

Motif*fp*lanning



REPORT PREPARED FOR

**Melody Woodstock &
Mike Woodstock**

by Spenser Liszt, CFP®
Motif Planning

Generated on 11/15/2024

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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.

Snapshot

Statement of Financial Purpose

To spend time enjoying music with loved ones while supporting our daughter and traveling the world.

Values

Melody – Creativity, empathy, security
Mike – Family, wisdom, patience

Strengths

High dual income and frugal spending.

Challenges

High cost-of-living in NYC and getting insurance as a self-employed person.

Opportunities

Early financial independence and advantageous savings accounts are available to us.

Threats

Melody's fluctuating income and our high interest credit cards and student loans.

Balance Sheet

| | |
|---------------------------|-----------------|
| Bank | \$45,000 |
| Invested assets | \$230,655 |
| Real estate assets | \$0 |
| Life insurance cash value | \$0 |
| Other assets | \$0 |
| Credit cards | \$12,500 |
| Mortgages | \$0 |
| Home equities | \$0 |
| Student loans | \$155,000 |
| Other debts | \$14,500 |
| Net worth | \$93,655 |

18.7%

Effective federal tax rate

17.7%

Savings rate

Priorities

Pay down student debt.
Start a family (first child due next year)
Increase savings for the future
Purchase first home in 4 years

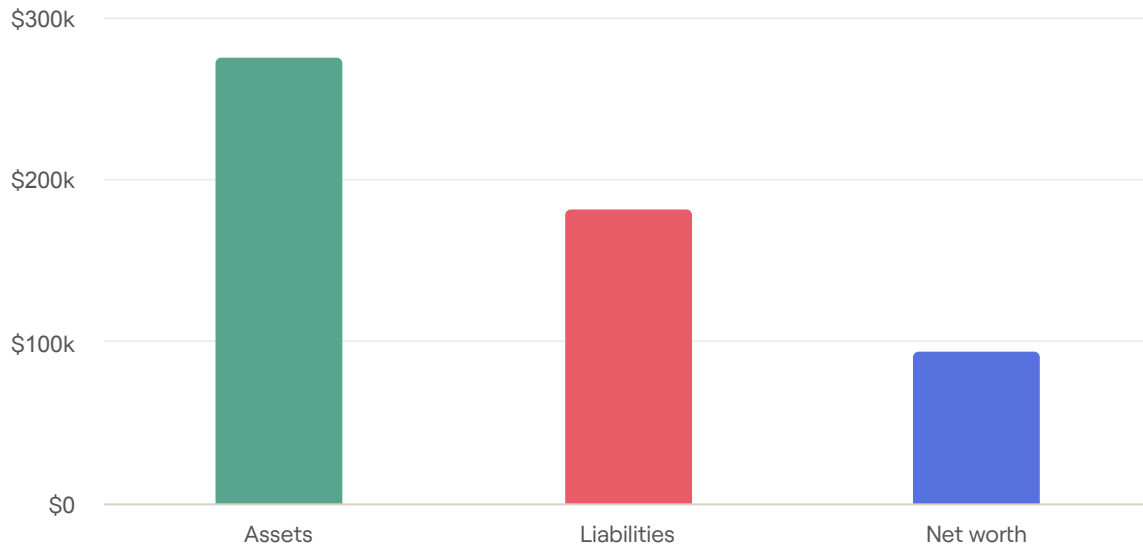
Tasks (Overdue: 0 Upcoming: 20)

| Due date | Assigned to | Task |
|------------|------------------|--|
| 12/15/2024 | Mike Woodstock | Upload 2 most recent pay stubs to the vault. |
| 12/15/2024 | Melody Woodstock | Upload recent royalty statement to the vault. |
| 12/15/2024 | Melody Woodstock | Update your HSA bank link in RightCapital. (Profile - Net Worth) |

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 \$93,655 as of 11/15/24



| Assets | |
|---------------------------|------------------|
| Bank | \$45,000 |
| Invested assets | \$230,655 |
| Real estate assets | \$0 |
| Life insurance cash value | \$0 |
| Other assets | \$0 |
| Total assets | \$275,655 |

| Liabilities | |
|--------------------------|------------------|
| Credit cards | \$12,500 |
| Mortgages | \$0 |
| Home equities | \$0 |
| Student loans | \$155,000 |
| Other debts | \$14,500 |
| Total liabilities | \$182,000 |
| Net Worth | \$93,655 |

Balance Sheet Details

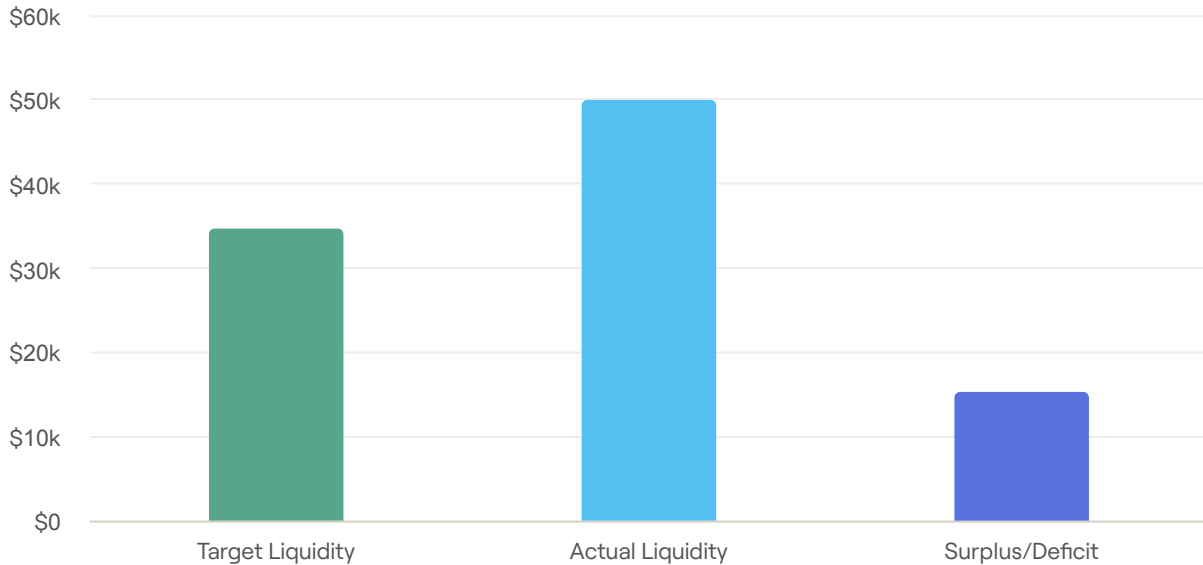
| Description | Melody | Mike | Joint | Total |
|--------------------------|-------------------|-----------------|------------------|------------------|
| Assets | | | | |
| Cash | | | | |
| Joint Checking Account | \$5,000 | | | \$5,000 |
| Joint Savings Account | | | \$40,000 | \$40,000 |
| Total Cash | \$5,000 | \$0 | \$40,000 | \$45,000 |
| Invested Assets | | | | |
| Non-qualified | | | | |
| Joint Brokerage Account | | | \$62,645 | \$62,645 |
| Qualified | | | | |
| Mike's 401(k) | | \$73,000 | | \$73,000 |
| Melody's Solo 401(k) | \$95,000 | | | \$95,000 |
| Melody's HSA | \$10 | | | \$10 |
| Total Invested Assets | \$95,010 | \$73,000 | \$62,645 | \$230,655 |
| Total Assets | \$100,010 | \$73,000 | \$102,645 | \$275,655 |
| Liabilities | | | | |
| Melody's Card | \$9,000 | | | \$9,000 |
| Mike's Card | | \$3,500 | | \$3,500 |
| Melody's Car Loan | \$14,500 | | | \$14,500 |
| Melody's Student Loan 1 | \$30,000 | | | \$30,000 |
| Melody's Student Loan 2 | \$20,000 | | | \$20,000 |
| Melody's Student Loan 3 | \$40,000 | | | \$40,000 |
| Mike's Student Loans | | \$65,000 | | \$65,000 |
| Total Liabilities | \$113,500 | \$68,500 | \$0 | \$182,000 |
| Net Worth | | | | |
| Total Net Worth | (\$13,490) | \$4,500 | \$102,645 | \$93,655 |

This report is not complete without the accompanying disclosure page.

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.

Liquidity analysis



Covered expenses

| | |
|--------------------------|----------|
| Current monthly expenses | \$11,549 |
| Proposed expense buffer | \$0 |
| Total covered expenses | \$11,549 |

Liquidity target

| | |
|------------------|--|
| Liquidity target | 3 months of covered expenses, \$34,647 |
|------------------|--|

Liquidity Details

| Current monthly expenses | |
|-------------------------------|-----------------|
| Living expense | \$5,000 |
| Housing | \$3,017 |
| Debt | \$2,199 |
| Health care | \$0 |
| Insurance premium | \$83 |
| Rental and vacation home | \$0 |
| Other expense | \$1,250 |
| Total monthly expenses | \$11,549 |

| Current liquidity | |
|--------------------------------|-----------------|
| Joint Checking Account | \$5,000 |
| Joint Savings Account | \$40,000 |
| Joint Brokerage Account | \$5,000 |
| Total current liquidity | \$50,000 |

Tasks

| Due Date | Assigned to | Task |
|------------|-----------------------------------|---|
| 2024-12-15 | Mike Woodstock | ① Upload 2 most recent pay stubs to the vault. |
| 2024-12-15 | Melody Woodstock | ① Upload recent royalty statement to the vault. |
| 2024-12-15 | Melody Woodstock | ① Update your HSA bank link in RightCapital. (Profile - Net Worth) |
| 2024-12-15 | Melody Woodstock | ① Increase Solo 401(k) employee contribution to \$10,500 as Roth. |
| 2024-12-15 | Melody Woodstock & Mike Woodstock | ① Begin saving \$6,000 per year into Harmony's 529 plan. |
| 2024-12-15 | Melody Woodstock & Mike Woodstock | 🔴 Begin tracking dependent care expenses once Harmony is born. |
| 2024-12-15 | Melody Woodstock & Mike Woodstock | ① Get a \$1,000,000 umbrella liability policy and bundle with renters and auto policy. |
| 2024-12-15 | Melody Woodstock & Mike Woodstock | ① Get quotes for \$1,000 and \$2,000 auto insurance deductibles. |
| 2024-12-15 | Melody Woodstock & Mike Woodstock | ① Increase auto insurance medical payments to \$5,000. |
| 2024-12-15 | Melody Woodstock | ① Add Mike to Checking account (1451) as joint owner. |
| 2024-12-15 | Melody Woodstock | 🔴 Add Mike as beneficiary of your Solo 401(k). |
| 2024-12-15 | Mike Woodstock | ① Increase 401(k) contributions to \$17,640 (10% of salary) as Roth. |
| 2024-12-15 | Mike Woodstock | 🔴 Sign up for dependent care FSA and set up the maximum contribution of \$5,000. |
| 2024-12-15 | Mike Woodstock | ① Add Transfer on Death (TOD) to joint brokerage account. |
| 2024-12-15 | Mike Woodstock | 🔴 Get a quote for independent disability coverage of \$1,000/mo. |
| 2024-12-15 | Mike Woodstock | 🔴 Change 401(k) and group life insurance beneficiary to Melody. |
| 2025-01-01 | Mike Woodstock | 🔴 Increase pay stub withholding to 15%. |
| 2025-01-15 | Melody Woodstock | 🔴 Set aside \$7,000 quarterly into a high-yield savings account for estimated tax payments. |

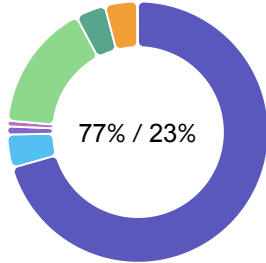
This report is not complete without the accompanying disclosure page.

| Due Date | Assigned to | Task |
|------------|-----------------------------------|--|
| 2025-01-15 | Mike Woodstock | ① Contribute the maximum of \$7,000 into after-tax IRA then convert to Roth IRA. |
| 2025-05-01 | Melody Woodstock & Mike Woodstock | ① Switch Harmony's 529 plan fund beneficiary to her once she has a Social Security card. |

Asset Allocation

Current allocation

All accounts



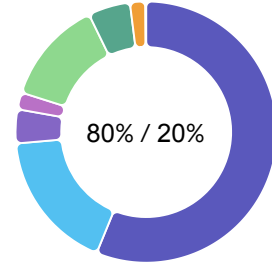
Equity / Fixed Income

Annual return: 9%
Standard deviation: 13.6%

| | | |
|-------|--------------------------|-------|
| 70.6% | ● U.S. Equities | 56.2% |
| 4.1% | ● International Equities | 17.4% |
| 1% | ● Emerging Markets | 4.2% |
| 0.7% | ● Real Estate | 2.1% |
| 15.8% | ● U.S. Bonds | 12.9% |
| 3.7% | ● International Bonds | 5.2% |
| 4% | ● Cash | 1.9% |
| 0.1% | ● Other | 0.1% |

