

# CITRINECAPITAL

REPORT PREPARED FOR

## Ayrton Sample & Senna Sample

by Jirayr Kembikian, CFP®  
Citrine Capital

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Generated on 03/19/2021

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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.

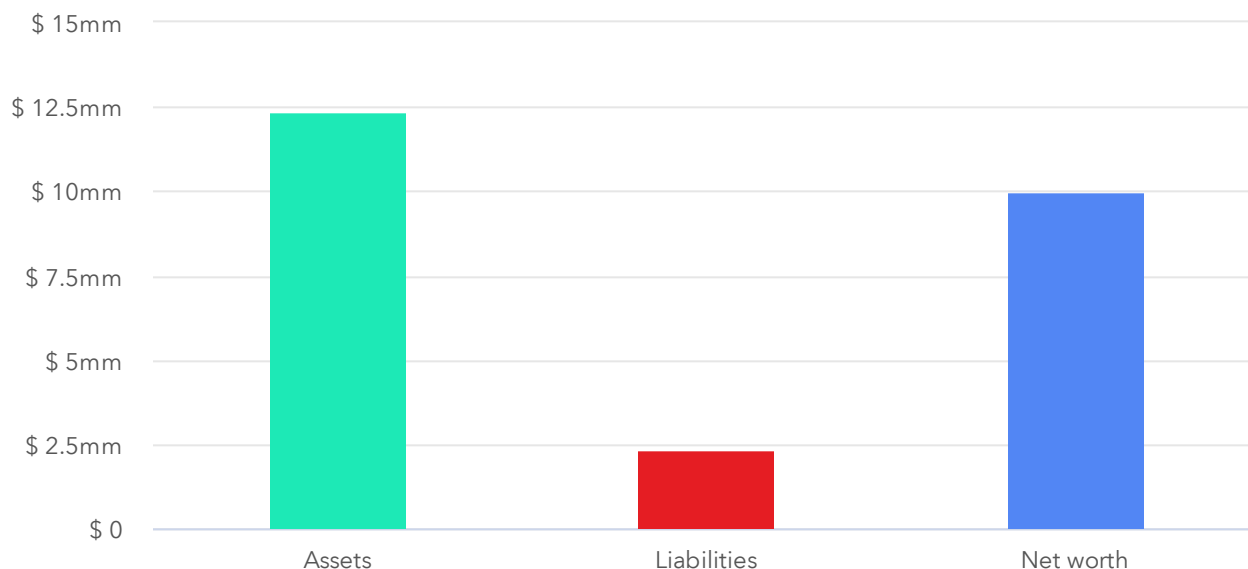
The report shows comparisons of your current plan and a proposed plan. The proposed plan is a recommendation formulated by your financial professional. The report also shows comparisons of your current asset allocation and a proposed asset allocation. The proposed asset allocation is the recommendation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

# Balance Sheet

Just like any well-run business, your personal balance sheet should always be in check. Your net worth is the difference between your assets and your liabilities. Assets are everything you own such as your home and investments, and liabilities are everything you owe such as the balance on your mortgage and other debt.

**Your net worth is \$ 9,981,923 as of 3/19/21**



## Assets

|                           |                      |
|---------------------------|----------------------|
| Bank                      | \$ 331,382           |
| Invested assets           | \$ 8,650,436         |
| Real estate assets        | \$ 3,300,000         |
| Life insurance cash value | \$ 0                 |
| Other assets              | \$ 35,000            |
| <b>Total assets</b>       | <b>\$ 12,316,818</b> |

## Liabilities

|                          |                     |
|--------------------------|---------------------|
| Credit cards             | \$ 29,224           |
| Mortgages                | \$ 2,305,671        |
| Home equities            | \$ 0                |
| Student loans            | \$ 0                |
| Other debts              | \$ 0                |
| <b>Total liabilities</b> | <b>\$ 2,334,895</b> |

**Net Worth** **\$ 9,981,923**

# Balance Sheet Details

| Description                     | Ayrton             | Senna              | Joint              | Total               |
|---------------------------------|--------------------|--------------------|--------------------|---------------------|
| <b>Assets</b>                   |                    |                    |                    |                     |
| <b>Cash</b>                     |                    |                    |                    |                     |
| Senna's Bank Account            |                    | \$20,056           |                    | \$20,056            |
| Ayrton's Bank Account           | \$56,878           |                    |                    | \$56,878            |
| Joint Bank Account              |                    |                    | \$254,448          | \$254,448           |
| <b>Total Cash</b>               | <b>\$56,878</b>    | <b>\$20,056</b>    | <b>\$254,448</b>   | <b>\$331,382</b>    |
| <b>Invested Assets</b>          |                    |                    |                    |                     |
| <b>Non-qualified</b>            |                    |                    |                    |                     |
| Joint Diversified Portfolio     |                    |                    | \$3,269,503        | \$3,269,503         |
| Company Equity                  | \$2,978,332        |                    |                    | \$2,978,332         |
| Company Equity                  |                    | \$487,263          |                    | \$487,263           |
| <b>Qualified</b>                |                    |                    |                    |                     |
| Ayrton's 401(k)                 | \$560,672          |                    |                    | \$560,672           |
| Senna's 401(k)                  |                    | \$878,355          |                    | \$878,355           |
| Ayrton's IRA                    | \$349,728          |                    |                    | \$349,728           |
| <b>Total Invested Assets</b>    | <b>\$3,888,732</b> | <b>\$1,365,618</b> | <b>\$3,269,503</b> | <b>\$8,523,853</b>  |
| <b>Real Estate Assets</b>       |                    |                    |                    |                     |
| Primary Home                    |                    |                    | \$3,300,000        | \$3,300,000         |
| <b>Total Real Estate Assets</b> | <b>\$0</b>         | <b>\$0</b>         | <b>\$3,300,000</b> | <b>\$3,300,000</b>  |
| <b>Other Assets</b>             |                    |                    |                    |                     |
| Donor Advised Fund              |                    |                    | \$126,583          | \$126,583           |
| Car                             | \$35,000           |                    |                    | \$35,000            |
| <b>Total Other Assets</b>       | <b>\$35,000</b>    | <b>\$0</b>         | <b>\$126,583</b>   | <b>\$161,583</b>    |
| <b>Total Assets</b>             | <b>\$3,980,610</b> | <b>\$1,385,674</b> | <b>\$6,950,534</b> | <b>\$12,316,818</b> |

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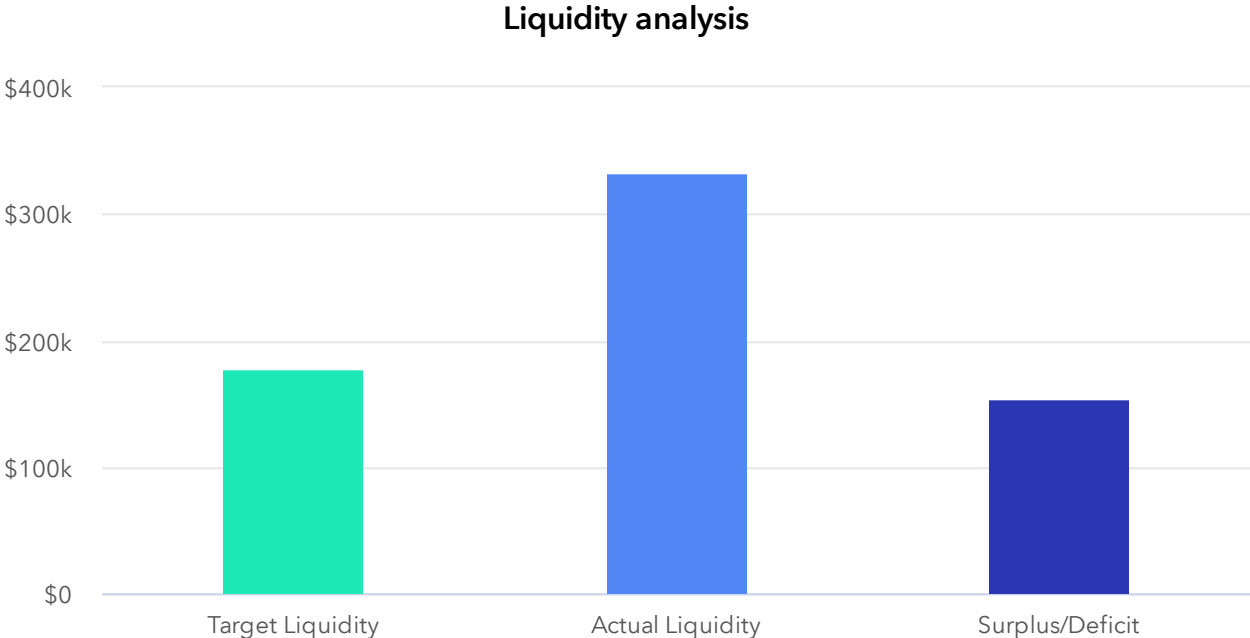
| Description              | Ayrton             | Senna              | Joint              | Total              |
|--------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Liabilities</b>       |                    |                    |                    |                    |
| Ayrton's Card            | \$17,073           |                    |                    | \$17,073           |
| Senna's Card             |                    | \$9,810            |                    | \$9,810            |
| Ayrton's Card            | \$2,341            |                    |                    | \$2,341            |
| Mortgage                 |                    |                    | \$2,305,671        | \$2,305,671        |
| <b>Total Liabilities</b> | <b>\$19,414</b>    | <b>\$9,810</b>     | <b>\$2,305,671</b> | <b>\$2,334,895</b> |
| <b>Net Worth</b>         |                    |                    |                    |                    |
| <b>Total Net Worth</b>   | <b>\$3,961,196</b> | <b>\$1,375,864</b> | <b>\$4,644,863</b> | <b>\$9,981,923</b> |

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# Liquidity

If a job loss or other financial hardship arises, a liquid emergency fund can help pay bills without dipping into savings or using high interest credit or loans. Your emergency fund should include easily accessible funds like cash and money market funds.



