



## Wealthcare Profile 2020 04-14 - Scenario Report

Monday, June 08, 2020

P R E P A R E D F O R

Marc and Maria Millennial

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.

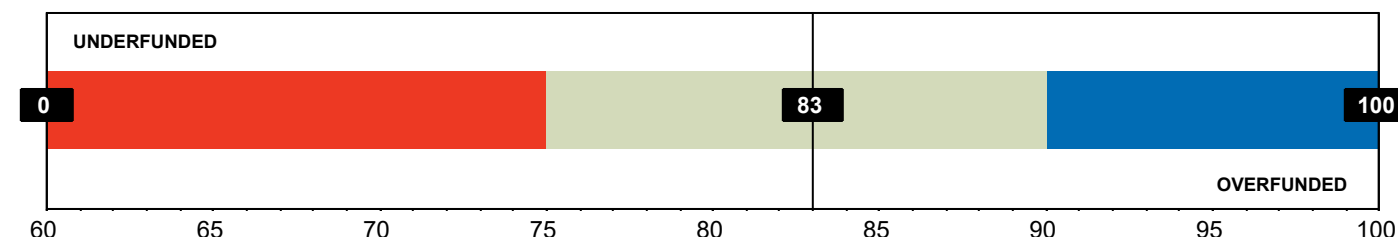
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# Comfort Analysis

**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	0%	UNCERTAIN (UNDERFUNDED)
R	<i>Recommended</i>	Monte Carlo	83%	COMFORT
A	<i>Acceptable</i>	Monte Carlo	100%	SACRIFICE (OVERFUNDED)
1	<i>Maria Part-Time</i>	Monte Carlo	83%	COMFORT

■ 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	MARIA PART-TIME
<b>Retirement Age</b>				
Marc	62	67	70	67
Maria	60	65	68	65
<b>Life Expectancy</b>				
Marc	92	92	92	92
Maria	94	94	94	94
<b>Retirement Spending</b>				
Marc	\$60,000	\$60,000	\$60,000	\$60,000
Maria	\$48,000	\$47,000	\$40,000	\$40,000
<b>Other Goals</b>				
Travel In Retirement	\$10,000	\$10,000	No	\$10,000
<b>Education Goal</b>	Yes	Some	No	Some
<b>Target End Value</b>				
Today's Dollars	\$1,000,000	\$0	\$0	\$0
Actual Dollars	\$5,009,348	\$0	\$0	\$0
<b>Savings (Current)</b>				
Marc	\$6,000	\$17,000	\$23,000	\$14,000
Maria	\$4,800	\$8,800	\$10,400	\$4,400
<b>Default Inflation Rate</b>	1.75%	1.75%	1.75%	1.75%
<b>Investment Adjustment</b>	-1.375%	-1.375%	-1.431%	-1.375%
<b>Portfolio</b>				
All Accounts	PASSIVE DOMESTIC CORE - BALANCED 50% EQUITIES	PASSIVE DOMESTIC CORE - GROWTH 80% EQUITIES	PASSIVE DOMESTIC CORE - GROWTH 80% EQUITIES	DSA GLOBAL CORE - GROWTH 80% EQUITIES
<b>Median Return</b>	5.95%	7.44%	7.38%	7.32%
<b>Risk</b>				
Std. Deviation*	9.30%	14.32%	14.31%	14.14%
Downside (95%-tile)**	-8.24%	-13.51%	-13.56%	-13.39%

\*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

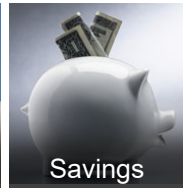
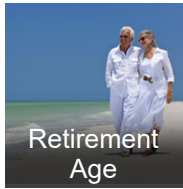
3

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.

