

CARDINAL ADVISORS

Delay Social Security Filing to 70-Example

In the video entitled “Delay Social Security Filing to 70-Example” Hans and Tom use Tom and Chelsey again to discuss Social Security.

DELAY SOCIAL SECURITY FILING TO 70-EXAMPLE				
S.S.	TOM + CHELSEY - 64 COUPLE - RETIRE JAN 2025		PROPOSED SOCIAL SECURITY PLAN	INCOME
<input type="checkbox"/>	\$750,000 TAXABLE INVESTMENTS		- DELAY 5 YEARS	<input type="checkbox"/>
MED	\$2,500,000 TAX DEFERRED IRA		UNTIL JANUARY 2030	
<input type="checkbox"/>	\$230,000 CASH		TOM \$5,331/MONTHLY	
LTC	\$12,000 MONTHLY SPENDING (AFTER TAX)		CHELSEY \$2,150/MONTHLY	ESTATE
<input type="checkbox"/>	CURRENT PLAN - 90% SUCCESS		\$7,481/MONTHLY	<input type="checkbox"/>
401K/IRA	- BOTH START SOCIAL SECURITY JAN 2025		IF THEY STARTED SOCIAL SECURITY NOW @ 65	
<input type="checkbox"/>	- SUPPLEMENT SPENDING FROM CASH + TAXABLE ACCOUNTS		TOM \$3,020/MONTHLY	
	- DELAY TAKING FROM IRA TO AGE 75 (RMD)		CHELSEY \$1,451/MONTHLY	TAXES
	- PAY AS LITTLE TAX AS POSSIBLE NOW		\$4,471/MONTHLY	<input type="checkbox"/>
	PROPOSED PLAN - 99% SUCCESS			
	- DELAY SOCIAL SECURITY TO JAN 2030			
	- REPLACE SOCIAL SECURITY WITH SPIA 2025-2029			
	(\$12,500/MONTHLY \$11,200 TAX FREE \$1300 TAXABLE)			
	(PAYMENTS STOP DECEMBER 2029)			
	- PURCHASE INCOME ANNUITY \$1 MILLION IRA			
	(INCOME FOR LIFE \$112,100/ANNUAL - STARTS JAN 2030)			

The information and opinions contained herein are provided by third parties and have been obtained from sources believed to be reliable, however, we make no representation as to its completeness or accuracy. The information is not intended to be used as the sole basis for financial decisions, nor should it be construed as advice designed to meet the particular needs of an individual's situation. Content is provided for informational purposes only and is not a solicitation to buy or sell any products mentioned.

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Nov. 2024

Insurance Can Lead To A

More Successful

Retirement

FORUM
MAX

Thomas Griffith, CFP®

Vice President
Cardinal Advisors

Profile

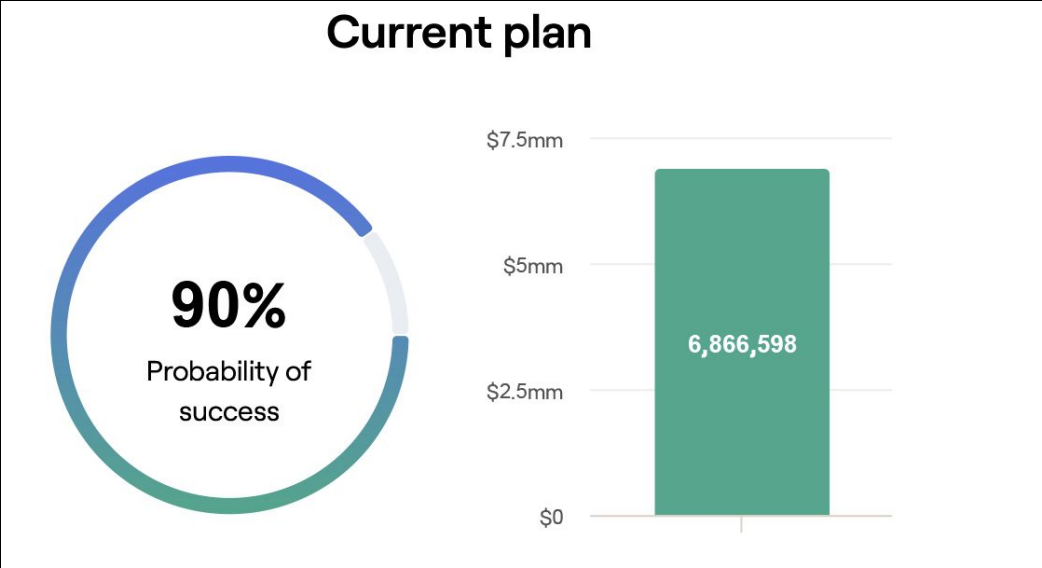
- Thomas and Chelsey: 64-year-old couple retiring January 1st of 2025.
- Net worth of \$4,230,000 (\$230K of cash, \$750,000 of taxable investments, and \$2,500,000 of tax deferred investments).
- Thomas is planning to start Social Security as soon as he retires
- Chesley was a stay-at-home mom and only qualifies for spousal benefits.
- Monthly spending of \$12,000/month after tax

Balance Sheet Details

Description	Thomas	Chelsey	Total
Assets			
Cash			
Checking	\$30,000		\$30,000
High Yield Savings	\$200,000		\$200,000
Total Cash	\$230,000	\$0	\$230,000
Invested Assets			
Non-qualified			
Taxable Brokerage	\$750,000		\$750,000
Qualified			
Rollover IRA	\$2,500,000		\$2,500,000
Total Invested Assets	\$3,250,000	\$0	\$3,250,000
Real Estate Assets			
Primary Home	\$750,000		\$750,000
Total Real Estate Assets	\$750,000	\$0	\$750,000
Total Assets	\$4,230,000	\$0	\$4,230,000
Net Worth			
Total Net Worth	\$4,230,000	\$0	\$4,230,000

Current Plan

- Take Social Security at retirement
- Supplement cash flow out of taxable savings and cash
- Delay taking money out of IRA until RMDs start at 75