## Your Liquidity

Your target liquidity is **6** months of living expenses, **\$177,296**. Your current liquidity is **\$331,382**.

# Tasks

| Due date   | Assigned to                    | Task   |
|------------|--------------------------------|--|
| 2021-04-18 | Ayrton Sample and Senna Sample | <b>Debt</b> - Continue paying off your credit cards in full every month.   |
| 2021-04-18 | Ayrton Sample and Senna Sample | <b>Umbrella Insurance</b> - Increase your liability coverage to at least \$9M.   |
| 2021-04-18 | Ayrton Sample and Senna Sample | <b>Property Taxes</b> - We recommend staggering and prepaying property taxes in even years to maximize your long-term taxes savings.   |
| 2021-04-18 | Ayrton Sample                  | <b>RSU Tax Withholdings</b> - You should withhold higher amounts (35%) on your RSU's as they vest.   |
| 2021-04-18 | Senna Sample                   | <b>401(k)</b> - You should reallocate your portfolio to a more aggressive target date fund (2040).   |
| 2021-04-18 | Ayrton Sample                  | <b>QSBS Tax Planning</b> - Discuss with your company if your shares qualify for Qualified Small Business Stock tax treatment. If so, a significant amount of your capital gains would be excluded from taxation. |
| 2021-04-18 | Ayrton Sample                  | <b>ESPP</b> - You should take full advantage of your stock purchase program and contribute the maximum amount per year.  |
| 2021-04-18 | Ayrton Sample                  | <b>401(k)</b> - You should contribute the maximum amount to your after-tax bucket (Mega back door Roth strategy).  |
| 2021-04-18 | Senna Sample                   | <b>Life Insurance</b> - Acquire an additional \$2.25M of 20 year term coverage.  |
| 2021-04-18 | Ayrton Sample and Senna Sample | <b>Home Insurance</b> - Reduce your liability limits, decrease your personal property coverage, increase your deductible, and individually insure your personal valuables.                                       |
| 2021-04-18 | Ayrton Sample                  | <b>Life Insurance</b> - Acquire an additional \$3M of 20 year term coverage.   |
| 2021-04-18 | Ayrton Sample and Senna Sample | <b>Auto Insurance</b> - Your uninsured motorist coverage should equal your regular liability coverage. You should increase this coverage.  |

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| Due date   | Assigned to                    | Task   |
|------------|--------------------------------|--|
| 2021-04-18 | Ayrton Sample                  | <b>Tax</b> - We recommend amending your 2019 tax return, as some of your company stock sold had no reported cost basis.  |
| 2021-04-18 | Ayrton Sample                  | <b>FSA</b> - We recommend you utilize your FSA (flexible spending account) plans if you are paying any out-of-pocket medical expenses, but remember 'use it or lose it' applies here for any given calendar year.  |
| 2021-04-18 | Ayrton Sample                  | <b>Company Stock</b> - Diversify out of all stock as long-term capital gains are achieved. Also, sell any very recently vested shares.   |
| 2021-04-18 | Ayrton Sample and Senna Sample | <b>Estate</b> - Create a trust and the additional estate planning documents to ensure assets and guardianship pass efficiently if/when needed.   |
| 2021-04-18 | Everybody                      | <b>Investments (Taxable portfolio)</b> - Your taxable portfolio is not diversified sufficiently (no international equity or bond exposure) and is out of line with your goals and risk tolerance. We recommend reallocating to Citrine's Balanced portfolio. |
| 2021-04-18 | Everybody                      | <b>Education</b> - We recommend opening 529s for your kids and max funding the accounts with an age-based investment strategy (\$150K).  |
| 2021-04-18 | Everybody                      | <b>Charitable Giving</b> - Open a Donor advised fund (DAF) and donate your appreciated assets to it. Donate to charities from your DAF instead of donating cash.   |
| 2021-04-18 | Ayrton Sample and Senna Sample | <b>Debt</b> - You should refinance your mortgage if you're planning to keep your home for at least 4-5 years.  |
| 2021-04-18 | Everybody                      | <b>Investments (IRA)</b> - Rollover IRA to Citrine's Balanced Growth retirement portfolio for ongoing management and diversification. These funds are invested too aggressively given your risk tolerance and goals.   |
| 2021-04-18 | Ayrton Sample and Senna Sample | <b>Savings</b> - We recommend that you keep ~6 months' worth of living expenses in "liquid" cash accounts. You are well beyond this amount. It's time to put some of this money to work.   |
| 2021-06-18 | Ayrton Sample and Senna Sample | <b>Estimated Taxes</b> - We recommend paying \$55,000 to the IRS for your Q2 taxes.  |

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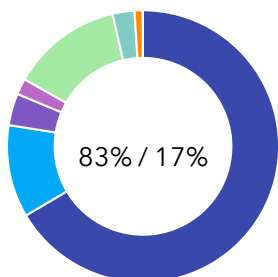


| Due date   | Assigned to   | Task  |
|------------|---------------|---|
| 2022-03-18 | Senna Sample  | <b>Benefits</b> - You should negotiate a severance package into your next review cycle. |
| 2023-04-18 | Ayrton Sample | <b>Roth Conversion</b> - Complete a partial Roth conversion when your income is lower.  |

# Asset Allocation

## Current allocation

All Accounts



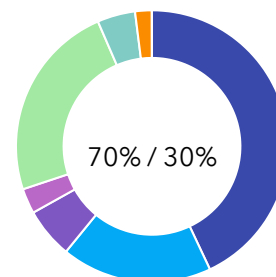
Equity / Fixed Income

Annual return: 8.1%  
Standard deviation: 13.5%

|       |                          |       |
|-------|--------------------------|-------|
| 66.5% | ● U.S. Equities          | 43%   |
| 11%   | ● International Equities | 17.9% |
| 3.8%  | ● Emerging Markets       | 6%    |
| 1.9%  | ● Real Estate            | 3%    |
| 13.2% | ● U.S. Bonds             | 23.6% |
| 2.6%  | ● International Bonds    | 4.5%  |
| 1%    | ● Cash                   | 2%    |
| 0%    | ● Other                  | 0%    |

## Target allocation

Growth



Equity / Fixed Income

Annual return: 7.6%  
Standard deviation: 11.7%

## To balance back to your target portfolio:

|                        |      |              |
|------------------------|------|--------------|
| U.S. Equities          | Sell | \$ 2,003,105 |
| International Equities | Buy  | \$ 588,146   |
| Emerging Markets       | Buy  | \$ 187,525   |
| Real Estate            | Buy  | \$ 93,762    |

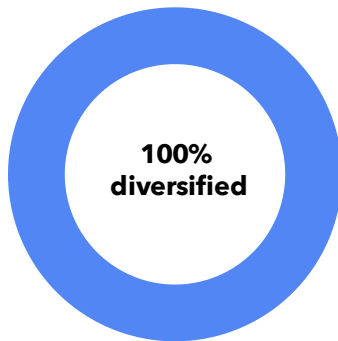
|                     |      |            |
|---------------------|------|------------|
| U.S. Bonds          | Buy  | \$ 886,480 |
| International Bonds | Buy  | \$ 161,953 |
| Cash                | Buy  | \$ 85,239  |
| Other               | Sell | \$ 0       |

This page shows a need to increase or decrease the amounts currently represented in these asset classes of the current portfolio.

# Concentrated Position

A portfolio that is too heavy in just one security poses a substantial downside risk. This is often defined as "putting all your eggs in one basket." Your concentration position is identified as individual stocks that exceed 5% of the entire portfolio.

## Diversification



- Concentrated position
- Other

**Great job! Your portfolio is not overly concentrated in any one equity or equities.**

The transaction cost of liquidation is not included in the analysis. The liquidation will also result in the loss of future earnings.

# Tax Allocation

Tax deferred assets include 401(k)/403(b), IRAs and other tax deferred accounts. Tax free assets include Roth 401(k), Roth IRA, 529, HSA and other tax free accounts. The taxability of the accounts above are based on a variety of factors. Please consult a qualified tax professional to discuss your individual tax situation.

## Tax allocation summary



- Taxable
- Tax deferred
- Tax free

**\$ 6,735,098**

Taxable asset

**\$ 1,439,027**

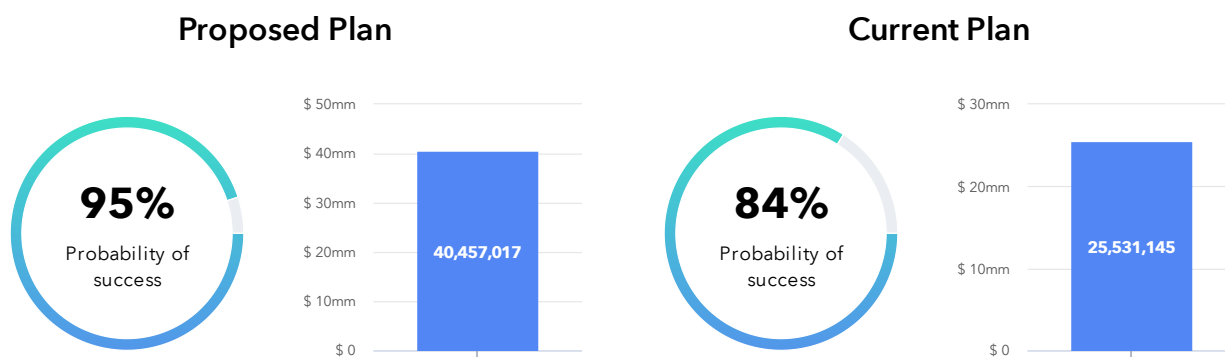
Tax deferred asset

**\$ 349,728**

Tax free asset

# Retirement 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.



This section of the report displays the results of Monte Carlo simulations run on the current and proposed plans. The results are derived from 1000 simulations and the specified retirement cash flows. The chart of probability of success represents the overall likelihood of success in both the current and proposed plan.

