

# Transition Report

Marc & Maria Millennial

Advisor:

Case Study



**WEALTHCARE**  
CAPITAL MANAGEMENT

Manage Your Goals  
Using Time-Tested  
Principles

# TRANSITION EXECUTIVE SUMMARY

## A. CURRENT

### HOUSEHOLD RISK ALLOCATION

Broad	\$	%
Fixed Income	77,000	30.2
Equity	148,000	58.0
Real Assets	30,000	11.8
<b>Totals</b>	<b>255,000</b>	<b>100.0</b>

### HOUSEHOLD ASSET ALLOCATION

Asset Class	\$	%
Investment Grade Bonds	72,000	28.2
High Yield Municipal Bonds	5,000	2.0
Large Cap Equity	148,000	58.0
Commodities	30,000	11.8
<b>Totals</b>	<b>255,000</b>	<b>100.0</b>

### HOUSEHOLD ACCOUNTS

Registration	\$
Marc 401k	100,000
Maria 401k	80,000
Marc Roth	30,000
Maria Roth	30,000
Brokerage	15,000

## B. TARGET

Strategy	Passive Domestic Core
Allocation	Growth (80E / 20F)

## C. TRANSITION TRADE-OFFS

### PROJECTED FEE SAVINGS

Horizon	Beginning Market Value	GDxi Portfolio Cost (%)*	Current Portfolio Cost (%)**
	255,000	0.08	0.34
1 years			693
3 years			2,372
5 years			4,508
7 years			7,198
10 years			12,525
15 years			26,100
20 years			48,344
30 years			139,951

### TAX COSTS

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

Target Portfolio	Liquidation Strategy	Total Tax Cost*
<b>Option 1</b>		
A.Passive Domestic Core	Liquidate All	600

The table reflects potential cost savings if the Wealthcare portfolio has a cost of .08%, and the current portfolio has a cost of .34%. In 5 years time assuming a portfolio return of 7%, the savings of transitioning to the Wealthcare portfolio will be \$4,508.

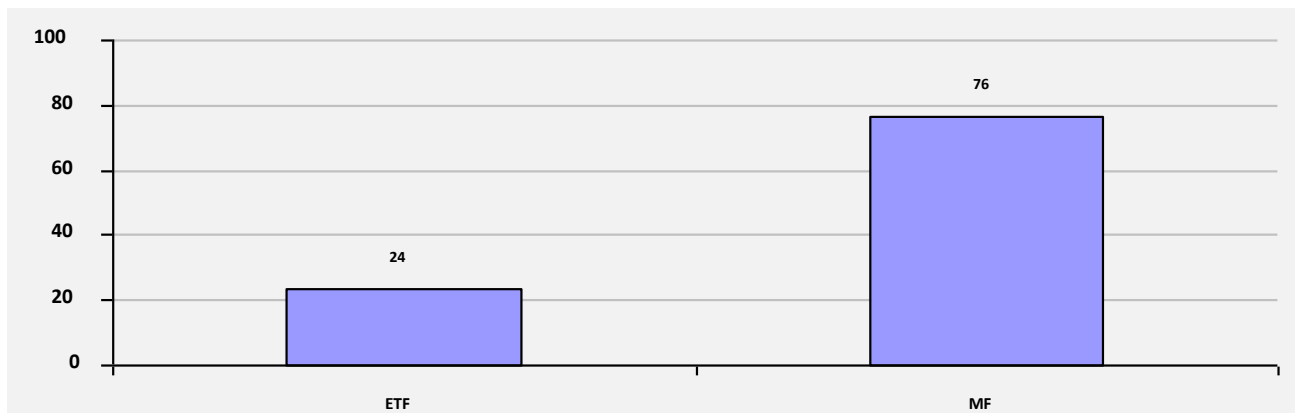
\* Total Tax Cost: Negative numbers reflect savings from harvesting tax losses. Positive numbers reflect tax costs due from capital gains liquidation.

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.