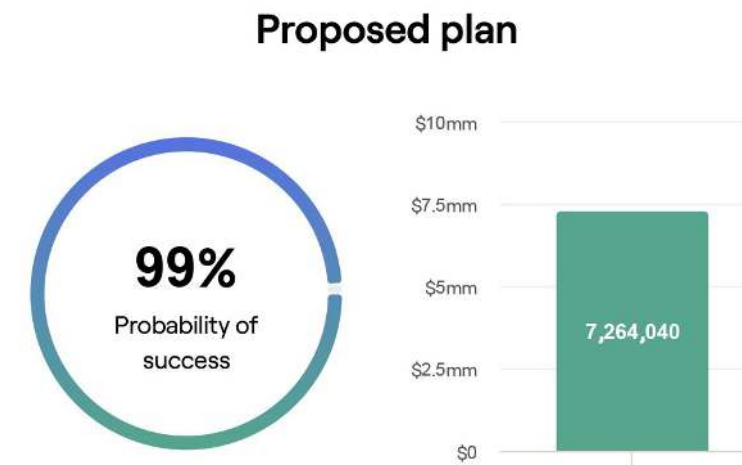
Cash Flows – Current Plan

Summary

		Cash Inflows				Cash Outflows					
Year	Age	Income Inflows	Planned Distribution	Other Inflows	Total Inflows	Expenses	Goals	Tax Payment	Planned Saving	Total Outflows	Net Flows
2025	65/65	53,643	0	0	53,643	144,000	0	732	0	144,732	(91,089)
2026	66/66	59,983	0	0	59,983	147,600	0	1,505	0	149,105	(89,122)
2027	67/67	61,481	0	0	61,481	151,290	0	1,589	0	152,879	(91,398)
2028	68/68	63,018	0	0	63,018	155,072	0	2,491	0	157,563	(94,545)
2029	69/69	64,594	0	0	64,594	158,949	0	2,618	0	161,567	(96,974)
2030	70/70	66,209	0	0	66,209	162,923	0	2,711	0	165,633	(99,424)
2031	71/71	67,865	0	0	67,865	166,996	0	2,766	0	169,762	(101,897)
2032	72/72	69,562	0	0	69,562	171,171	0	2,782	0	173,953	(104,391)
2033	73/73	71,300	0	0	71,300	175,450	0	2,756	0	178,206	(106,905)
2034	74/74	73,082	0	0	73,082	179,836	0	2,684	0	182,520	(109,438)
2035	75/75	74,910	193,096	0	268,007	184,332	0	55,387	0	239,719	28,287
2036	76/76	76,783	205,571	0	282,354	188,940	0	59,733	0	248,673	33,681
2037	77/77	78,702	217,880	0	296,581	193,664	0	64,108	0	257,772	38,809
2038	78/78	80,670	231,928	0	312,597	198,506	0	69,136	0	267,642	44,956
2039	79/79	82,687	246,855	0	329,543	203,468	0	74,554	0	278,022	51,521
2040	80/80	84,754	262,730	0	347,484	208,555	0	80,393	0	288,948	58,537

Proposed Plan

- Thomas delay Social Security until age 70.
- Chelsey file for her spousal benefits at once Thomas files
- Purchase a 5 year period certain SPIA out of their taxable funds to bridge the gap from 65 to age 70.
- Purchase a fixed indexed annuity with an income rider to start at age 70 to supplement their income.
- Roth conversion up the 24% tax bracket
- Purchase a Hybrid LTC policy out of their IRA funds to cover the LTC risk.



Cash Flows – Proposed Plan

Summary

Year	Age	Cash Inflows				Cash Outflows				Net Flows
		Income Inflows	Planned Distribution	Other Inflows	Total Inflows	Expenses	Goals	Tax Payment	Planned Saving	Total Outflows
2025	65/65	150,000	0	0	150,000	144,000	0	102,941	0	246,941
2026	66/66	150,000	0	0	150,000	147,600	0	75,069	0	222,669
2027	67/67	150,000	0	0	150,000	151,290	0	77,335	0	228,625
2028	68/68	150,000	0	0	150,000	155,072	0	79,648	0	234,720
2029	69/69	150,000	0	0	150,000	158,949	0	81,528	0	240,477
2030	70/70	194,389	0	0	194,389	162,923	0	77,472	0	240,395
2031	71/71	204,114	0	0	204,114	166,996	0	79,121	0	246,117
2032	72/72	206,415	0	0	206,415	171,171	0	74,091	0	245,262
2033	73/73	208,772	0	0	208,772	175,450	0	32,234	0	207,684
2034	74/74	211,188	0	0	211,188	179,836	0	32,156	0	211,992
2035	75/75	213,667	0	0	213,667	184,332	0	32,169	0	216,501
2036	76/76	216,206	0	0	216,206	188,940	0	32,164	0	221,105
2037	77/77	218,807	0	0	218,807	193,664	0	32,142	0	225,806
2038	78/78	221,476	0	0	221,476	198,506	0	32,119	0	230,624
2039	79/79	224,211	0	0	224,211	203,468	0	32,095	0	235,563
2040	80/80	227,013	0	0	227,013	208,555	0	32,071	0	240,626

Single Premium Immediate AnnuitySM

Contract Owner: Thomas Griffith
Contract Issue State: North Carolina
Owner Residence State: North Carolina

Primary Annuitant: Thomas Griffith
Date of Birth (Age): January 15, 1960 (Age 65)
Gender: Male

Certain Period Annuity with payments guaranteed for 5 years

Illustration Date: 08/23/2024 **Premium:** \$671,949.84 **Payment Mode:** Monthly
Premium Date: 08/23/2024 **Cost Basis:** \$671,949.84 **Exclusion Ratio ([†]):** 89.60%
Illustration Expiration Date: 09/06/2024
Market: Non-qualified

First Payment Date	Monthly Annuity Income	Annual Payout Percentage *	Non-Taxable Portion of Annuity Income	Taxable Portion of Annuity Income
01/01/2025	\$12,500.00	22.3%	\$11,200.00	\$1,300.00

Total Amount of Guaranteed Payments: \$750,000.00
Certain Period End Date: 12/01/2029

Certain Period Annuity

Annuity payments are guaranteed for a period of 5 years. If the annuitant dies before the end of the period, the beneficiary will continue to receive the payments for the remainder of the period.

* **Annual Payout Percentage** is the ratio of total annual Annuity Income to Premium. This percentage is not an interest rate or a rate of return.

