> **Note:** This example is for a fictional Rain Dog client.

Investment Plan for Brian and Grace Park

Prepared on November 20, 2026

Rain Dog FINANCIAL

2026

Personal Investment Plan

Prepared for Brian and Grace Park

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Disclaimer

This report is intended to review your current investment and financial situation and suggest potential planning ideas and concepts that may be of benefit.

IMPORTANT: **The forecasts or other information generated by Rain Dog regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.**

Historical data has been used to produce assumptions about future performance, however historical performance is not a guarantee of future performance. Any forecast of the future contains uncertainty, and so actual results will vary from these forecasts, perhaps significantly.

This report has been prepared based on information provided by you. The accuracy and completeness of that information has not been verified. If any of that information is incorrect or changes, that could significantly affect the outcome of this analysis. We recommend that you review your plan annually, or more frequently if your personal or financial circumstances change.

This report does not consider individual securities except to the degree that they can be characterized as belonging to one or more asset classes. The asset classes and return rates used for asset classes are based on historical data, and future performance may be different than historical performance, especially over shorter periods of time (i.e., less than 10 years). All investments are inherently risky, their values can fluctuate over time, and they may lose value.

This report does not constitute advice in accounting, legal, or tax, so consult with your accounting, legal or tax advisors before implementing any accounting, legal or tax strategies.

Please note that there may be minor variations due to calculation methodologies.

If you have any questions, please contact us.

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Financial Snapshot

Primary Financial Objectives

1. Maintain Comfort income
2. Basic retirement readiness
3. Bonus retirement readiness
4. High income while young
5. Portfolio diversification
6. Avoid extended down periods, worst case

Solution Score on Financial Objectives (10-point scale): **9.3**

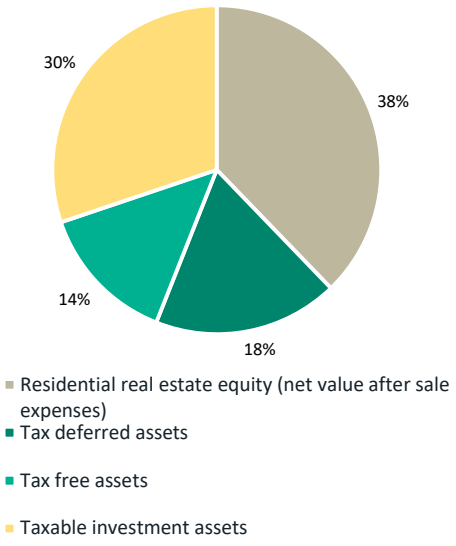
Probability of meeting Income Goals: **98%**

Probability of meeting Legacy Goals: **100%**

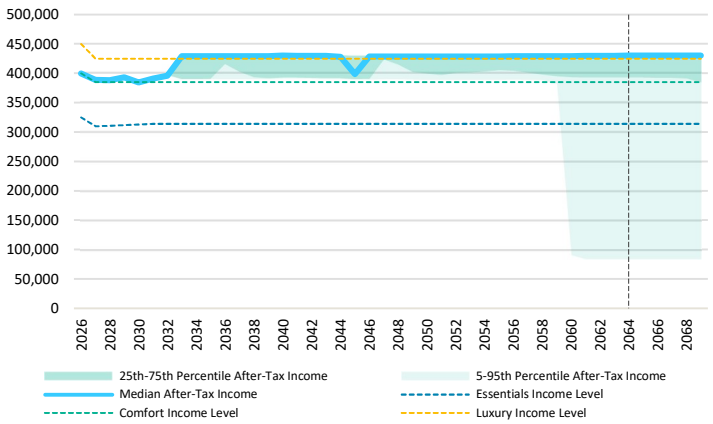
Balance Sheet

Category	Asset	Liability
Real estate (residence)	6,000,000	1,500,000
Tax deferred assets	1,928,000	n/a
Tax free assets	1,464,000	n/a
Taxable investment assets	3,192,000	0
Other investment assets	100,000	0
Personal property & debt	100,000	40,000
Total	12,780,000	1,540,000
Net Worth		**11,240,000**

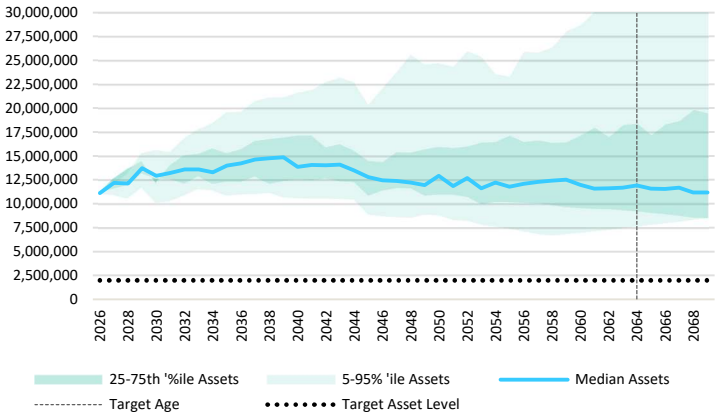
Assets by Tax Category



Cone of Uncertainty for Income



Cone of Uncertainty for Assets

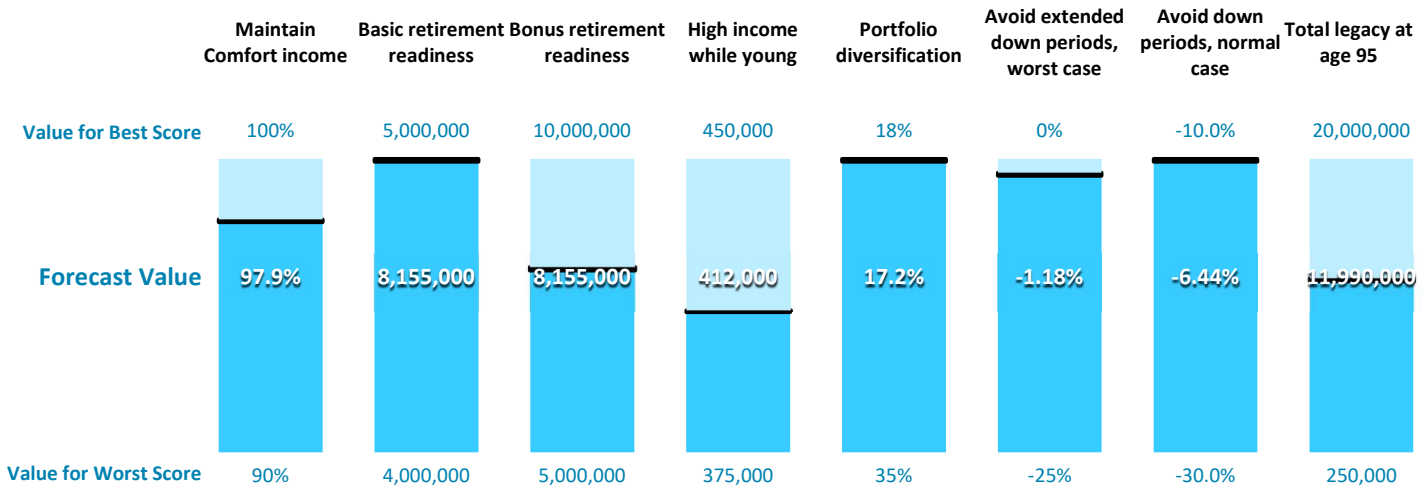


This plan is not complete without the accompanying disclosure pages.

Financial Plan Score

Financial Plan Score **9.3**

Financial planning requires balancing tradeoffs between competing objectives. To help obtain the best overall solution, Rain Dog creates a Financial Plan Score on a scale of 0-10 based on the priorities you have defined. Rain Dog uses "minimum threshold" critera to check for failure of the whole solution. If any minimum threshold criteria is not met, the entire solution score is 0. Otherwise, the individual scores are combined into an overall score.



Minimum-Threshold Criteria	Forecast Value	Minimum Level	Status
Basic retirement readiness	8,125,000	4,000,000	Pass
High income while young	412,500	375,000	Pass
Portfolio diversification	17%	35%	Pass

Scalar Criteria	Forecast Value	Score	Weight	% of Total
Maintain Comfort income	98%	7.9	10.0	21%
Basic retirement readiness	8,155,000	10.0	10.0	21%
Bonus retirement readiness	8,155,000	6.3	2.5	5%
High income while young	411,600	4.9	9.0	19%
Portfolio diversification	17%	10.0	6.0	13%
Avoid extended down periods, worst case	-1%	9.5	5.0	11%
Avoid down periods, normal case	-6%	10.0	2.5	5%
Total legacy at age 95	12,000,000	5.9	2.5	5%

Planning Checklist for Brian & Grace

Wealth Creation

Savings

- ✓ House
- ✓ Mortgage (low interest)
- \- Education
- ✓ Retirement
- ✓ Other major purchase(s)

Investments

- ✓ Suitability
- ✓ Asset allocation
- ✓ Diversification
- ✓ Specific concentration(s)
- ✓ Tax efficiency

Taxes

- ✓ Tax-deferred savings
- ✓ Tax-free savings
- \- Education savings
- ✓ Estate plans

Legend

- ✓ On track
- ⚑ Plan in place
- ⚑ To be reviewed
- ! Area of concern
- ✗ Area of risk
- \- Not applicable

Wealth Protection

Budgeting & Cash Flow

- ✓ Debt management
- ✓ Current cash flow plan

Risk Management & Insurance

- ✓ Life
- ✓ Health
- \- Disability
- ✓ Long-term care & planning
- ✓ Home
- ✓ Auto
- ✓ Umbrella
- \- Business & professional liability

Retirement

- ✓ Visioning
- ✓ Retirement cash flow plan
- ✓ Social Security
- ✓ Medicare
- \- Required minimum distributions
- \- Business succession plan

End of Life Planning

- ✓ Will/trust/estate plan
- ✓ Living will & healthcare POA
- ✓ Financial POA

Key Planning Points for Brian & Grace

Near Term

1. Allocate tax-deferred and tax-free assets using "Cautious Growth (Sortino)" portfolio
2. Allocate taxable assets using "Cautious Growth (Sortino)" portfolio
3. Convert 100% of tax-deferred retirement funds to Roth using limit of: Tax-optimize
4. Plan for a sustained withdrawal rate in retirement of 5.5% rather than the traditional 4.0%
5. Budget approximately 2% of home purchase price(s) annually for taxes, insurance & maintenance

Mid-Term to Long Term

1. Convert 100% of tax-deferred retirement funds to Roth using limit of: Tax-optimize
2. Plan to begin taking social security at age 70; revisit that assumption annually to consider updated market conditions and other factors
3. Plan to take maximum annual withdrawal amounts of 5.5% of the Average of last 2 years' EOY investment values; this budget can be set annually
4. After retirement begins, plan to withdraw money using tax-smart withdrawals for tax regime at that time
5. Revisit investment mix, "glide path", risk tolerance, and other assumptions annually

Brian & Grace's Investment Goals



Certainty
Brian & Grace would like their plans to sustain them through age 90.
Brian & Grace would like at least a 90% chance of meeting their financial goals.



Timing	
Year that Brian & Grace will begin using retirement funds	2033
Age that Brian will start social security	70.0
Age that Grace will start social security	67.0
Life expectancy	90
Maximum lifespan	95

Plans are based on age(s) 99/90.



Goals for Real Estate (next 10 years)
2027 - Buy a property, 'Vacation Home'
2027 - Sell a property, 'Rental House, Bellevue'
2030 - Buy a property, 'Transition Residence'
2030 - Sell a property, '1111 Main Street, Bellevue, WA 98004'



Goals for Major Purchases & Expenses	Amount	Start Year	End Year
Brian & Grace do not have any major purchase goals.			

Brian & Grace's Investment Goals

Annual Income Plans	
Current W2 or self-employment Income	See yearly detail
Current supplemental income	See yearly detail
Current spending	See yearly detail
Minimum retirement spending to start	See yearly detail
Essential level spending	See yearly detail
Comfort level spending	See yearly detail
Luxury level spending	See yearly detail
Maximum spending limit	See yearly detail

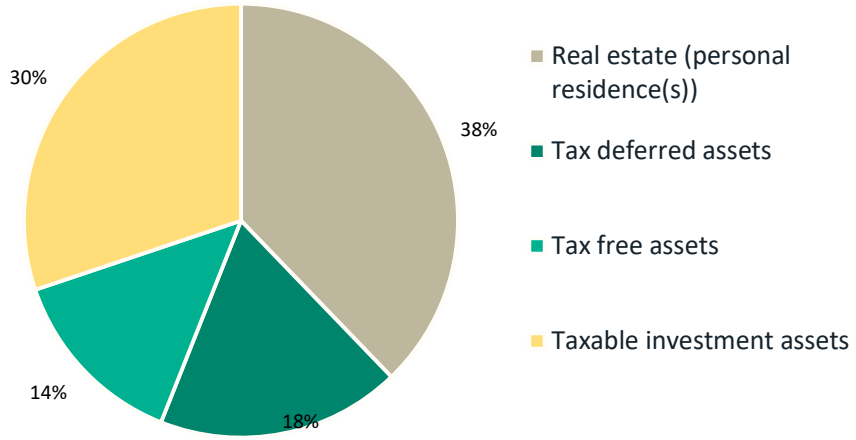
Social Security	
Brian's expected monthly social security benefit from SSA statement	2,500-5,000
Brian's planned social security start age	70.0
Brian's expected annual social security benefit at planned start age	60,000
Grace's expected monthly social security benefit from SSA statement	1,250-2,500
Grace's planned social security start age	67.0
Grace's expected social security benefit at planned start age	24,200

Legacy Goals	
Goal for minimum net worth at age 90	2,000,000
This amount includes real estate	

Other Background	
Brian's birthdate	7/1/65
Brian's age this year (as of December 31)	61
Grace's birthdate	10/1/74
Grace's age this year (as of December 31)	52
Tax filing status	Married Filing Jointly

Current Investments

Assets	Amount	% of Total
Real estate (personal residence(s))	6,000,000	47.3%
Residential real estate equity (net value after sale expenses)	*4,000,000*	-
Tax deferred assets	1,928,000	15.2%
Tax free assets	1,464,000	11.5%
Taxable investment assets	3,192,000	25.2%
Other/out of scope investment assets	100,000	0.8%
Total	12,680,000	100.0%



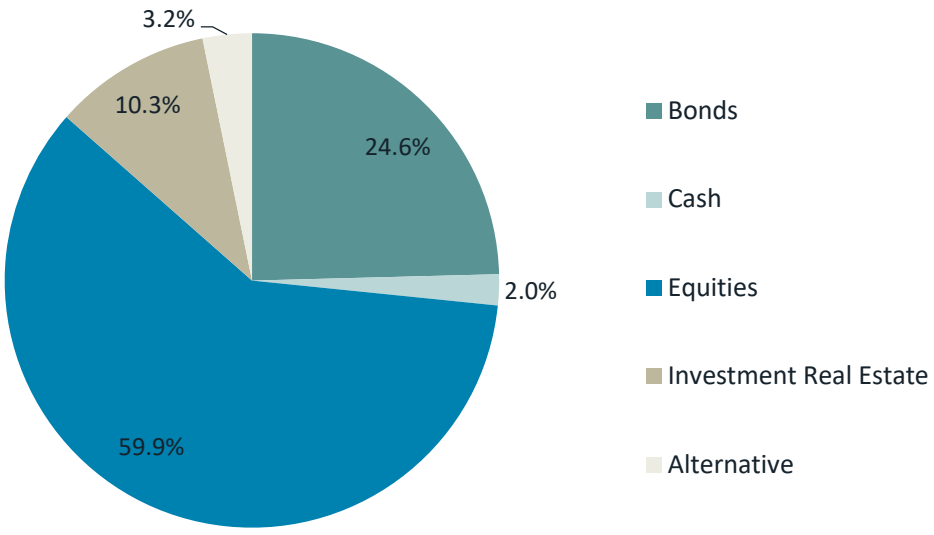
Largest Current Investments, by Asset Class

Asset Class	Investments	Tax-Free	Tax-Deferred	Taxable
US Stocks–Large Cap Blend	VOO, VCh Growth	-	-	877,000
US Stocks–Small Cap Value	VBR, VSIAX	443,000	153,000	207,000
Sector–IT	XLK, TQQQ, USD	363,000	-	410,000
Sector–Health Care	VHT	456,000	-	304,000
Private Real Estate (net after sale)	Various	-	-	688,000
Bonds–Treasuries, Long-Term	VGLT, VCh Growth	-	636,000	-
Bonds–Corporate, IG, Short-Term	BSCR, BSCS, BSCQ	-	371,000	-
US Stocks–Large Cap Value	VTV	-	-	367,000
Bonds–Treasuries, Intermediate	VGIT, VCh Growth	-	312,000	-
US Stocks–Small Cap Growth	VBK, VCh Growth	-	-	298,000
Other		202,000	456,000	40,800
Total		1,464,000	1,928,000	3,192,000

Current Investment Assets—Asset Allocation

This description of your asset allocation is based on an analysis of the underlying holdings of your assets and might not match how the assets are described in your financial statements. Mappings between your current assets and Rain Dog's standard asset classes may be inexact.