**IMPORTANT:** The projections or other information generated by RightCapital regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results are based on return and volatility assumptions from a number of market indices shown in disclosure sections 5, 6 and 8.4. Fees and expenses are not included, and thus, are excluded, including, but not limited to, fund fees, account fees, product fees and advisor fees. Inclusion of those fees results in lower returns, which would affect the probability of achieving any particular outcome. Results may vary with each use and over time. The analysis must be reviewed in conjunction with assumptions, limitations and methodologies in the disclosure section. This report is not complete without the accompanying disclosure page.

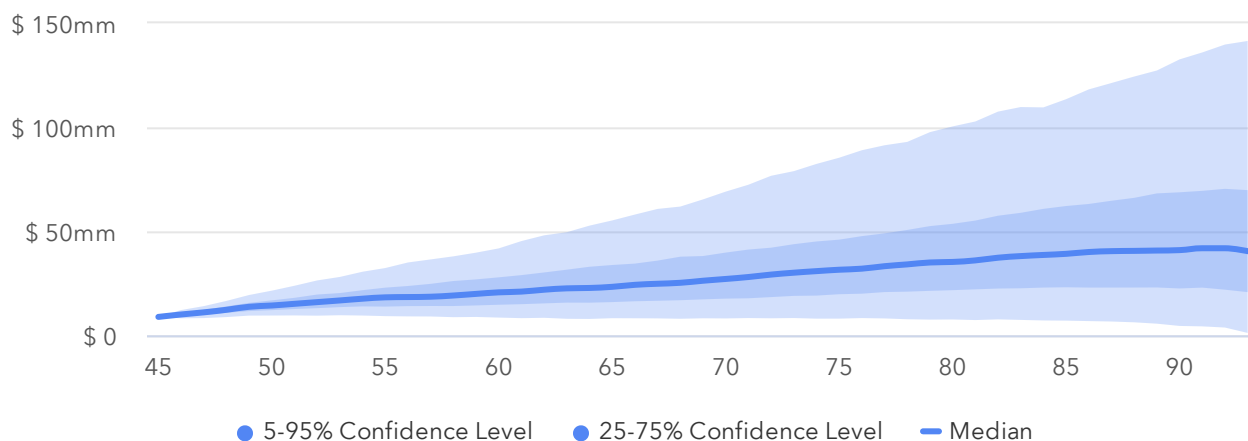
# Retirement Analysis Action Items

|                                     | Proposed              | Current            |
|-------------------------------------|-----------------------|--------------------|
| <b>Financial goals</b>              |                       |                    |
| Ayrton's planning horizon           | 90                    | 90                 |
| Ayrton's retirement age             | 52                    | 50                 |
| Senna's planning horizon            | 90                    | 90                 |
| Senna's retirement age              | 52                    | 50                 |
| Retirement Monthly Expense          | \$ 12,479             | \$ 14,479          |
| Michael's College Goal              | \$ 22,261             | \$ 22,261          |
| Lewis' College Goal                 | \$ 22,261             | \$ 22,261          |
| Michael's Master's Goal             | \$ 20,518             | \$ 20,518          |
| Joint Vacation Goal                 | \$ 18,000             | \$ 18,000          |
| Ayrton's Charitable Giving          | \$ 15,000             | \$ 15,000          |
| Inheritance to Kids                 | \$ 1,500,000          | \$ 1,500,000       |
| <b>Income, savings and expenses</b> |                       |                    |
| Ayrton's Salary                     | \$ 280,000            | \$ 280,000         |
| Senna's Salary                      | \$ 310,000            | \$ 310,000         |
| Ayrton's Company Equity             | \$ 975,000            | \$ 550,000         |
| Pre-retirement Living Expenses      | \$ 13,479             | \$ 14,479          |
| <b>Strategies</b>                   |                       |                    |
| Asset allocation                    | Current allocation    | Current allocation |
| Social Security                     | Optimal strategy      | Current strategy   |
| Ayrton Sample                       | Age 70                | Age 65             |
| Senna Sample                        | Age 70                | Age 65             |
| Distribution strategy               | Distribution proposal | Current strategy   |
| Education strategy                  | Current strategy      | Current strategy   |
| Income strategy                     | \$ 0                  | Select an account  |

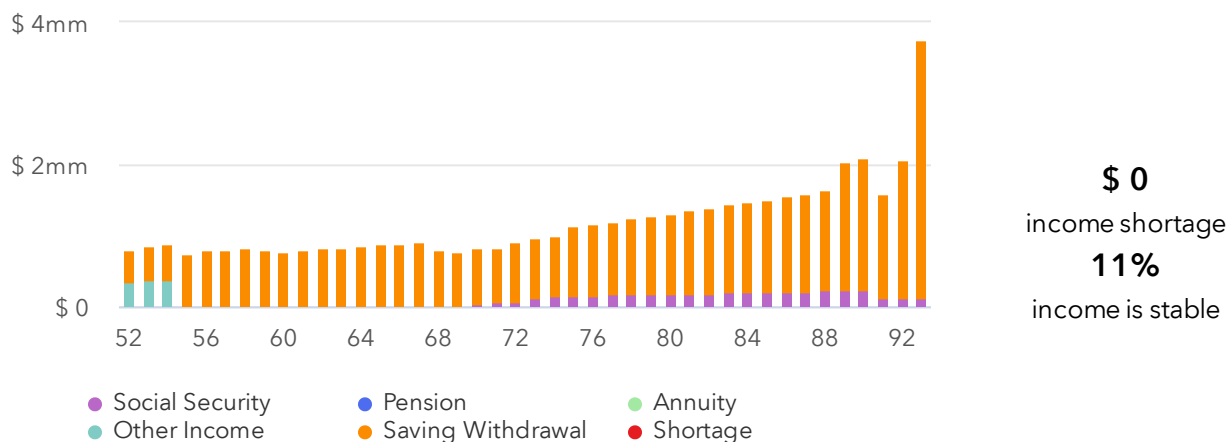
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# Retirement Analysis Details - Proposed plan

## Asset simulation results



## Retirement income



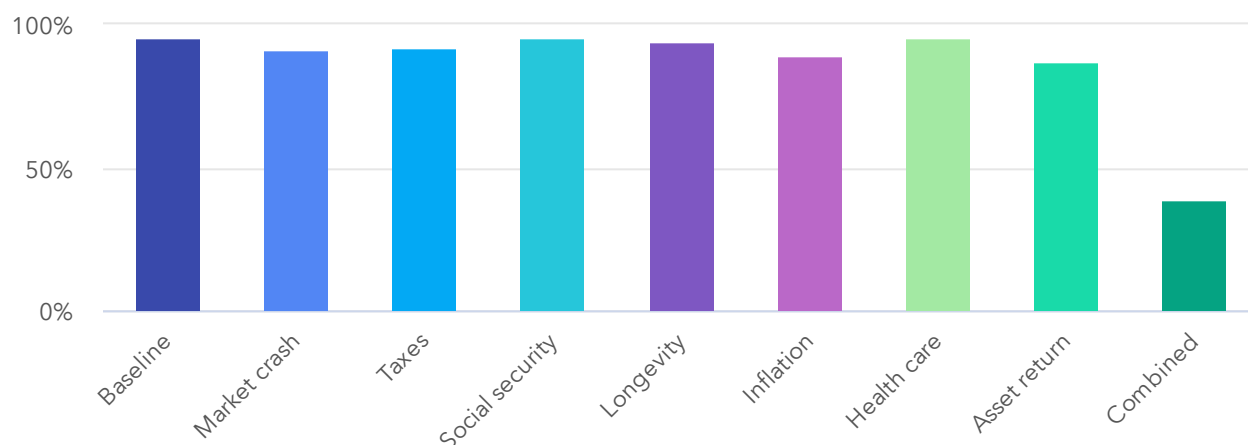
This section of the report displays the results of Monte Carlo simulations run on the current and proposed plans. The results are derived from 1000 simulations and the specified retirement cash flows. The first chart illustrates the likelihood of achieving a given net worth over time.

**IMPORTANT:** The projections or other information generated by RightCapital regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results are based on return and volatility assumptions from a number of market indices shown in disclosure sections 5, 6 and 8.4. Fees and expenses are not included, and thus, are excluded, including, but not limited to, fund fees, account fees, product fees and advisor fees. Inclusion of those fees results in lower returns, which would affect the probability of achieving any particular outcome. Results may vary with each use and over time. The analysis must be reviewed in conjunction with assumptions, limitations and methodologies in the disclosure section. This report is not complete without the accompanying disclosure page.