**Your Current Notes:**

Because of their age we are allowing GDX360 to estimate mortality age, retirement age, retirement income, estate size and Social Security. All of these automatically default in GDX360 so no inputs need to be made. The Millennial family loves to have "experiences" and they travel extensively. They want to build travel into their budget now and into retirement. It is a top priority for them. They also want to send their children to college. They both have student loans to pay off and would love to pay for their children's entire education if they can, but understand paying only a portion might be necessary. Both set's of parents are healthy now but they want to build a little extra into their retirement spending should any of them need to rely on them financially.

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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.*

# Summary of Assumptions

## Key Variables

	IDEAL	RECOMMENDED	ACCEPTABLE	MARIA PART-TIME
<b>Annual Income</b>				
Marc	\$100,000	\$100,000	\$100,000	\$100,000
Maria	\$80,000	\$80,000	\$80,000	\$80,000
<b>Retirement Age</b>				
Marc	62	67	70	67
Maria	60	65	68	65
<b>Life Expectancy</b>				
Marc	92	92	92	92
Maria	94	94	94	94
<b>Length</b>	63 years	63 years	63 years	63 years
<b>Children</b>	2	2	2	2
<b>Target End Value</b>	\$1,000,000	\$0	\$0	\$0

## Contributions

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE	MARIA PART-TIME
<b>Tax Deferred</b>					
<i>Now to Ret -1</i>					
Marc's 401K + 3% match	MARC	6% Income	11% Income	13% Income	11% Income
Maria's 401K +3% Match	MARIA	6% Income	11% Income	13% Income	5.5% Income
<b>Tax Exempt</b>					
<i>Now to 48</i>					
529	MARC	\$0	\$6,000	\$10,000	\$3,000

## Withdrawals

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE	MARIA PART-TIME
<i>Ret. to 80</i>					
Travel In Retirement	MARC	\$10,000	\$10,000	\$0	\$10,000

## Retirement Income

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE	MARIA PART-TIME
<i>Ret. to End</i>					
Retirement Spending	MARC	\$60,000	\$60,000	\$60,000	\$60,000
Retirement Spending	MARIA	\$48,000	\$47,000	\$40,000	\$40,000

## Social Security Income

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE	MARIA PART-TIME
<i>62 to Death</i>					
Social Security (Marc)	MARC	\$23,280			
Social Security (Maria)	MARIA	\$21,211			
<i>65 to Death</i>					
Social Security (Maria)	MARIA		\$26,401		\$26,401
<i>67 to Death</i>					
Social Security (Marc)	MARC		\$33,458		\$33,458

	OWNER	IDEAL	RECOMMENDED	ACCEPTABLE	MARIA PART-TIME
<i>70 to Death</i>					
Social Security (Marc)	MARC			\$41,519	
Social Security (Maria)	MARIA			\$37,799	
<i>At Death</i>					
Social Security Joint & Survivor	MARC	\$2,068	\$7,057	\$3,720	\$7,057

## Other Retirement Income

None

## Education

	IDEAL	RECOMMENDED	ACCEPTABLE	MARIA PART-TIME
<b>Maya</b>				
<i>18 to 21</i>				
Maya's Education	\$35,000	\$15,000	\$0	\$10,000
<b>Michael</b>				
<i>18 to 21</i>				
Michael's Education	\$35,000	\$15,000	\$0	\$10,000

## Tax Assumptions †

	IDEAL	RECOMMENDED	ACCEPTABLE	MARIA PART-TIME
<b>Filing State (pre-retirement)</b>	MI	MI	MI	MI
<b>Filing State (post-retirement)</b>	MI	MI	MI	MI
<b>Filing Status</b>	Joint	Joint	Joint	Joint
<b>Tax Method</b>	Dynamic	Dynamic	Dynamic	Dynamic
<b>Turnover Rate</b>	20.00%	20.00%	20.00%	20.00%
<b>% Long-term Cap. Gains</b>	80.00%	80.00%	80.00%	80.00%
<b>Federal Income Tax</b>	0.00 - 37.00%	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%	0.00 - 20.00%
<b>Invest. Income Medicare Tax</b>	0.00 - 3.80%	0.00 - 3.80%	0.00 - 3.80%	0.00 - 3.80%
<b>State Income Tax</b>	0.00 - 4.25%	0.00 - 4.25%	0.00 - 4.25%	0.00 - 4.25%
<b>State Cap. Gains Tax</b>	0.00 - 4.25%	0.00 - 4.25%	0.00 - 4.25%	0.00 - 4.25%
<b>Local Tax</b>	0.00%	0.00%	0.00%	0.00%