# Assets By Accounts

Account Type	Name	\$	%
401K	Maria 401k	80,000	31.4
	Marc 401k	100,000	39.2
		<b>180,000</b>	<b>70.6</b>
Roth	Maria Roth	30,000	11.8
	Marc Roth	30,000	11.8
		<b>60,000</b>	<b>23.5</b>
Taxable	Brokerage	15,000	5.9
		<b>15,000</b>	<b>5.9</b>
	Total	<b>255,000</b>	<b>100.0</b>

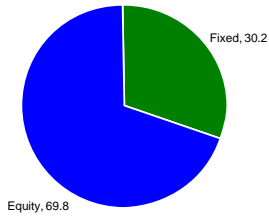
# Current Holdings By Product



Product Type	\$	%
ETF	60,000	23.5
MF	195,000	76.5
	<b>255,000</b>	<b>100</b>

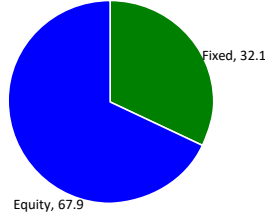
# Current Holdings

## Total Portfolio



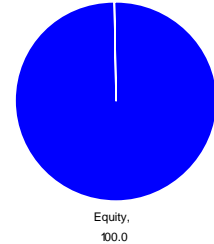
Total : 255,000

## Tax Deferred



Tax Deferred: 240,000

## Taxable

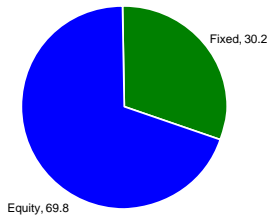


Taxable: 15,000

Description	Ticker	Account Name	Acct Type	Percent	Market Value
<b>Investment Grade Bonds</b>					
DoubleLine Core Fixed Income I	DBLFX	xxxx2	401K	13.73	35,000
DoubleLine Core Fixed Income I	DBLFX	xxxx3	401K	10.98	28,000
Vanguard Total Bond Market Index Fund Admiral S	VBTLX	xxxx2	401K	1.96	5,000
Vanguard Total Bond Market Index Fund Admiral S	VBTLX	xxxx3	401K	1.57	4,000
Investment Grade Bonds Totals				28.24	72,000
<b>High Yield Municipal Bonds</b>					
VanEck Vectors High-Yield Muni (HYD)	HYD	xxxx4	Roth	0.98	2,500
VanEck Vectors High-Yield Muni (HYD)	HYD	xxxx5	Roth	0.98	2,500
High Yield Municipal Bonds Totals				1.96	5,000
<b>Large Cap Equity</b>					
Vanguard Total Stock Mkt Idx Adm	VTSEX	xxxx1	Taxable	5.88	15,000
Vanguard Total Stock Market ETF	VTI	xxxx4	Roth	10.78	27,500
Vanguard Total Stock Market ETF	VTI	xxxx5	Roth	10.78	27,500
DoubleLine Shiller Enhanced CAPE I	DSEEX	xxxx2	401K	15.69	40,000
DoubleLine Shiller Enhanced CAPE I	DSEEX	xxxx3	401K	14.90	38,000
Large Cap Equity Totals				58.04	148,000
<b>Commodities</b>					
Vanguard Energy Inv	VGEXX	xxxx2	401K	7.84	20,000
Vanguard Energy Inv	VGEXX	xxxx3	401K	3.92	10,000
Commodities Totals				11.76	30,000
<b>Portfolio Totals</b>				<b>100.00</b>	<b>255,000</b>