# Stress Test

Even the best retirement plans will be exposed to various risks. These risks can include market volatility, taxation, low Social Security payments, longevity, inflation, and short and long-term health care expenses. It is important to both anticipate and plan for such risks. Doing so can substantially increase your probability of success.

**Stress test - probability of success - Proposed Plan**



## Stress Test results are based on the following assumptions:

|                                    |         |                                    |     |
|------------------------------------|---------|------------------------------------|-----|
| Equity markets crash by            | 20%     | Asset return will be lower by      | 1%  |
| Inflation will be higher by        | 1%      | Tax expense will be higher by      | 20% |
| Social Security will be reduced by | 20%     | Health care cost will be higher by | 20% |
| You (and your spouse) will live    | 5 years |                                    |     |

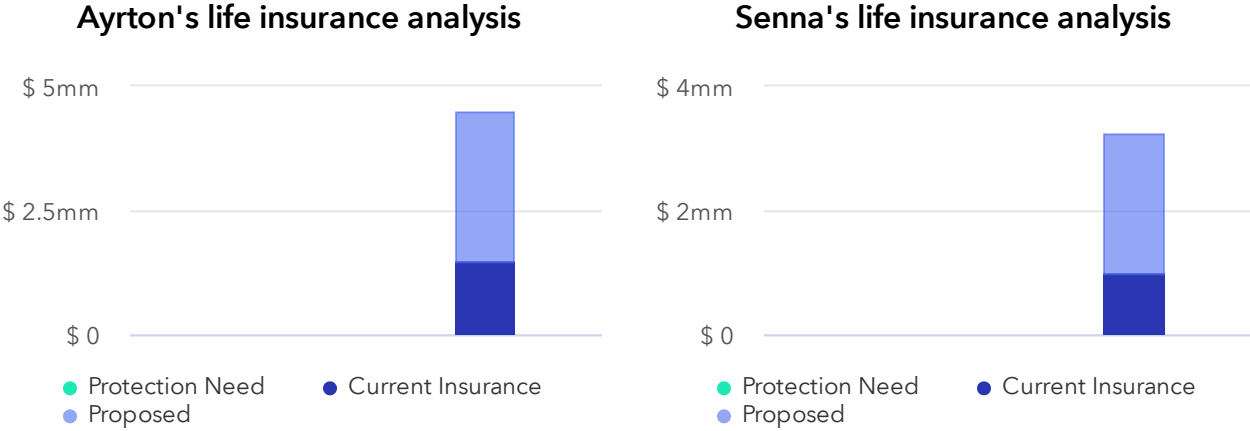
This section of the report displays the results of Monte Carlo simulations run on various stressed tests. The results are derived from 1000 simulations and the specified retirement cash flows. The probability of success represents the overall likelihood of success in various stress tests.

**IMPORTANT:** The projections or other information generated by RightCapital regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results are based on return and volatility assumptions from a number of market indices shown in disclosure sections 5, 6 and 8.4. Fees and expenses are not included, and thus, are excluded, including, but not limited to, fund fees, account fees, product fees and advisor fees. Inclusion of those fees results in lower returns, which would affect the probability of achieving any particular outcome. Results may vary with each use and over time. The analysis must be reviewed in conjunction with assumptions, limitations and methodologies in the disclosure section. This report is not complete without the accompanying disclosure page.



# Life Insurance

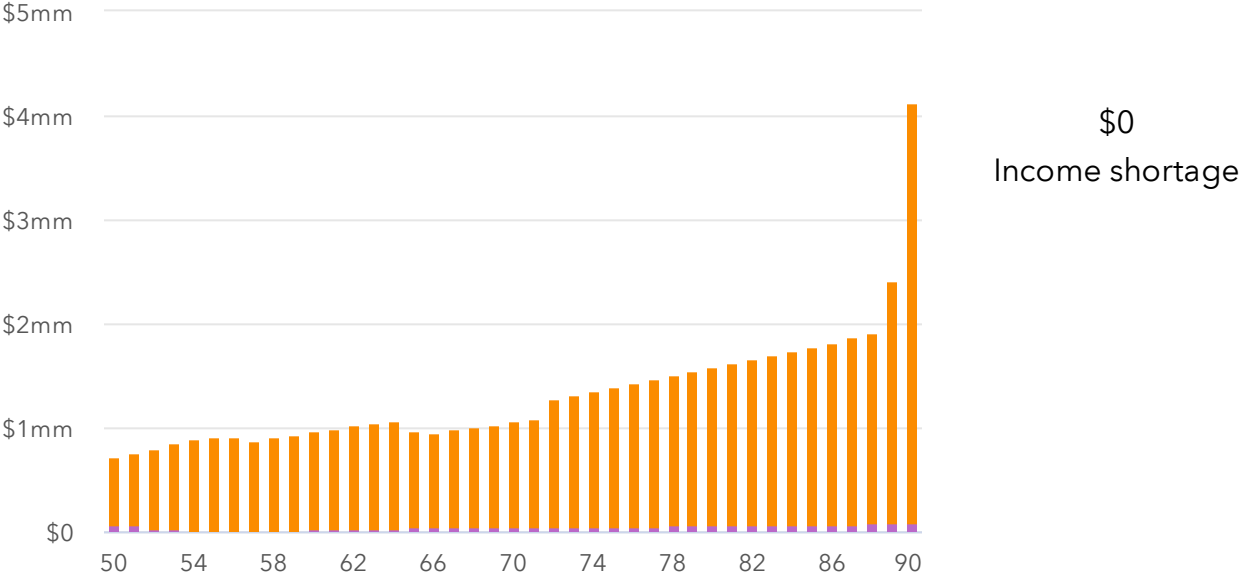
The need for life insurance is analyzed by projecting future cash flows for an individual's survivors. This generates a proposed life insurance coverage level that helps ensure the survivors have sufficient assets to reach the end of the planning horizon.



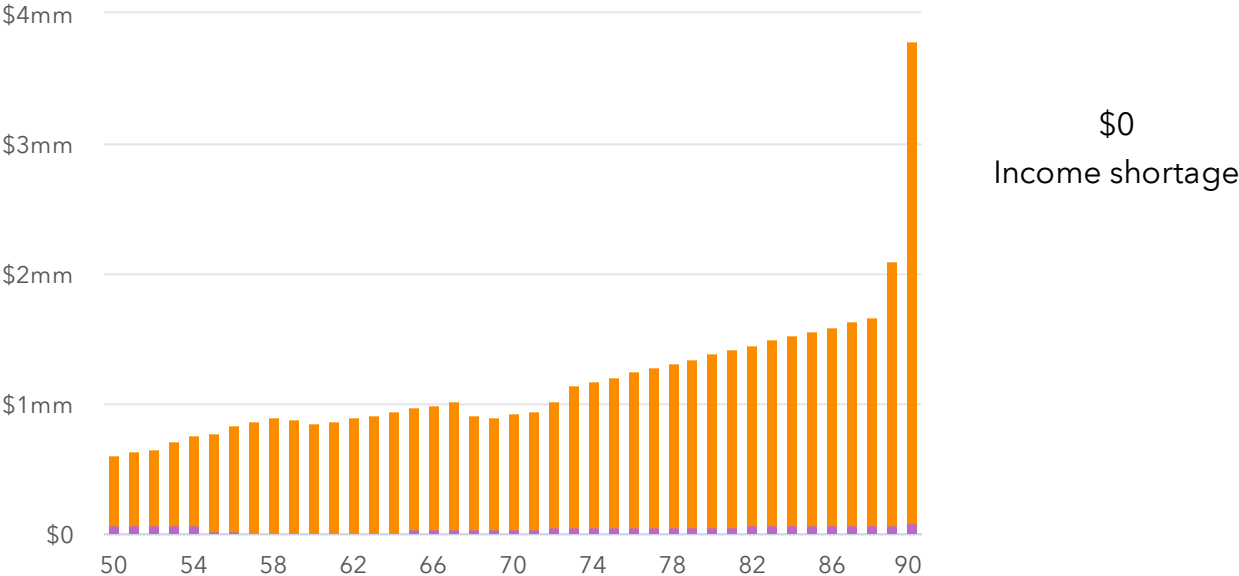
|                                    | <b>If Ayrton passes away next year</b> | <b>If Senna passes away next year</b> |
|------------------------------------|--|---------------------------------------|
| Life insurance needs               | \$ 0                                   | \$ 0                                  |
| Current life insurance coverage    | \$ 1,500,000                           | \$ 1,000,000                          |
| Proposed additional life insurance | \$ 3,000,000                           | \$ 2,250,000                          |

# Life Insurance Retirement Income Impact

## What happens if Ayrton passed away



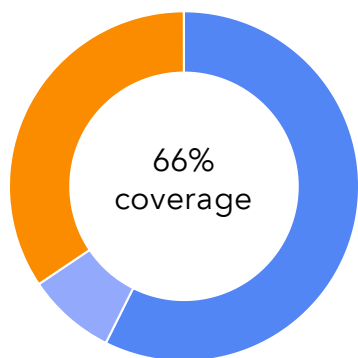
## What happens if Senna passed away



# Disability Insurance Analysis

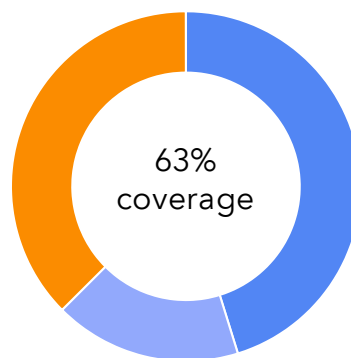
According to the Social Security Administration, the chance of becoming disabled before you retire is 1 in 4 - and for most people, disability will result in a lower living standard due to the loss of income. Having a disability insurance policy can replace lost earnings.