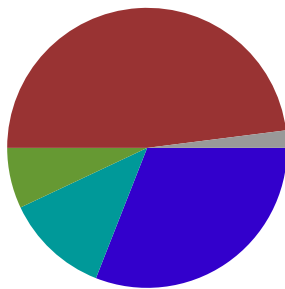
† Definitions of terms such as Federal Income Tax, Federal Cap. Gains Tax and the like are included in Appendix II.

# Allocation Summary (Detail)

## IDEAL

Age: Now Name: *Passive Domestic Core - Tax Status: All Accounts*  
*Balanced*

\*Risk: 9.72% \*Downside: -8.36% \*\*Return: 6.41%



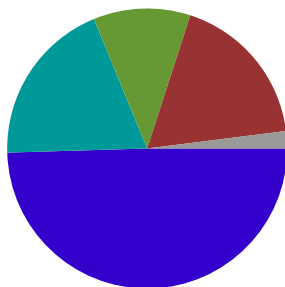
30.96% Large Cap  
 7.00% International Equity  
 2.00% Cash Equivalents

12.04% Small-Mid Cap Equity  
 48.00% Aggregate Bonds

## RECOMMENDED

Age: Now Name: *Passive Domestic Core - Growth Tax Status: All Accounts*

\*Risk: 14.75% \*Downside: -13.69% \*\*Return: 7.81%



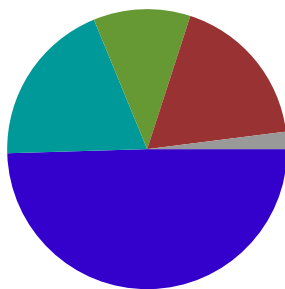
49.53% Large Cap  
 11.20% International Equity  
 2.00% Cash Equivalents

19.26% Small-Mid Cap Equity  
 18.01% Aggregate Bonds

## ACCEPTABLE

Age: Now Name: *Passive Domestic Core - Growth Tax Status: All Accounts*

\*Risk: 14.75% \*Downside: -13.75% \*\*Return: 7.76%



49.53% Large Cap  
 11.20% International Equity  
 2.00% Cash Equivalents

19.26% Small-Mid Cap Equity  
 18.01% Aggregate 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 or 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.

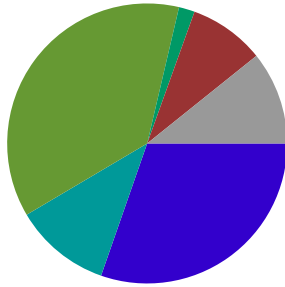
See Appendix I - Table of Asset Classes, Indexes and Definitions.