Target allocation

Dimensional ETF 80/20



Equity / Fixed Income

Annual return: 9%
Standard deviation: 13.9%

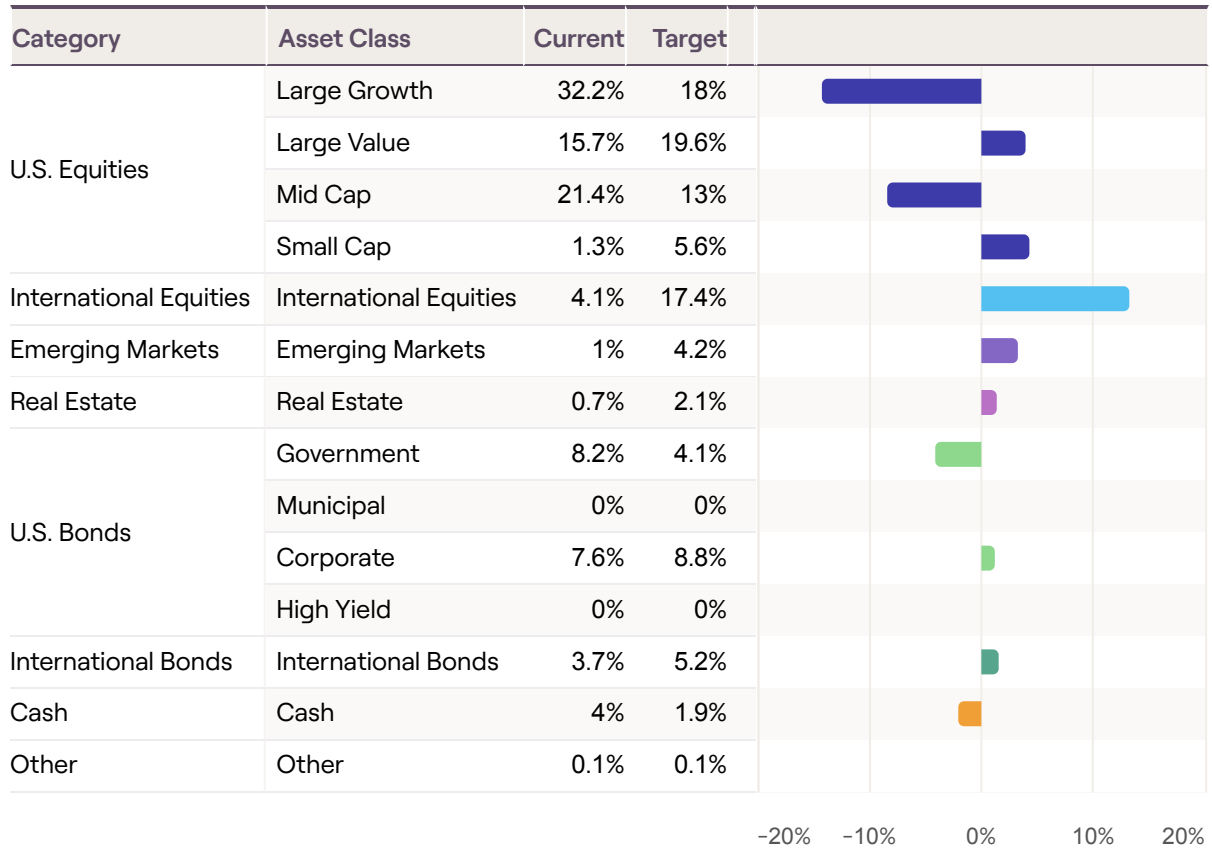
To balance back to your target portfolio:

| | | | | | |
|------------------------|------|----------|---------------------|------|---------|
| U.S. Equities | Sell | \$33,214 | U.S. Bonds | Sell | \$6,689 |
| International Equities | Buy | \$30,677 | International Bonds | Buy | \$3,460 |
| Emerging Markets | Buy | \$7,381 | Cash | Sell | \$4,844 |
| Real Estate | Buy | \$3,229 | Other | Sell | \$0 |

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

Returns presented are calculated using historical return data of indices, which serve as proxies for their respective asset classes. They are not returns of actual investments and do not include fees or operating expenses. These indices are unmanaged and the returns are shown for illustrative purposes. Please refer to sections 5 and 8.4 of the disclosure section for more information.

Asset Allocation Details

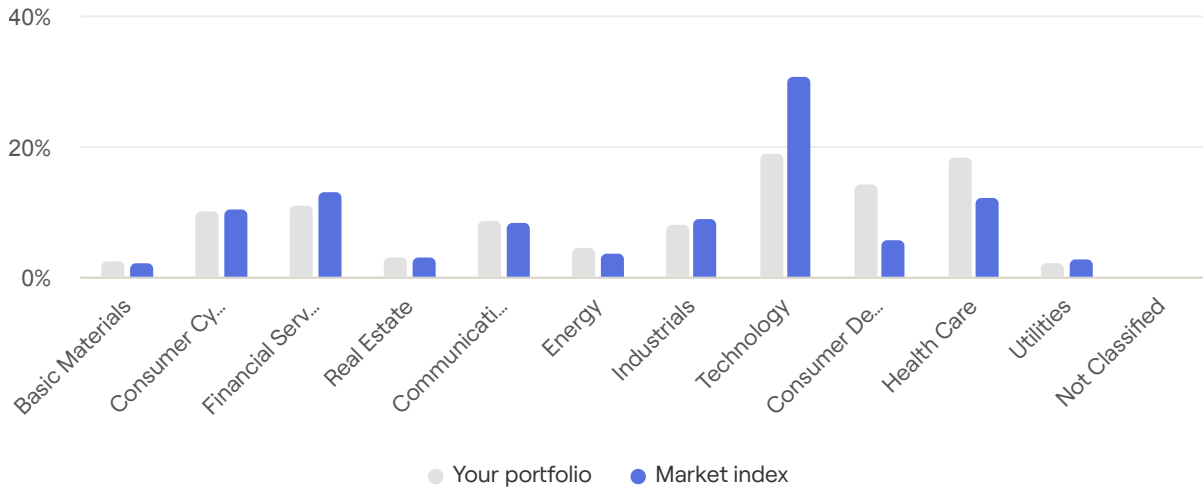


Please refer to sections 5 and 8.4 of the disclosure section for more information.

Equity Sector and Style

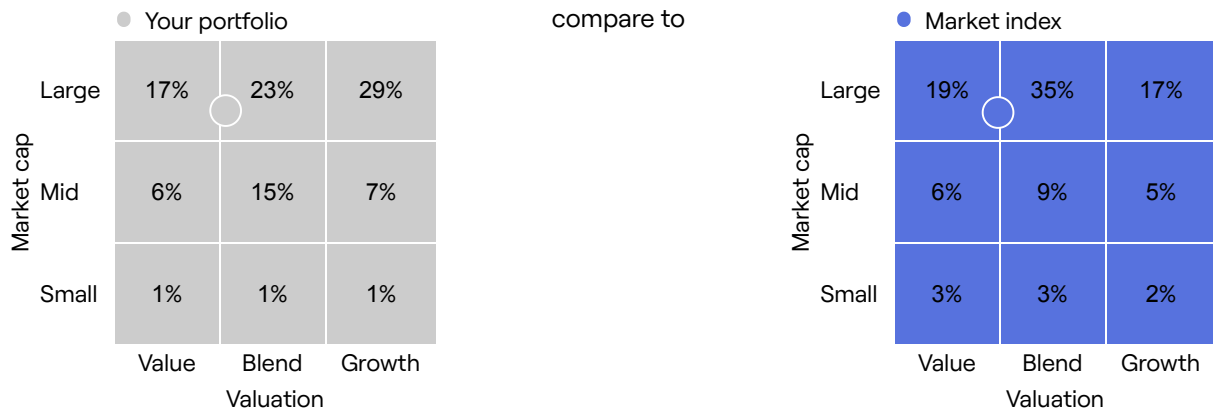
Equity investments can be categorized by sector. They are also each assigned a style based on their market cap and valuation. It is important to construct a well-diversified equity portfolio that balances risk with return, while meeting your specific financial goals. Sector and Style data is provided by Morningstar.

Equity sector comparison



Amongst the equity sector, you are most **overweight in Consumer Defensive** and **underweight Technology**.

Equity style comparison



Amongst the equity styles, you are most **overweight in Large Growth** and most **underweight in Large Blend**.

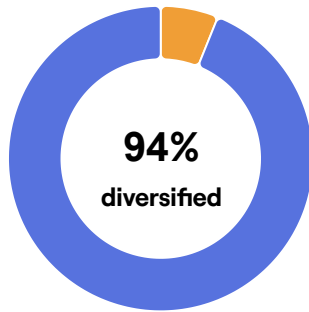
* Broad market index refers to the Vanguard Total Stock Market Index.

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 return of indices. Please refer to section 8.4 of the disclosure section for more information.

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." A concentrated position is identified as an individual stock that exceeds a certain percentage of the entire portfolio.

Diversification



- Concentrated position
- Other

Concentrated position summary

| Ticker | Value | % of total |
|--------|----------|------------|
| CLX | \$14,089 | 6.11% |

Your concentration threshold is 5% of the total portfolio.

To remove concentrated position

Consider liquidating **\$2,556** of CLX from Joint Brokerage Account account.

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.



● Taxable ● Tax deferred
● Tax free

\$62,645
Taxable asset

\$73,000
Tax deferred asset

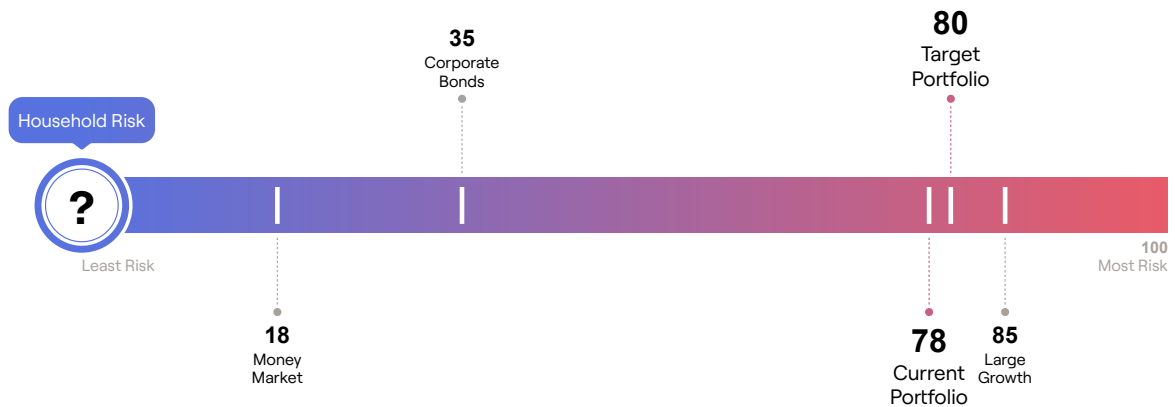
\$95,010
Tax free asset

Risk Tolerance Summary

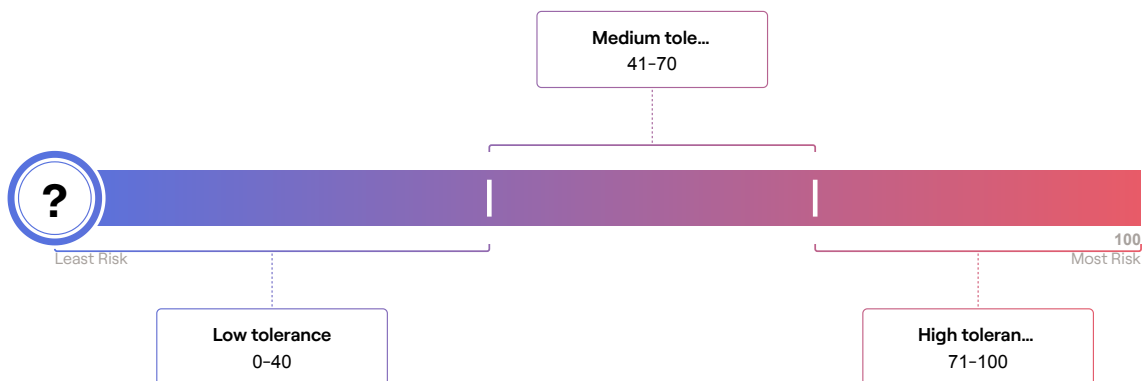
Risk summary



Risk comparison



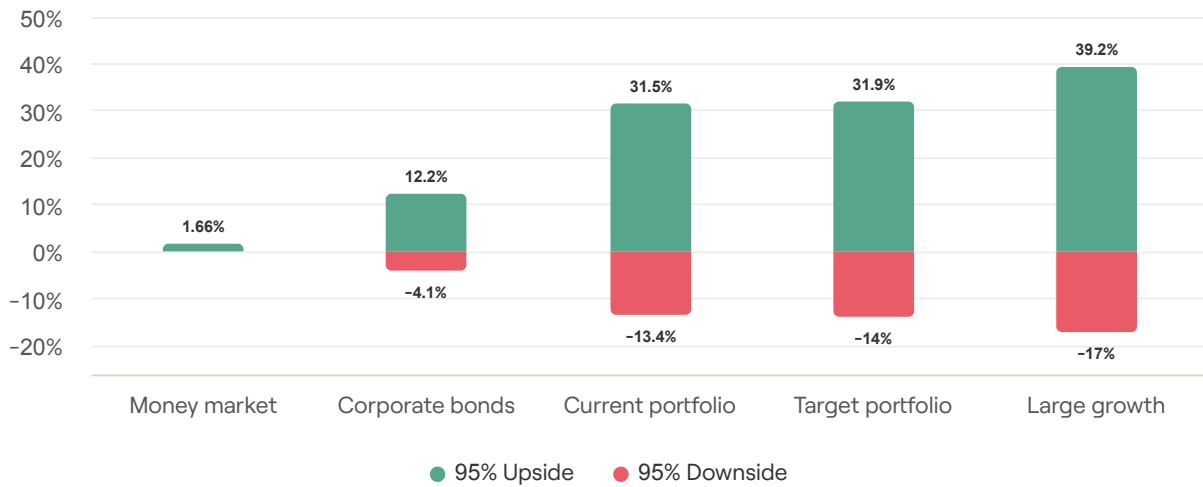
Household risk classification



The risk score ranges from 1-100, where 1 is low risk and 100 is high risk. Your advisor has evaluated your household risk score to be null.