## Ayrton's income coverage during disability



- Current income coverage
- Proposed additional coverage
- Uninsured income

## Senna's income coverage during disability

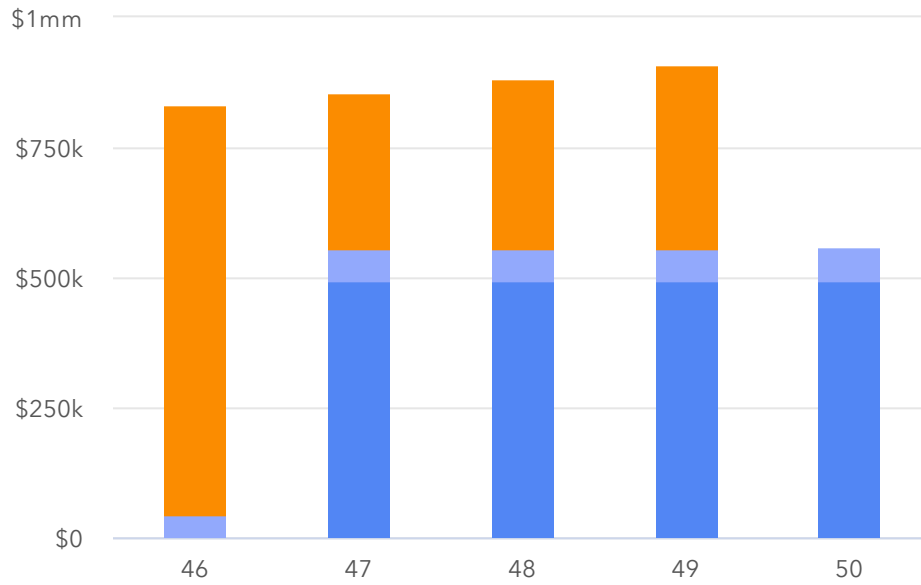


- Current income coverage
- Proposed additional coverage
- Uninsured income

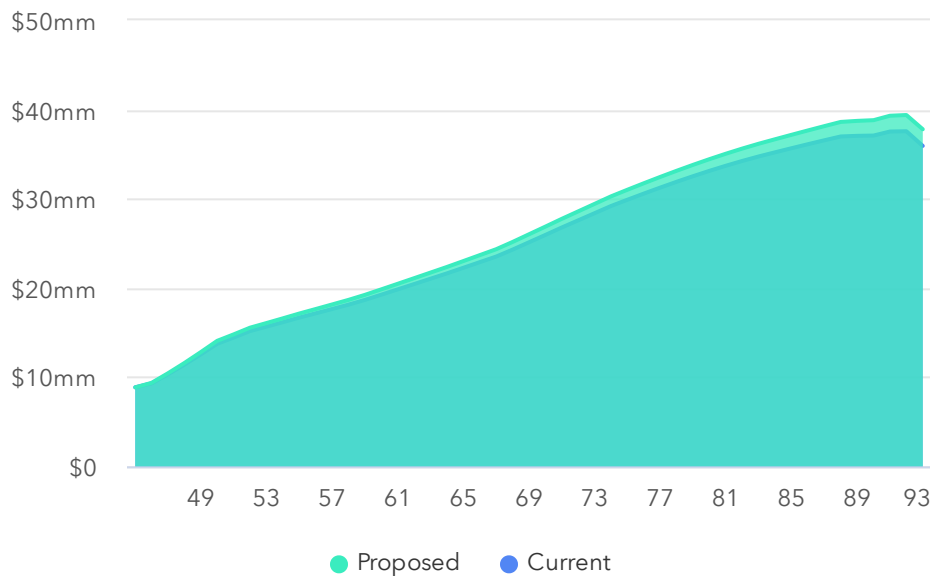
|                               | <b>If Ayrton becomes disabled tomorrow</b> | <b>If Senna becomes disabled tomorrow</b> |
|-------------------------------|--|---|
| Disability lasts              | 5 years                                    | 5 years                                   |
| Proposed monthly coverage     | \$ 5,000                                   | \$ 5,000                                  |
| Proposed benefit period       | 5 years                                    | 5 years                                   |
| Proposed elimination period   | 90 days                                    | 90 days                                   |
| Proposed inflation adjustment | 0%   | 0%  |
| Proposed inflation type       | Compound                                   | Compound                                  |
| Proposed annual premium       | \$ 0                                       | \$ 0                                      |

# Disability Insurance Analysis For Ayrton

If Ayrton becomes disabled tomorrow



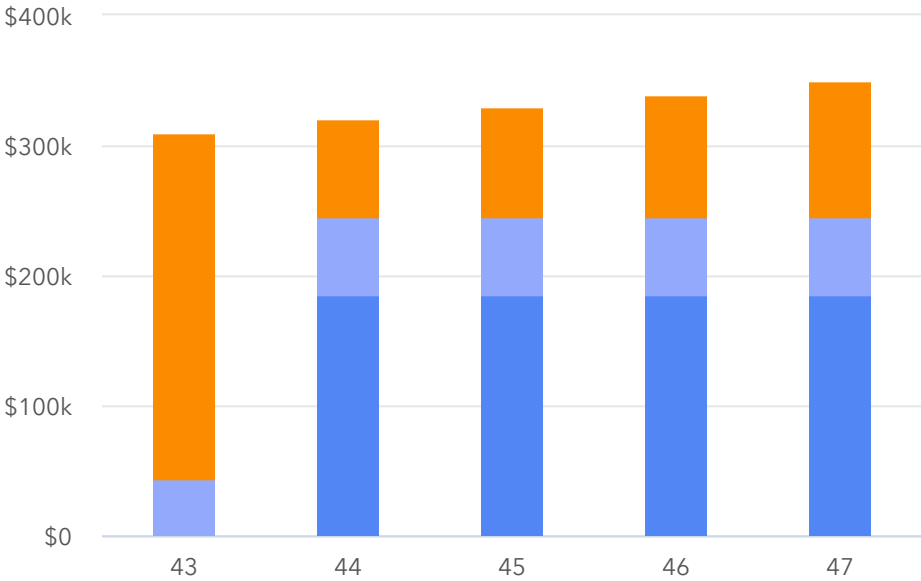
**56%**  
of earned income  
protected



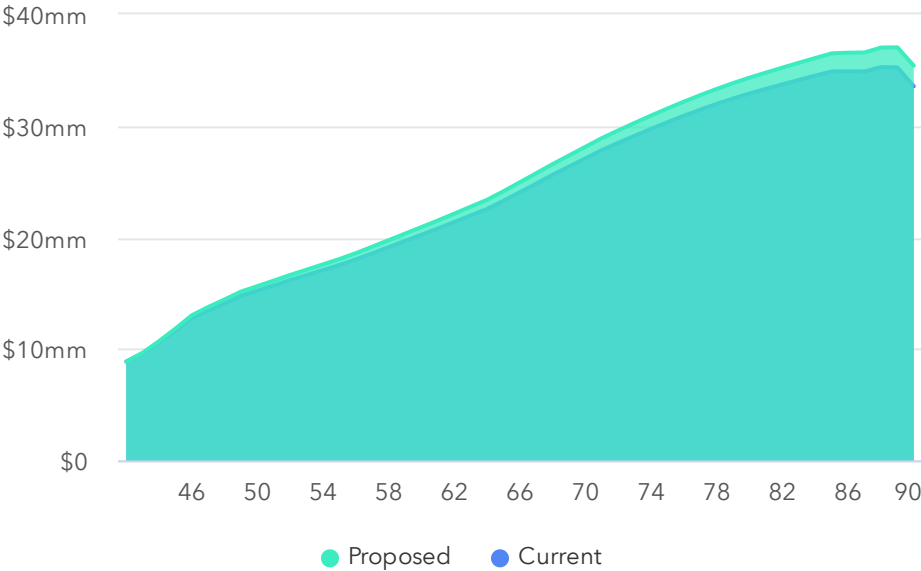
Proposed plan has  
**\$1,865,430**  
**more**  
ending assets and  
lasts  
**0 years longer**  
than current plan

# Disability Insurance Analysis For Senna

If Senna becomes disabled tomorrow



**63%**  
of earned income  
protected

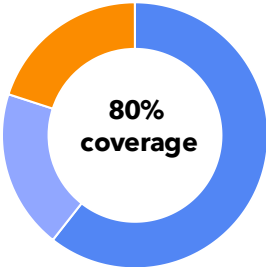


Proposed plan has  
**\$1,847,917**  
**more**  
ending assets and  
lasts  
**0 years longer**  
than current plan

# Property and Casualty Insurance - Homeowner

Liabilities associated with your home, auto, or other incidents can have a significant negative impact on your finances. Ensure that your insurance coverage is up to date and sufficient.