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**MARIA PART-TIME**

Age: Now Name: *DSA Global Core - Growth* Tax Status: All Accounts

\*Risk: 14.51% \*Downside: -13.50% \*\*Return: 7.70%



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

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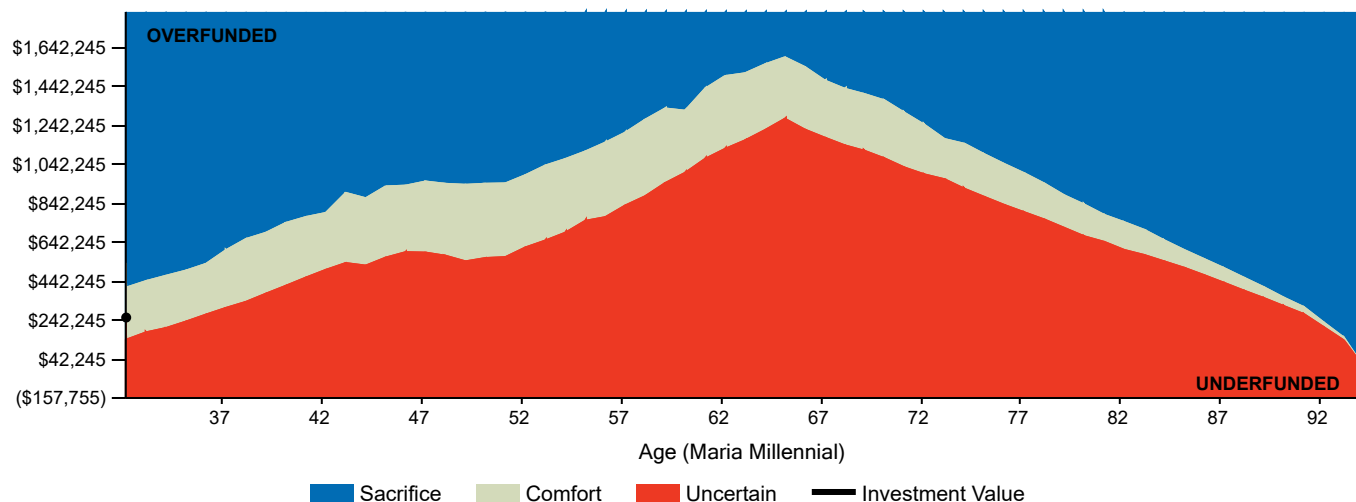


# Wealthcare Recommendation Summary

results shown in Today's 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>	
Marc	67
Maria	65
<b>Life Expectancy</b>	
Marc	92
Maria	94
<b>Retirement Spending</b>	
Marc	\$60,000
Maria	\$47,000
<b>Other Goals</b>	
Travel In Retirement <i>Ret. - 80</i>	\$10,000
<b>Education Goal</b>	Some
<b>Target End Value</b>	
Today's Dollars	\$0
Actual Dollars	\$0
<b>Savings (Current)</b>	
Marc	\$17,000
Maria	\$8,800
<b>Default Inflation Rate</b>	1.75%
<b>Investment Adjustment</b>	-1.375%
<b>Portfolio</b>	
All Accounts	PASSIVE DOMESTIC CORE - GROWTH 80% EQUITIES

## CHANCE OF FALLING OUTSIDE OF THE COMFORT ZONE®

	1 YEAR	3 YEARS	5 YEARS
<b>Sacrifice (Overfunded above)</b>			
Amount	\$442,107	\$495,966	\$600,474
Chance	0.0%	2.8%	6.2%
<b>Uncertain (Underfunded below)</b>			
Amount	\$178,939	\$234,235	\$304,323
Chance	0.0%	0.2%	3.0%
<b>Outside</b>			
Chance	0.0%	3.0%	9.2%