	Current Asset Allocation	Category	Tax-deferred	Tax-free	Taxable	Overall
1	US Stocks–Large Cap Blend	Equity	-	-	27.5%	13.6%
2	US Stocks–Small Cap Value	Equity	8.0%	30.3%	6.5%	12.0%
3	Sector–IT	Equity	-	24.8%	12.9%	11.6%
4	Sector–Health Care	Equity	-	31.1%	9.5%	11.4%
5	Private Real Estate (net after sale)	Real Estate	-	-	21.6%	10.3%
6	Bonds–Treasuries, Long-Term	Bonds	33.0%	-	-	9.6%
7	Bonds–Corporate, IG, Short-Term	Bonds	19.2%	-	-	5.6%
8	US Stocks–Large Cap Value	Equity	-	-	11.5%	5.5%
9	Bonds–Treasuries, Intermediate	Bonds	16.2%	-	-	4.7%
10	US Stocks–Small Cap Growth	Equity	-	-	9.3%	4.5%
11	Gold	Alternative	3.7%	9.8%	-	3.2%
12	Bonds–Treasuries, Long Duration, Zero Coupc	Bonds	10.0%	-	-	2.9%
13	Bonds–Corporate, High Yield	Bonds	5.3%	-	-	1.5%
14	Money Market	Cash	3.9%	0.0%	0.7%	1.4%
15	Sector–Energy	Equity	-	4.0%	-	0.9%
16	Cash, M1	Cash	-	-	0.6%	0.6%
17	International Stocks–Developed ex-US	Equity	-	-	-	0.2%
18	Bonds–Corporate, IG, Intermediate	Bonds	0.7%	-	-	0.2%
19	International Stocks–Emerging Markets	Equity	-	-	-	0.1%
20	-		-	-	-	-

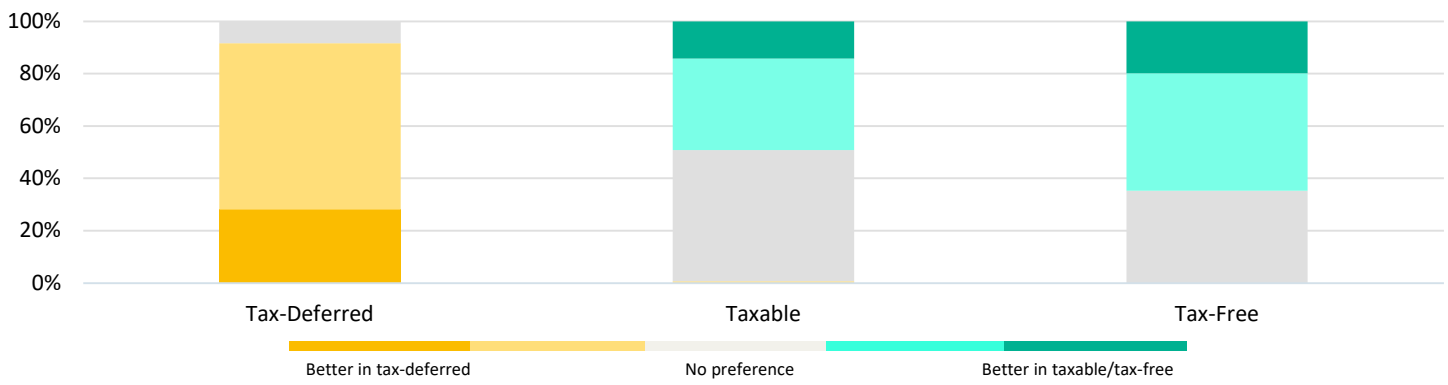


Current Investment Assets—Asset Location

This analysis calculates the best after-tax performance of each asset class within each tax-status location. This analysis is based on your specific current and expected future tax rates and general attributes of the asset classes in your portfolio. It does not consider the specific characteristics of individual securities, including cost basis and holding period, which could alter this analysis. The assumptions about your future tax rates are subject to change.

Current Asset Location		Total Allocation	Most Suitable Location	Primary Current Location
1	US Stocks–Large Cap Blend	13.6%	Neutral	Taxable
2	US Stocks–Small Cap Value	12.0%	Neutral	Tax-free
3	Sector–IT	11.6%	Taxable	Taxable
4	Sector–Health Care	11.4%	Taxable	Tax-free
5	Private Real Estate (net after sale)	10.3%		Taxable
6	Bonds–Treasuries, Long-Term	9.6%	Tax-Deferred	Tax-deferred
7	Bonds–Corporate, IG, Short-Term	5.6%	Tax-Deferred	Tax-deferred
8	US Stocks–Large Cap Value	5.5%	Neutral	Taxable
9	Bonds–Treasuries, Intermediate	4.7%	Tax-Deferred	Tax-deferred
10	US Stocks–Small Cap Growth	4.5%	Taxable	Taxable
11	Gold	3.2%	Neutral	Tax-free
12	Bonds–Treasuries, Long Duration, Zero Coupon	2.9%	Tax-Deferred	Tax-deferred
13	Bonds–Corporate, High Yield	1.5%	Tax-Deferred	Tax-deferred
14	Money Market	1.4%	Tax-Deferred	Tax-deferred
15	Sector–Energy	0.9%	Neutral	Tax-free
16	Cash, M1	0.6%		Taxable
17	International Stocks–Developed ex-US	0.2%	Neutral	Tax-deferred
18	Bonds–Corporate, IG, Intermediate	0.2%	Tax-Deferred	Tax-deferred
19	International Stocks–Emerging Markets	0.1%	Neutral	Tax-deferred
20	-			

Current Asset Location



Current Investments—Technical Analysis

Key Statistics	Current Investments	Benchmarks: Bonds–Corporate, IG, Intermediate	Benchmarks: US Stocks–Large Cap Blend
Compound Annual Growth Rate (CAGR) (in real dollars)	**6.7%**	2.5%	7.8%
Average return (in real dollars)	**8.3%**	2.8%	9.3%
Semi-deviation (risk of loss)	**7.1%**	4.5%	11.8%
Standard deviation (volatility)	**12.2%**	7.0%	17.3%
Best year, historically	**34.0%**	21.4%	37.5%
Worst year, historically	**-19.4%**	-14.0%	-37.0%
Worst 2 years, historically	**-13.8%**	-15.5%	-33.6%
Worst 3 years, historically	**-5.6%**	-7.9%	-37.7%
Beta (vs. S&P 500)	**47.4%**	19.9%	100.0%
Alpha (vs. S&P 500)	**1.4%**	3.1%	0.0%
Sortino ratio	**1.62**	1.03	1.13
Sharpe ratio	**0.69**	0.75	0.62

These statistics are based on historical data; future performance may be different or worse.

Possible Results of a $10,000 investment	Current Investments	Bonds–Corporate, IG, Intermediate	US Stocks–Large Cap Blend
Expected value after 1 year (in real dollars)	**11,000**	10,000	11,000
Expected value after 5 years (in real dollars)	**15,000**	11,000	16,000
Expected value after 10 years (in real dollars)	**22,500**	13,000	24,000
Best 1 year gain over 10 years, forecast	**3,700**	2,200	4,100
Worst 1 year drop over 10 years, forecast	**-2,100**	-1,400	-4,000
Worst 2 year drop over 10 years, forecast	**-1,500**	-1,600	-3,700
Worst 3 year drop over 10 years, forecast	**-610**	-810	-4,100

These forecasts are based on historical data, which does not guarantee future performance.

New/Updated Investment Plan

Working Years: "Cautious Growth"	Investment Model
Working Years, tax-deferred	Cautious Growth (Sortino)
Working Years, tax-free (Roth)	Cautious Growth (Sortino)
Working Years, taxable	Cautious Growth (Sortino)

"Cautious Growth" is considered to be a(an) Medium-low risk/medium reward plan.

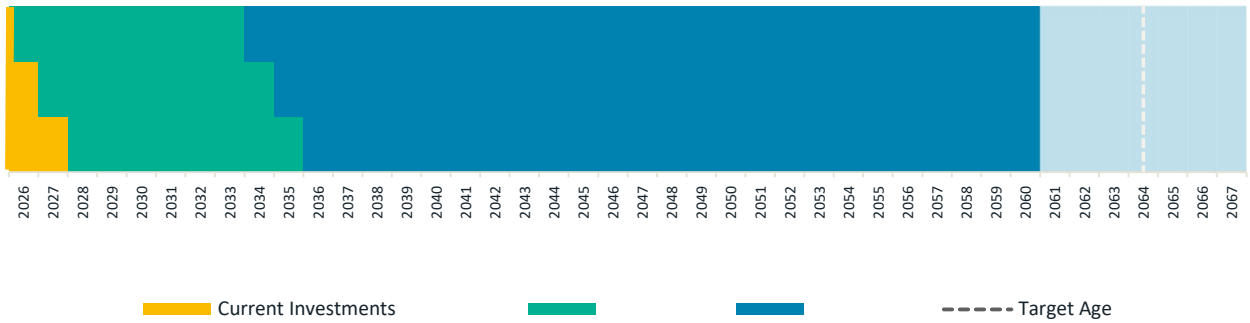
Planned Annual Contributions	Contribution
Tax-deferred	See yearly detail
Tax-free	See yearly detail
Taxable	See yearly detail

Plan for Portfolio Rebalancing	Timing
Tax-deferred, rebalance every	1 year
Tax-free, rebalance every	1 year
Taxable, rebalance every	1 year

Plans Considered	
Number of trials used in Monte Carlo simulations	1,000
Number of portfolios evaluated to create the recommended plan	41,500,000
Advisor fees	Rain Dog's standard fee structure

Phase Plan

Plan Phases



Plan for converting current portfolio to Working Years portfolio	Timing
Year to begin changing tax-advantaged assets to new asset allocation	2026
Year to begin changing taxable assets to new asset allocation	2026
Number of years for conversion of taxable investments to new plan	3

Retirement portfolio	Investment Model
Retirement, tax-deferred	Stable Retirement 8%
Retirement, tax-free (Roth)	Stable Retirement 8%
Retirement, taxable	Stable Retirement 8%

Plan for converting Working Years portfolio to Retirement portfolio	Timing
Year to begin changeover	2034
Number of years for changeover	3

Plan for converting tax-deferred funds to tax-free (Roth)	
Percentage of tax-deferred funds to convert to Roth IRA (goal)	100.0%
Timing of Roth conversion	Tax-optimize (convert for tax rates ≤20%)
Source of funds for taxes on Roth conversion	Taxable funds

Plan for Required Minimum Distributions (RMDs) (if any)	
For RMD's that are above the maximum income level:	Reinvest

Income and Expense Plan

Income Plan During Retirement

Nominal annual withdrawal percentage	5.5%
Withdrawals are calculated based on Average total investment amount during the preceding 2 years	
Maximum one-year variation in spending allowed	15.0%
Minimum spending (overrides annual percentage if necessary)	See yearly detail
Maximum spending (overrides annual percentage if necessary)	See yearly detail
Is withdrawal limit increased in later years based on life expectancy?	Yes
Estimated average withdrawal percentage, with overrides	6.1%

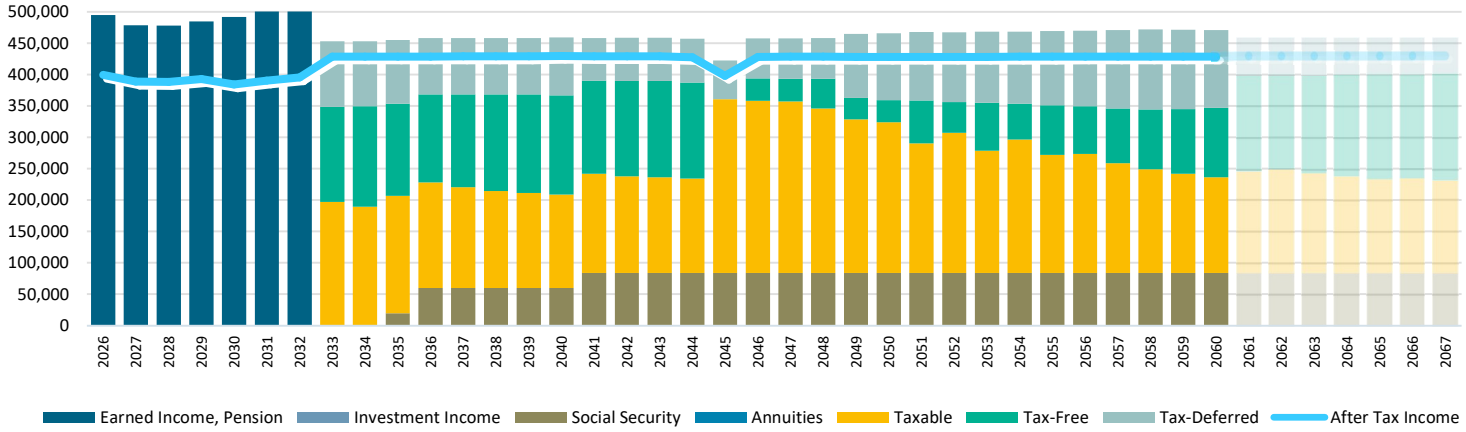
Withdrawal Plan for Source(s) of Income During Retirement

Overall priority plan	Tax-Optimized
Target maximum tax rate for tax-preferred withdrawals	20.00%
Target maximum capital gains tax rate for taxable withdrawals	13.00%
Priority of Tax-deferred withdrawals	n/a
Priority of Tax-free withdrawals	n/a
Priority of Taxable withdrawals	n/a

Withdrawal Plan for Special Expenses	Source of Funds
None.	
-	
-	
-	
-	

Important: All dollar amounts forecast for future years in this report are expressed in real (constant) dollars, i.e., all future dollar amounts account for inflation but are expressed in today's dollars.