## Homeowners Insurance Coverage



- Current coverage
- Proposed additional coverage
- Uninsured amount

|              | Current value | Current coverage | Coverage % | Target % | Proposed addition |
|--------------|---------------|------------------|------------|----------|-------------------|
| Primary Home | \$ 3,300,000  | \$ 2,000,000     | 61%        | 80%      | \$ 640,000        |

Proposed homeowner insurance target %: **80%**

# Property and Casualty Insurance - Auto

## Auto Insurance Coverage

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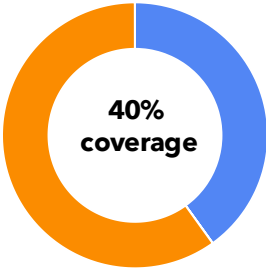
|                | <b>Annual premium</b> | <b>Deductible</b> | <b>Coverage limits</b>               | <b>Other coverage</b>     |
|----------------|-----------------------|-------------------|--------------------------------------|---------------------------|
| Auto Insurance | \$ 0                  | \$ 1,000          | \$ 250,000 / \$ 500,000 / \$ 250,000 | Collision / comprehensive |

---

Auto insurance plan: **Coverage appropriate**

# Property and Casualty Insurance - Umbrella

## Umbrella Insurance Coverage



- Current coverage
- Proposed additional coverage
- Uninsured amount

Proposed additional umbrella: \$ 0

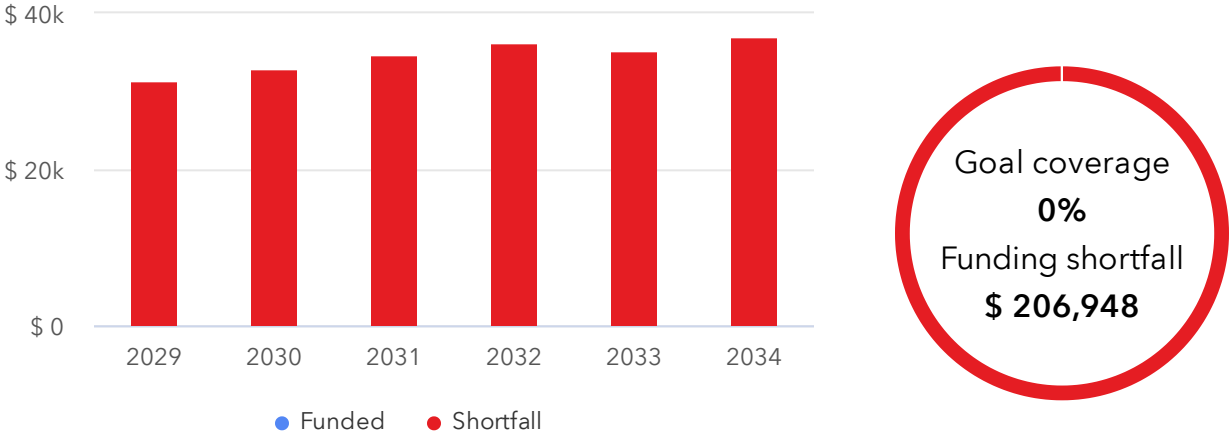
|                    | Net worth    | Current coverage | Proposed addition | Total umbrella coverage |
|--------------------|--------------|------------------|-------------------|-------------------------|
| Umbrella Insurance | \$ 9,981,923 | \$ 4,000,000     | \$ 0              | \$ 4,000,000            |



# College Funding Analysis for Michael

The cost of college education has risen substantially over the years. Projecting the future cost of education, as well as your current funding level, will help you in determining the proper course of action based on your goals, the type of funding you are using, and your time horizon.

## Michael's projected college cost is \$ 206,948



## To achieve desired college funding level

### Michael's College Goal

|                     |           |
|---------------------|-----------|
| Annual college cost | \$ 22,261 |
| Scholarship/other   | \$ 0      |
| Student borrowing   | \$ 0      |
| Annual net cost     | \$ 22,261 |

### Michael's Master's Goal

|                     |           |
|---------------------|-----------|
| Annual college cost | \$ 20,518 |
| Scholarship/other   | \$ 0      |
| Student borrowing   | \$ 0      |
| Annual net cost     | \$ 20,518 |

### Current 529 balance

|             |      |
|-------------|------|
| 529 balance | \$ 0 |
|-------------|------|

### Annual 529 savings

|                 |      |
|-----------------|------|
| Lump sum saving | \$ 0 |
|-----------------|------|

This report is not complete without the accompanying disclosure page.

**Current 529 balance**

---

|                              |      |
|------------------------------|------|
| Additional annual 529 saving | \$ 0 |
|------------------------------|------|

---

**Strategy**

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|                      |         |
|----------------------|---------|
| 529 asset allocation | Current |
|----------------------|---------|

---

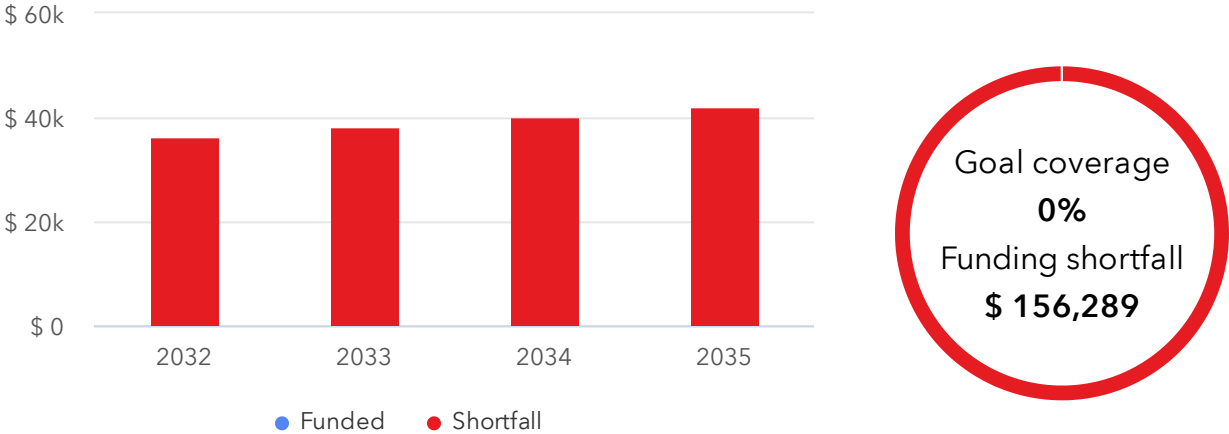
|                 |          |
|-----------------|----------|
| Funding sources | 529 only |
|-----------------|----------|

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# College Funding Analysis for Lewis

The cost of college education has risen substantially over the years. Projecting the future cost of education, as well as your current funding level, will help you in determining the proper course of action based on your goals, the type of funding you are using, and your time horizon.

## Lewis' projected college cost is \$ 156,289



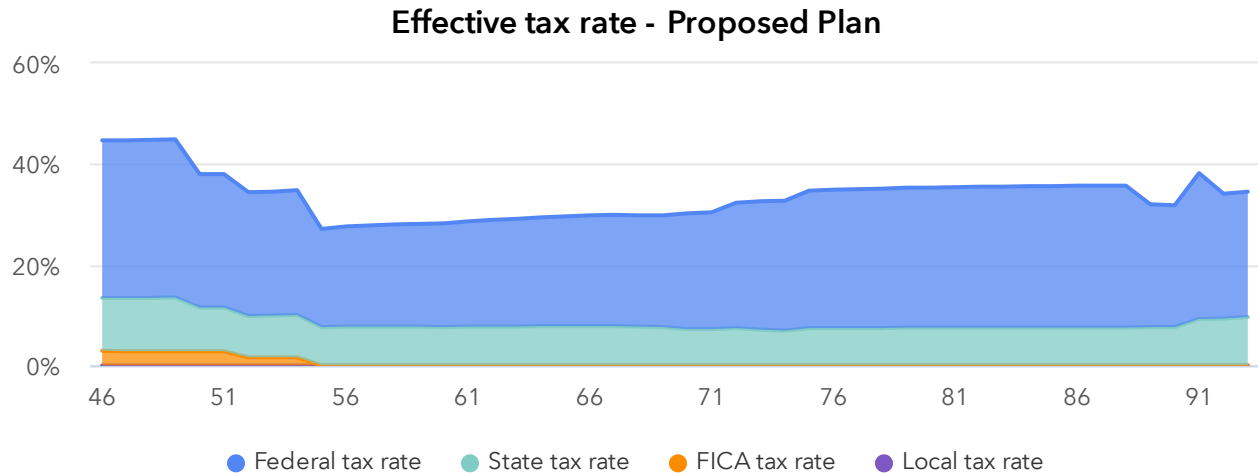
## To achieve desired college funding level

| <b>Lewis' College Goal</b>   |           |
|------------------------------|-----------|
| Annual college cost          | \$ 22,261 |
| Scholarship/other            | \$ 0      |
| Student borrowing            | \$ 0      |
| Annual net cost              | \$ 22,261 |
| <b>Current 529 balance</b>   |           |
| 529 balance                  | \$ 0      |
| <b>Annual 529 savings</b>    |           |
| Lump sum saving              | \$ 0      |
| Additional annual 529 saving | \$ 0      |
| <b>Strategy</b>              |           |
| 529 asset allocation         | Current   |
| Funding sources              | 529 only  |

This report is not complete without the accompanying disclosure page.

# Tax Estimate

Taxes can have a significant impact on your future and are an important factor in financial planning. Estimated taxes below are based on your inputs and your proposed retirement plan, using current tax rates and methodologies.



# Estate Checklist

To protect and control the financial future of your family and loved ones, keep track of your progress on creating important estate checklist documents.