Risk Tolerance Analysis

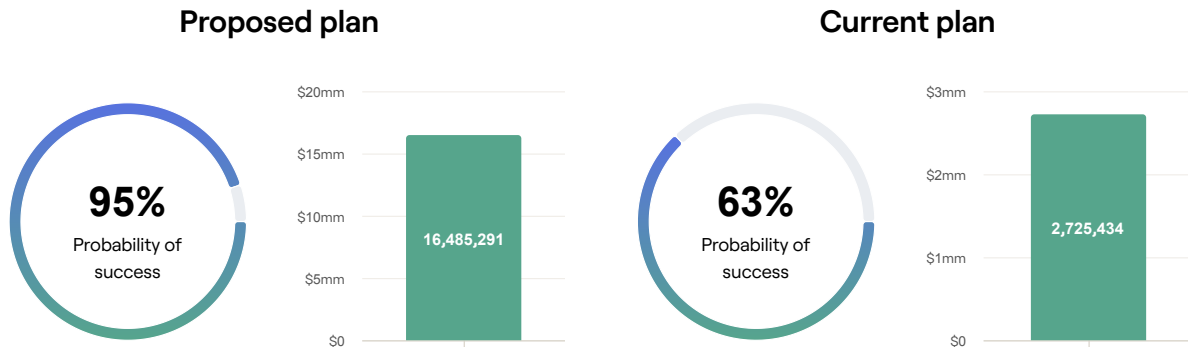
Potential annual range of returns



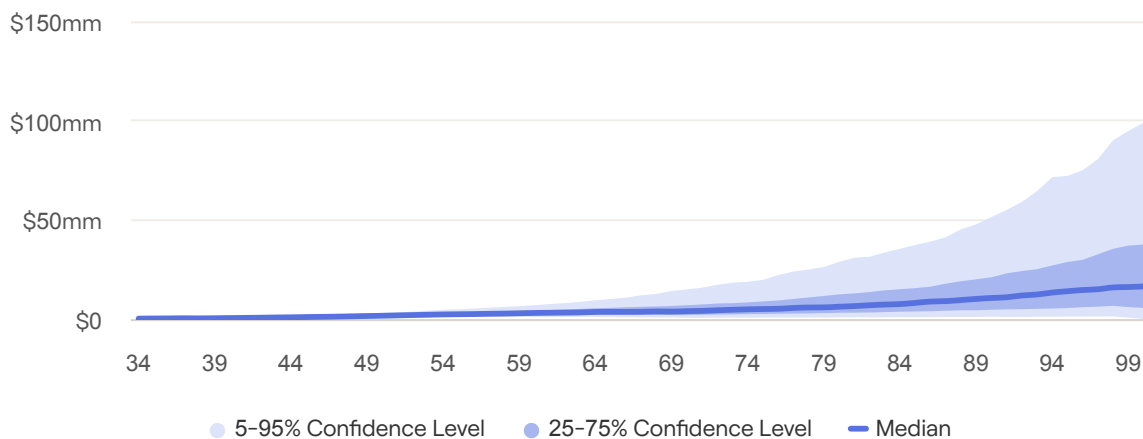
In 95% of hypothetical scenarios, annual returns are expected to be higher than the downside value. In 95% of hypothetical scenarios, annual returns are expected to be lower than the upside value. There is a 10% probability that returns will fall outside of the range. The potential annual range of returns is calculated using statistical formulas that use historical return data of indices, which serve as proxies for their respective asset classes. They are not returns of actual investments, do not include fees or operating expenses, and are not guarantees of future results. Please refer to sections 5 and 8.4 of the disclosure section for more information.

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



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 plan | Current plan |
|-------------------------------------|---------------|--------------|
| Financial goals | | |
| Melody's retirement age | 65 | 65 |
| Melody's retirement healthcare cost | \$6,092 | \$6,092 |
| Melody's LTC cost | \$68,640 | \$68,640 |
| Melody's LTC duration | 2 | 2 |
| Melody's planning horizon | 100 | 100 |
| Mike's retirement age | 55 | 50 |
| Mike's retirement healthcare cost | \$6,092 | \$6,092 |
| Mike's LTC cost | \$68,640 | \$68,640 |
| Mike's LTC duration | 2 | 2 |
| Mike's planning horizon | 100 | 100 |
| Retirement Monthly Expense | \$7,000 | \$7,000 |
| Harmony's College Goal | \$28,840 | \$28,840 |
| Melody's Car Goal | \$25,000 | \$25,000 |
| Joint Vacation Goal | \$7,000 | \$7,000 |
| Income | | |
| Melody's Self-employment Income | \$105,000 | \$105,000 |
| Melody's Royalty Income | \$25,000 | \$25,000 |
| Mike's Salary | \$105,000 | \$105,000 |
| Mike's Bonus | 20% | 20% |
| Savings | | |
| Melody's Roth Solo 401(k) | 10% | 5% |
| Mike's 401(k) | 10% | 8% |
| Joint Taxable | \$10,000 | \$10,000 |
| Melody's HSA | \$3,850 | \$0 |
| Harmony's 529 Plan | \$6,000 | \$0 |
| Melody's Backdoor Roth IRA | Max | \$0 |

This report is not complete without the accompanying disclosure page.

| | Proposed plan | Current plan |
|---------------------------------|---------------------------------------|---------------------|
| Mike's Backdoor Roth IRA | Max | \$0 |
| Expenses | | |
| Pre-retirement Living Expenses | \$5,000 | \$5,000 |
| Strategies | | |
| Asset allocation | Dimensional ETF 80/20 | Current allocation |
| Annuity allocation | Current allocation | Current allocation |
| Social Security | Age 70 | Current strategy |
| Melody Woodstock | Age 70 | Full retirement age |
| Mike Woodstock | Age 70 | Full retirement age |
| Debt strategy | Debt proposal | Current payments |
| Student loan strategy | Student loan proposal | Current payments |
| Tax strategy | Tax proposal | Current strategy |
| Education strategy | Education proposal | Current strategy |
| Income strategy | \$0 | Select an account |
| AUM fees | 0% | 0% |
| Retirement Spending | Inflation Adjusted | Inflation Adjusted |
| Primary home relocations | | |
| First Home Purchase | 2027 | 2027 |
| Insurance | | |
| Mike's Group Life Insurance | Included | Included |

Saving Analysis - Proposed plan

Current year savings of Proposed plan



Total annual savings of
\$45,222
 Savings rate of
17.7%
 with total income of
 \$256,000

Savings over time of Proposed plan

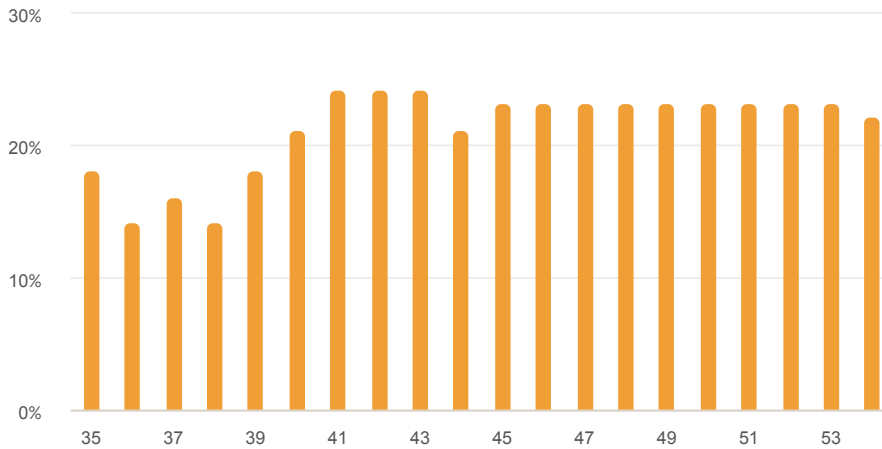


Total savings of
\$917,789
 Average savings rate of
17.0%
 with total income of
 \$5,364,360

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.

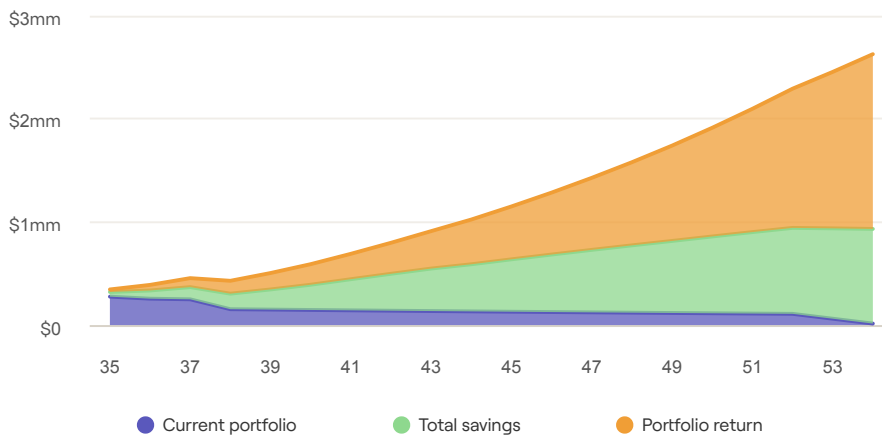
Saving Analysis - Proposed plan

Savings rate of Proposed plan



Total savings of
\$917,789
 Average savings rate of
17.0%
 with total income of
 \$5,364,360

Total savings and returns of Proposed plan



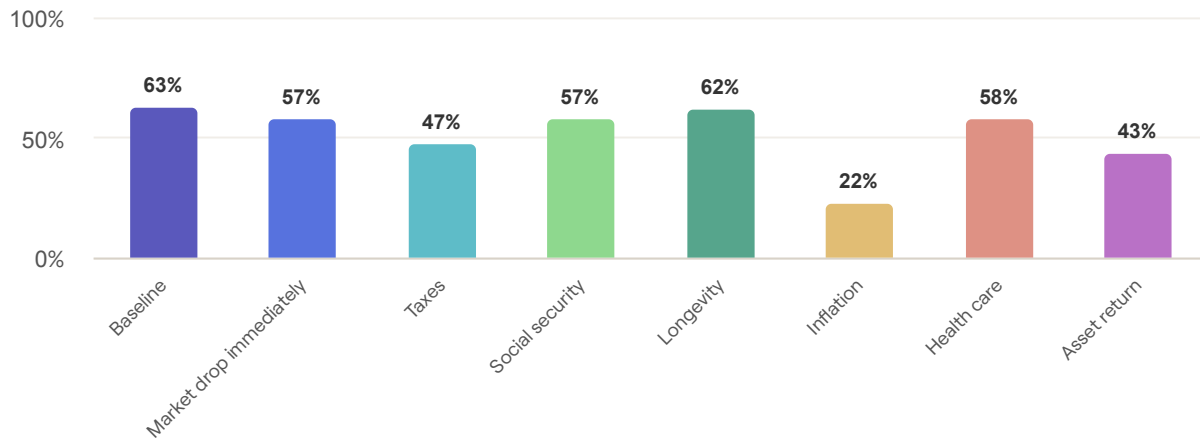
Total invested asset
\$2,627,402
 at retirement
\$917,789 total savings
\$1,694,856 portfolio return

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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 - Current Plan



Stress Test results are based on the following assumptions:

| | | | |
|------------------------------------|-----|------------------------------------|---------------|
| Equity markets drop immediately by | 20% | Tax expense will be higher by | 20% |
| Social Security will be reduced by | 20% | You (and the co-client) will live | 5 yrs. longer |
| Inflation will be higher by | 1% | Health care cost will be higher by | 20% |
| Asset return will be lower by | 1% | | |