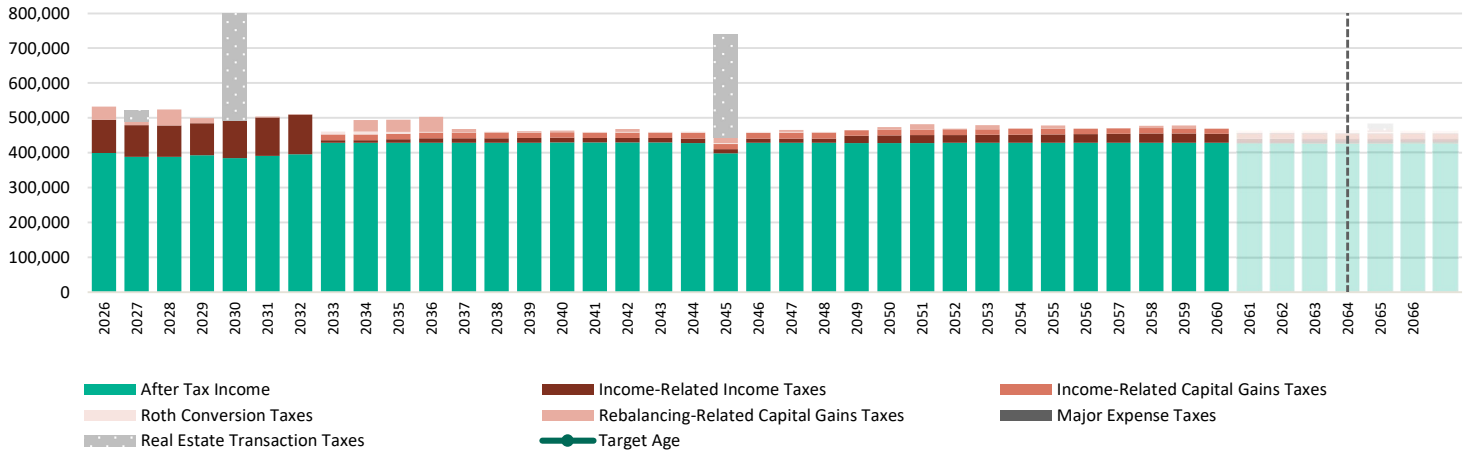
Expected Sources of Income by Year



Numbers in the following table have been rounded to emphasize the inherent limitations of financial forecasts.

Year	Wages, other earned, pension	Social Security	Tax-Deferred Accounts	Tax-Free Accounts	Taxable Accounts	*Income from Buffer*	Total Income
2026	500,000	0	0	0	0	*0*	500,000
2027	480,000	0	0	0	0	*0*	480,000
2028	480,000	0	0	0	0	*0*	480,000
2029	487,500	0	0	0	0	*0*	487,500
2030	490,000	0	0	0	0	*0*	490,000
2031	500,000	0	0	0	0	*0*	500,000
2032	510,000	0	0	0	0	*0*	510,000
2033	0	0	100,000	150,000	200,000	*450,000*	450,000
2034	0	0	100,000	160,000	190,000	*450,000*	450,000
2035	0	20,000	100,000	150,000	187,500	*437,500*	460,000
2036	0	60,000	90,000	140,000	170,000	*400,000*	460,000
2037	0	60,000	90,000	150,000	160,000	*400,000*	460,000
2038	0	60,000	90,000	150,000	150,000	*400,000*	460,000
2039	0	60,000	90,000	160,000	150,000	*400,000*	460,000
2040	0	60,000	92,500	160,000	150,000	*400,000*	460,000
2041	0	84,000	68,000	150,000	160,000	*375,000*	460,000
2042	0	84,000	68,000	150,000	150,000	*375,000*	460,000
2043	0	84,000	69,000	150,000	150,000	*375,000*	460,000
2044	0	84,000	70,000	150,000	150,000	*375,000*	460,000
2045	0	84,000	62,000	0	275,000	*337,500*	425,000
2046	0	84,000	64,000	36,000	275,000	*375,000*	460,000
2047	0	84,000	64,000	37,000	275,000	*375,000*	460,000
2048	0	84,000	65,000	47,500	262,500	*375,000*	460,000
2049	0	84,000	100,000	34,000	240,000	*380,000*	462,500
2050	0	84,000	110,000	35,000	240,000	*380,000*	462,500
2051	0	84,000	110,000	69,000	210,000	*380,000*	470,000
2052	0	84,000	112,500	49,000	225,000	*380,000*	470,000
2053	0	84,000	112,500	77,000	190,000	*387,500*	470,000
2054	0	84,000	112,500	57,500	212,500	*387,500*	470,000
2055	0	84,000	120,000	79,000	187,500	*387,500*	470,000
2056	0	84,000	120,000	76,000	190,000	*387,500*	470,000
2057	0	84,000	125,000	87,500	175,000	*387,500*	470,000
2058	0	84,000	125,000	95,000	162,500	*387,500*	470,000
2059	0	84,000	125,000	100,000	160,000	*387,500*	470,000
2060	0	84,000	125,000	110,000	150,000	*387,500*	470,000
2061	0	84,000	59,000	150,000	162,500	*375,000*	460,000
2062	0	84,000	59,000	150,000	162,500	*375,000*	460,000
2063	0	84,000	59,000	160,000	160,000	*375,000*	460,000
2064	0	84,000	57,500	162,500	150,000	*375,000*	460,000
2065	0	84,000	57,000	170,000	150,000	*375,000*	460,000
2066	0	84,000	57,500	170,000	150,000	*375,000*	460,000

Expected Cash Flows by Year



Numbers in the following table have been rounded to emphasize the inherent limitations of financial forecasts.

Year	Income-Related Income Taxes	Income-Related Capital Gains Taxes	Taxes on Major Expenses	Real Estate Transaction Taxes	Rebalancing-Related Capital Gains Taxes	Roth Conversion Taxes	After-Tax Income
2026	95,000	0	0	0	37,500	0	400,000
2027	90,000	0	0	33,000	9,800	0	389,000
2028	90,000	0	0	0	46,000	0	388,000
2029	92,000	0	0	0	15,000	0	393,000
2030	110,000	0	0	630,000	0	0	384,000
2031	110,000	0	0	0	2,700	0	391,000
2032	112,500	0	0	0	1,000	0	396,000
2033	7,700	17,000	0	0	0	7,600	429,000
2034	7,600	16,000	0	0	33,000	7,700	429,000
2035	9,800	16,000	0	0	35,000	5,300	429,000
2036	13,000	16,000	0	0	43,000	1,700	429,000
2037	13,000	16,000	0	0	8,400	1,700	429,000
2038	13,000	16,000	0	0	270	1,700	429,000
2039	13,000	16,000	0	0	2,500	1,600	429,000
2040	14,000	16,000	0	0	3,500	1,250	430,000
2041	13,000	16,000	0	0	0	1,800	429,000
2042	13,000	16,000	0	0	8,000	1,800	429,000
2043	13,000	16,000	0	0	0	1,700	429,000
2044	13,000	16,000	0	0	1,100	1,600	428,000
2045	12,000	15,000	0	300,000	14,000	2,900	398,000
2046	12,500	17,000	0	0	0	2,400	429,000
2047	12,500	17,000	0	0	5,100	2,400	429,000
2048	12,500	17,000	0	0	0	2,300	429,000
2049	20,000	16,000	0	0	0	0	428,000
2050	22,000	16,000	0	0	7,600	0	428,000
2051	22,000	16,000	0	0	15,000	0	428,000
2052	22,500	16,000	0	0	1,800	0	428,000
2053	23,000	16,000	0	0	12,000	0	429,000
2054	23,000	16,000	0	0	2,600	0	429,000
2055	24,000	16,000	0	0	9,900	0	429,000
2056	25,000	16,000	0	0	0	0	429,000
2057	26,000	15,000	0	0	600	0	429,000
2058	27,000	15,000	0	0	6,400	0	429,000
2059	26,000	15,000	0	0	8,100	0	429,000
2060	26,000	15,000	0	0	0	0	429,000
2061	12,000	16,000	0	0	0	3,300	430,000
2062	12,000	16,000	0	0	0	3,300	430,000
2063	12,000	16,000	0	0	0	3,400	430,000
2064	11,000	16,000	0	0	250	3,700	430,000
2065	11,000	16,000	0	17,000	5,700	3,750	430,000
2066	11,000	16,000	0	0	0	3,700	430,000

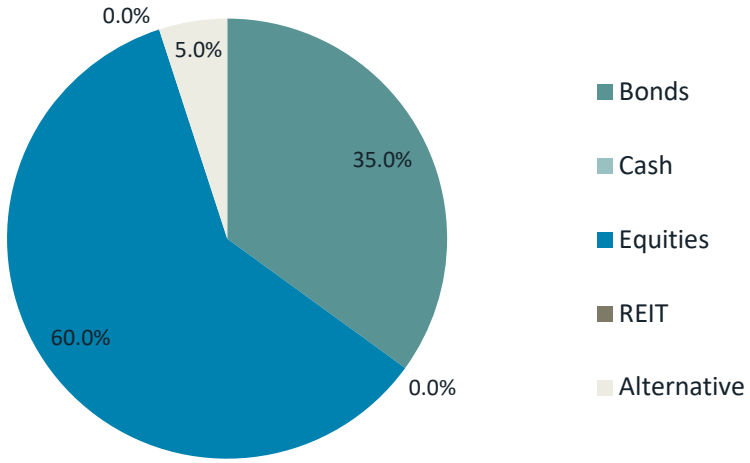
Recommended Asset Allocation—Working Years

Recommended Initial Asset Allocation: Cautious Growth

This is the asset allocation that results from the 'Cautious Growth (Sortino)' plan. This has been refined to locate assets in tax-efficient locations and may be further refined for specific accounts. This includes held-away assets considered in portfolio optimization. This does not include personally held residential or investment real estate (if any).

	Working Years investment plan	Category	Tax-deferred	Tax-free	Taxable	Overall
1	Bonds–International, USD Hedged	Bonds	17.5%	-	-	17.5%
2	Bonds–Treasuries, Intermediate	Bonds	2.6%	-	14.9%	17.5%
3	US Stocks–Small Cap Value	Equity	0.6%	11.9%	5.0%	17.5%
4	Sector–Health Care	Equity	-	8.8%	3.7%	12.5%
5	US Stocks–Large Cap Blend	Equity	-	-	12.4%	12.4%
6	US Stocks–Large Cap Value	Equity	-	-	6.9%	6.9%
7	US Stocks–Mid Cap Value	Equity	-	5.5%	-	5.5%
8	Sector–IT	Equity	-	1.3%	3.9%	5.2%
9	Gold	Alternative	5.0%	-	-	5.0%
10	-		-	-	-	-
11	-		-	-	-	-
12	-		-	-	-	-
13	-		-	-	-	-
14	-		-	-	-	-
15	-		-	-	-	-
16	-		-	-	-	-
17	-		-	-	-	-
18	-		-	-	-	-
19	-		-	-	-	-
20	-					

Top-Level Asset Allocation



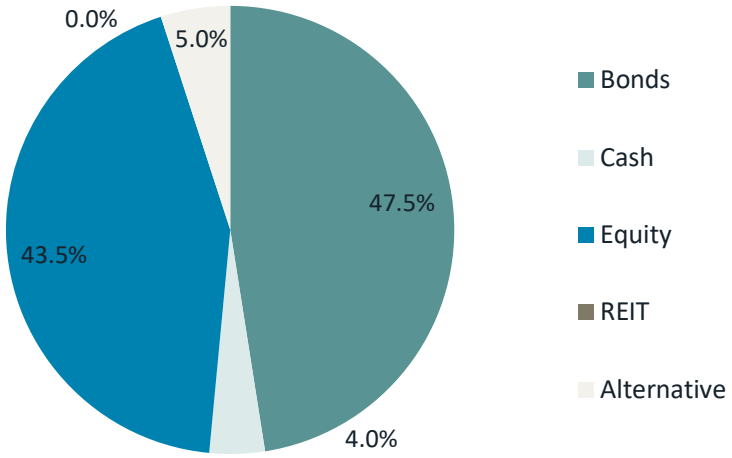
Recommended Asset Allocation—Retirement

Recommended Asset Allocation: Stable Retirement

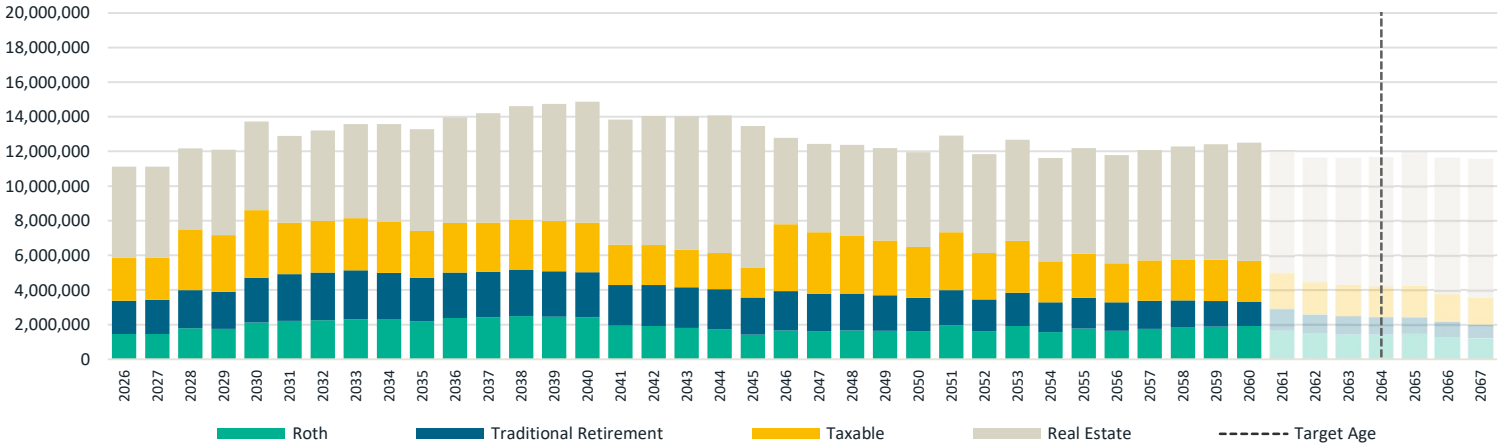
This is the asset allocation that results from the 'Stable Retirement 8%' plan. This is tentative at this time and provided here for sake of indicating a general direction. Specifics will be updated at a future time, including locating assets in tax-efficient locations. This does not include investment real estate (if any).