## Important estate checklist tasks

|                                 | Ayrton                              | Senna                               |
|---------------------------------|-------------------------------------|-------------------------------------|
| <b>Will</b>                     |                                     |                                     |
| Document created                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Name of Executor                |                                     |                                     |
| Name of Guardian                |                                     |                                     |
| Document last updated           |                                     |                                     |
| <b>Power of Attorney</b>        |                                     |                                     |
| Document created                |                                     |                                     |
| <b>Living Will</b>              |                                     |                                     |
| Document created                |                                     |                                     |
| <b>Health Care Proxy</b>        |                                     |                                     |
| Document created                |                                     |                                     |
| <b>Beneficiary Designations</b> |                                     |                                     |
| Created and reviewed            |                                     |                                     |
| <b>Living Trust</b>             |                                     |                                     |
| Document created                | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Document last updated           |                                     |                                     |

# Beneficiaries

Life changes, it is important to review your beneficiaries periodically to ensure your money will go where you intended.

|                             | Account Balance | Death Benefit | Primary Beneficiary | Contingent Beneficiary |
|-----------------------------|-----------------|---------------|---------------------|------------------------|
| <b>Bank</b>                 |                 |               |                     |                        |
| <b>Ayrton's Accounts</b>    |                 |               |                     |                        |
| Ayrton's Bank Account       | \$56,878        |               |                     |                        |
| <b>Senna's Accounts</b>     |                 |               |                     |                        |
| Senna's Bank Account        | \$20,056        |               |                     |                        |
| <b>Joint Accounts</b>       |                 |               |                     |                        |
| Joint Bank Account          | \$254,448       |               |                     |                        |
| <b>Invested Assets</b>      |                 |               |                     |                        |
| <b>Ayrton's Accounts</b>    |                 |               |                     |                        |
| Company Equity              | \$2,978,332     |               |                     |                        |
| Ayrton's 401(k)             | \$560,672       |               |                     |                        |
| Ayrton's IRA                | \$349,728       |               |                     |                        |
| <b>Senna's Accounts</b>     |                 |               |                     |                        |
| Senna's 401(k)              | \$878,355       |               |                     |                        |
| Company Equity              | \$487,263       |               |                     |                        |
| <b>Joint Accounts</b>       |                 |               |                     |                        |
| Joint Diversified Portfolio | \$3,269,503     |               |                     |                        |
| Donor Advised Fund          | \$126,583       |               |                     |                        |
| <b>Life Insurance</b>       |                 |               |                     |                        |
| <b>Ayrton's Accounts</b>    |                 |               |                     |                        |

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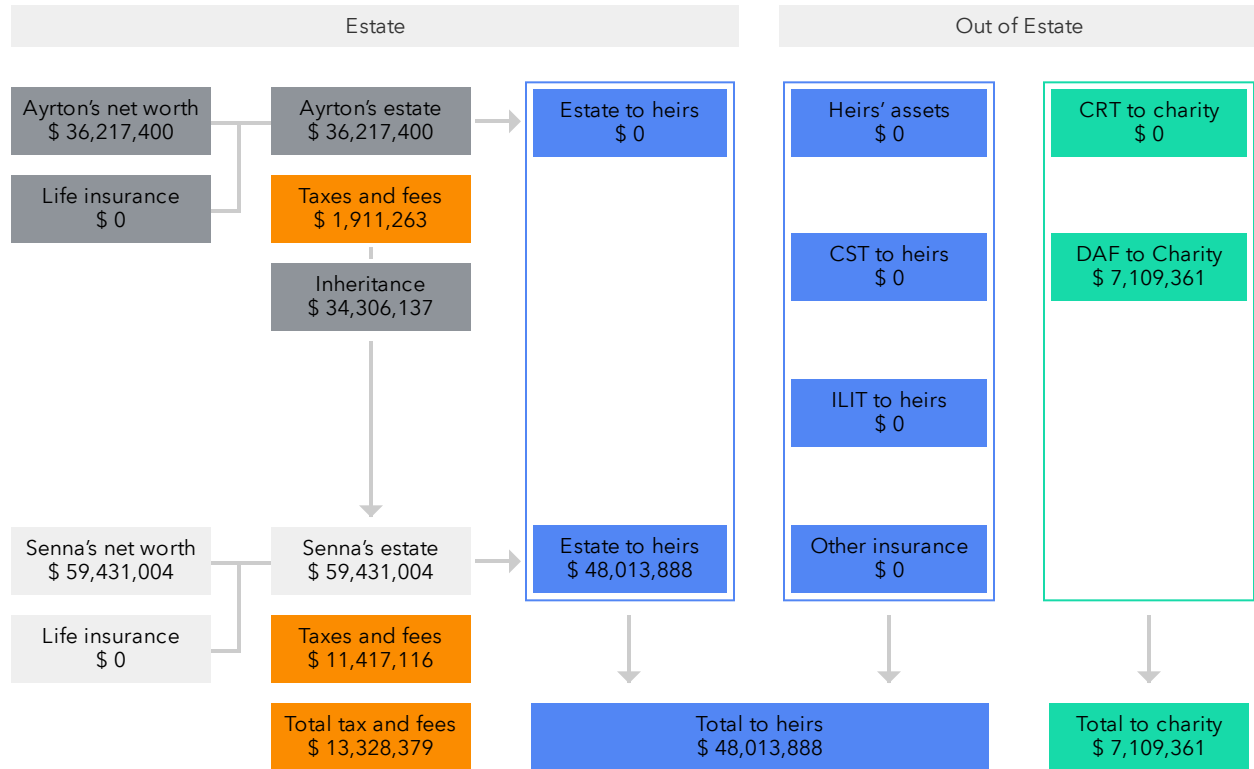
|                               | Account<br>Balance | Death<br>Benefit | Primary<br>Beneficiary | Contingent<br>Beneficiary |
|-------------------------------|--------------------|------------------|------------------------|---------------------------|
| Ayrton's Group Life Insurance |                    | \$1,500,000      |                        |                           |
| <b>Senna's Accounts</b>       |                    |                  |                        |                           |
| Senna's Group Life Insurance  |                    | \$1,000,000      |                        |                           |

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# Estate Planning

Effective use of living trust strategies can reduce taxes and expenses so that more of your assets are passed on to heirs or charity.

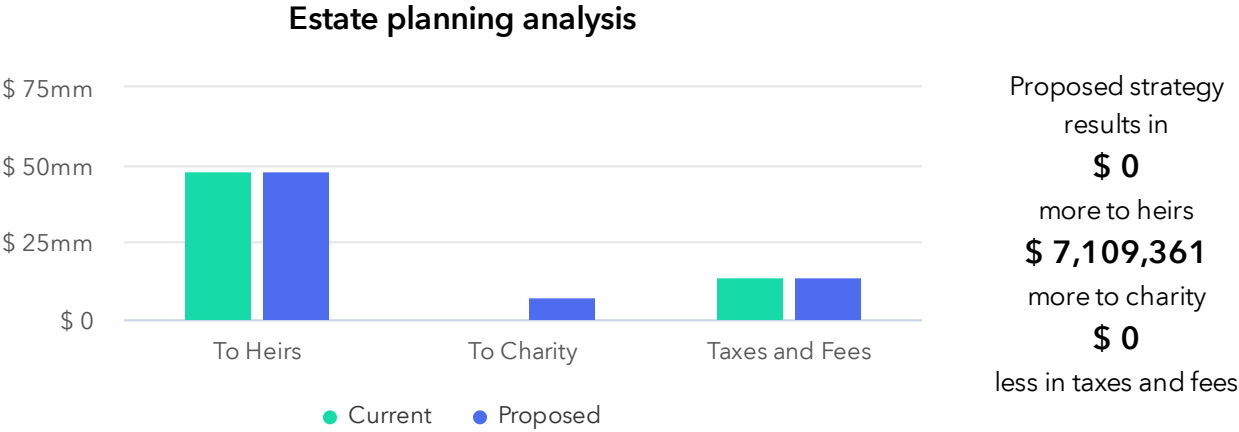
## Estate flow chart





# Estate Planning Analysis

The proposals listed on the following pages would result in the following impact to your estate plan projection:



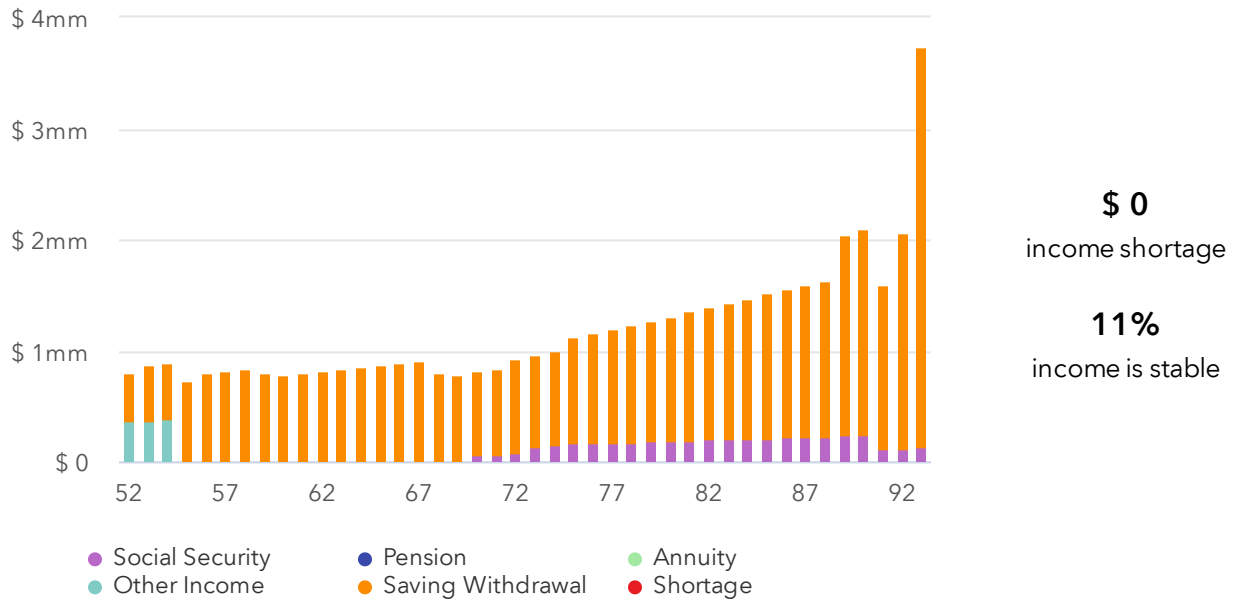
## Proposed Trust strategy

### Basic Information

|                          |           |
|--------------------------|-----------|
| Funeral expense          | \$ 10,000 |
| Probate expense          | 5%        |
| Ayrton’s cumulative gift | \$ 0      |
| Ayrton’s gift tax paid   | \$ 0      |
| Senna’s cumulative gift  | \$ 0      |
| Senna’s gift tax paid    | \$ 0      |