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

**Median Return** 7.44%

**Risk**

Std. Deviation\* 14.32%

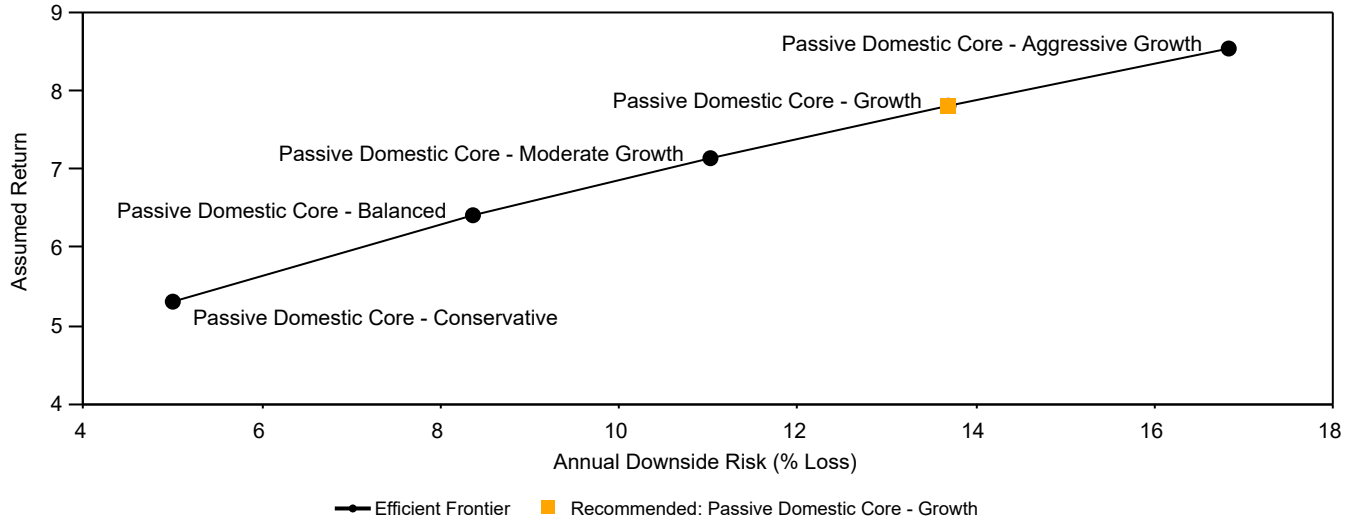
Downside (95%-tile)\*\* -13.51%

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

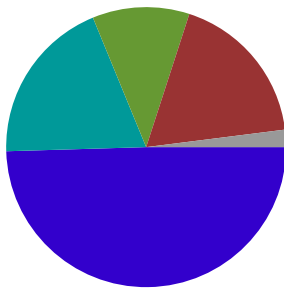
# Wealthcare Allocation Summary (Detail)

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: *Passive Domestic Core - Growth*    Tax Status: All Accounts    \*Risk: 14.75%    \*Downside: -13.69%    \*\*Return: 7.81%



49.53% Large Cap    19.26% Small-Mid Cap Equity  
 11.20% International Equity    18.01% Aggregate 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.  
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 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.  
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# Detailed Holdings Comparison

	ACCOUNT NUMBER	IDEAL	RECOMMENDED	ACCEPTABLE	MARIA PART-TIME
<b>Investment Assets</b>		<b>\$255,000</b>	<b>\$255,000</b>	<b>\$255,000</b>	<b>\$255,000</b>
<i>Taxable</i>		<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>
Brokerage		\$15,000	\$15,000	\$15,000	\$15,000
<i>Tax Deferred</i>		<b>\$180,000</b>	<b>\$180,000</b>	<b>\$180,000</b>	<b>\$180,000</b>
Marc's 401K		\$100,000	\$100,000	\$100,000	\$100,000
Maria's 401K		\$80,000	\$80,000	\$80,000	\$80,000
<i>Tax Exempt</i>		<b>\$60,000</b>	<b>\$60,000</b>	<b>\$60,000</b>	<b>\$60,000</b>
Marc's Roth IRA		\$30,000	\$30,000	\$30,000	\$30,000
Maria's Roth IRA		\$30,000	\$30,000	\$30,000	\$30,000
<b>Non Investment Assets</b>		<b>\$350,000</b>	<b>\$350,000</b>	<b>\$350,000</b>	<b>\$350,000</b>
Residence		\$350,000	\$350,000	\$350,000	\$350,000
<b>Liabilities</b>		<b>(\$355,000)</b>	<b>(\$355,000)</b>	<b>(\$355,000)</b>	<b>(\$355,000)</b>
Marc's Student Loan		(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)
Maria's Student Loan		(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)
Mortgage		(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)
<b>Net Worth</b>		<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>

Holdings by Tax Status