	Retirement investment plan	Category	Overall
1	Bonds–Treasuries, Intermediate	Bonds	17.5%
2	Bonds–Treasuries, TIPS	Bonds	15.4%
3	US Stocks–Large Cap Blend	Equity	12.4%
4	Sector–Health Care	Equity	11.9%
5	US Stocks–Large Cap Value	Equity	9.4%
6	Bonds–Treasuries, Long-Term	Bonds	9.1%
7	Sector–IT	Equity	6.7%
8	Bonds–Treasuries, Short-Term	Bonds	5.5%
9	Gold	Alternative	5.0%
10	Money Market	Cash	4.0%
11	US Stocks–Small Cap Value	Equity	3.1%
12	-		
13	-		
14	-		
15	-		
16	-		
17	-		
18	-		
19	-		
20	-		

Top-Level Asset Allocation



Expected Asset Growth and Composition by Year



Numbers in the following table have been rounded to emphasize the inherent limitations of financial forecasts.

	End-of-Year Asset Values					
Year	Tax-Deferred	Tax-Free (Roth)	Taxable Assets	*Buffer Assets*	Net Real Estate	Total Assets
2026	2,000,000	1,500,000	2,400,000	*0*	5,250,000	11,250,000
2027	2,200,000	1,800,000	3,500,000	*0*	4,700,000	12,000,000
2028	2,125,000	1,750,000	3,300,000	*0*	4,900,000	12,000,000
2029	2,600,000	2,125,000	3,900,000	*0*	5,125,000	13,750,000
2030	2,700,000	2,250,000	3,000,000	*700,000*	5,000,000	13,000,000
2031	2,750,000	2,250,000	3,000,000	*720,000*	5,200,000	13,000,000
2032	2,800,000	2,300,000	3,000,000	*1,400,000*	5,400,000	13,750,000
2033	2,700,000	2,300,000	2,900,000	*1,375,000*	5,625,000	13,750,000
2034	2,500,000	2,200,000	2,700,000	*1,300,000*	5,875,000	13,000,000
2035	2,625,000	2,400,000	2,875,000	*1,300,000*	6,100,000	14,000,000
2036	2,625,000	2,400,000	2,875,000	*1,300,000*	6,300,000	14,000,000
2037	2,700,000	2,500,000	2,900,000	*1,300,000*	6,500,000	15,000,000
2038	2,625,000	2,500,000	2,875,000	*1,250,000*	6,750,000	15,000,000
2039	2,625,000	2,400,000	2,875,000	*1,250,000*	7,000,000	15,000,000
2040	2,375,000	1,900,000	2,300,000	*870,000*	7,200,000	13,750,000
2041	2,375,000	1,900,000	2,300,000	*1,250,000*	7,500,000	14,000,000
2042	2,300,000	1,800,000	2,200,000	*1,200,000*	7,700,000	14,000,000
2043	2,300,000	1,750,000	2,100,000	*1,250,000*	7,900,000	14,000,000
2044	2,125,000	1,400,000	1,750,000	*880,000*	8,200,000	13,750,000
2045	2,300,000	1,700,000	3,875,000	*1,250,000*	5,000,000	13,000,000
2046	2,125,000	1,625,000	3,500,000	*1,200,000*	5,100,000	12,500,000
2047	2,100,000	1,700,000	3,400,000	*1,200,000*	5,250,000	12,500,000
2048	2,000,000	1,625,000	3,125,000	*1,200,000*	5,375,000	12,000,000
2049	1,900,000	1,625,000	2,900,000	*1,200,000*	5,500,000	12,000,000
2050	2,000,000	2,000,000	3,375,000	*1,250,000*	5,600,000	13,000,000
2051	1,800,000	1,625,000	2,700,000	*875,000*	5,700,000	12,000,000
2052	1,900,000	1,900,000	3,000,000	*1,200,000*	5,875,000	12,500,000
2053	1,700,000	1,600,000	2,375,000	*840,000*	6,000,000	12,000,000
2054	1,750,000	1,800,000	2,500,000	*1,200,000*	6,100,000	12,000,000
2055	1,625,000	1,625,000	2,250,000	*860,000*	6,250,000	12,000,000
2056	1,625,000	1,750,000	2,300,000	*1,200,000*	6,375,000	12,000,000
2057	1,600,000	1,800,000	2,375,000	*1,250,000*	6,500,000	12,500,000
2058	1,500,000	1,875,000	2,375,000	*1,200,000*	6,700,000	12,500,000
2059	1,400,000	1,900,000	2,375,000	*1,200,000*	6,800,000	12,500,000
2060	1,250,000	1,700,000	2,100,000	*830,000*	7,000,000	12,000,000
2061	1,125,000	1,500,000	1,800,000	*1,200,000*	7,125,000	11,250,000
2062	1,100,000	1,500,000	1,800,000	*1,250,000*	7,300,000	11,250,000
2063	1,000,000	1,500,000	1,750,000	*1,200,000*	7,400,000	12,000,000
2064	950,000	1,500,000	1,875,000	*1,250,000*	7,625,000	12,000,000
2065	880,000	1,300,000	1,625,000	*880,000*	7,800,000	11,250,000
2066	825,000	1,250,000	1,500,000	*1,200,000*	8,000,000	11,250,000

Safe Income Analysis

Social Security Benefit Based on Starting Age

The following tables shows the approximate annual social security benefit amount you would receive depending on the age at which you begin taking social security benefits.

Benefit numbers shown are approximate. Actual social security benefit will depend on the specific month in which benefits are started. In addition, in some cases the benefit amount for one recipient will be affected by the age at which the other recipient begins taking benefits.

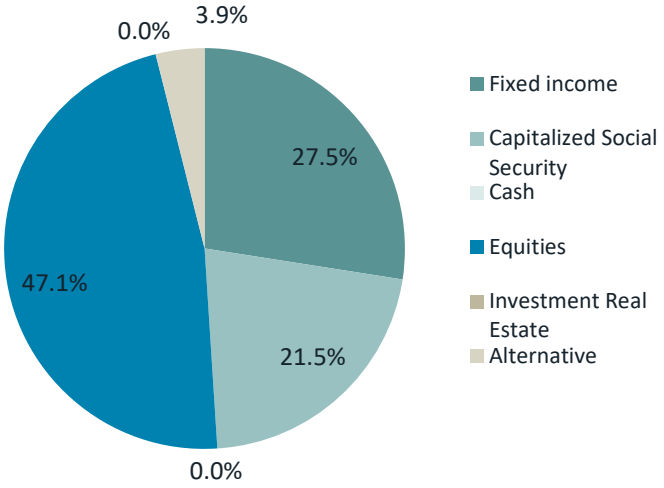
Starting Age for SS Benefits	Brian	Grace
62	34,000	17,000
63	36,000	18,000
64	39,000	19,000
65	42,000	21,000
66	45,000	22,500
67	48,000	24,000
68	52,500	26,000
69	56,000	28,000
70	60,000	30,000

Portfolio composition with recommended Working Years portfolio when social security is capitalized

In this analysis, the Social Security income stream is assigned an annuity-equivalent value—the amount that would be required to purchase a fixed annuity providing a comparable income stream. This is referred to as "capitalizing" the social security income stream.

When social security is capitalized in this way, it shows that the fixed-income part of the portfolio is equivalent to a portfolio comprised of 49.0% fixed income—social security, bonds, and cash. This is calculated as of the year the last person begins taking social security.

Planned social security start age(s)	70.0 / 67.0
Annual social security income	84,000
Capitalization rate	5.00%
Social security capitalization amount	1,700,000
Fixed income allocation	27.5%
SS capitalization as % of portfolio	21.5%
Total fixed income portfolio %	49.0%



Social Security Start-Age Analysis

Best starting ages for cumulative social security benefit as of each year

This table lists the best year(s) to begin taking social security based on cumulative benefits that will be received by the end of each year. The cumulative benefit of the best starting ages is shown in parentheses in column 3. The differences between the highest cumulative benefits and the benefits received from other starting ages are shown as percentages in the other columns.

Year	Age(s) This Year	SS Starting Ages for Highest Cumulative Benefit	2nd Best	3rd Best	4th Best	5th Best
2027	62/53	62/- (11,250)	-/-	-/-	-/-	-/-
2028	63/54	62/- (45,100)	63/- (-73%)	-/-	-/-	-/-
2029	64/55	62/- (79,000)	63/- (-39%)	64/- (-84%)	-/-	-/-
2030	65/56	62/- (113,000)	63/- (-25%)	64/- (-54%)	65/- (-88%)	-/-
2031	66/57	62/- (147,000)	63/- (-18%)	64/- (-38%)	65/- (-62%)	66/- (-90%)
2032	67/58	62/- (181,000)	63/- (-13%)	64/- (-29%)	65/- (-46%)	66/- (-67%)
2033	68/59	62/- (214,000)	63/- (-9.7%)	64/- (-22%)	65/- (-35%)	66/- (-51%)
2034	69/60	62/- (248,000)	63/- (-7.4%)	64/- (-17%)	65/- (-27%)	66/- (-39%)
2035	70/61	62/- (282,000)	63/- (-5.7%)	64/- (-13%)	65/- (-21%)	66/- (-31%)
2036	71/62	62/62 (333,000)	63/62 (-4.1%)	64/62 (-9.7%)	65/62 (-15%)	66/62 (-23%)
2037	72/63	62/62 (384,000)	63/62 (-2.9%)	62/63 (-4.1%)	63/63 (-7.0%)	64/62 (-7.1%)
2038	73/64	62/62 (435,000)	63/62 (-2.0%)	62/63 (-3.3%)	64/62 (-5.2%)	63/63 (-5.4%)
2039	74/65	62/62 (485,000)	63/62 (-1.3%)	62/63 (-2.7%)	64/62 (-3.6%)	63/63 (-4.1%)
2040	75/66	62/62 (536,000)	63/62 (-0.7%)	62/63 (-2.3%)	64/62 (-2.4%)	63/63 (-3.0%)
2041	76/67	62/62 (587,000)	63/62 (-0.3%)	64/62 (-1.4%)	65/62 (-1.7%)	62/63 (-1.9%)
2042	77/68	63/62 (639,000)	62/62 (-0.1%)	65/62 (-0.5%)	64/62 (-0.6%)	66/62 (-1.3%)
2043	78/69	65/62 (695,000)	66/62 (-0.3%)	63/62 (-0.4%)	64/62 (-0.6%)	62/62 (-0.9%)
2044	79/70	66/62 (754,000)	65/62 (-0.1%)	67/62 (-0.7%)	66/63 (-1.0%)	65/63 (-1.1%)
2045	80/71	66/62 (817,000)	67/62 (-0.3%)	68/62 (-0.3%)	65/62 (-0.5%)	66/63 (-0.7%)
2046	81/72	68/62 (883,000)	67/62 (-0.4%)	66/62 (-0.5%)	69/62 (-0.5%)	68/63 (-0.5%)
2047	82/73	68/62 (952,000)	69/62 (0.0%)	68/63 (-0.4%)	69/63 (-0.5%)	67/62 (-0.7%)
2048	83/74	69/62 (1,020,000)	69/63 (-0.2%)	68/62 (-0.3%)	70/62 (-0.4%)	68/63 (-0.5%)
2049	84/75	69/62 (1,100,000)	70/62 (0.0%)	69/63 (-0.1%)	70/63 (-0.2%)	69/64 (-0.4%)
2050	85/76	70/62 (1,170,000)	70/65 (-0.2%)	70/64 (-0.2%)	69/63 (-0.3%)	69/62 (-0.3%)
2051	86/77	70/65 (1,250,000)	70/63 (0.0%)	70/62 (-0.1%)	70/64 (-0.1%)	70/67 (-0.5%)
2052	87/78	70/65 (1,330,000)	70/66 (0.0%)	70/63 (-0.2%)	70/64 (-0.2%)	70/62 (-0.4%)
2053	88/79	70/66 (1,420,000)	70/65 (-0.1%)	70/67 (-0.1%)	70/64 (-0.5%)	70/63 (-0.5%)
2054	89/80	70/66 (1,500,000)	70/65 (-0.2%)	70/64 (-0.6%)	70/63 (-0.8%)	70/62 (-1.1%)
2055	90/81	70/67 (1,580,000)	70/66 (-0.1%)	70/65 (-0.4%)	70/64 (-0.9%)	70/63 (-1.1%)
2056	91/82	70/67 (1,670,000)	70/66 (-0.2%)	70/65 (-0.6%)	70/68 (-1.1%)	70/64 (-1.2%)
2057	92/83	70/67 (1,750,000)	70/66 (-0.3%)	70/65 (-0.7%)	70/69 (-0.9%)	70/68 (-1.0%)
2058	93/84	70/67 (1,840,000)	70/66 (-0.4%)	70/69 (-0.7%)	70/70 (-0.7%)	70/68 (-0.8%)
2059	94/85	70/67 (1,920,000)	70/70 (-0.4%)	70/66 (-0.4%)	70/69 (-0.4%)	70/68 (-0.7%)
2060	95/86	70/67 (2,000,000)	70/70 (0.0%)	70/69 (-0.2%)	70/66 (-0.5%)	70/68 (-0.6%)
2061	96/87	70/70 (2,090,000)	70/67 (-0.2%)	70/69 (-0.2%)	70/68 (-0.7%)	70/66 (-0.8%)
2062	97/88	70/70 (2,180,000)	70/69 (-0.3%)	70/67 (-0.5%)	70/68 (-0.8%)	70/66 (-1.1%)
2063	98/89	70/70 (2,270,000)	70/69 (-0.4%)	70/67 (-0.7%)	70/68 (-1.0%)	70/66 (-1.3%)
2064	99/90	70/70 (2,360,000)	70/69 (-0.5%)	70/67 (-0.9%)	70/68 (-1.1%)	70/66 (-1.6%)
2065	100/91	70/70 (2,450,000)	70/69 (-0.5%)	70/67 (-1.1%)	70/68 (-1.2%)	70/66 (-1.9%)
2066	101/92	70/70 (2,540,000)	70/69 (-0.6%)	70/68 (-1.3%)	70/67 (-1.3%)	70/66 (-2.1%)
2067	102/93	70/70 (2,630,000)	70/69 (-0.6%)	70/68 (-1.4%)	70/67 (-1.5%)	70/66 (-2.3%)

Social Security Start-Age Analysis with Opportunity Cost

Best starting ages for cumulative social security benefit as of each year

This table lists the best year(s) to begin taking social security based on cumulative benefits that will be received by the end of each year. This table includes the opportunity cost of not taking social security, i.e., it accounts for the probable investment growth of the assets that would be invested rather than used to cover the living expenses covered by social security.