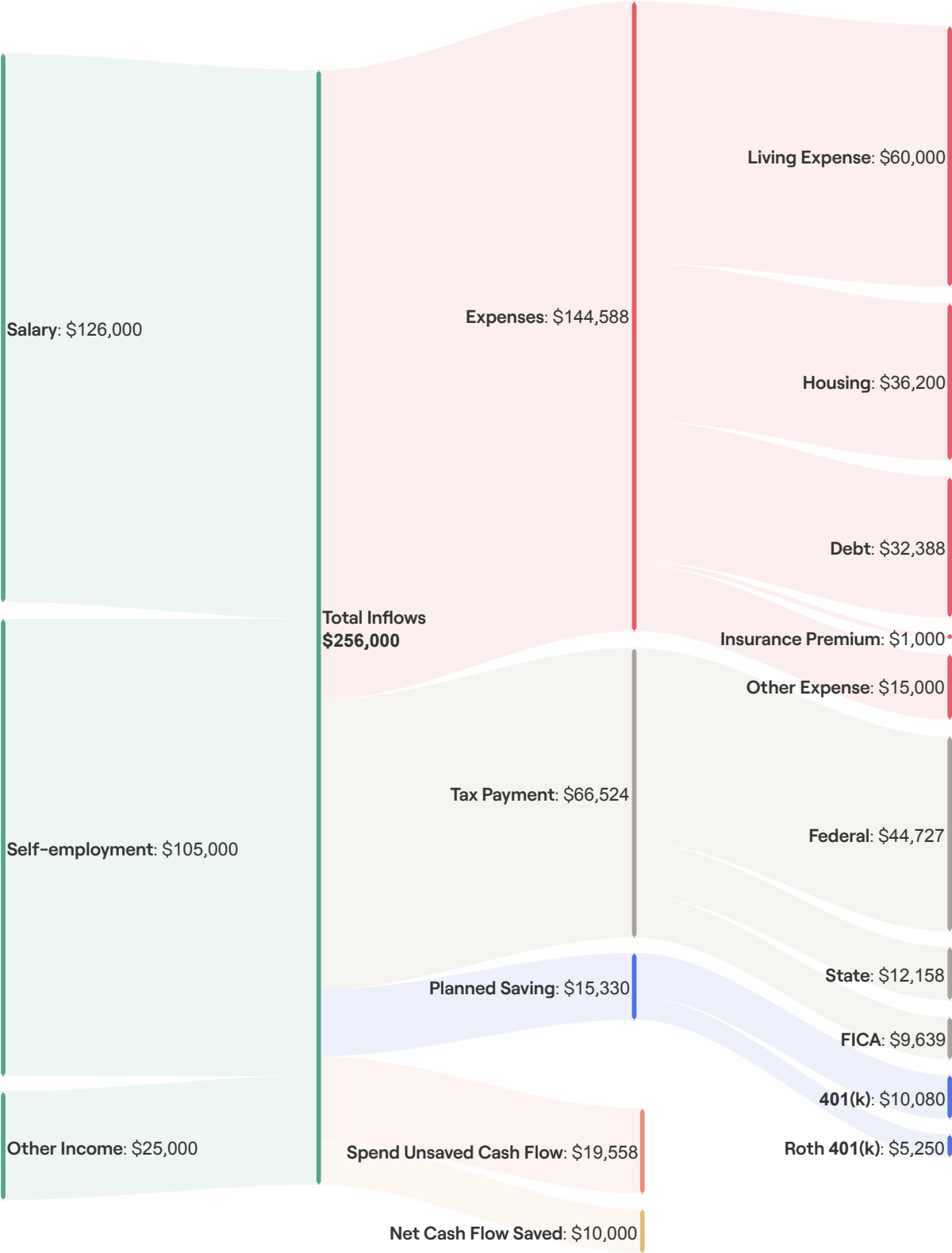
This section of the report displays the results of Monte Carlo simulations run on various stressed tests. The results are derived from 1000 simulations and the specified retirement cash flows. The probability of success represents the overall likelihood of success in various stress tests.

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Cash Flows - Current Plan

Maps

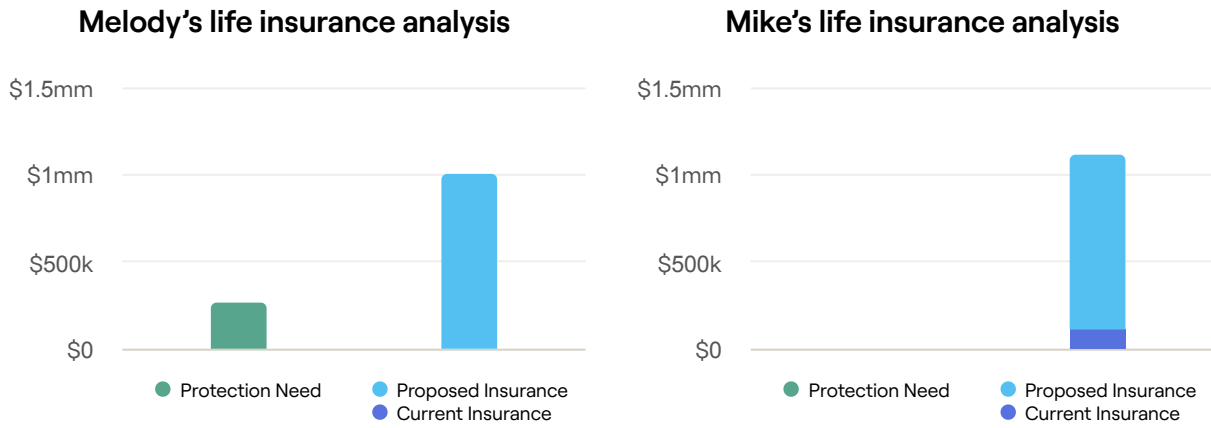
Cash flow year 2024 (35/35)



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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.



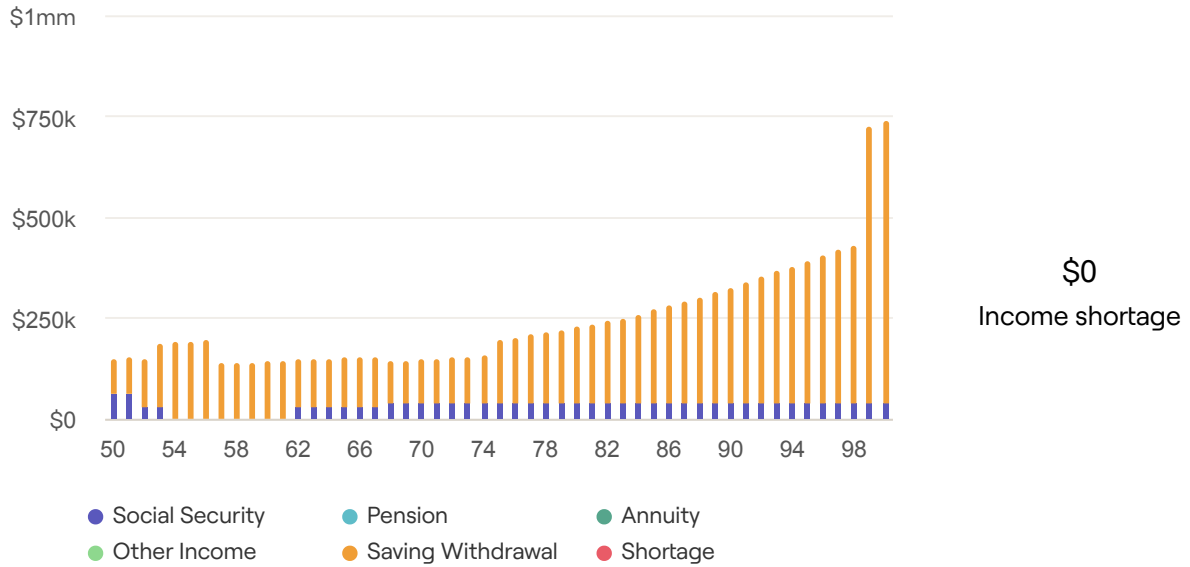
| | If Melody passes away next year | If Mike passes away next year |
|------------------------------------|---------------------------------|-------------------------------|
| Life insurance | | |
| Life insurance needs | \$ 260,000 | \$ 0 |
| Current life insurance coverage | \$ 0 | \$ 115,000 |
| Proposed additional life insurance | \$1,000,000 | \$1,000,000 |

Life Insurance Analysis Information

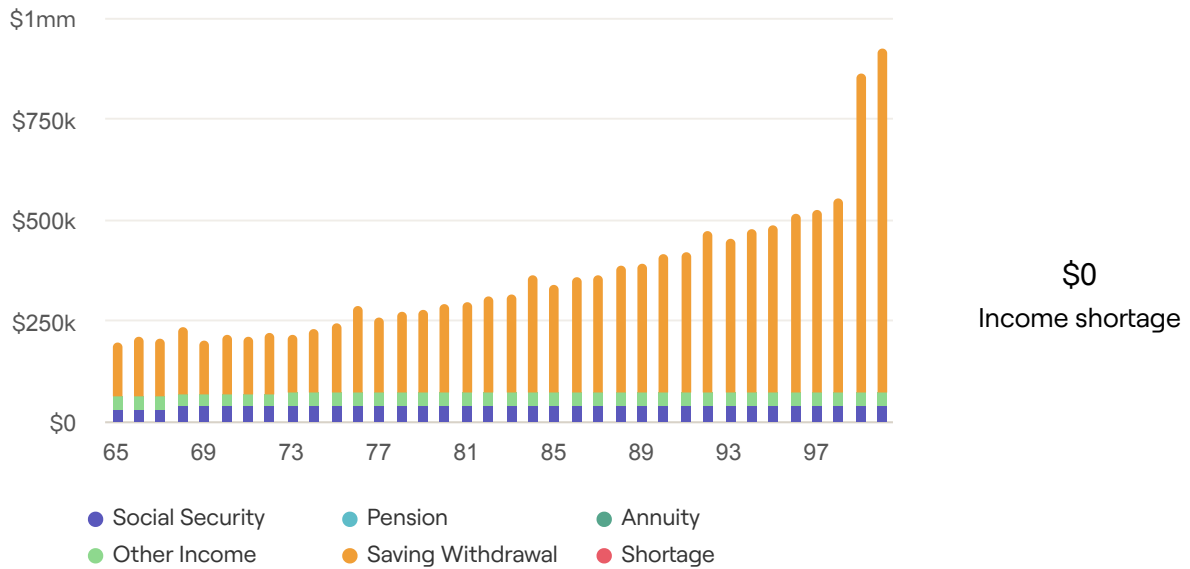
| | If Melody passes away next year | If Mike passes away next year |
|--------------------------------|---------------------------------|-------------------------------|
| Expenses | | |
| Pre-retirement Living Expenses | \$4,500 | \$4,500 |
| Strategies | | |
| Debt strategy | Pay off all debt immediately | Pay off all debt immediately |
| Student loan strategy | Student loan proposal | Student loan proposal |

Life Insurance Retirement Income Impact

What happens if Melody passed away



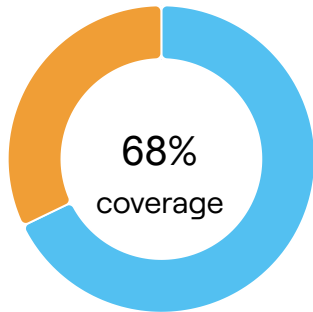
What happens if Mike passed away



Disability Insurance Analysis

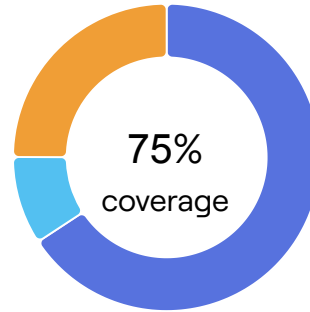
According to the Social Security Administration, the chance of becoming disabled before you retire is 1 in 4 - and for most people, disability will result in a lower living standard due to the loss of income. Having a disability insurance policy can replace lost earnings.