([†]) **Exclusion Ratio** is the nontaxable percentage of each payment through life expectancy. It will apply to payments until the cost basis is fully recovered. Once the cost basis has been recovered, the excludable amount is zero and all future payments will be fully taxable. Exclusion ratio is calculated using tables provided by the Internal Revenue Service and the cost basis that was entered. The actual exclusion ratio will be determined at the time funds are received.

Penn Mutual SPIA

- Initial premium of \$671,950 from the \$750,000 of taxable investments
- Monthly income of \$12,500 (\$150,000 annually)
- Monthly taxable income of \$1,300 (\$15,600 annually)
- Creates the cash flow they need to cover most of their expenses while leave room for Roth conversions and allowing them to delay Social Security.

Midland National Fixed Indexed Annuity

- Initial Premium of \$1,000,000 out of their IRA.
- Guaranteed income of \$112,100 covering both lives start at age 70.
- The income is dependent upon market performance.
- This income along with Social Security will cover their income needs, giving them a longer time horizon for their remaining assets.


MNL Income Planning Annuity® Single Premium Deferred Annuity Qualified Contract								 MIDLAND NATIONAL® A Sammons Financial Company		
GUARANTEED ANNUITY CONTRACT VALUES								Annual Effective Rate: 0.00% ⁺		
This chart illustrates values based on 0% growth, current rider charge, selected withdrawals and the initial allocation. The Accumulation Value reflects rider charges.										
END OF YEAR	Youngest Covered Person Start Age/End Age	Premium	Annual Withdrawals ² (Beginning of Year)	Accumulation Value/Death Benefit	Death Benefit	Minimum Guaranteed Surrender Value	Credited Interest Rate ¹	GLWB Features		
								Net Premium	Level Lifetime Payment Amount [#]	LPA Multiplier ^u
At Issue	64	\$1,000,000		\$1,000,000				\$1,000,000	\$63,300	\$0
1	64 / 65	-	\$0	\$987,500	\$987,500	\$901,250	0.00%	\$1,000,000	\$69,600	\$0
2	65 / 66	\$0	\$0	\$975,000	\$975,000	\$928,288	0.00%	\$1,000,000	\$76,600	\$153,200
3	66 / 67	\$0	\$0	\$962,500	\$962,500	\$956,136	0.00%	\$1,000,000	\$84,200	\$168,400
4	67 / 68	\$0	\$0	\$950,000	\$984,820	\$984,820	0.00%	\$1,000,000	\$92,700	\$185,400
5	68 / 69	\$0	\$0	\$937,500	\$1,014,365	\$1,014,365	0.00%	\$1,000,000	\$101,900	\$203,800
6	69 / 70	\$0	\$0	\$925,000	\$1,044,796	\$1,044,796	0.00%	\$1,000,000	\$112,100	\$224,200
7	70 / 71	\$0	\$112,100	\$800,400	\$960,677	\$960,677	0.00%	-	\$112,100	\$224,200
8	71 / 72	\$0	\$112,100	\$675,800	\$874,034	\$874,034	0.00%	-	\$112,100	\$224,200
9	72 / 73	\$0	\$112,100	\$551,200	\$784,792	\$784,792	0.00%	-	\$112,100	\$224,200
10	73 / 74	\$0	\$112,100	\$426,600	\$692,873	\$692,873	0.00%	-	\$112,100	\$224,200
11	74 / 75	\$0	\$112,100	\$302,000	\$598,196	\$598,196	0.00%	-	\$112,100	\$224,200
12	75 / 76	\$0	\$112,100	\$177,400	\$500,679	\$500,679	0.00%	-	\$112,100	\$224,200
13	76 / 77	\$0	\$112,100	\$52,800	\$400,236	\$400,236	0.00%	-	\$112,100	\$224,200
14	77 / 78	\$0	\$112,100	\$0	\$0	\$0	0.00%	-	\$112,100	\$0
15	78 / 79	\$0	\$112,100	\$0	\$0	\$0	0.00%	-	\$112,100	\$0
16	79 / 80	\$0	\$112,100	\$0	\$0	\$0	0.00%	-	\$112,100	\$0
17	80 / 81	\$0	\$112,100	\$0	\$0	\$0	0.00%	-	\$112,100	\$0
18	81 / 82	\$0	\$112,100	\$0	\$0	\$0	0.00%	-	\$112,100	\$0
19	82 / 83	\$0	\$112,100	\$0	\$0	\$0	0.00%	-	\$112,100	\$0
20	83 / 84	\$0	\$112,100	\$0	\$0	\$0	0.00%	-	\$112,100	\$0
30	93 / 94	\$0	\$112,100	\$0	\$0	\$0	0.00%	-	\$112,100	\$0
51	114 / 115	\$0	\$112,100	\$0	\$0	\$0	0.00%	-	\$112,100	\$0
Total Withdrawals:		First 30 Yrs: Cumulative:	\$2,690,400 \$5,044,500					0.00% ⁺		

ILLUSTRATION SNAPSHOT

Covered Person (Age): Thomas Smith (64)
JT Covered Person (Age): Chelsey Smith (64)
Premium: \$1,000,000.00
Agent Name: HANS SCHEIL
State: NC

ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: 7
GLWB FEATURE DETAILS
Annual Charge: 1.25% of Initial Premium