Year	Age(s) This Year	SS Starting Ages for Highest Cumulative Benefit	2nd Best	3rd Best	4th Best	5th Best
2027	62/53	62/- (11,250)	-/-	-/-	-/-	-/-
2028	63/54	62/- (45,100)	63/- (-78%)	-/-	-/-	-/-
2029	64/55	62/- (79,000)	63/- (-44%)	64/- (-92%)	-/-	-/-
2030	65/56	62/- (113,000)	63/- (-30%)	64/- (-63%)	65/- (-99%)	-/-
2031	66/57	62/- (147,000)	63/- (-22%)	64/- (-47%)	65/- (-74%)	-/-
2032	67/58	62/- (181,000)	63/- (-17%)	64/- (-37%)	65/- (-58%)	66/- (-81%)
2033	68/59	62/- (214,000)	63/- (-14%)	64/- (-30%)	65/- (-47%)	66/- (-66%)
2034	69/60	62/- (248,000)	63/- (-12%)	64/- (-25%)	65/- (-39%)	66/- (-55%)
2035	70/61	62/- (282,000)	63/- (-9.6%)	64/- (-21%)	65/- (-32%)	66/- (-45%)
2036	71/62	62/62 (333,000)	63/62 (-7.6%)	64/62 (-17%)	65/62 (-25%)	66/62 (-36%)
2037	72/63	62/62 (384,000)	62/63 (-4.5%)	63/62 (-6.1%)	63/63 (-11%)	64/62 (-14%)
2038	73/64	62/62 (435,000)	62/63 (-3.8%)	63/62 (-4.9%)	62/64 (-8.1%)	63/63 (-8.7%)
2039	74/65	62/62 (485,000)	62/63 (-3.3%)	63/62 (-3.9%)	62/64 (-7.0%)	63/63 (-7.2%)
2040	75/66	62/62 (536,000)	62/63 (-2.8%)	63/62 (-3.1%)	63/63 (-6.0%)	62/64 (-6.1%)
2041	76/67	62/62 (587,000)	63/62 (-2.5%)	62/63 (-2.5%)	63/63 (-4.9%)	62/64 (-5.3%)
2042	77/68	62/62 (639,000)	63/62 (-1.9%)	62/63 (-2.2%)	63/63 (-4.0%)	62/64 (-4.7%)
2043	78/69	62/62 (695,000)	63/62 (-1.4%)	62/63 (-1.9%)	63/63 (-3.3%)	64/62 (-3.7%)
2044	79/70	62/62 (754,000)	63/62 (-1.0%)	62/63 (-1.6%)	63/63 (-2.5%)	64/62 (-2.8%)
2045	80/71	62/62 (817,000)	63/62 (-0.6%)	62/63 (-1.4%)	63/63 (-1.9%)	64/62 (-2.0%)
2046	81/72	62/62 (883,000)	63/62 (-0.3%)	65/62 (-1.2%)	62/63 (-1.2%)	64/62 (-1.3%)
2047	82/73	63/62 (952,000)	62/62 (0.0%)	65/62 (-0.2%)	66/62 (-0.6%)	64/62 (-0.7%)
2048	83/74	65/62 (1,020,000)	66/62 (0.0%)	63/62 (-0.4%)	62/62 (-0.7%)	65/63 (-0.7%)
2049	84/75	66/62 (1,100,000)	65/62 (-0.3%)	67/62 (-0.5%)	68/62 (-0.5%)	66/63 (-0.5%)
2050	85/76	68/62 (1,170,000)	66/62 (-0.2%)	67/62 (-0.3%)	68/63 (-0.4%)	69/62 (-0.5%)
2051	86/77	68/62 (1,250,000)	69/62 (-0.2%)	68/63 (-0.3%)	69/63 (-0.5%)	67/62 (-0.6%)
2052	87/78	69/62 (1,330,000)	68/62 (-0.2%)	69/63 (-0.2%)	68/63 (-0.3%)	70/62 (-0.6%)
2053	88/79	69/62 (1,420,000)	69/63 (0.0%)	70/62 (-0.2%)	70/63 (-0.3%)	69/65 (-0.4%)
2054	89/80	70/62 (1,500,000)	70/63 (0.0%)	69/63 (0.0%)	69/62 (0.0%)	70/65 (0.0%)
2055	90/81	70/65 (1,580,000)	70/66 (0.0%)	70/63 (-0.1%)	70/62 (-0.2%)	70/64 (-0.2%)
2056	91/82	70/66 (1,670,000)	70/65 (0.0%)	70/67 (-0.1%)	70/63 (-0.4%)	70/64 (-0.4%)
2057	92/83	70/66 (1,750,000)	70/67 (0.0%)	70/65 (-0.2%)	70/64 (-0.6%)	70/63 (-0.6%)
2058	93/84	70/67 (1,840,000)	70/66 (0.0%)	70/65 (-0.3%)	70/64 (-0.8%)	69/67 (-0.9%)
2059	94/85	70/67 (1,920,000)	70/66 (-0.1%)	70/65 (-0.5%)	70/64 (-1.1%)	69/67 (-1.1%)
2060	95/86	70/67 (2,000,000)	70/66 (-0.2%)	70/65 (-0.7%)	70/69 (-1.1%)	70/68 (-1.2%)
2061	96/87	70/67 (2,090,000)	70/66 (-0.3%)	70/65 (-0.8%)	70/69 (-0.9%)	70/70 (-0.9%)
2062	97/88	70/67 (2,180,000)	70/66 (-0.4%)	70/70 (-0.5%)	70/69 (-0.6%)	70/68 (-0.9%)
2063	98/89	70/67 (2,270,000)	70/70 (-0.2%)	70/69 (-0.4%)	70/66 (-0.4%)	70/68 (-0.8%)
2064	99/90	70/70 (2,360,000)	70/67 (0.0%)	70/69 (-0.3%)	70/66 (-0.5%)	70/68 (-0.7%)
2065	100/91	70/70 (2,450,000)	70/67 (-0.3%)	70/69 (-0.3%)	70/66 (-0.8%)	70/68 (-0.8%)
2066	101/92	70/70 (2,540,000)	70/69 (-0.4%)	70/67 (-0.5%)	70/68 (-1.0%)	70/66 (-1.1%)
2067	102/93	70/70 (2,630,000)	70/69 (-0.5%)	70/67 (-0.7%)	70/68 (-1.1%)	70/66 (-1.4%)

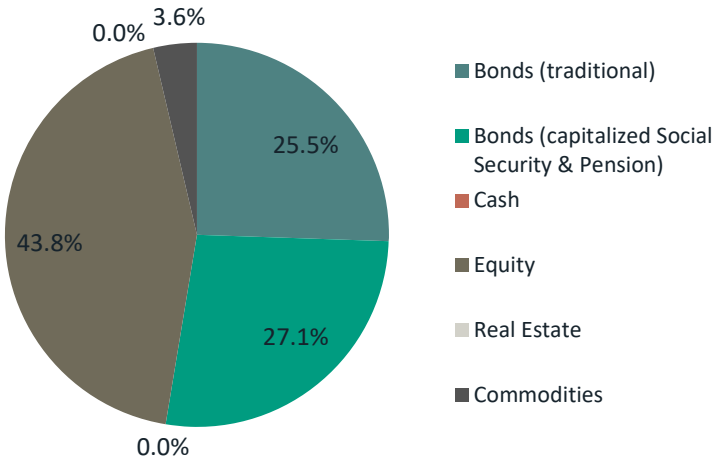
Comprehensive Safe Income Analysis

In this analysis, the income stream from pension income (if any), annuities (if any), and social security is treated as though it is coming from an investment in bonds. This is known as "capitalizing" the income stream from those sources.

When the income stream is capitalized in this way, it shows that the income safety of the portfolio is equivalent to a portfolio comprised of 52.6% bonds and cash.

Portfolio composition when all income sources are capitalized

Annual safe income	108,000
Capitalization rate	4.75%
Safe income capitalization amount	2,300,000
"Safe" capitalized portfolio %	52.6%



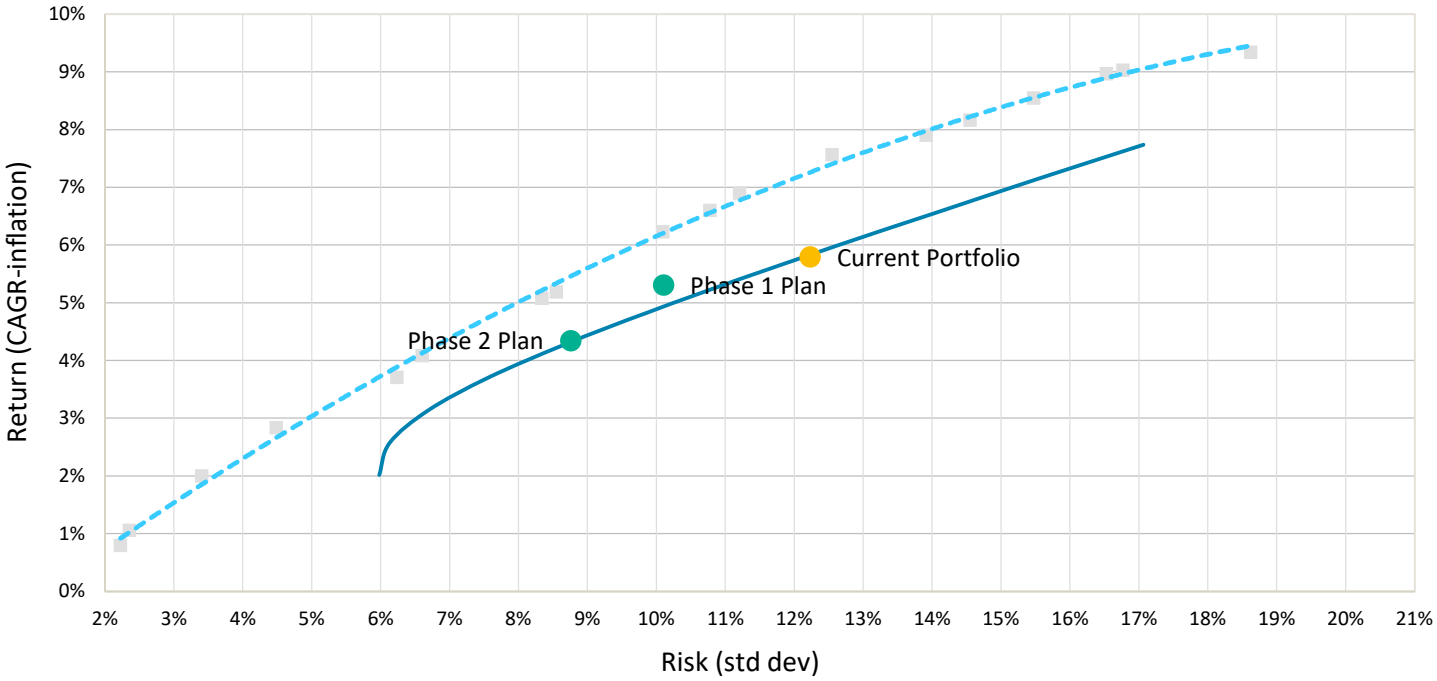
Safe Income* sources	
Annual social security payment	107,500
No pension payment	0
No annuities payments	0
Total annual safe income	107,500

Safe short-term assets	
Recommended cash allocation	92,000
Recommended allocation to other safe short-term assets	350,000
Total recommended allocation to safe short-term assets	442,000

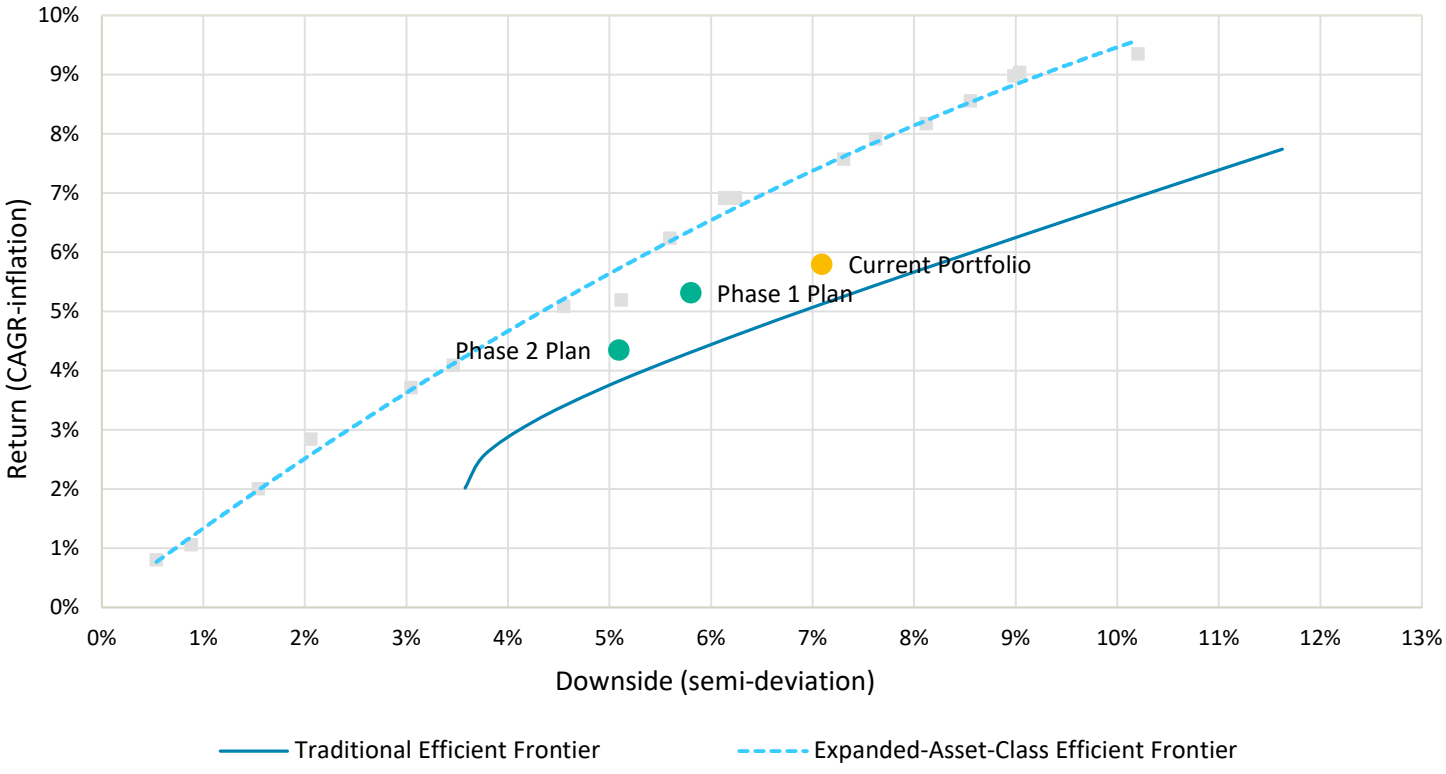
**Safe short-term income sources include cash in checking accounts, money markets, CDs, and equivalents; short-term government bonds, short-term tax-exempt bonds, and short-term investment-grade bonds.*

Safe income analysis	Essential	Comfort	Luxury
Percentage of spending covered by social security	35%	28%	26%
Percentage of spending covered by pension (if any) & social security	35%	28%	26%
Years of cash at recommended allocation (w/o SS & pension)	0.3	0.2	0.2
Years of total safe income sources (w/o SS & pension)	1.4	1.1	1.0
Years of cash at recommended allocation (w/ SS & pension)	0.4	0.3	0.3
Years of total safe income sources (w/ SS & pension)	2.1	1.6	1.4

Where the Recommended Plan falls on the Efficient Frontier (Modern Portfolio Theory)