# Estate Planning Retirement Income

## Retirement income



# Estate Planning Details

## Ayrton's Estate

|                                   |                      |
|-----------------------------------|----------------------|
| Investment                        | \$ 31,539,599        |
| Real estate                       | \$ 6,057,896         |
| Other assets                      | \$ 35,000            |
| Annuities                         | \$ 0                 |
| Debt                              | \$ 1,415,096         |
| Mortgage                          | \$ 0                 |
| Insurance                         | \$ 0                 |
| <b>Gross estate</b>               | <b>\$ 36,217,400</b> |
| Funeral expense                   | \$ 29,638            |
| Probate                           | \$ 1,881,625         |
| Estate tax                        | \$ 0                 |
| <b>Total taxes &amp; expenses</b> | <b>\$ 1,911,263</b>  |
| <b>Net estate</b>                 | <b>\$ 34,306,137</b> |
| To heirs                          | \$ 0                 |
| To co-client                      | \$ 34,306,137        |

## Senna's Estate

|                                   |                      |
|-----------------------------------|----------------------|
| Investment                        | \$ 48,991,982        |
| Real estate                       | \$ 13,239,254        |
| Other assets                      | \$ 35,000            |
| Annuities                         | \$ 0                 |
| Debt                              | \$ 2,835,232         |
| Mortgage                          | \$ 0                 |
| Insurance                         | \$ 0                 |
| <b>Gross estate</b>               | <b>\$ 59,431,004</b> |
| Funeral expense                   | \$ 31,917            |
| Probate                           | \$ 3,207,279         |
| Estate tax                        | \$ 8,177,920         |
| <b>Total taxes &amp; expenses</b> | <b>\$ 11,417,116</b> |
| <b>Net estate</b>                 | <b>\$ 48,013,888</b> |
| To heirs                          | \$ 48,013,888        |

## Out of Estate

|                             |              |
|-----------------------------|--------------|
| Heirs' assets               | \$ 0         |
| Credit shelter trust        | \$ 0         |
| Charitable remainder trust  | \$ 0         |
| Irrevocable insurance trust | \$ 0         |
| Other owned insurance       | \$ 0         |
| Donor-advised fund          | \$ 7,109,361 |
| To heirs                    | \$ 0         |
| To charity                  | \$ 7,109,361 |

Please refer to sections 8.6 and 8.7 of the disclosure section for more information.

# Summary of User Input

Your financial plan is based on the following information:

## Family

| Name    | Date of Birth | Planning Horizon | Relationship |
|---------|---------------|------------------|--------------|
| Trust   |               |                  | Trust        |
| Ayrton  | May 1, 1975   | 90               | Client       |
| Senna   | Jul 27, 1978  | 90               | Co-client    |
| Michael | Apr 5, 2010   |                  | Child        |
| Lewis   | Mar 18, 2014  |                  | Child        |

## Income

| Name                     | Annual Amount          | Starting        | Ending              | Annual Increase |
|--------------------------|------------------------|-----------------|---------------------|-----------------|
| Ayrton's Salary          | \$ 280,000             | Already started | Ayrton's retirement | 3%              |
| Senna's Salary           | \$ 310,000             | Already started | Senna's retirement  | 3%              |
| Ayrton's Company Equity  | \$ 550,000             | 2021            | After 5 yrs         | 3%              |
| Ayrton's Social Security | Estimated using Salary | 65              |                     |                 |
| Senna's Social Security  | Estimated using Salary | 65              |                     |                 |

## Savings

| Name            | Annual Amount | Starting        | Ending                 | Annual Increase |
|-----------------|---------------|-----------------|------------------------|-----------------|
| Ayrton's 401(k) | Max           | Already started | Client's retirement    |                 |
| Senna's 401(k)  | Max           | Already started | Co-client's retirement |                 |

This report is not complete without the accompanying disclosure page.

## Expenses

| Name                           | Monthly Amount | Starting        | Ending | Annual Increase |
|--------------------------------|----------------|-----------------|--------|-----------------|
| Pre-retirement Living Expenses | \$ 14,479      | Already started |        |                 |

## Retirement Goals

| Name   | Retirement age | Annual retirement Health care | Annual retirement Long term care | Long term care duration |
|--------|----------------|-------------------------------|----------------------------------|-------------------------|
| Ayrton | 50             | \$ 5,716                      | \$ 53,768                        | 2                       |
| Senna  | 50             | \$ 5,716                      | \$ 53,768                        | 2                       |

## Other Goals

| Name                       | Amount       | Starting            | Ending            | Frequency    |
|----------------------------|--------------|---------------------|-------------------|--------------|
| Retirement Monthly Expense | \$ 14,479    | Ayrton's retirement | End of both plans | Every 1 year |
| Michael's College Goal     | \$ 22,261    | 18                  | 21                | Every 1 year |
| Lewis' College Goal        | \$ 22,261    | 18                  | 21                | Every 1 year |
| Michael's Master's Goal    | \$ 20,518    | 22                  | 23                | Every 1 year |
| Joint Vacation Goal        | \$ 18,000    | 2021                | End of both plans | Every 1 year |
| Ayrton's Charitable Giving | \$ 15,000    | 2021                | End of both plans | Every 1 year |
| Inheritance to Kids        | \$ 1,500,000 | End of both plans   | End of both plans | One time     |

## Insurance

| Name                                | Type                       | Owner  | Benefit      |
|-------------------------------------|----------------------------|--------|--------------|
| Ayrton's Group Life Insurance       | Group Life Insurance       | Ayrton | \$ 1,500,000 |
| Senna's Group Life Insurance        | Group Life Insurance       | Senna  | \$ 1,000,000 |
| Ayrton's Group Disability Insurance | Group Disability Insurance | Ayrton | 60%          |
| Senna's Group Disability Insurance  | Group Disability Insurance | Senna  | 60%          |

This report is not complete without the accompanying disclosure page.

| <b>Name</b>         | <b>Type</b>         | <b>Owner</b> | <b>Benefit</b> |
|---------------------|---------------------|--------------|----------------|
| Umbrella Insurance  | Umbrella Insurance  | Joint        | \$ 4,000,000   |
| Homeowner Insurance | Homeowner Insurance | Joint        | \$ 2,000,000   |
| Auto Insurance      | Auto Insurance      | Joint        | \$ 0           |

# 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](http://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:

U.S. Large Growth, U.S. Large Value and Other: S&P500 Total Return Index - 12/1970 - 12/2020  
U.S. Mid Cap: Russell Midcap total return index - 12/1995 – 12/2020  
Small Cap: Russell 2000 total return index - 12/1980 – 12/2020  
International Equities: EAFE Total return (USD return) - 12/1970 – 12/2020  
Emerging Markets Equity: MSCI Emerging market index (USD return) - 12/1987 – 12/2020  
Real Estate: MSCI US REIT Index - 12/2009 - 12/2020  
U.S. Government: Treasury bonds - 12/1999 – 12/2020  
Municipal: Bloomberg Barclays Muni Bond Index - 12/1999 – 12/2020  
U.S. Corporate and International Bonds: Bloomberg Barclays US Aggregate Bond Index - 12/1999 – 12/2020  
High Yield: ICE BofA US High Yield Index - 12/1999 – 12/2020  
Cash: 3 Month Treasury returns - 12/1999 – 12/2020

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 | Asset Class         | Total Return | Volatility |
|------------------------|--------------|------------|---------------------|--------------|------------|
| Large Growth           | 8.79%        | 16.1%      | Real Estate         | 8.92%        | 16.3%      |
| Large Value            | 8.79%        | 16.1%      | Government          | 3.5%         | 5.1%       |
| Mid Cap                | 8.79%        | 16.1%      | Municipal           | 3%           | 3.95%      |
| Small Cap              | 10.18%       | 21.9%      | Corporate           | 3.85%        | 5.1%       |
| International Equities | 9.3%         | 18.5%      | High Yield          | 3.85%        | 5.1%       |
| Emerging Markets       | 11.55%       | 27.1%      | International Bonds | 3.85%        | 5.1%       |

| Asset Class | Total Return | Volatility |
|-------------|--------------|------------|
| Cash        | 2.39%        | 1.9%       |
| Other       | 8.79%        | 16.1%      |

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 2019. 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

8.1 **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.

8.2 **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.

8.3 **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.

**8.4 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 is 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.

**8.4.1 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.

**8.5 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.

**8.6 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.

- 8.7 **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 distributions 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.
- 8.8 **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.
- 8.9 **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.
- 8.10 **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.