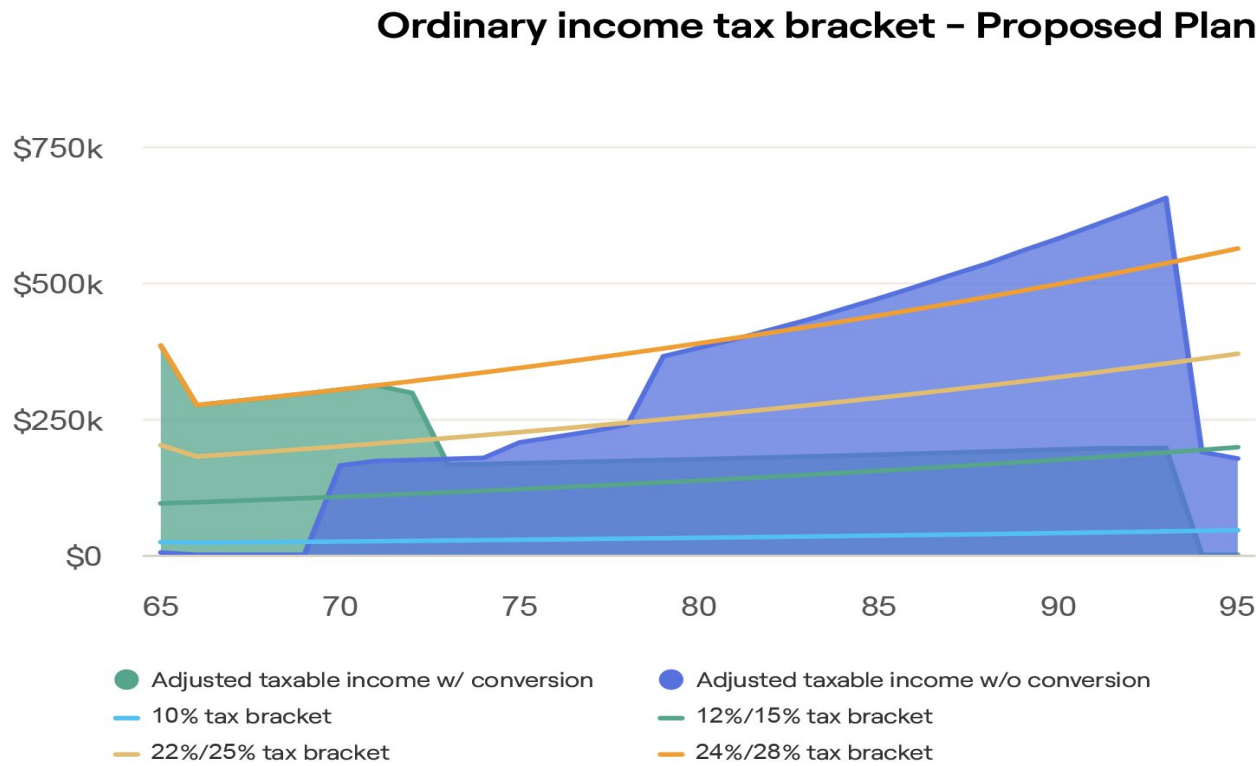
+ Annual Effective Rate over first 10 years.
At the start of lifetime income, annual payments are reflected in the Annual Withdrawals column.
u Must meet eligibility requirements. See page 5.
¹Credited Interest Rate does not reflect the rider charge.
² Subject to any applicable penalty-free withdrawal provisions.

Illustration Date: 08/23/2024
This illustration is not valid unless all pages are present.
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32880Y

Software Version 6.1.162.3

Roth Conversions



Proposed Strategy
\$1,113,069 more
tax adjusted ending
portfolio than a
taxable, tax-deferred,
tax-free withdrawal
strategy w/o
conversion

Distribution and Conversion Details

Year	Age	Conversion Amount	Withdrawal From Taxable Account	Withdrawal From Tax Deferred Account	Withdrawal From Tax Free Account	Taxable Account Balance	Tax Deferred Account Balance	Tax Free Account Balance
2025	65/65	379,831	768,891	1,379,831	0	267,500	2,285,906	379,831
2026	66/66	278,327	72,669	278,327	0	212,565	2,092,829	683,339
2027	67/67	286,833	78,625	286,833	0	148,032	1,878,445	1,015,473
2028	68/68	295,706	84,720	295,706	0	73,125	1,640,976	1,378,500
2029	69/69	292,462	77,973	304,966	0	0	1,378,504	1,762,349
2030	70/70	101,946	0	260,052	0	0	1,143,545	1,981,130
2031	71/71	105,933	0	260,036	0	0	900,457	2,218,402
2032	72/72	94,074	0	245,021	0	0	663,700	2,459,545
2033	73/73	0	0	112,100	0	1,088	551,600	2,622,601
2034	74/74	0	804	112,100	0	356	439,500	2,796,466
2035	75/75	0	380	112,100	2,455	0	327,400	2,979,404
2036	76/76	0	0	112,100	4,899	0	215,300	3,172,024
2037	77/77	0	0	112,100	6,998	0	103,200	3,375,315
2038	78/78	0	0	103,200	9,149	0	0	3,589,933
2039	79/79	0	0	0	11,352	0	0	3,816,575
2040	80/80	0	0	0	13,612	0	0	4,055,982