Where the Recommended Plan falls on the Efficient Frontier (Post-Modern Portfolio Theory)



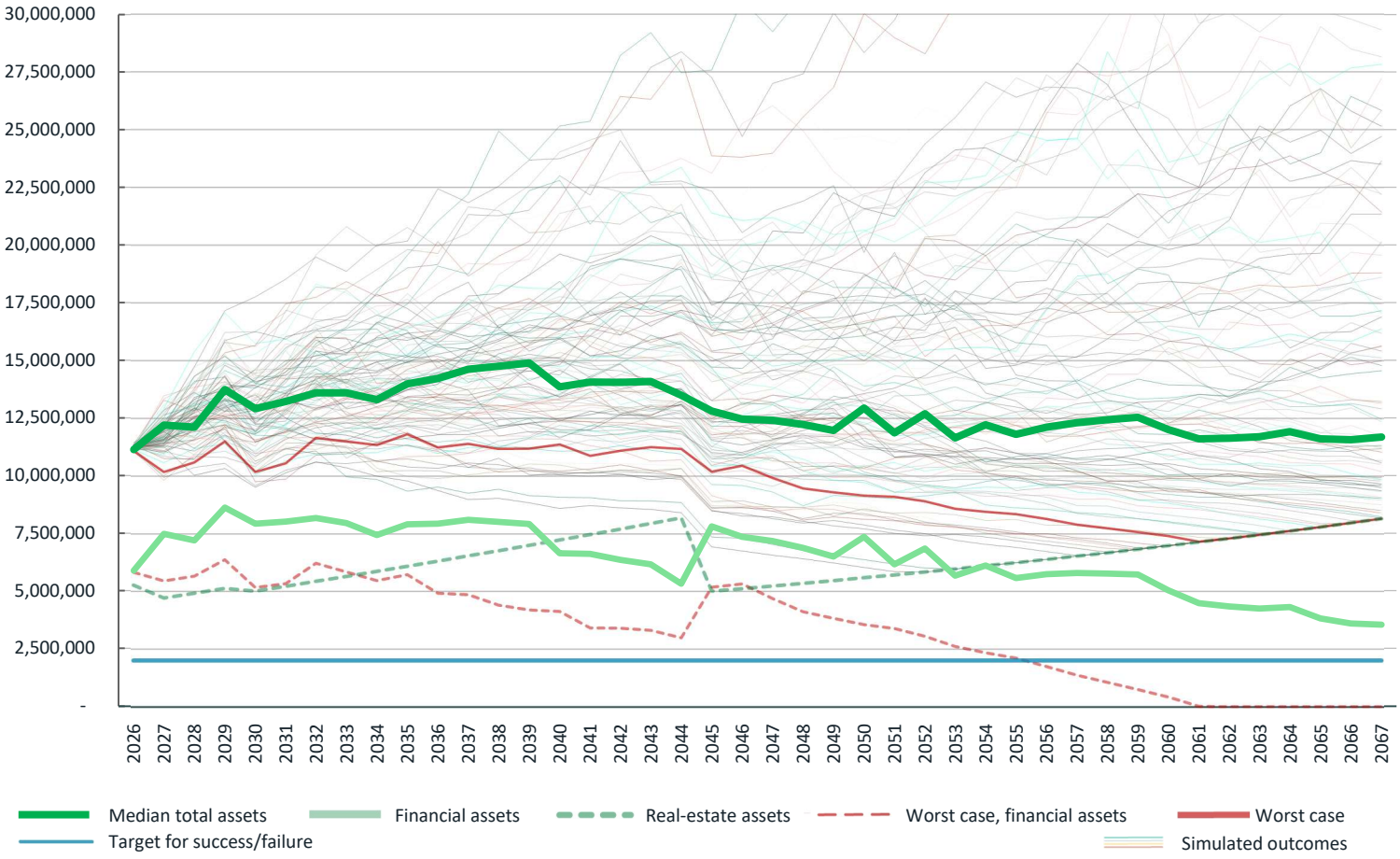
The **Traditional Efficient Frontier** is constructed from a broad market US stock index and a broad market US bond index. The **Expanded Asset Class Efficient Frontier** is constructed from additional asset classes including small, mid, and large cap indexes; value, blend, and growth indexes; multiple international equity indexes; multiple US government, commercial, and non-US bond indexes; and sector indexes.

Monte Carlo: Asset Simulation

See the "Methodology" section at the end of this report for details on Monte Carlo simulation.

Results of 1,000 simulated outcomes.

Worst case has been defined as 10% likely.



Asset Values and Probabilities

The values shown have been rounded to emphasize the hypothetical nature of these forecasts.

	Age(s)				
Probability*	**74/65**	**79/70**	**84/75**	**89/80**	**94/85**
95% *chance that assets will be at least*	11,000,000	10,000,000	8,875,000	7,600,000	6,800,000
75% *chance that assets will be at least*	12,500,000	12,500,000	11,000,000	10,000,000	9,625,000
50% *chance that assets will be at least*	15,000,000	13,750,000	12,000,000	12,000,000	12,500,000
25% *chance that assets will be at least*	17,000,000	16,000,000	16,000,000	16,250,000	16,250,000
5% *chance that assets will be at least*	21,000,000	22,500,000	25,000,000	23,750,000	28,000,000

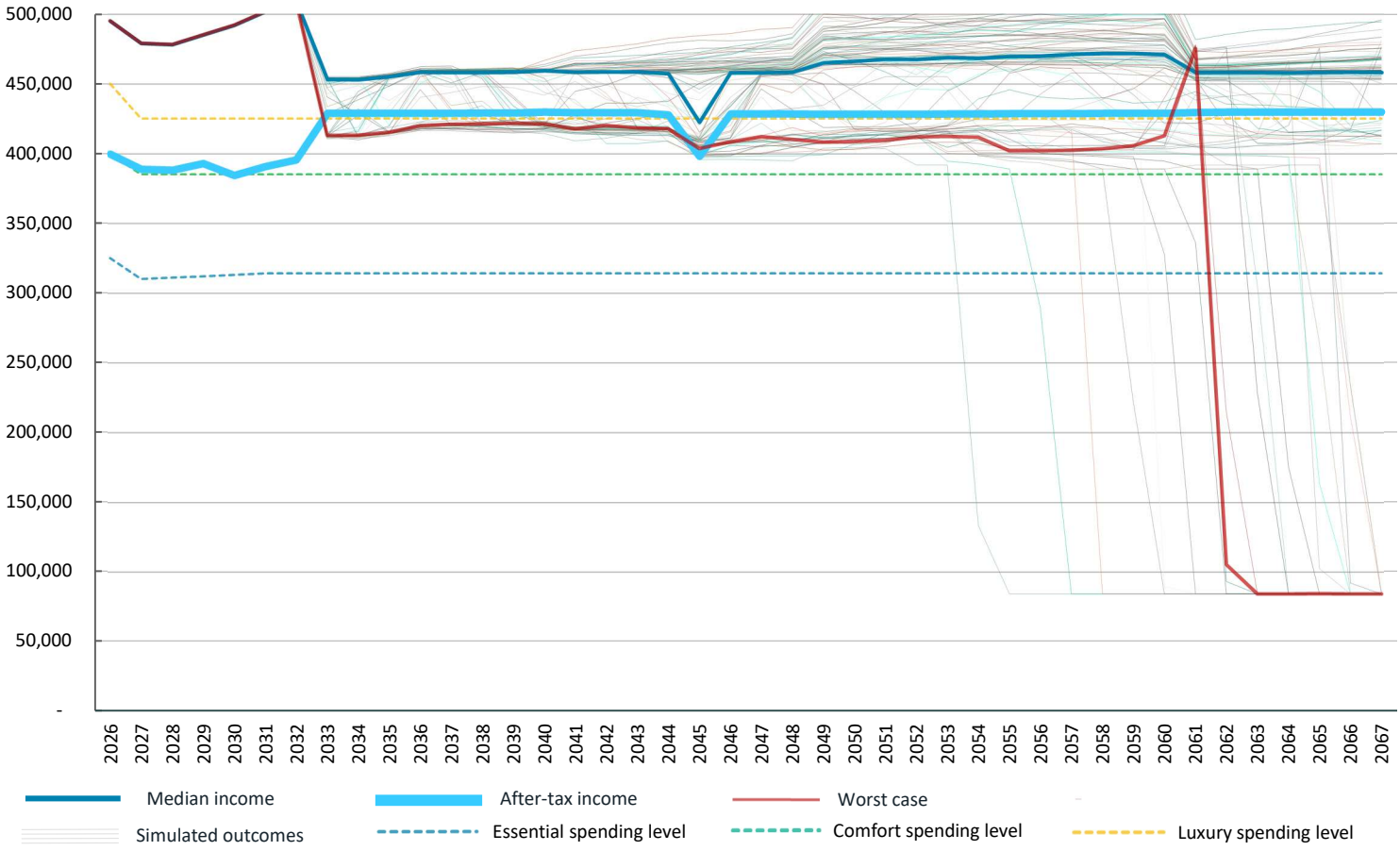
**Probability that asset values will be this high or higher*

Monte Carlo: Income Simulation

See the "Methodology" section at the end of this report for details on Monte Carlo simulation.

Results of 1,000 simulated outcomes.

Worst case has been defined as 10% likely.



Expected After-Tax Income Values and Probabilities

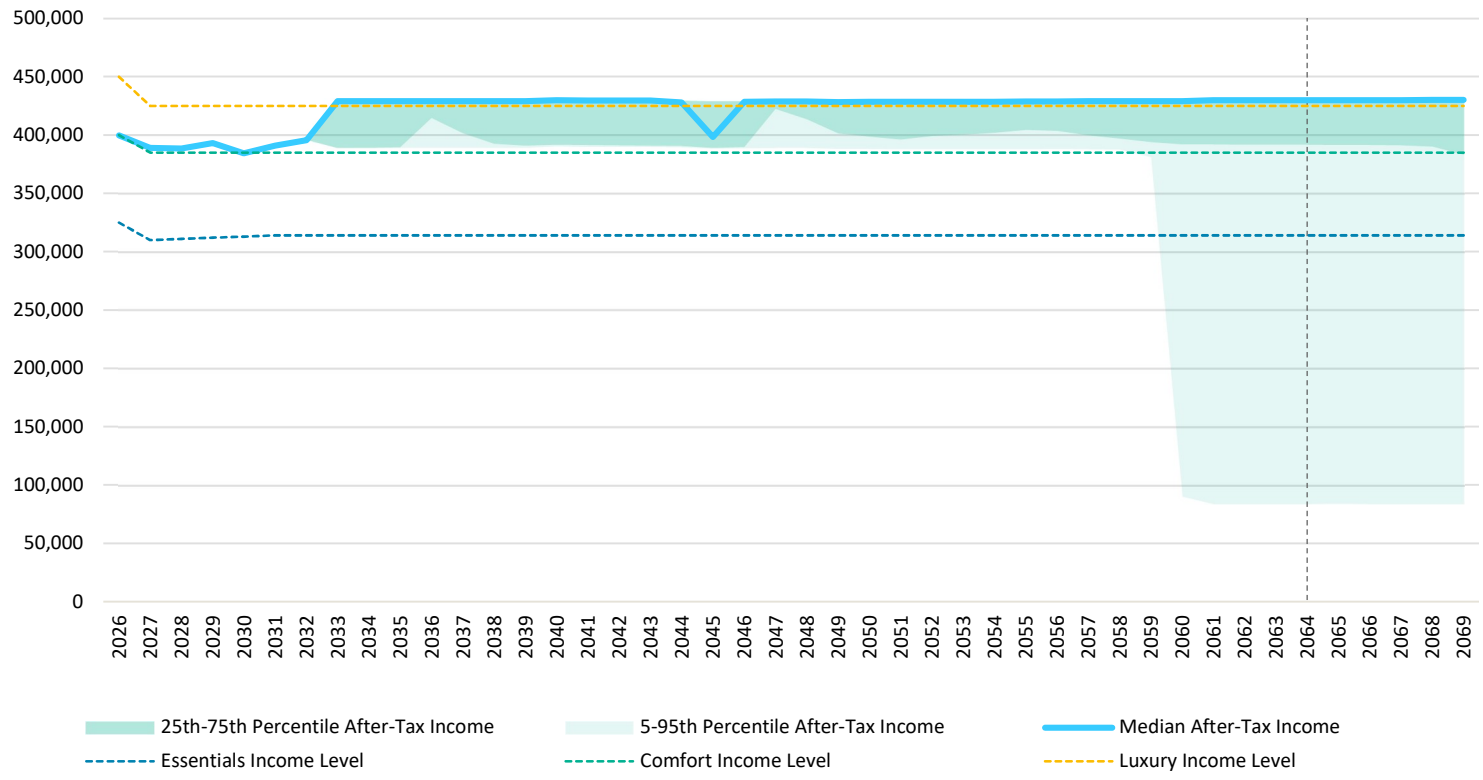
The values shown have been rounded to emphasize the hypothetical nature of these forecasts.