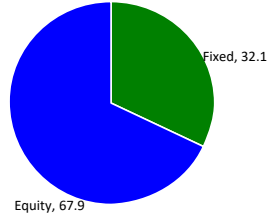
# Option #1 : Liquidate All

## Total Portfolio



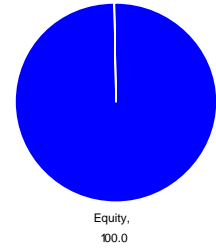
Total : 255,000

## Tax Deferred



Tax Deferred: 240,000

## Taxable



Taxable: 15,000

Description	Ticker	Acct Type	Percent	Market Value	Short Term	Long Term	Total
<b>Investment Grade Bonds</b>							
DoubleLine Core Fixed Income I	DBLFX	Marc 401k-401K	13.73	35,000	0	0	0
DoubleLine Core Fixed Income I	DBLFX	Maria 401k-401K	10.98	28,000	0	0	0
Vanguard Total Bond Market Index Fund Admiral S VBTLX		Marc 401k-401K	1.96	5,000	0	0	0
Vanguard Total Bond Market Index Fund Admiral S VBTLX		Maria 401k-401K	1.57	4,000	0	0	0
Investment Grade Bonds Totals			28.24	72,000	0	0	0
<b>High Yield Municipal Bonds</b>							
VanEck Vectors High-Yield Muni (HYD)	HYD	Marc Roth-Roth	0.98	2,500	0	0	0
VanEck Vectors High-Yield Muni (HYD)	HYD	Maria Roth-Roth	0.98	2,500	0	0	0
High Yield Municipal Bonds Totals			1.96	5,000	0	0	0
<b>Large Cap Equity</b>							
Vanguard Total Stock Mkt Idx Adm	VTSAX	Brokerage-Taxable	5.88	15,000	0	3,000	3,000
Vanguard Total Stock Market ETF	VTI	Marc Roth-Roth	10.78	27,500	0	0	0
Vanguard Total Stock Market ETF	VTI	Maria Roth-Roth	10.78	27,500	0	0	0
DoubleLine Shiller Enhanced CAPE I	DSEEX	Marc 401k-401K	15.69	40,000	0	0	0
DoubleLine Shiller Enhanced CAPE I	DSEEX	Maria 401k-401K	14.90	38,000	0	0	0
Large Cap Equity Totals			58.04	148,000	0	3,000	3,000
<b>Commodities</b>							
Vanguard Energy Inv	VGENX	Marc 401k-401K	7.84	20,000	0	0	0
Vanguard Energy Inv	VGENX	Maria 401k-401K	3.92	10,000	0	0	0
Commodities Totals			11.76	30,000	0	0	0

Planner Name Case Study

Client Name Marc & Maria Millennial



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 #1 : Liquidate All

Portfolio Totals	255,000	0	3,000	3,000
<b>Option 1: Liquidate All -Assumes no carryforwards as all net losses deducted at short term rates.</b>	Capital Gains Rates	39.0%	20.0%	
	Dollar Effect			600
<b>Option 1A: Liquidate @ Long Term Rates</b>	Dollar Effect	0	600	600

Planner Name Case Study

Client Name Marc & Maria Millennial



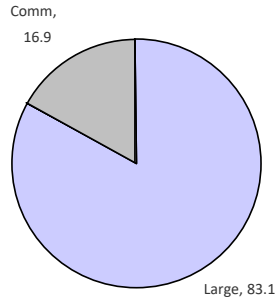
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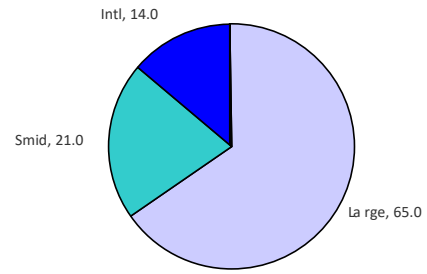
# Equity Asset Allocation