Melody's income coverage during disability



- Current income coverage
- Proposed additional coverage
- Uninsured income

Mike's income coverage during disability

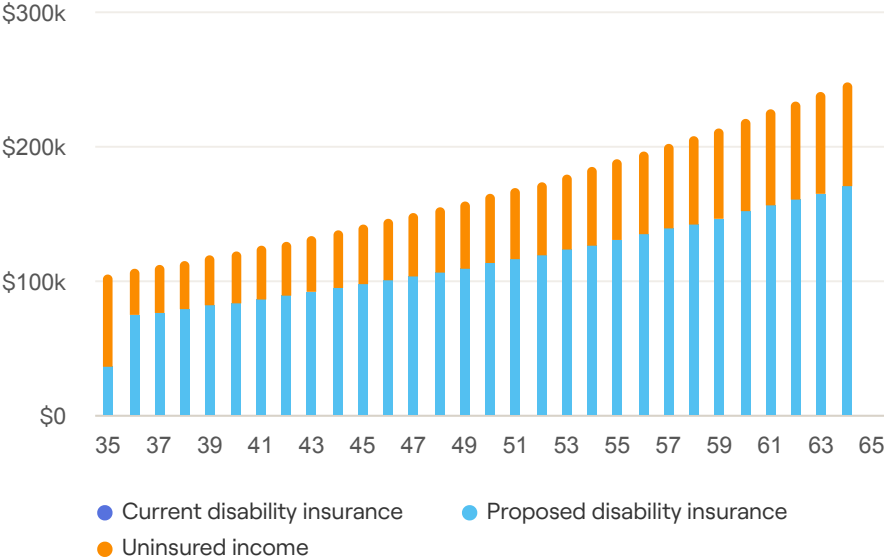


- Current income coverage
- Proposed additional coverage
- Uninsured income

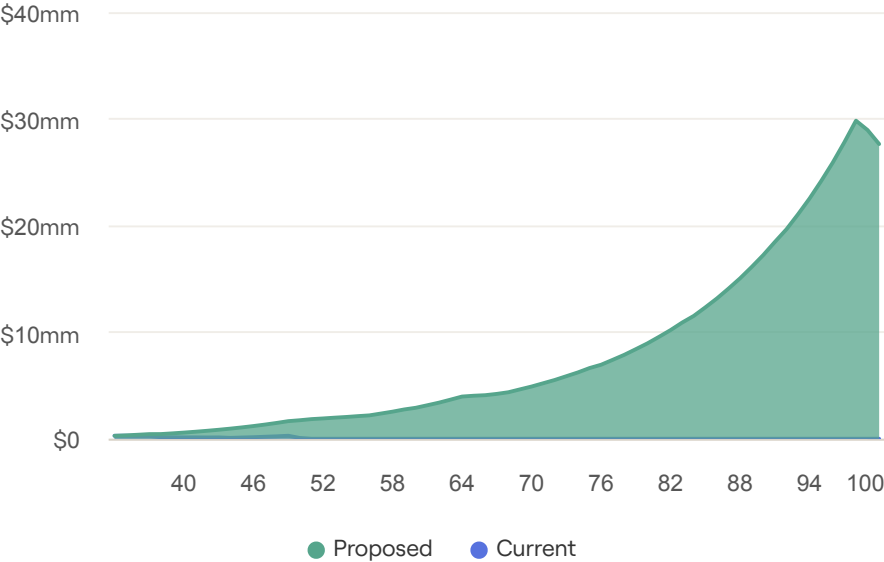
| | If Melody becomes disabled tomorrow | If Mike becomes disabled tomorrow |
|-------------------------------|-------------------------------------|-----------------------------------|
| Disability insurance | | |
| Disability lasts | Until retirement | Until retirement |
| Proposed monthly coverage | \$6,000 | \$1,000 |
| Proposed benefit period | Age 67 | Age 67 |
| Proposed elimination period | 180 days | 180 days |
| Proposed inflation adjustment | 3% | 3% |
| Proposed inflation type | Compound | Compound |
| Proposed annual premium | \$0 | \$0 |

Disability Insurance Analysis For Melody

If Melody becomes disabled tomorrow



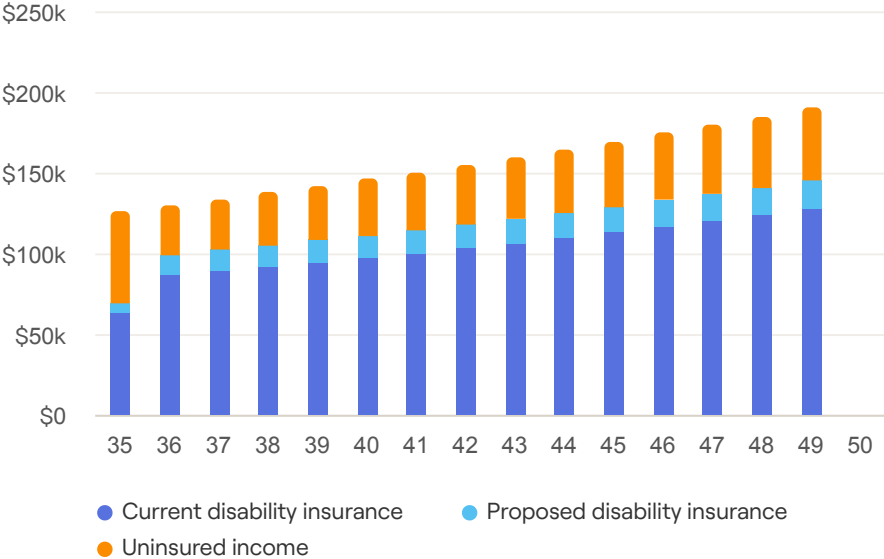
68%
of earned income
protected



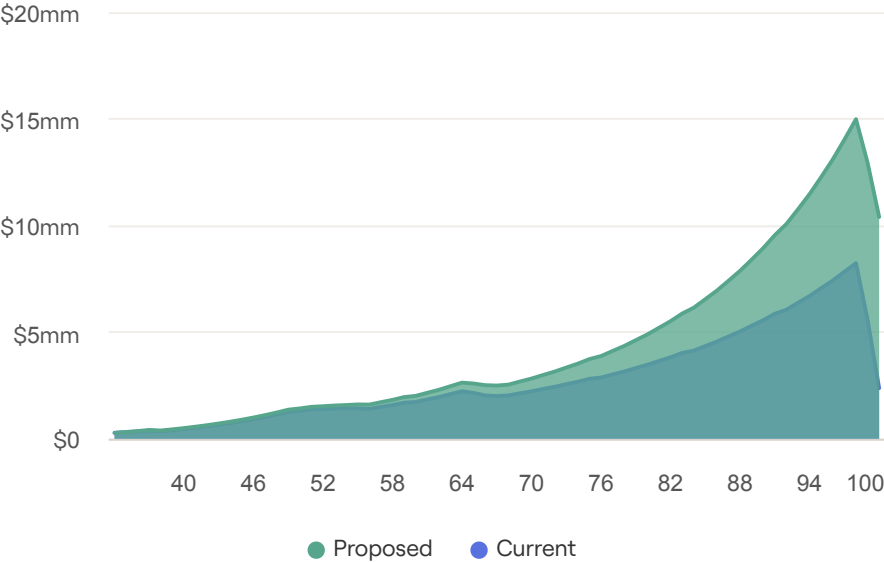
Proposed plan has
\$27,633,896 more
ending assets and
lasts
50 years longer
than current plan

Disability Insurance Analysis For Mike

If Mike becomes disabled tomorrow



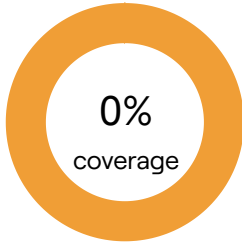
75%
of earned income
protected



Proposed plan has
\$8,028,053 more
ending assets and
lasts
0 years longer
than current plan

Property and Casualty Insurance - Umbrella

Umbrella Insurance Coverage



- Current coverage
- Proposed additional coverage
- Uninsured amount

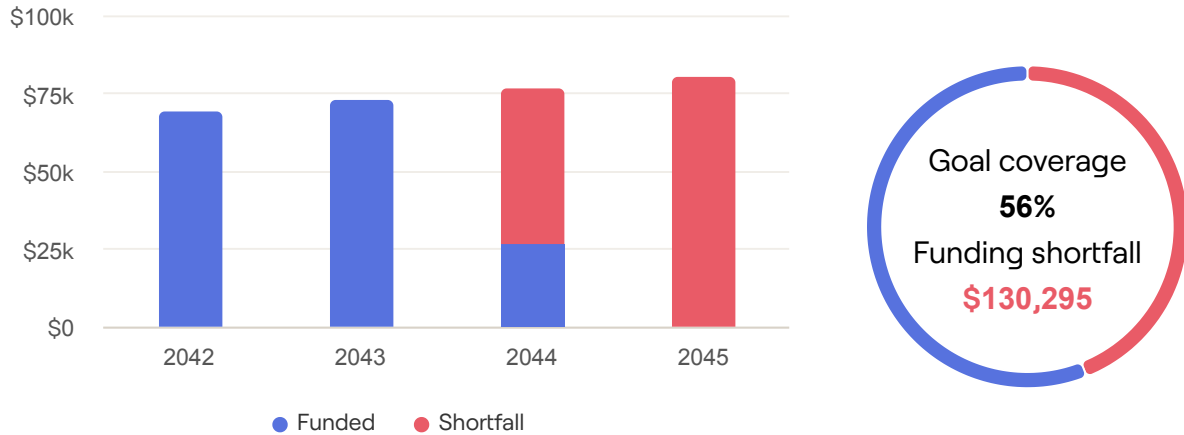
Proposed additional umbrella: **\$0**

| | Net worth | Current coverage | Proposed addition | Total umbrella coverage |
|--------------------|-----------|------------------|-------------------|-------------------------|
| Umbrella Insurance | \$93,655 | \$0 | \$0 | \$0 |

Education Funding Analysis for Harmony

The cost of 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.

Harmony's projected education cost is \$299,152



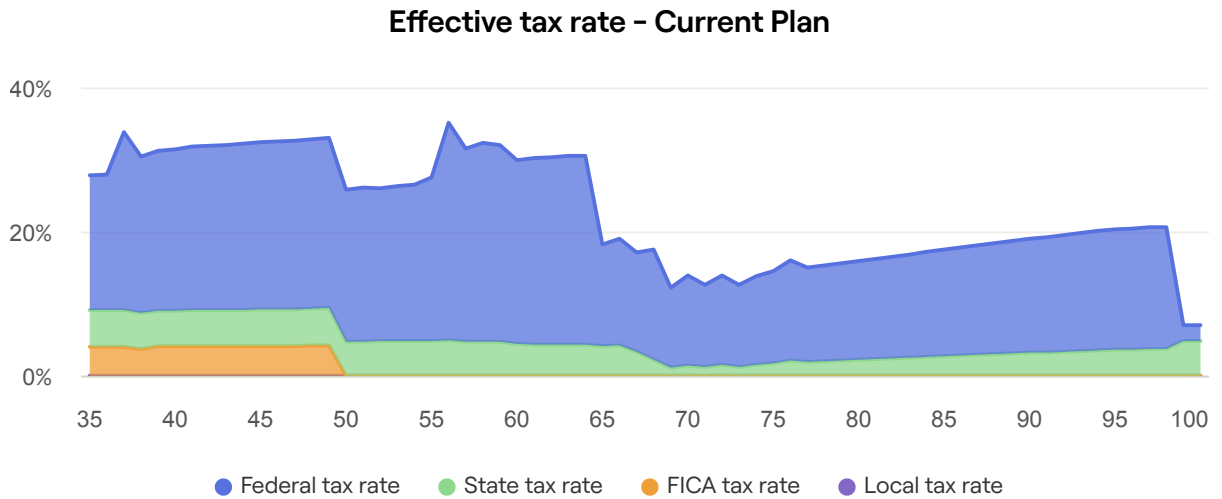
To achieve desired education funding level

| Harmony's College Goal | |
|------------------------|----------|
| Annual education cost | \$28,840 |
| Scholarship/other | \$0 |
| Student borrowing | \$0 |
| Annual net cost | \$28,840 |
| Current 529 balance | |
| 529 balance | \$0 |

| Strategy | |
|------------------------------|-----------------------|
| 529 asset allocation | Dimensional ETF 80/20 |
| Funding sources | 529 only |
| Annual 529 savings | |
| Lump sum saving | \$0 |
| Additional annual 529 saving | \$0 |

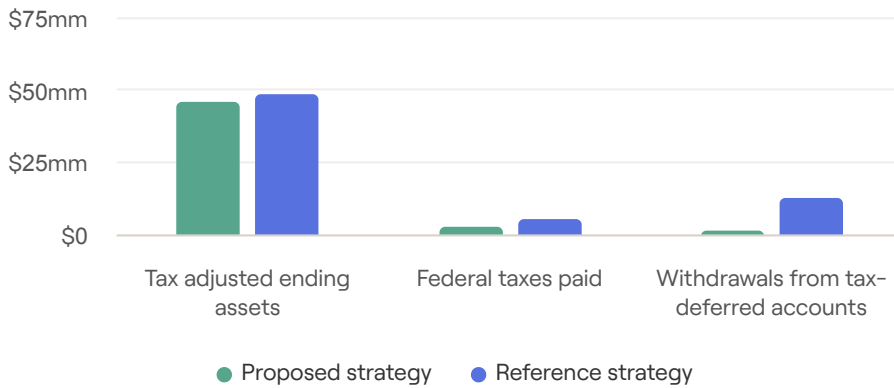
Tax Estimate

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.