	Age(s)				
Probability*	**74/65**	**79/70**	**84/75**	**89/80**	**94/85**
95% *chance that income will be at least*	388,600	389,300	387,900	387,600	84,200
75% *chance that income will be at least*	390,600	390,300	400,900	401,500	391,000
50% *chance that income will be at least*	428,800	428,800	427,100	427,200	429,000
25% *chance that income will be at least*	429,000	429,000	428,200	428,600	428,000
5% *chance that income will be at least*	429,200	429,300	428,700	429,300	419,000

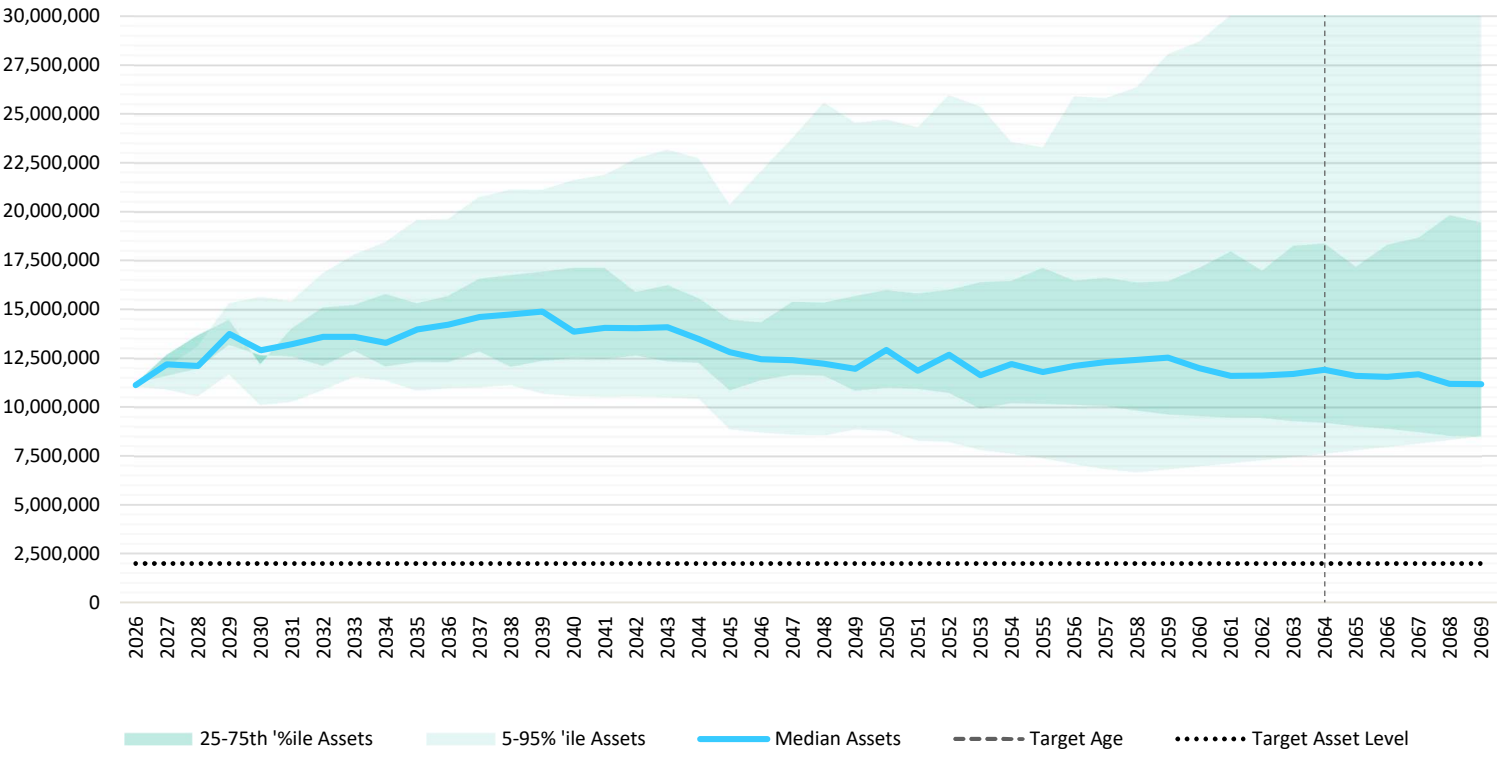
**Probability that after-tax income will be this high or higher*

Cone of Uncertainty for Income and Assets

Cone of Uncertainty for Income



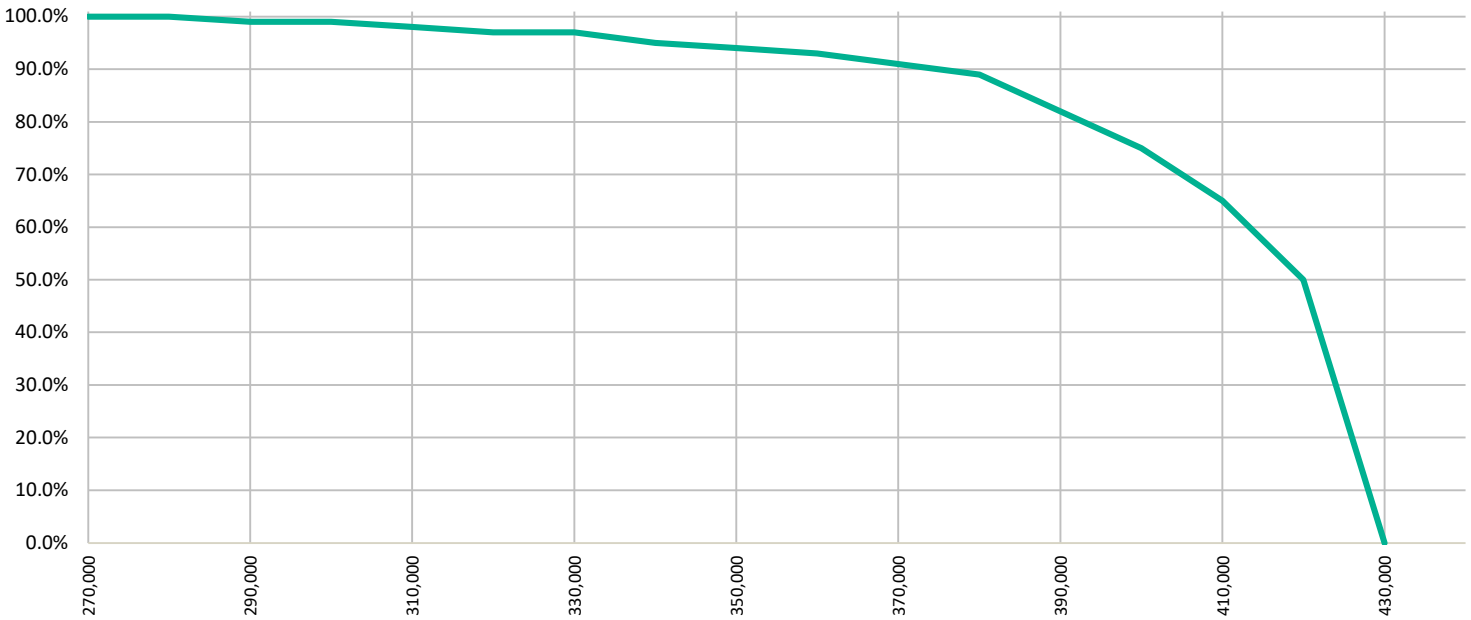
Cone of Uncertainty for Assets



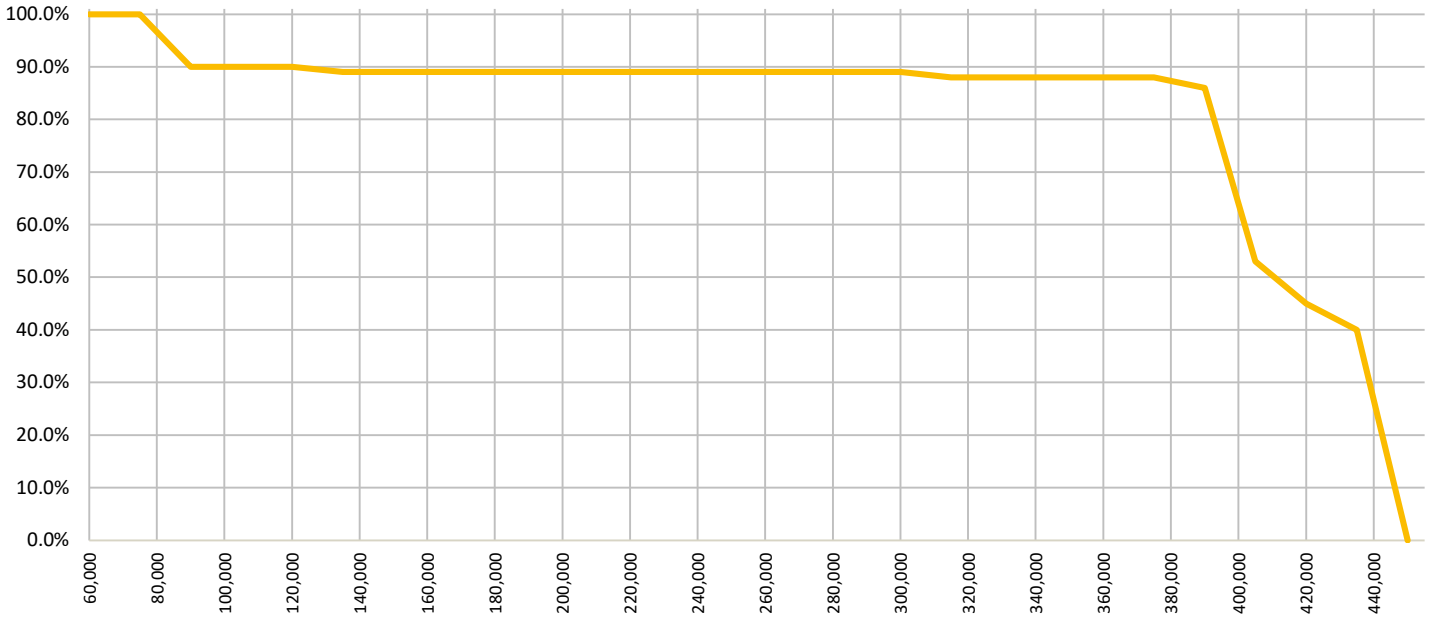
This plan is not complete without the accompanying disclosure pages.

Stress Tests

Likelihoods that Average After-Tax Incomes Will be at Least This Amount During Retirement

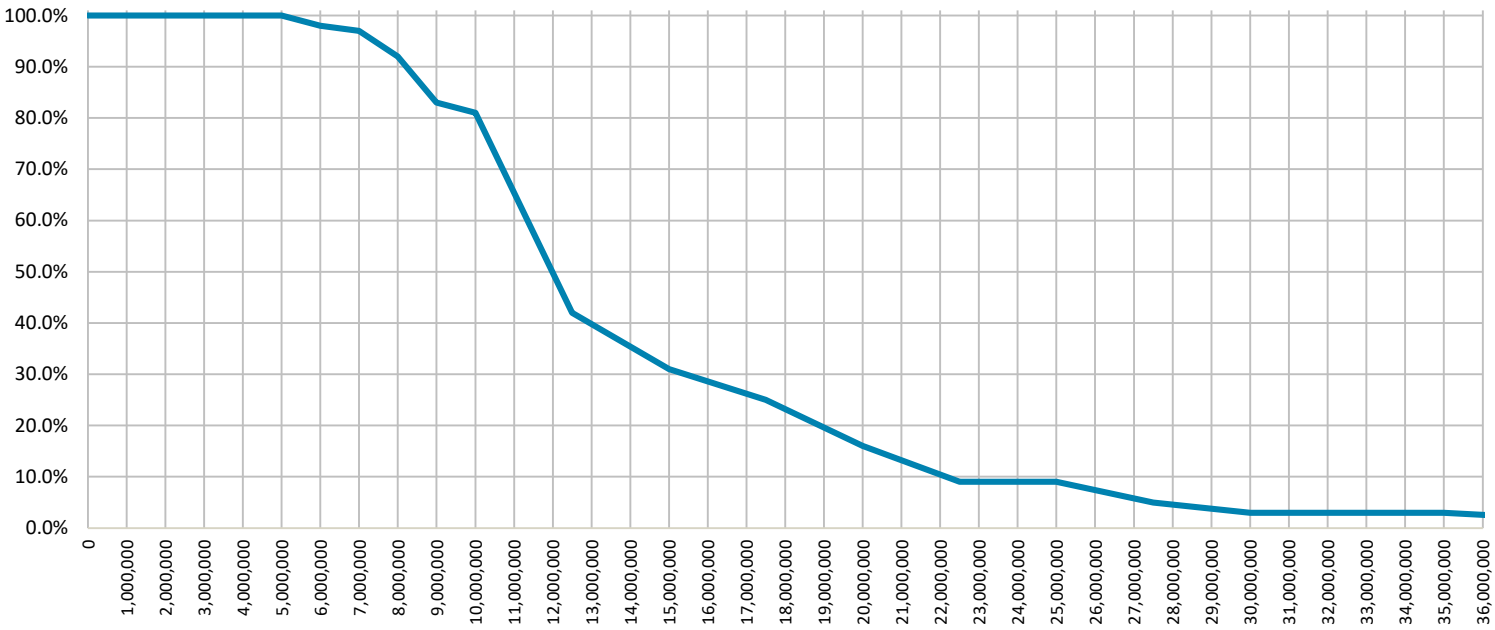


Likelihoods that the Worst Year's Income Will be at Least This Amount During Retirement



Likelihoods of Different Legacy Values

Likelihoods That Legacy Value Will be at Least This Amount



Working Years plan compared to current investments

Key Statistics	Current Investments	Working Years plan	Benchmarks: Bonds–Corporate, IG, Intermediate	Benchmarks: US Stocks–Large Cap Blend
Compound Annual Growth Rate (CAGR) (in real dollars)	6.7%	**6.2%**	2.5%	7.8%
Average return (in real dollars)	8.3%	**7.3%**	2.8%	9.3%
Semi-deviation (risk of loss)	7.1%	**5.8%**	4.5%	11.8%
Standard deviation (volatility)	12.2%	**10.1%**	7.0%	17.3%
Best year, historically	34.0%	**28.8%**	21.4%	37.5%
Worst year, historically	-19.4%	**-17.7%**	-14.0%	-37.0%
Worst 2 years, historically	-13.8%	**-13.5%**	-15.5%	-33.6%
Worst 3 years, historically	-5.6%	**-3.9%**	-7.9%	-37.7%
Beta (vs. S&P 500)	47.4%	**31.4%**	19.9%	100.0%
Alpha (vs. S&P 500)	1.4%	**2.0%**	3.1%	0.0%
Sortino ratio	1.62	**1.81**	1.03	1.13
Sharpe ratio	0.69	**0.73**	0.75	0.62

These statistics are based on historical data; future performance may be different or worse.

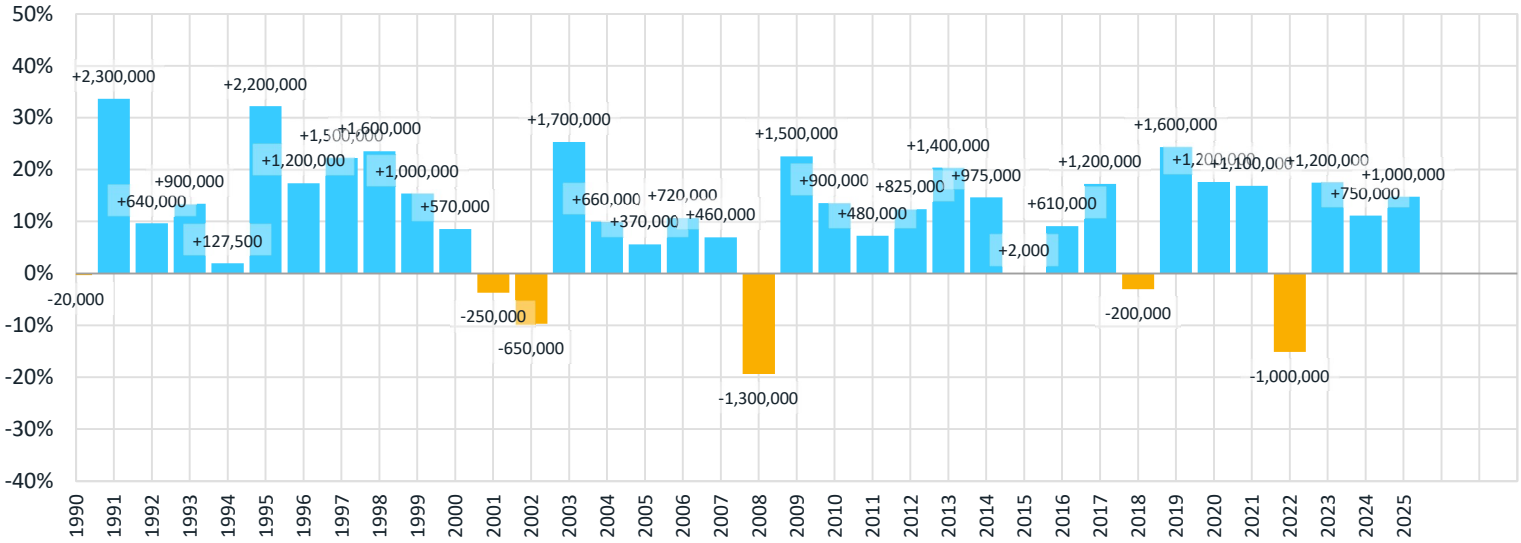
Possible Results of a $10,000 investment	Current Investments	Working Years plan	Bonds–Corporate, IG, Intermediate	US Stocks–Large Cap Blend
Expected value after 1 year (in real dollars)	11,000	**11,000**	10,000	11,000
Expected value after 5 years (in real dollars)	15,000	**14,000**	11,000	16,000
Expected value after 10 years (in real dollars)	22,500	**20,000**	13,000	24,000
Best 1 year gain over 10 years, forecast	3,700	**3,100**	2,200	4,100
Worst 1 year drop over 10 years, forecast	-2,100	**-1,900**	-1,400	-4,000
Worst 2 year drop over 10 years, forecast	-1,500	**-1,400**	-1,600	-3,700
Worst 3 year drop over 10 years, forecast	-610	**-420**	-810	-4,100

These forecasts are based on historical data, which does not guarantee future performance.

