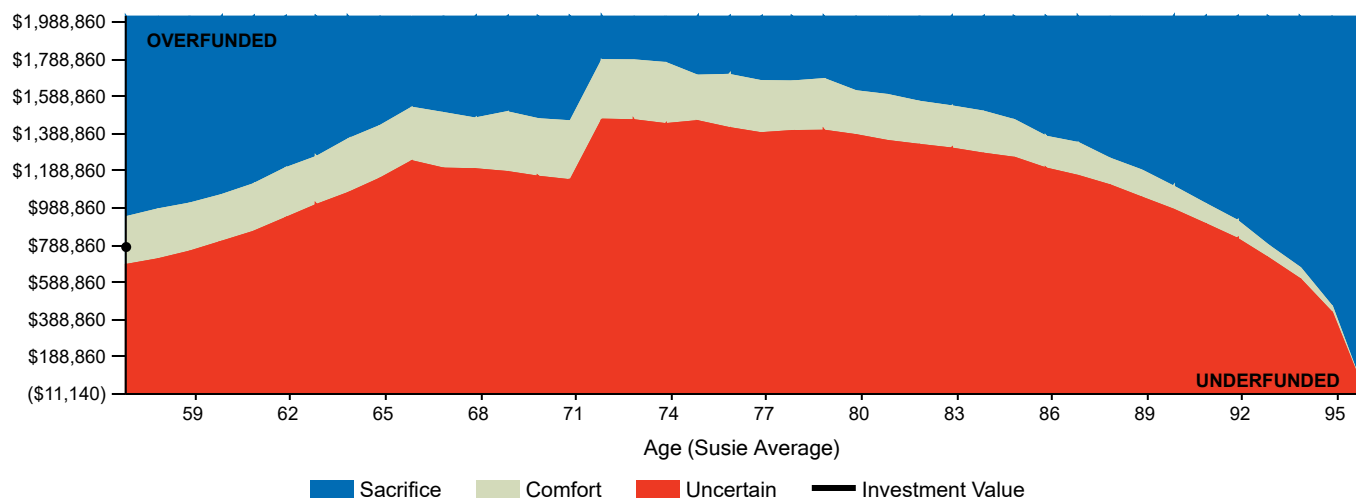
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# Wealthcare Recommendation Summary

results shown in Actual Dollars

**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.

## Comfort Zone® (long term)



### RECOMMENDED GOAL PACKAGE (RECOMMENDED)

<b>Retirement Age</b>	
John	65
Susie	65
<b>Life Expectancy</b>	
John	92
Susie	95
<b>Retirement Spending</b>	
John	\$65,000
Susie	\$26,000
<b>Other Goals</b>	
Winter in the South <i>Ret. - 75</i>	\$15,000
<b>Education Goals</b>	
Billy	\$20,544
<b>Target End Value</b>	
Today's Dollars	\$0
Actual Dollars	\$0
<b>Savings (Current)</b>	
John	\$30,000
<b>Default Inflation Rate</b>	1.75%
<b>Investment Adjustment</b>	-1.518%
<b>Portfolio</b>	
All Accounts	ACTIVE DOMESTIC CORE - MODERATE GROWTH 65% EQUITIES

### CHANCE OF FALLING OUTSIDE OF THE COMFORT ZONE®

	1 YEAR	3 YEARS	5 YEARS
<b>Sacrifice (Overfunded above)</b>			
Amount	\$980,960	\$1,057,713	\$1,200,617
Chance	2.8%	15.7%	25.8%
<b>Uncertain (Underfunded below)</b>			
Amount	\$712,687	\$806,564	\$932,326
Chance	3.7%	19.4%	23.2%
<b>Outside</b>			
Chance	6.5%	35.1%	49.0%