## Current Allocation vs GDxi Model

Current Growth Allocation



GDxi Model



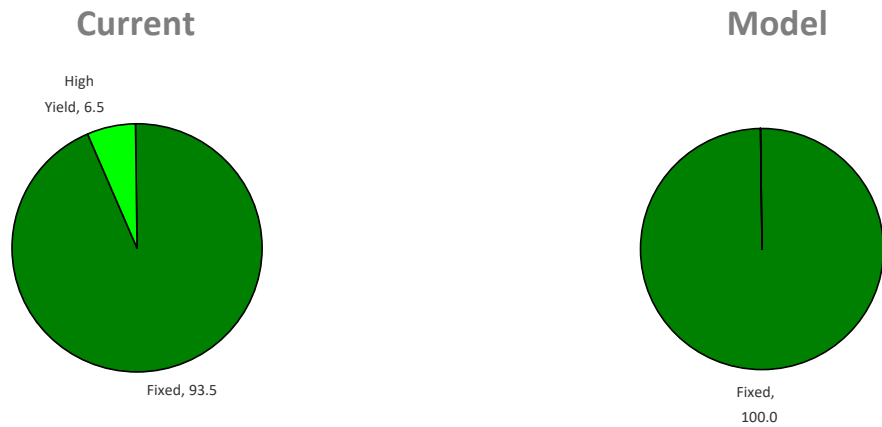
Asset Class	Current		GDxi Model
	%	\$	%
Real Estate	0.0	0	0.0
Large Cap Equity	83.1	148,000	65.0
Small-Mid Cap Equity	0.0	0	21.0
International Equity	0.0	0	14.0
Emerging Market Equity	0.0	0	0.0
Commodities	16.9	30,000	0.0
Alternative Strategies	0.0	0	0.0
	<b>100.0</b>	<b>178,000</b>	<b>100.0</b>

GDxi Model=Strat Passive Domestic Core D TD



# Fixed Income Asset Allocation

## Current Fixed Income Asset Allocation vs GDXi Portfolio



Asset Class	Current		GDXi Model
	%	\$	%
TIPs	0.0	0	0.0
Investment Grade Bonds	93.5	72,000	100.0
High Income Bonds	6.5	5,000	0.0
	<b>100</b>	<b>77,000</b>	<b>100</b>

*GDXi Model Strat Passive Domestic Core D TD*

# Underlying Expense Ratios

excluding advisory fees

Description	Ticker	Vehicle	MV	%	Expense Ratio
Brokerage-xxxx1					
Vanguard Total Stock Mkt Idx Adm	VTSAX	MF	15,000	5.9	0.04
		Account Total	15,000	5.9	0.04
Marc 401k-xxxx2					
DoubleLine Shiller Enhanced CAPE I	DSEEX	MF	40,000	15.7	0.55
DoubleLine Core Fixed Income I	DBLFX	MF	35,000	13.7	0.42
Vanguard Energy Inv	VGEXX	MF	20,000	7.8	0.37
Vanguard Total Bond Market Index Fund	VBTLX	MF	5,000	2.0	0.05
		Account Total	100,000	39.2	0.44
Maria 401k-xxxx3					
DoubleLine Shiller Enhanced CAPE I	DSEEX	MF	38,000	14.9	0.55
DoubleLine Core Fixed Income I	DBLFX	MF	28,000	11.0	0.42
Vanguard Energy Inv	VGEXX	MF	10,000	3.9	0.37
Vanguard Total Bond Market Index Fund	VBTLX	MF	4,000	1.6	0.05
		Account Total	80,000	31.4	0.46
Marc Roth-xxxx4					
Vanguard Total Stock Market ETF	VTI	ETF	27,500	10.8	0.03
VanEck Vectors High-Yield Muni (HYD)	HYD	ETF	2,500	1.0	0.35
		Account Total	30,000	11.8	0.06
Maria Roth-xxxx5					
Vanguard Total Stock Market ETF	VTI	ETF	27,500	10.8	0.03
VanEck Vectors High-Yield Muni (HYD)	HYD	ETF	2,500	1.0	0.35
		Account Total	30,000	11.8	0.06
		Total	255,000	100.0	
				% Securities With Expense Data :	100.0
				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.	0.34
				Portfolio Costs - this assumes that securities without expense ratios (such as individual stocks and closed end funds) have zero investment costs.	0.34

# 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.