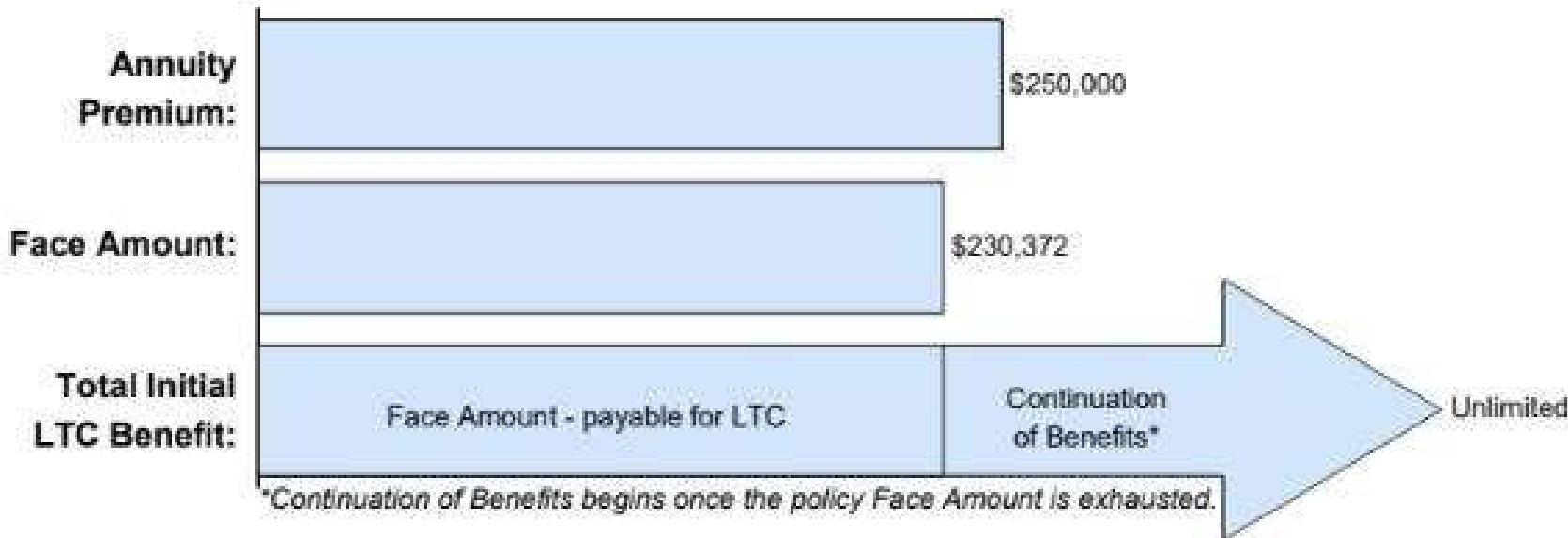
One America LTC

- Single premium of \$250K of IRA funds
- Annual distributions of \$31,250 out of the IRA
- Monthly LTC benefits of \$9,599
- Lifetime coverage
- Death benefit (if no care is needed) of \$230,372
- Is part of the larger strategy of lowering the IRA balance
- Covers the largest risk they face in retirement

Asset Care®
Annuity Funding Whole Life

OneAmerica®
Financial

State: North Carolina
Prepared for: Thomas Smith, Male, 64, Preferred Non-Tobacco
Chelsey Smith, Female, 64, Preferred Non-Tobacco



Initial LTC Benefit Limit:	\$9,599 Monthly (\$19,198 Jointly) \$115,186 Annually (\$230,372 Jointly)
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Premiums:

Single Pay Annuity Premium - \$250,000
10-Pay Life Premium*** - \$12,611
10-Pay LTC Premium*** - \$18,639

***Automatically funded by withdrawals from Single Pay Annuity.
See Ledger page for details.

Features and Benefits:

Benefit Period - 2 Years AOB¹ / Lifetime COB²
Inflation Option - 0% AOB¹ / 0% COB²
Inflation Duration - N/A
Guaranteed Cash Value
Waiver of Premium

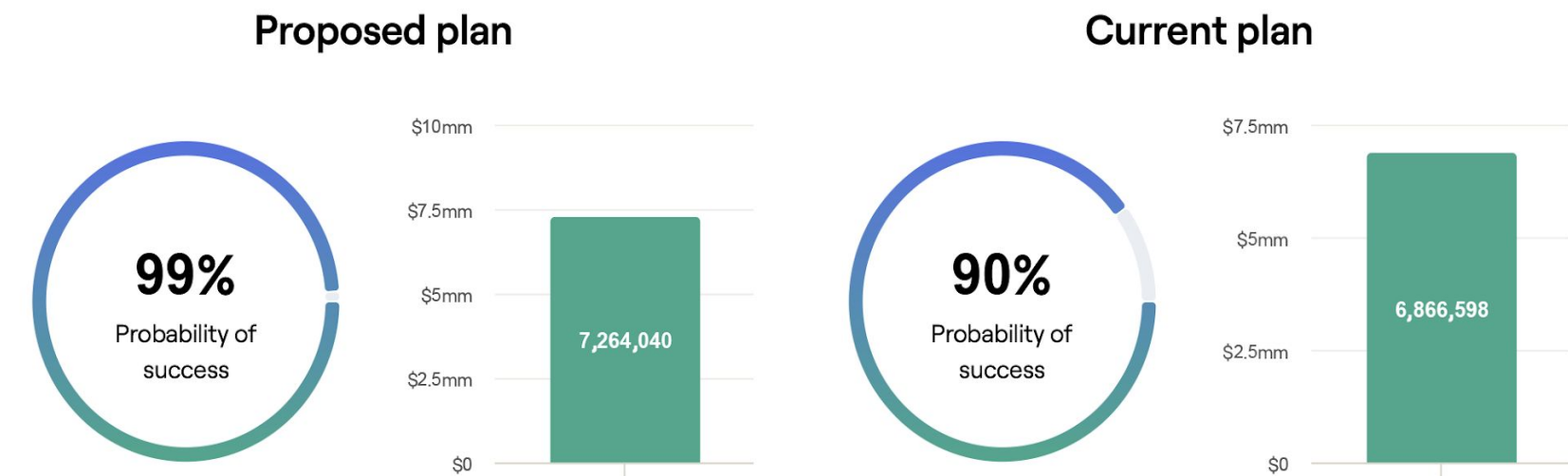
¹ Acceleration of Benefits
² Continuation of Benefits

Final Comparison

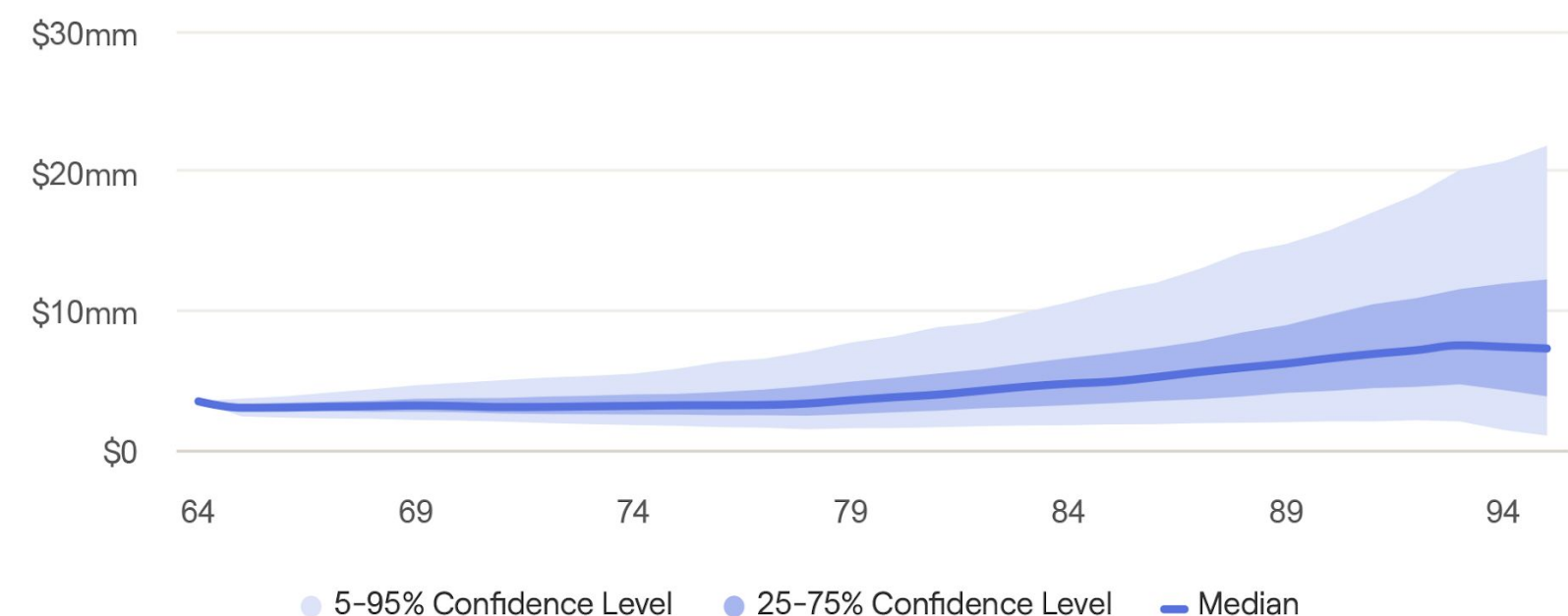
- After the proposed changes Thomas and Chelsey have a higher probability of success and a projected higher ending portfolio balance.
- Through the use of insurance they have mitigated their largest risks and have created an income plan that allows them to enjoy retirement without having to worry about the market fluctuations.
- By converting their IRA money to a Roth IRA they have lowered their lifetime tax bill significantly and left their beneficiaries in a much better spot.