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

**Median Return** 6.73%

**Risk**

Std. Deviation\* 11.68%

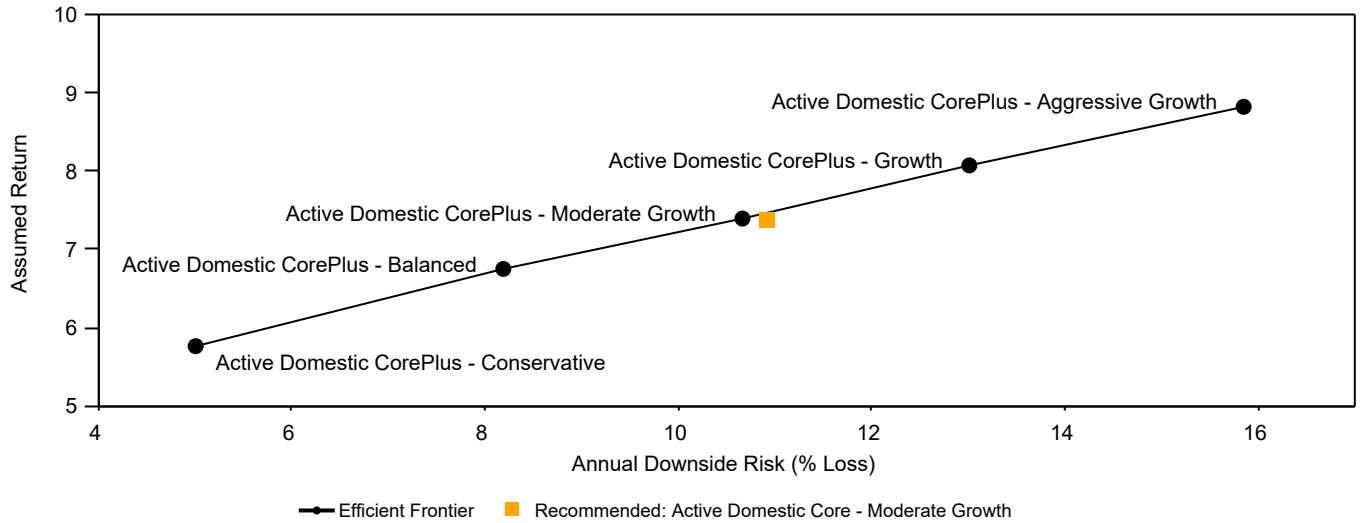
Downside (95%-tile)\*\* -10.74%

\*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.

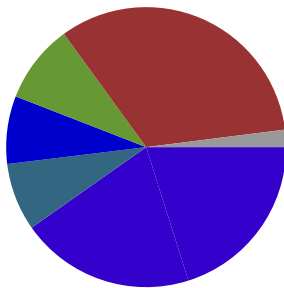
# Wealthcare Allocation Summary (Detail)

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: *Active Domestic Core - Moderate Growth*    Tax Status: All Accounts    \*Risk: 12.29%    \*Downside: -10.92%    \*\*Return: 7.37%



20.12% Large Cap    20.12% Active Large Cap  
 7.83% Mid Cap    7.83% Small Cap  
 9.10% International Equity    33.00% Active Agg Bonds  
 2.00% 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.  
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# Detailed Holdings Comparison

	ACCOUNT NUMBER	IDEAL	RECOMMENDED	ACCEPTABLE
<b>Investment Assets</b>		<b>\$778,700</b>	<b>\$778,700</b>	<b>\$778,700</b>
<i>Taxable</i>		<b>\$290,000</b>	<b>\$290,000</b>	<b>\$290,000</b>
Joint Taxable with Wealthcare	XX6123	\$290,000	\$290,000	\$290,000
<i>Tax Deferred</i>		<b>\$433,700</b>	<b>\$433,700</b>	<b>\$433,700</b>
401K		\$18,700	\$18,700	\$18,700
Rollover	XXX5698	\$370,000	\$370,000	\$370,000
Susie's Stay at Home Mom IRA	XX2963	\$45,000	\$45,000	\$45,000
<i>529 Plan</i>		<b>\$55,000</b>	<b>\$55,000</b>	<b>\$55,000</b>
Billy's 529	XX3456	\$55,000	\$55,000	\$55,000
<b>Non Investment Assets</b>		<b>\$575,000</b>	<b>\$575,000</b>	<b>\$575,000</b>
Annuity		\$250,000	\$250,000	\$250,000
Residence		\$300,000	\$300,000	\$300,000
Saving/MM/CD		\$25,000	\$25,000	\$25,000
<b>Liabilities</b>		<b>(\$100,000)</b>	<b>(\$100,000)</b>	<b>(\$100,000)</b>
Mortgage		(\$100,000)	(\$100,000)	(\$100,000)
<b>Net Worth</b>		<b>\$1,253,700</b>	<b>\$1,253,700</b>	<b>\$1,253,700</b>

Holdings by Tax Status