Tax Strategies - Summary

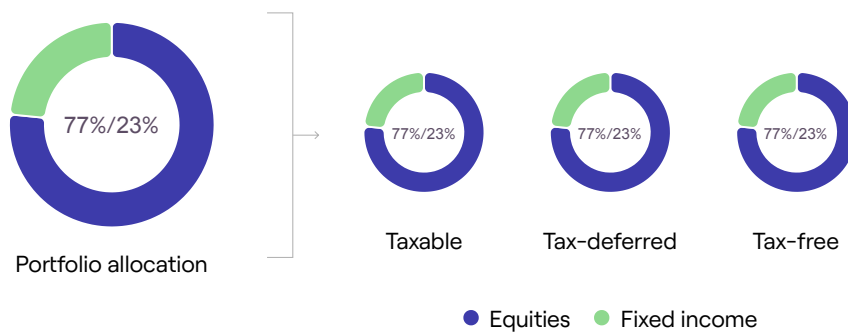
Summary of tax strategy - Current Plan



Proposed strategy results in

- \$2,653,657 less tax adjusted ending assets
- \$2,732,807 less taxes paid
- \$11,408,822 less withdrawals from tax-deferred accounts

Asset location - Current Plan



Proposed strategy results in

- \$2,653,657 less tax adjusted ending assets
- \$2,732,807 less taxes paid
- \$11,408,822 less withdrawals from tax-deferred accounts

Tax Strategies - Action items

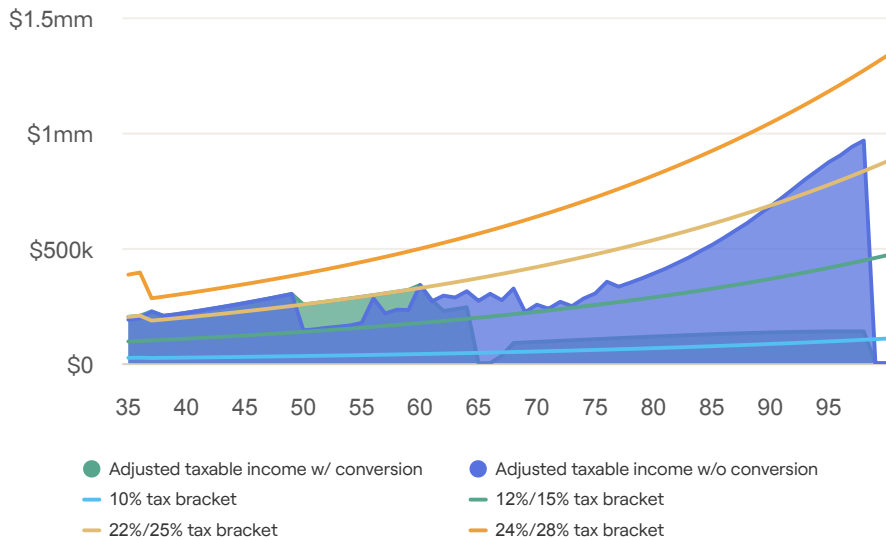
Proposed tax strategy

| | Proposed strategy | Reference strategy |
|------------------------------------|---------------------------------|---------------------------------|
| Asset location strategy | | |
| Equity allocation | Pro-rata | Pro-rata |
| Withdrawal strategy | | |
| Withdrawal sequence | Taxable, tax-deferred, tax-free | Taxable, tax-deferred, tax-free |
| Roth conversion strategy | | |
| Conversion target | Ordinary income tax bracket | None |
| Fill up the tax bracket | 22%/25% | |
| Estimated terminal tax rate | 15% | 15% |

Conversion refers to a process converting assets in a Traditional IRA or 401k account to a Roth IRA account. It is important to evaluate whether a conversion is appropriate for your specific financial circumstances and evaluate any consequences and tax implications of this strategy. Tax Cuts and Jobs Act repeals the rules permitting recharacterizations of Roth conversions, effective starting in 2018.

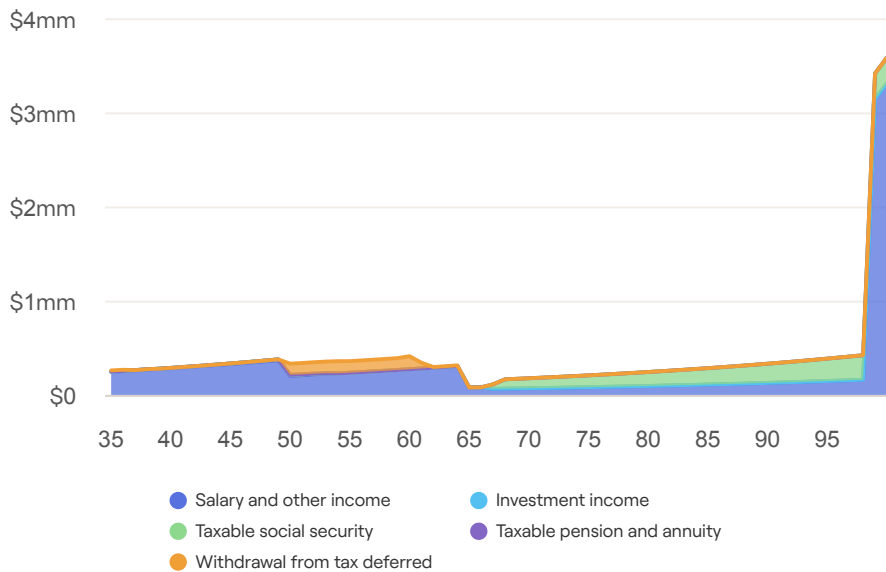
Tax Strategies - Calibration

Ordinary income tax bracket - Current Plan



Proposed strategy has
\$2,653,657 less
 tax adjusted ending assets
 than the Reference
 strategy

Key tax components - Current Plan

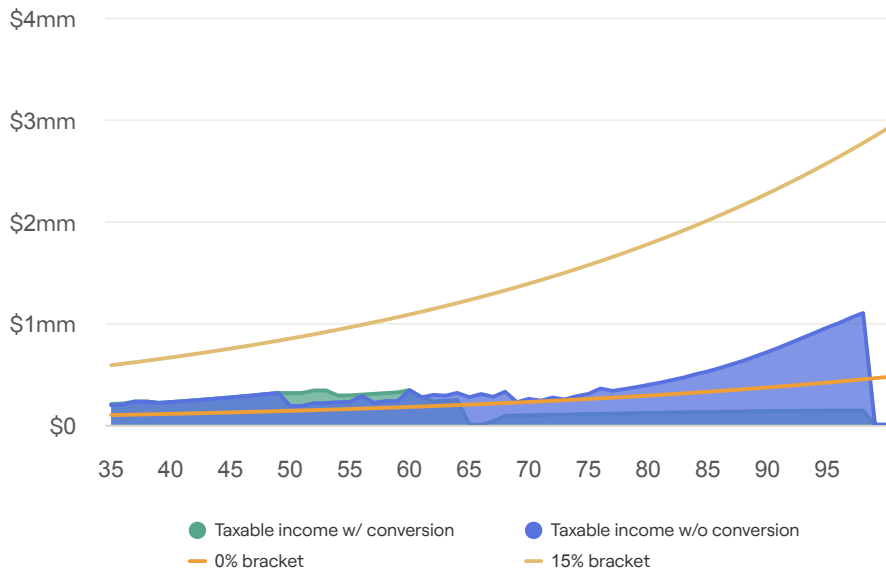


Proposed strategy has
\$2,653,657 less
 tax adjusted ending assets
 than the Reference
 strategy

Conversion refers to a process converting assets in a Traditional IRA or 401k account to a Roth IRA account. It is important to evaluate whether a conversion is appropriate for your specific financial circumstances and evaluate any consequences and tax implications of this strategy. Tax Cuts and Jobs Act repeals the rules permitting recharacterizations of Roth conversions, effective starting in 2018.

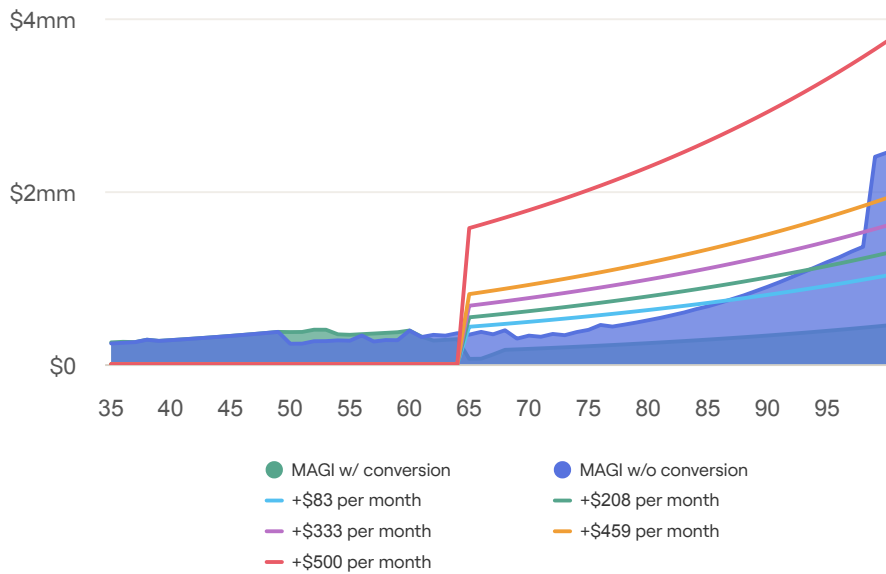
Tax Strategies - Calibration

Capital gains tax bracket - Current Plan



Proposed strategy has
\$2,653,657 less
 tax adjusted ending assets
 than the Reference
 strategy

Medicare premium tax bracket - Current Plan



Proposed strategy has
\$2,653,657 less
 tax adjusted ending assets
 than the Reference
 strategy

Conversion refers to a process converting assets in a Traditional IRA or 401k account to a Roth IRA account. It is important to evaluate whether a conversion is appropriate for your specific financial circumstances and evaluate any consequences and tax implications of this strategy. Tax Cuts and Jobs Act repeals the rules permitting recharacterizations of Roth conversions, effective starting in 2018.

Tax Strategies - Comparison

Tax adjusted ending wealth

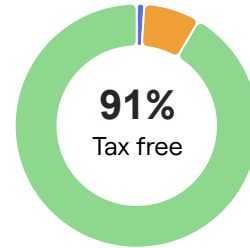
Proposed strategy



● Taxable ● Tax deferred ● Tax free

\$45,744,066 ending portfolio value

Reference strategy

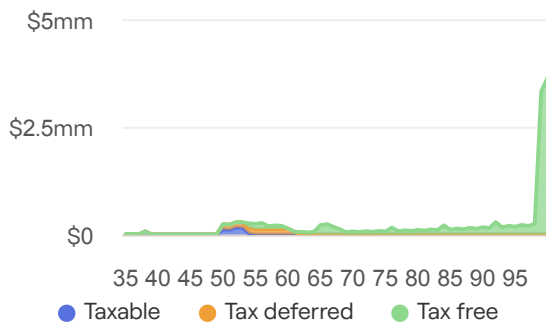


● Taxable ● Tax deferred ● Tax free

\$48,397,723 ending portfolio value

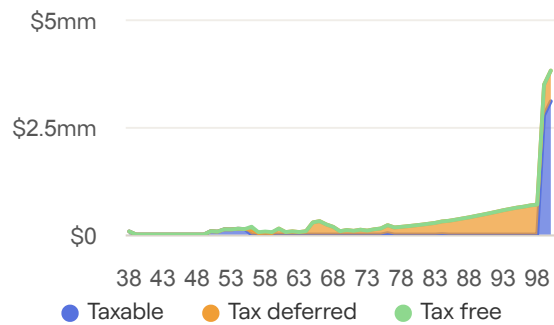
Withdrawal

Proposed strategy



● Taxable ● Tax deferred ● Tax free

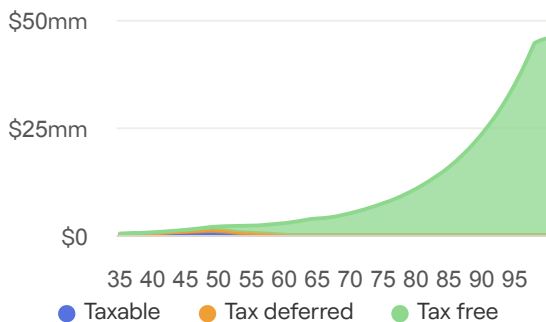
Reference strategy



● Taxable ● Tax deferred ● Tax free

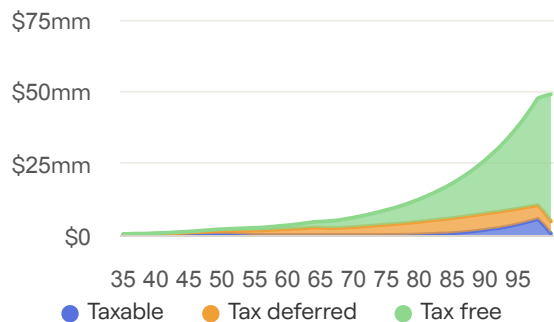
Account balance

Proposed strategy



● Taxable ● Tax deferred ● Tax free

Reference strategy



● Taxable ● Tax deferred ● Tax free

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

| | Melody | Mike |
|---------------------------------|-----------------|-----------------|
| Will | | |
| Document created | ✓ | ✓ |
| Name of Executor | Mike | Melody |
| Name of Guardian | Gary, then Jodi | Gary, then Jodi |
| Document last updated | 2023-09-28 | 2023-09-28 |
| Power of Attorney | | |
| Document created | ✓ | ✓ |
| Name of Power of Attorney | Mike | Melody |
| Document last updated | 2023-09-28 | 2023-09-28 |
| Living Will | | |
| Document created | ✓ | ✓ |
| Document last updated | 2023-09-28 | 2023-09-28 |
| Health Care Proxy | | |
| Document created | ✓ | ✓ |
| Name of Health Care Proxy | Mike | Melody |
| Document last updated | 2023-09-28 | 2023-09-28 |
| Beneficiary Designations | | |
| Created and reviewed | ✓ | ✓ |
| Living Trust | | |
| Document created | ✓ | ✓ |
| Document last updated | 2023-09-28 | 2023-09-28 |