Monte Carlo Analysis

Use of a detailed retirement analysis tool is important to help determine whether you are on track for a successful retirement. Monte Carlo simulations, stress tests, and viewing specific scenarios can help you evaluate your retirement plans and see the impact of potential changes.



Asset simulation results - Proposed plan





CARDINAL ADVISORS

REPORT PREPARED FOR

Thomas Smith & Chelsey Smith

by Tom Griffith, CFP®
Cardinal Advisors

Generated on 10/29/2024

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Important Information

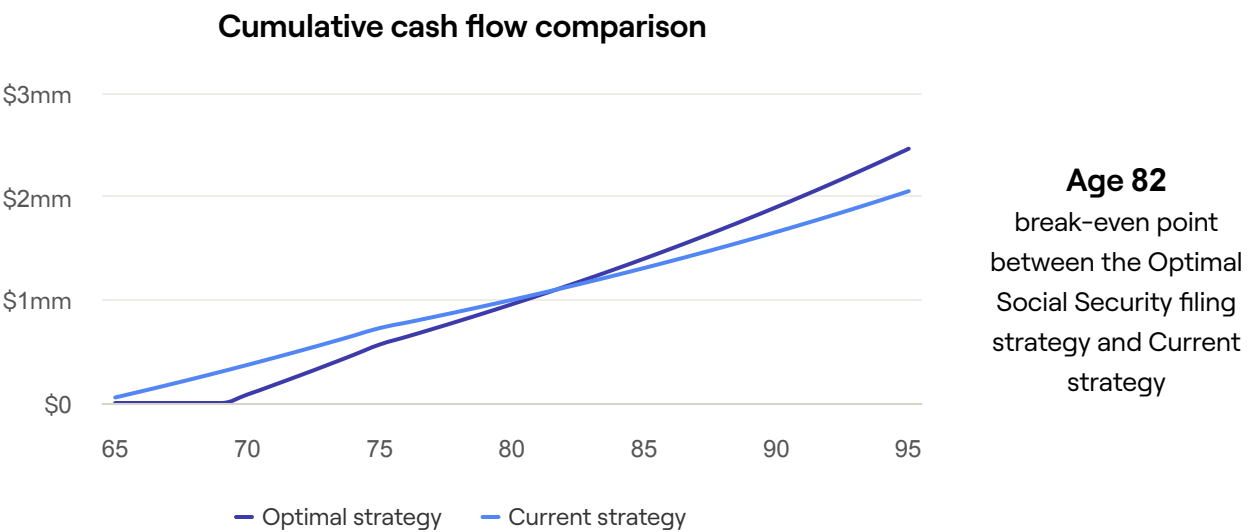
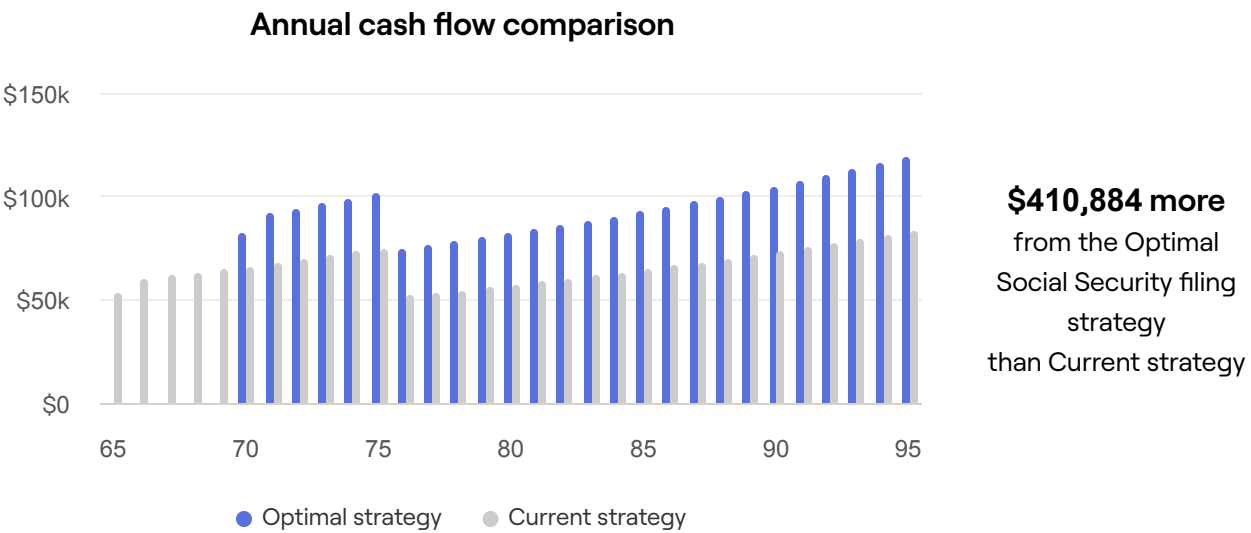
This report is intended to provide you with an analysis of your financial plan. It is based on the data and assumptions provided by you and your financial professional including but not limited to asset expected returns, volatility, and inflation assumptions. Detailed information regarding assumptions can be found on the disclosure page of this report.