Beneficiaries

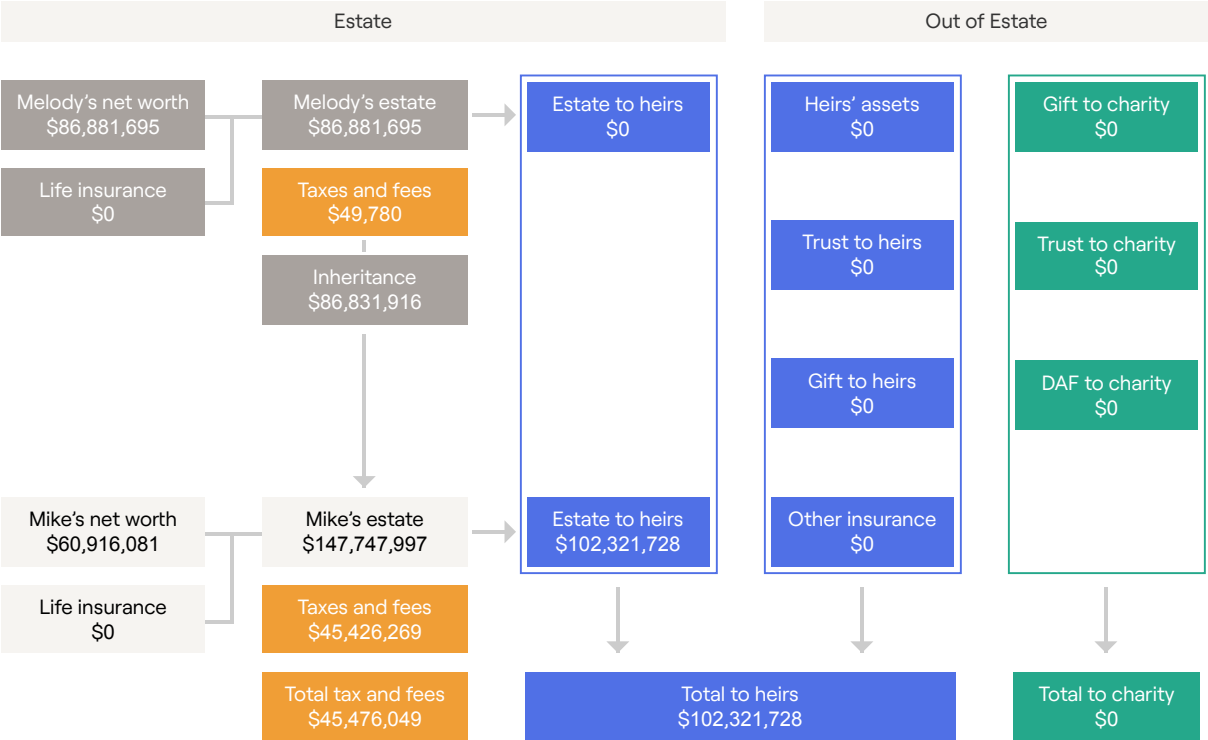
Life changes, it is important to review your beneficiaries periodically to ensure your money will go where you intended.

| | Account Balance | Death Benefit | Primary Beneficiary | Contingent Beneficiary |
|-----------------------------|-----------------|---------------|-------------------------|------------------------|
| Bank | | | | |
| Melody's Accounts | | | | |
| Joint Checking Account | \$5,000 | | | |
| Joint Accounts | | | | |
| Joint Savings Account | \$40,000 | | | |
| Invested Assets | | | | |
| Melody's Accounts | | | | |
| Melody's Solo 401(k) | \$95,000 | | | |
| Melody's HSA | \$10 | | | |
| Harmony's 529 Plan | \$0 | | | |
| Mike's Accounts | | | | |
| Mike's 401(k) | \$73,000 | | Custom Mike's mother | |
| Joint Accounts | | | | |
| Joint Brokerage Account | \$62,645 | | | |
| Life Insurance | | | | |
| Mike's Accounts | | | | |
| Mike's Group Life Insurance | | \$115,000 | Custom Mike's mother | |

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.

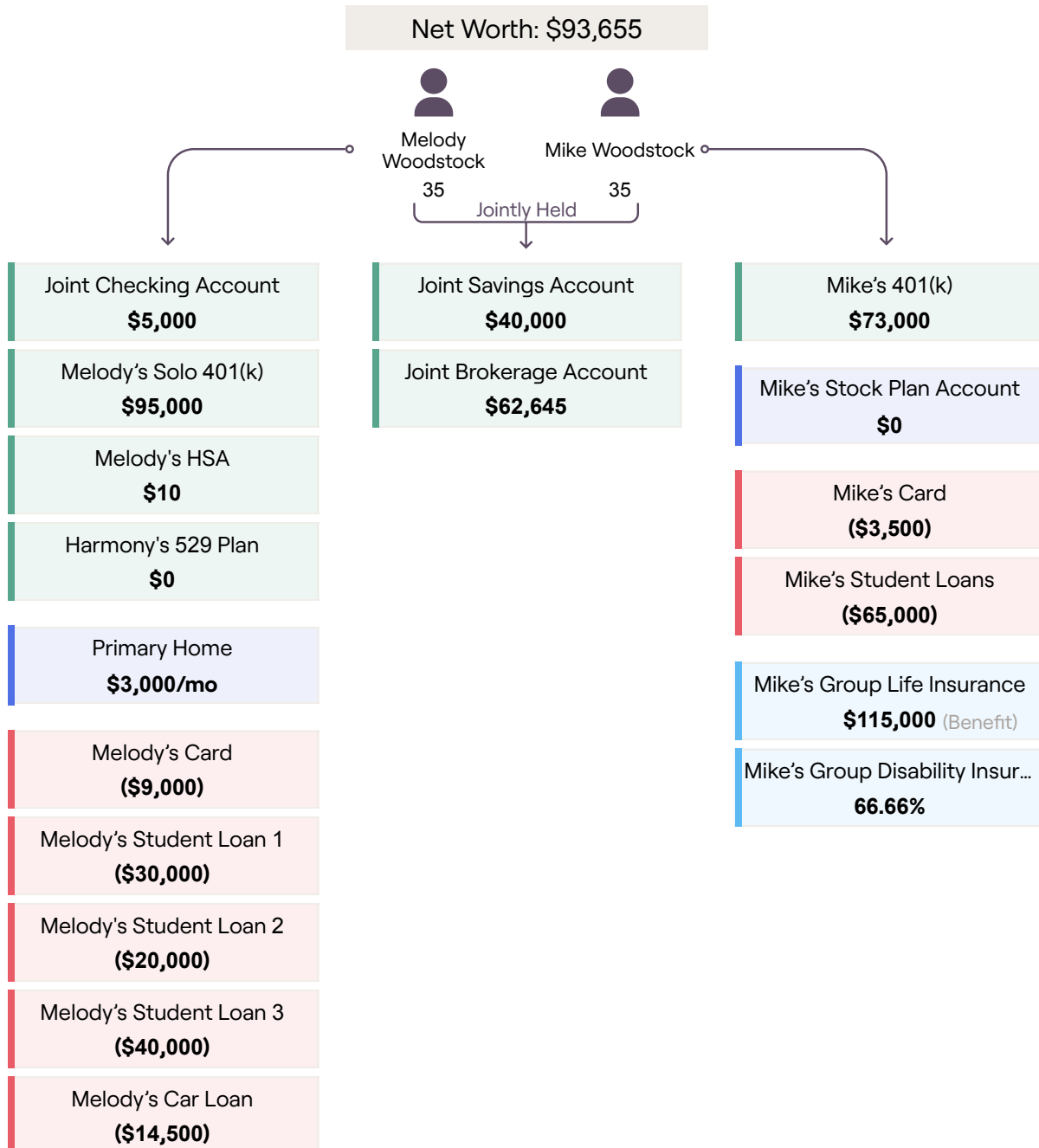
Estate flow chart



Blueprint - Net Worth

- Bank & Investments
- Stock plan & Properties & Other assets
- Card & Loans
- Insurance

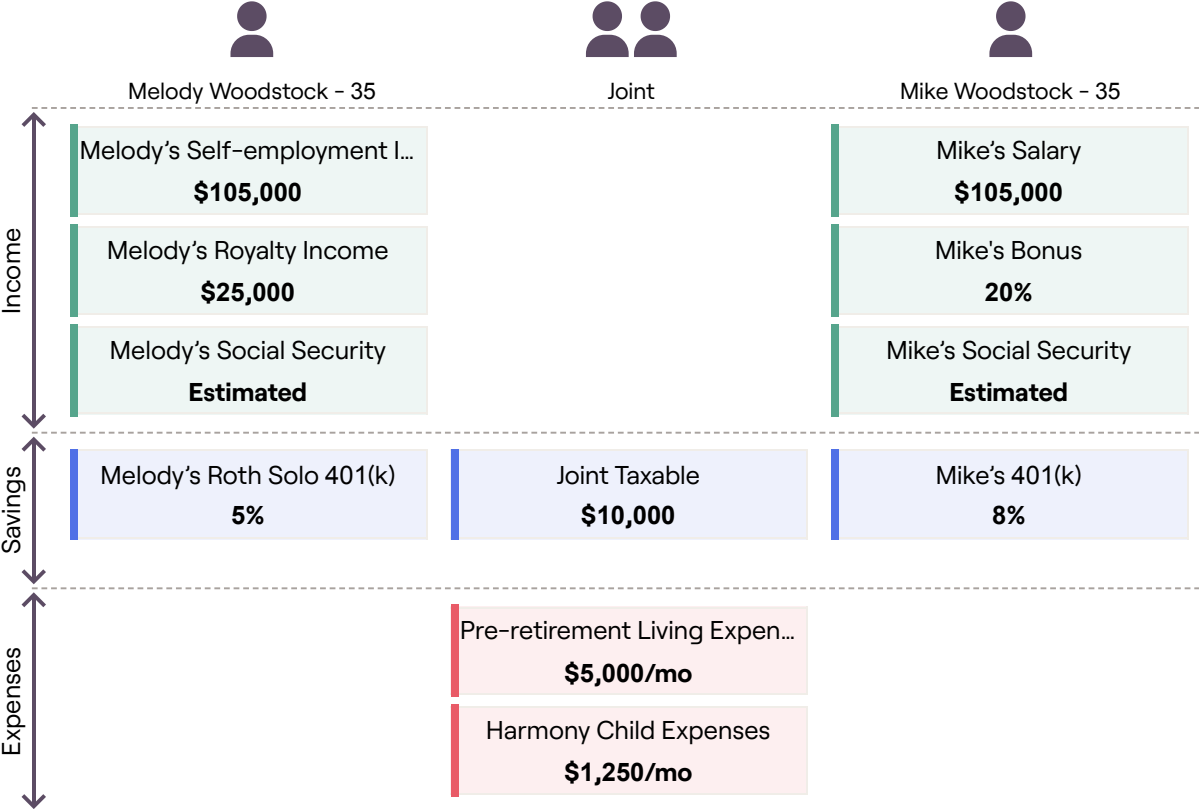
 Harmony - 0



Blueprint - Income, Savings, Expenses

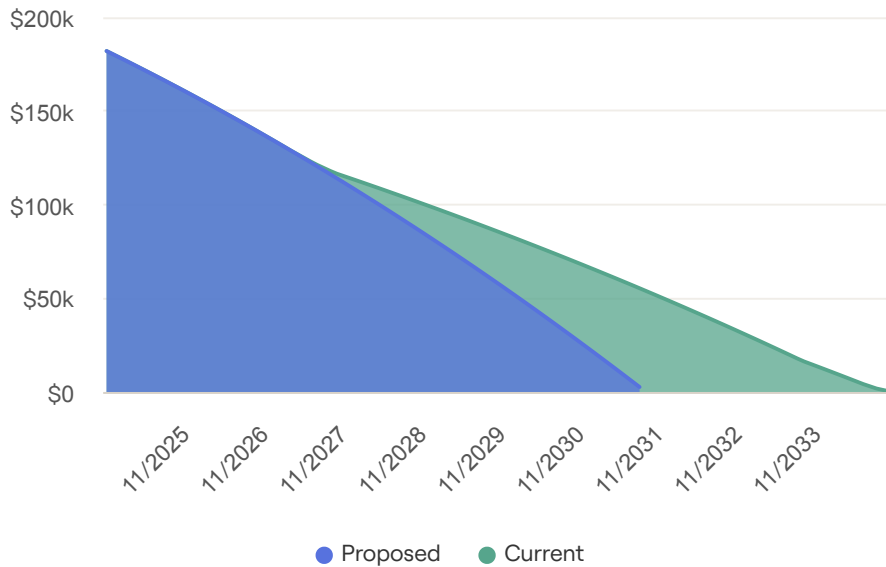
- Income
- Savings
- Expenses

Income, Savings, Expenses



Debt Management

Balance of selected debt



Total savings of
\$11,697
 and debt free
38
 months sooner

Proposed payment strategy

| Payment priority | Highest to lowest interest rate |
|-------------------------------------|---------------------------------|
| Current total monthly payment | \$2,699 |
| Proposed additional monthly payment | \$0 |
| Proposed total monthly payment | \$2,699.00 |