The report shows comparisons of your current plan and a proposed plan. The proposed plan is a recommendation formulated by your financial professional. The report also shows comparisons of your current asset allocation and a proposed asset allocation. The proposed asset allocation is the recommendation formulated by your financial professional.

The report shows the Probability of Success of your plan using a Monte Carlo simulation calculated by running the projection 1,000 separate times. Some sequences of returns used in the Monte Carlo simulation will give you better results, and some will give you worse results. These multiple trials provide a range of possible results. RightCapital considers a trial to be "successful" if, at the end of your planning horizon, your invested assets are greater than zero. The percentage of trials that were successful is the Probability of Success of your plan, with all its underlying assumptions. Detailed disclosure regarding the calculations can be found on the disclosure page of this report.

Optimal Social Security Strategy

There are as many as 700 different Social Security filing strategies that can be tested in order to identify the optimal Social Security benefit for your specific retirement needs. Compare your optimal strategy to others to see the potential benefit of optimization.

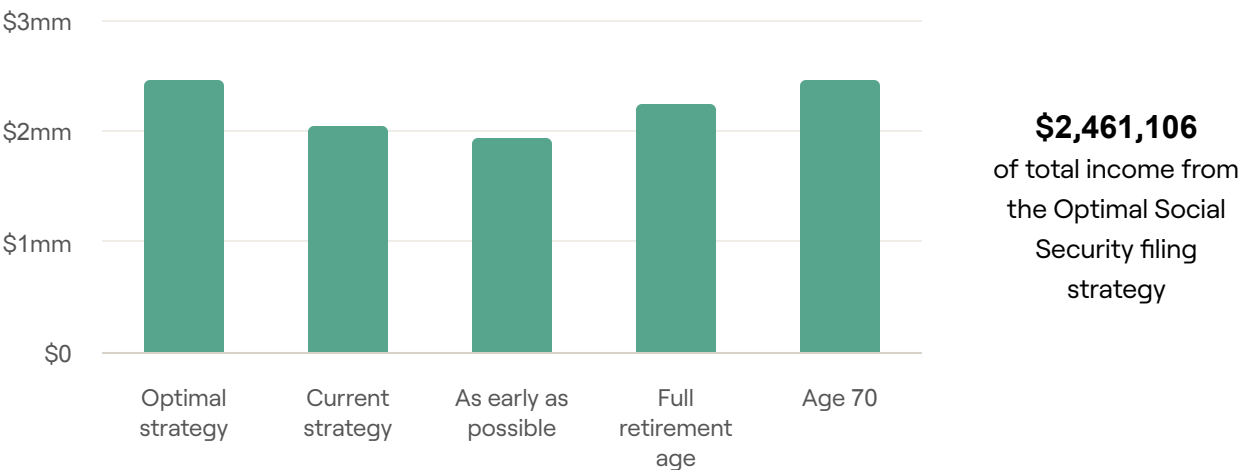


To obtain maximum Social Security benefit

1. Chelsey applies own spousal benefit at age 67.
2. Thomas applies own retirement/spousal benefit at age 70.

Optimal Social Security Strategy

Summary of all strategies



Disclosure

- 1 **No Warranties.** RightCapital makes no warranties, expressed or implied, as to accuracy, completeness, or results obtained from any information on www.rightcapital.com (the "Platform"). The Platform uses simplified assumptions derived and/or obtained from historical data that are used to create assumptions about potential investment returns.
- 2 **Advice.** RIGHTCAPITAL DOES NOT PROVIDE LEGAL, TAX, ACCOUNTING, INVESTMENT OR FINANCIAL ADVICE. RIGHTCAPITAL DOES NOT PROVIDE RECOMMENDATIONS FOR ANY PRODUCTS OR SECURITIES. Your financial professional may not provide tax or legal advice. The appropriate professionals should be consulted on all legal and accounting matters prior to or in conjunction with implementation of any strategy. Use prospectus for any discussions about securities.
- 3 **Data** provided by you or your financial professional for your assets, liabilities, goals, accounts, and other assumptions are key inputs for the calculations at RightCapital. The information should be reviewed periodically and updated whenever there is a change in information or circumstances.
- 4 **Monte Carlo Simulation methodology.** RightCapital generated Monte Carlo simulations calculating the results of your plan by running the projection 1000 times. Some sequences of returns will give you better results, and some will give you worse results. These multiple trials provide a range of possible results. RightCapital considers a trial to be "successful" if at the end of the planning horizon your invested assets are greater than zero. The percentage of trials that were successful is the Probability of Success of your plan, with all its underlying assumptions.
- 5 **Asset classes used in Monte Carlo simulation** RightCapital uses only a few asset classes. The default return and volatility assumptions of the asset classes are estimated based on the historical return data of indices, which serve as proxies for their respective asset classes. They are not returns of actual investments. The historical return data used to derive returns for all asset classes are:

- Large Growth, Large Value and Other: S&P 500 Total Return Index - 12/1973 — 12/2023
- Mid Cap: Russell Midcap Index - 12/1995 — 12/2023
- Small Cap: Russell 2000 Index - 12/1980 — 12/2023
- International Equities: MSCI EAFE Index - 12/1973 — 12/2023
- Emerging Markets: MSCI Emerging Market Index - 12/1987 — 12/2023
- Real Estate: MSCI US REIT Index - 12/2009 — 12/2023
- Government: 10 Year Treasury Bond - 12/1999 — 12/2023
- Municipal: Bloomberg Municipal Bond Index - 12/1999 — 12/2023
- Corporate and International Bonds: Bloomberg US Aggregate Bond Index - 12/1999 — 12/2023
- High Yield: ICE BofA US High Yield Index - 12/1999 — 12/2023
- Cash: 3 Month Treasury Bill - 12/1999 — 12/2023

Note: The S&P500 Total Return Index is made up of both large cap growth and large cap value stocks. This index return and volatility data is used for both large cap growth and large cap value asset classes in the RightCapital system as it is an appropriate benchmark for both. RightCapital uses the S&P500 total return index as the best proxy for any unclassified assets labeled as 'Other'

6 Return and volatility assumptions used in Monte Carlo simulations

Asset Class	Total Return	Volatility
Large Growth	7%	17%
Large Value	7%	17%
Mid Cap	7.6%	17.98%
Small Cap	7.2%	18.18%
International Equities	9.7%	20.66%
Emerging Markets	8.8%	31.45%

Asset Class	Total Return	Volatility
Real Estate	7.5%	16.97%
Government	3.9%	8.85%
Municipal	4%	4.75%
Corporate	5.8%	4.92%
High Yield	6.5%	14.94%
International Bonds	4%	4.92%

Asset Class	Total Return	Volatility
Cash	2.9%	1.78%
Other	7%	17%

7 Tax and Inflation assumptions used in Monte Carlo simulations Starting federal and state standard deductions, exemptions and the tax brackets used in projections are as of 2024. The following inflation assumptions are used in the projection: General inflation 2.5%; Education inflation 5%; Tax inflation 2.5%; Social Security inflation 2.5%; Health inflation: 5%

8 Assumption and calculation limitations of Monte Carlo Simulations

Your resources and goals may be different from the estimates that you provided: The report is intended to help you in making decisions on your financial future based, in part, on information that you have provided and reviewed including, but not limited to, your age, income, assets, liabilities, anticipated expenses and retirement age. Some of this information may change in unanticipated ways in the future and those changes may make this RightCapital projection less useful.

Inherent limitations in RightCapital financial model results: Investment outcomes in the real world are the results of a near infinite set of variables, few of which can be accurately anticipated. Any financial model, such as RightCapital, can only consider a small subset of the factors that may affect investment outcomes and the ability to accurately anticipate those few factors is limited. For these reasons, investors should understand that the calculations made in this report are hypothetical, do not reflect actual investment results, and are not guarantees of future results.

Results may vary with each use and over time: The results presented in this report are not predictions of actual results. Actual results may vary to a material degree due to external factors beyond the scope and control of this report. As investment returns, inflation, taxes, and other economic conditions vary from the assumptions, your actual results will vary from those

presented in RightCapital. Small changes in these inputs and assumptions may have a significant impact on the results.

RightCapital considers investments in only a few Broad Investment Categories: RightCapital utilizes U.S. Large Growth, U.S. Large Value, U.S. Mid Cap, U.S. Small Cap, Real Estate, International Equities, Emerging Markets Equity, U.S. Government, U.S. Corporate, U.S. High Yield, International Bonds and Cash. These broad investment categories are not specific securities, funds, or investment products. The assumed rates of return of these broad categories are based on the returns of indices. These indices do not include fees or operating expenses and are not available for investment. These indices are unmanaged and the returns are shown for illustrative purpose. It important to note that the broad categories that are used are not comprehensive and other investments that are not considered may have characteristics that are similar or superior to the categories that are used in RightCapital.

Investment Risk: Clients and prospective clients should be prepared to bear investment loss including loss of original principal. Clients should assess their tolerance for risk with their financial professional and update when a change in financial status occurs. Investments are subject to many risks depending on the asset class, including but not limited to: Large Growth, Large Value, Mid Cap, Small Cap, Real Estate: Either the stock market as a whole, or the value of an individual company, may go down resulting in a decrease in the value of client investments. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer. Small cap stocks may be subject to risks such as but not limited to volatility, lack of available information and liquidity due to low trading volume. International Equities, Emerging Markets: Foreign investments may carry risks associated with investing outside the United States, such as currency fluctuation, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. Those risks are increased for investments in emerging markets. Foreign securities can be more volatile than domestic (U.S.) securities. Government, Municipal, Corporate, High Yield, International Bonds: Investments in fixed income are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk.

Insurance, Annuities and other related calculations. RightCapital may include Life insurance, annuity or other products in the calculation. The return or returns of any such life insurance product, annuity or other product, as may be included in the calculation, are hypothetical and shall not be used as proxy, replacement for nor construed as actual performance of the product or to predict or project investment results of those products. Product fees, expenses and detailed features may not be completely included and modeled in the calculation. This report should not be construed as an insurance policy application or pre-qualification.

Fees and expenses: The portfolio returns assume that the portfolio is rebalanced on an annual basis to reflect the target allocation. No portfolio rebalancing costs are deducted from the portfolio value. Fees and expenses are not included, and thus, are excluded, including, but not limited to, fund fees, account fees, product fees and advisor fee. Inclusion of those fees results in lower returns, which would affect the probability of achieving any particular outcome.

Taxes: RightCapital includes limited accounting for taxes. RightCapital calculates taxes based on your input. RightCapital estimates federal, state and local taxes based on current laws with simplified deduction, exemption, and tax bracket parameters of the current year. In the projection, tax parameters are adjusted by an inflation assumption provided by you or your financial professional. Future tax laws may be significantly different than current tax laws and may result in higher or lower taxes due than what are reflected within this report. Roth IRA distribution are tax free if made 5 years after the initial contribution to the plan and you are over 59 1/2. Before investing in a 529 plan, consider whether your state offers a 529 plan that provides residents with favorable state tax benefits. RightCapital includes limited accounting for Federal Estate Tax with simplified deduction, exemption, and tax bracket parameters of the current year. RightCapital does not include any State Estate tax.

Current Dollars and Future Dollars: The results of RightCapital calculations are in future dollars. To help you compare dollar amounts in different years, results can also be expressed in current dollars by discounting the future dollars by the inflation rate you or your financial professional provides.

Current allocation and target allocation: Current allocation is the allocation based on the current portfolio holdings entered in the system as well as asset classification data from Morningstar. The target allocation is the allocation recommended by your financial professional.

Current plan and proposed plan: Current plan is the plan based on the information you and your financial professional input in the profile section. Proposed plan is the plan recommended by your financial professional, with the plan details as shown in the retirement analysis section.

- 9 **Liquidation of holdings:** this report may include liquidation of holdings, recommended by your financial professional. The transaction cost of liquidation is not included in the analysis. The liquidation will also result in the loss of future earnings.