Individual loan strategy

| Loan name | Interest rate | Balance | Strategy |
|-------------------------|---------------|------------|-------------------------------|
| Melody's Card | 17% | \$9,000.00 | Use proposed payment strategy |
| Mike's Card | 17% | \$3,500.00 | Use proposed payment strategy |
| Melody's Student Loan 1 | 5% | \$30,000 | Use proposed payment strategy |
| Melody's Student Loan 2 | 3% | \$20,000 | Use proposed payment strategy |
| Melody's Student Loan 3 | 6% | \$40,000 | Use proposed payment strategy |
| Melody's Car Loan | 5% | \$14,500 | Use proposed payment strategy |
| Mike's Student Loans | 7% | \$65,000 | Use proposed payment strategy |

Debt Management Payments

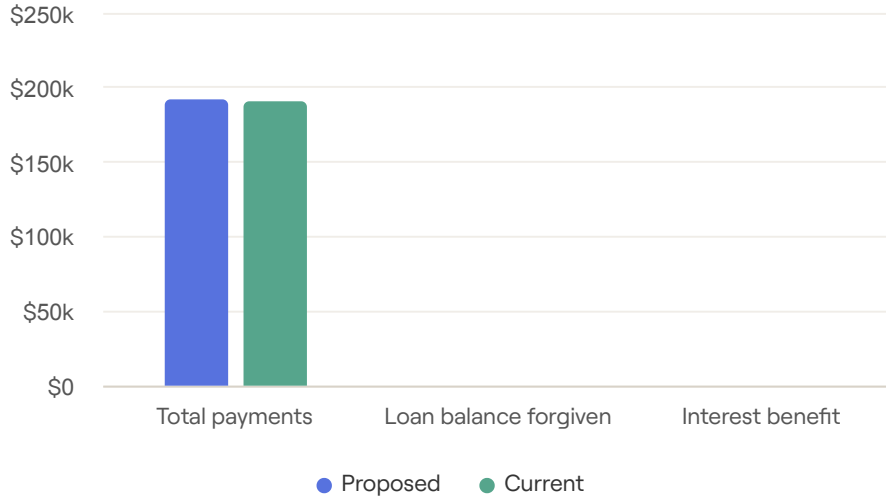
Proposed payments for next month

| Debt Name | Balance | Interest Rate | Minimum Payment | Current Payment | Proposed Payment |
|-------------------------|----------|---------------|-----------------|-----------------|------------------|
| Melody's Card | \$9,000 | 17% | \$115 | \$350 | \$450 |
| Mike's Card | \$3,500 | 17% | \$50 | \$150 | \$50 |
| Melody's Student Loan 1 | \$30,000 | 5% | \$350 | \$350 | \$350 |
| Melody's Student Loan 2 | \$20,000 | 3% | \$200 | \$200 | \$200 |
| Melody's Student Loan 3 | \$40,000 | 6% | \$449 | \$449 | \$449 |
| Melody's Car Loan | \$14,500 | 5% | \$450 | \$450 | \$450 |
| Mike's Student Loans | \$65,000 | 7% | \$750 | \$750 | \$750 |

Student Loans Summary

A proper student loan strategy can help minimize your payments or take advantage of the Public Service Loan Forgiveness program.

Student loan summary



Total savings of
(\$1,049)
 balance forgiven
\$0
 Interest benefit
\$0

Information

| | Melody | Mike |
|--------------------|------------------------|--------------------|
| New borrower as of | After July 1, 2014 | After July 1, 2014 |
| Tax filing status | Married filing jointly | |

Proposals

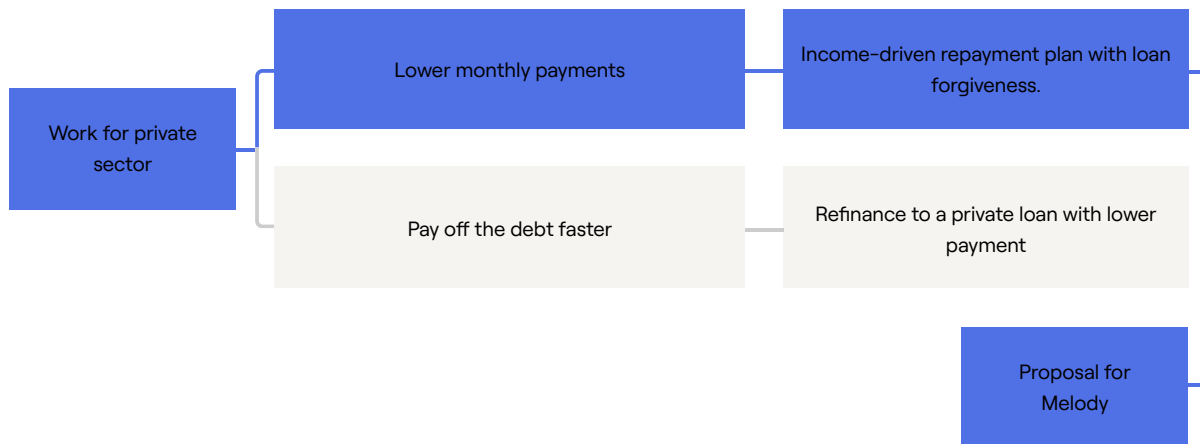
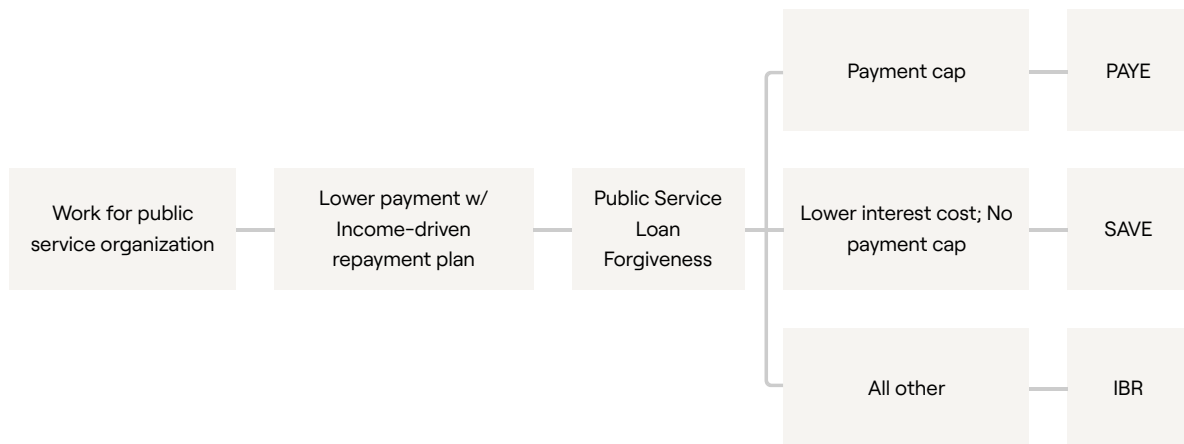
| | Melody | Mike |
|-----------------------|---------------------------------|---------------------------------|
| Planned career | Plan to work for private sector | Plan to work for private sector |
| Proposed payment plan | SAVE | Standard |
| Loan consolidation | Do not consolidate | |

Student Loan Options

| Loan Name | Loan Type | Balance | Rate | Payment |
|-------------------------|----------------------------|----------|------|---------|
| Melody's Student Loan 1 | Direct Subsidized Loan | \$30,000 | 5% | \$350 |
| Melody's Student Loan 2 | Direct Unsubsidized Loan | \$20,000 | 3% | \$200 |
| Melody's Student Loan 3 | Direct Unsubsidized Loan | \$40,000 | 6% | \$449 |
| Mike's Student Loans | Private/institutional loan | \$65,000 | 7% | \$750 |

| Loan Name | Loan Type | Income-driven Repayment Plan Eligibility | PSLF Eligibility | Private Refinance |
|-------------------------|----------------------------|--|------------------|-------------------|
| Melody's Student Loan 1 | Direct Subsidized Loan | IBR, PAYE, SAVE | Yes | Possible |
| Melody's Student Loan 2 | Direct Unsubsidized Loan | IBR, PAYE, SAVE | Yes | Possible |
| Melody's Student Loan 3 | Direct Unsubsidized Loan | IBR, PAYE, SAVE | Yes | Possible |
| Mike's Student Loans | Private/institutional loan | | Ineligible | Possible |

Student Loan Strategy



Summary of User Input

Your financial plan is based on the following information:

Family

| Name | Date of Birth | Planning Horizon | Relationship |
|---------|---------------|------------------|--------------|
| Melody | Aug 15, 1989 | 100 | Client |
| Mike | Aug 16, 1989 | 100 | Co-client |
| Harmony | Apr 27, 2024 | | Child |

Income

| Name | Annual Amount | Starting | Ending | Annual Increase |
|---------------------------------|------------------------|-----------------|----------------------|-----------------|
| Melody's Self-employment Income | \$105,000 | Already started | Melody's retirement | 3% |
| Melody's Royalty Income | \$25,000 | 2023 | Melody's end of plan | 3% |
| Mike's Salary | \$105,000 | Already started | Mike's retirement | 3% |
| Mike's Bonus | 20% | 2023 | Mike's retirement | |
| Melody's Social Security | Estimated using Salary | | | |
| Mike's Social Security | Estimated using Salary | | | |

Savings

| Name | Annual Amount | Starting | Ending | Annual Increase |
|---------------------------|---------------|-----------------|---------------------|-----------------|
| Melody's Roth Solo 401(k) | 5% | Already started | Melody's retirement | |
| Mike's 401(k) | 8% | Already started | Mike's retirement | |
| Joint Taxable | \$10,000 | Already started | Mike's retirement | 0% |

Expenses

This report is not complete without the accompanying disclosure page.

| Name | Monthly Amount | Starting | Ending | Annual Increase |
|--------------------------------|----------------|-----------------|--------------|-----------------|
| Harmony Child Expenses | \$1,250 | 2024 | After 18 yrs | |
| Pre-retirement Living Expenses | \$5,000 | Already started | | |

Retirement Goals

| Name | Retirement age | Annual retirement Health care | Annual retirement Long term care | Long term care duration |
|--------|----------------|-------------------------------|----------------------------------|-------------------------|
| Melody | 65 | \$6,092 | \$68,640 | 2 |
| Mike | 50 | \$6,092 | \$68,640 | 2 |

Other Goals

| Name | Amount | Starting | Ending | Frequency |
|----------------------------|-----------|-------------------|----------------------|---------------|
| Retirement Monthly Expense | \$7,000 | Mike's retirement | End of both plans | Every 1 year |
| First Home Purchase | \$450,000 | 2027 | | |
| Harmony's College Goal | \$28,840 | 18 | 21 | Every 1 year |
| Melody's Car Goal | \$25,000 | 2025 | End of both plans | Every 8 years |
| Joint Vacation Goal | \$7,000 | 2027 | Melody's end of plan | Every 2 years |

Insurance

| Name | Type | Owner | Benefit |
|-----------------------------------|----------------------------|-------|-----------|
| Mike's Group Life Insurance | Group Life Insurance | Mike | \$115,000 |
| Mike's Group Disability Insurance | Group Disability Insurance | Mike | 66.66% |

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 | 11.1% | 17% |
| Large Value | 11.1% | 17% |
| Mid Cap | 10.31% | 17.98% |
| Small Cap | 10.33% | 18.18% |
| International Equities | 8.62% | 20.66% |
| Emerging Markets | 9.45% | 31.45% |

| Asset Class | Total Return | Volatility |
|---------------------|--------------|------------|
| Real Estate | 9.35% | 16.97% |
| Government | 3.89% | 8.85% |
| Municipal | 4.35% | 4.75% |
| Corporate | 4.05% | 4.92% |
| High Yield | 6.33% | 14.94% |
| International Bonds | 4.05% | 4.92% |

| Asset Class | Total Return | Volatility |
|-------------|--------------|------------|
| Cash | 1.66% | 1.78% |
| Other | 11.1% | 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.