Working Years plan vs. current investments—historical performance

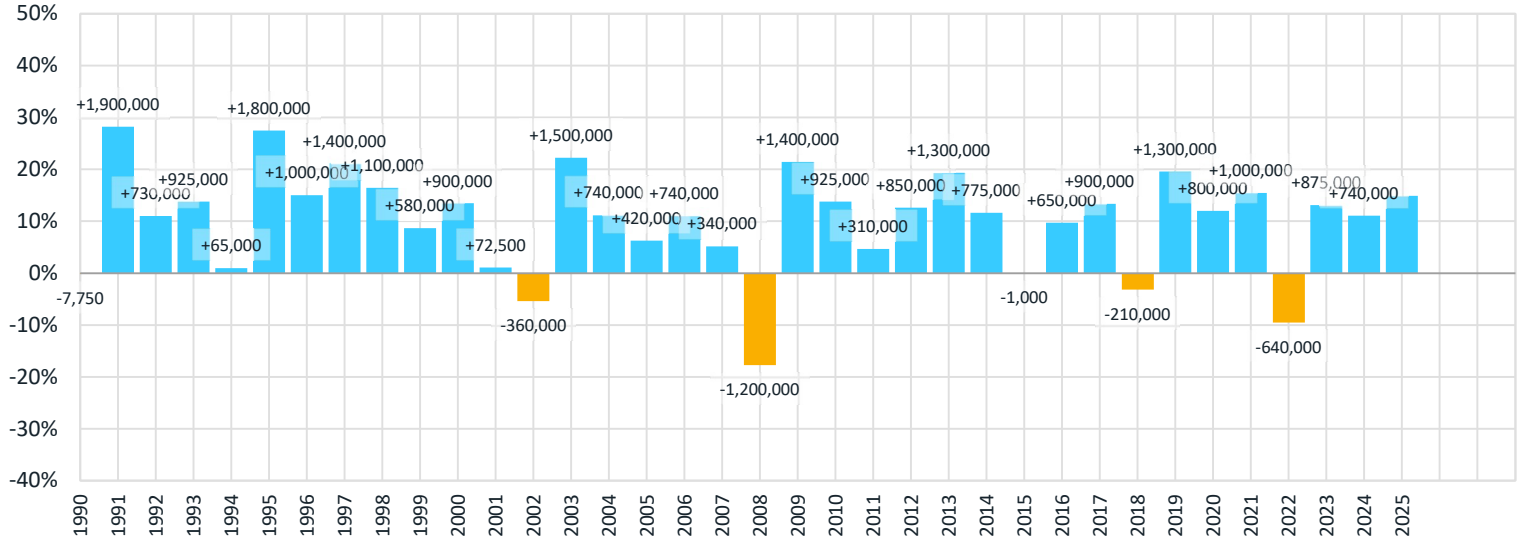
Current investments

Current investments: How your current investment amount would have fared each year, if it had been invested on January 1 of each year with your **current investments**.



Working Years plan

New Plan: How your current investment amount would have fared each year, if it had been invested on January 1 of each year under your Working Years plan. Historical performance does not guarantee future performance.



Note: Years displayed may be limited due to lack of historical data for one or more asset classes in a portfolio.

These statistics are based on historical data; future performance may be different or worse.

Retirement plan vs. current investments

Key Statistics	Current Investments	Retirement plan	Benchmarks: Bonds–Corporate, IG, Intermediate	Benchmarks: US Stocks–Large Cap Blend
Compound Annual Growth Rate (CAGR) (in real dollars)	6.7%	**5.2%**	2.5%	7.8%
Average return (in real dollars)	8.3%	**6.3%**	2.8%	9.3%
Semi-deviation (risk of loss)	7.1%	**5.1%**	4.5%	11.8%
Standard deviation (volatility)	12.2%	**8.8%**	7.0%	17.3%
Best year, historically	34.0%	**29.1%**	21.4%	37.5%
Worst year, historically	-19.4%	**-12.0%**	-14.0%	-37.0%
Worst 2 years, historically	-13.8%	**-2.0%**	-15.5%	-33.6%
Worst 3 years, historically	-5.6%	**6.0%**	-7.9%	-37.7%
Beta (vs. S&P 500)	47.4%	**22.5%**	19.9%	100.0%
Alpha (vs. S&P 500)	1.4%	**1.7%**	3.1%	0.0%
Sortino ratio	1.62	**1.76**	1.03	1.13
Sharpe ratio	0.69	**0.72**	0.75	0.62

These statistics are based on historical data; future performance may be different.

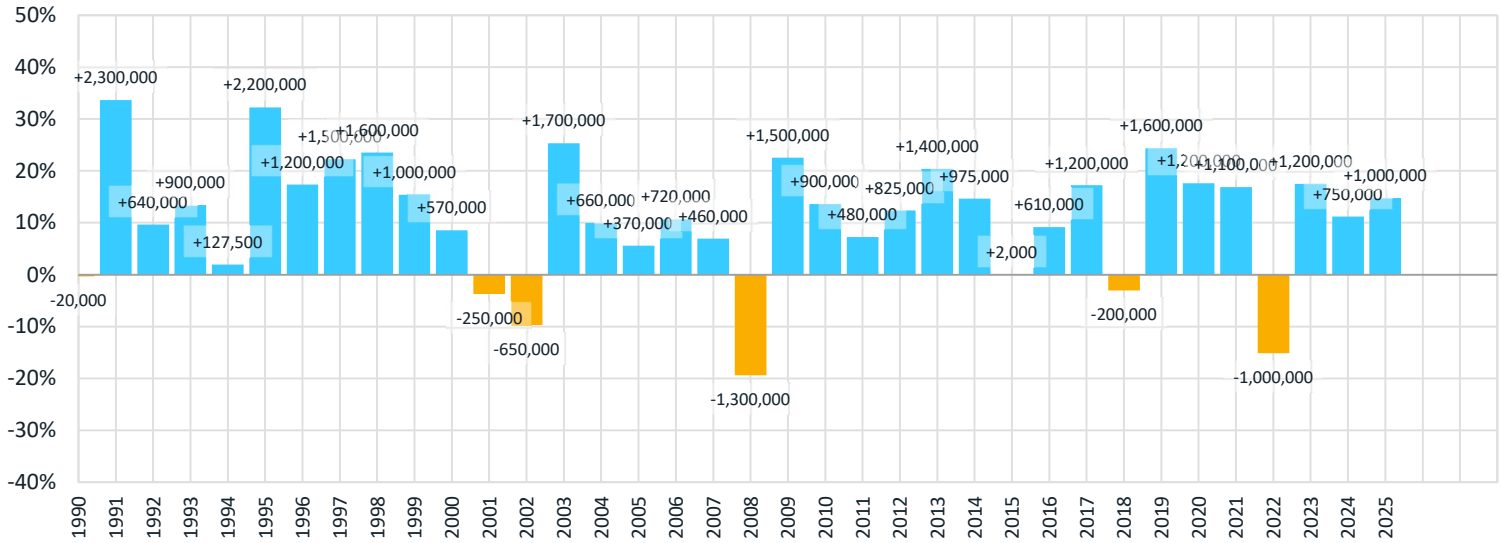
Possible Results of a $10,000 investment	Current Investments	Retirement plan	Bonds–Corporate, IG, Intermediate	US Stocks–Large Cap Blend
Expected value after 1 year (in real dollars)	11,000	**11,000**	10,000	11,000
Expected value after 5 years (in real dollars)	15,000	**14,000**	11,000	16,000
Expected value after 10 years (in real dollars)	22,500	**18,000**	13,000	24,000
Best 1 year gain over 10 years, forecast	3,700	**3,100**	2,200	4,100
Worst 1 year drop over 10 years, forecast	-2,100	**-1,250**	-1,400	-4,000
Worst 2 year drop over 10 years, forecast	-1,500	**-210**	-1,600	-3,700
Worst 3 year drop over 10 years, forecast	-610	**640**	-810	-4,100

These forecasts are based on historical data, which does not guarantee future performance.

Retirement plan vs. current investments—historical performance

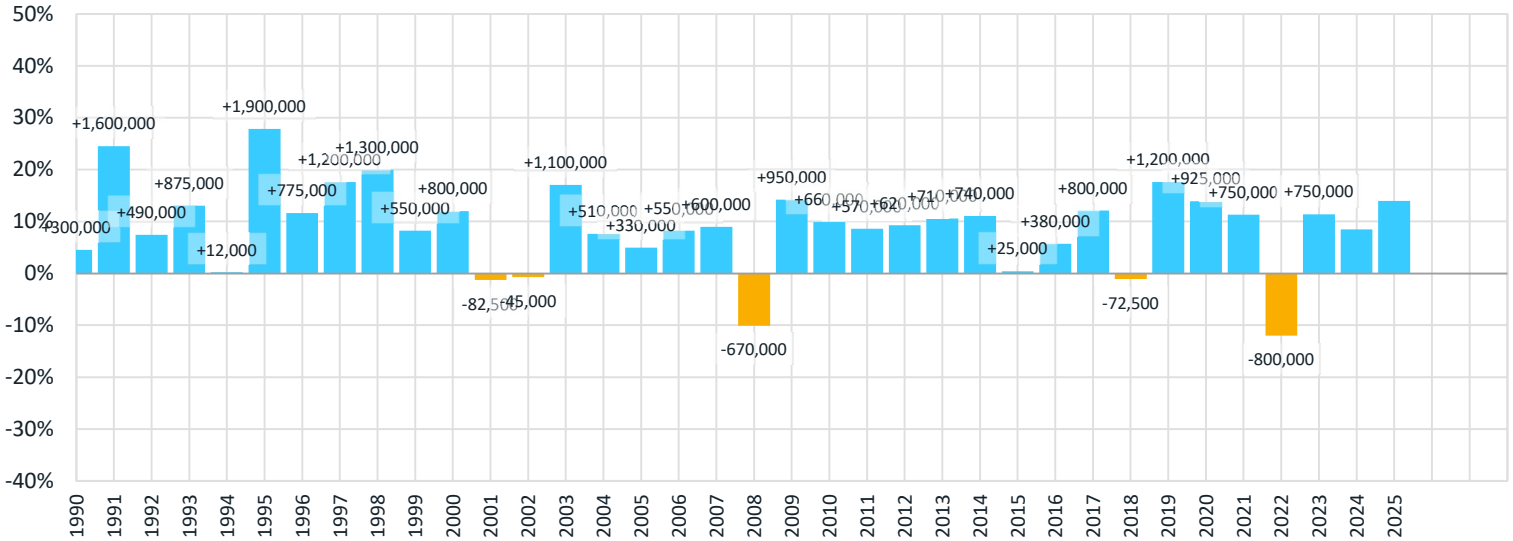
Current Investments

Current investments: How your initial investment amount would have fared each year, if it had been invested on January 1 of the year with your **current investments**.



Retirement plan

New Plan: How your current investment amount would have fared each year, if it had been invested on January 1 of each year under your Retirement plan. Historical performance does not guarantee future performance.



Note: Years displayed may be limited due to lack of historical data for one or more asset classes in a portfolio.

These statistics are based on historical data; future performance may be different or worse.

Rain Dog's Methodology

Rain Dog's **Investment Forecast Model (IFM)** makes use of several underlying models and components.

The Rain Dog **Capital Markets Model (CMM)** simulates the behavior of investments in different asset classes over time, including stocks, bonds, personal real estate, cash, inflation, and many other asset classes. Rain Dog's CMM models dependencies and interactions among asset classes with statistical rigor.



Rain Dog's **Federal Tax Model (FTM)** accounts for the effect that federal taxes have on investment performance and after-tax income. It applies federal tax rules to investment decisions and it includes the ability to account for rising or falling tax rates over time.

Rain Dog's **Investor Behavior Component** models the effects of investor decisions including social security start ages and amount of savings before retirement. It can optionally model investors making rational changes in behavior in response to market conditions, such as spending more when the market is up and spending less when the market is down.

Rain Dog's **Personal Utility Function** includes investor's desires for spending at different levels. It provides for capturing nuanced investor goals with a utility function that supports computational optimization of investor goals.

Rain Dog's **Investment Strategies Component** draws from both the CMM and the FTM and includes the ability to model the consequences of portfolio conversion strategies, withdrawal strategies, buffer and cash-management strategies, Roth conversion strategies, rebalancing frequencies, investment glide paths, and other investment strategies.

Rain Dog's **Goal Optimization Component** takes in input about Investor Preferences and optimizes for the investor's personal utility function computationally.

Rain Dog's Capital Market Model (CMM)

Rain Dog's CMM is based on a few key assumptions, which affect the output of the plan:

Average rate of inflation:	3.5%
Is year-to-year variation in inflation modeled:	Yes
Historical period used for calibrating returns:	1990-2025

Inflation. The CMM performs its computation in real dollars (aka current-year dollars) based on the report date. Calculations in real dollars are affected by the inflation assumption. Rain Dog's base inflation assumption is 3.7%, which is the compound average from 1975-2025. This assumption may have been changed by your advisor. If so, it is documented immediately above.

The CMM models year-to-year variations in inflation unless otherwise indicated above.

Personal real estate. Growth in personal real estate is modeled based on historical appreciation of each property. Information about current and past real estate values is drawn from public sources including tax records, Zillow, and Redfin.

Asset classes. Investors' current assets are analyzed based on 45 standard asset classes. Future investment performance of the current investment is modeled based on how current assets are allocated to these standard asset classes.

Future asset class performance. To model future performance of different asset classes, the historical return and volatility assumptions of the asset classes are calculated from the historical return data of relevant indexes or related index funds and historical volatility from 1990-2025. The averages of the historical data for the asset classes are listed on the next page. The Compound Annual Growth Rate (CAGR) figures shown have not been adjusted for inflation.

Asset Class	CAGR	Std Dev	Asset Class	CAGR	Std Dev
US Stocks–Large Cap Blend	10.7%	17.3%	Bonds–Treasuries, Intermediate	5.0%	6.4%
US Stocks–Large Cap Value	9.8%	15.4%	Bonds–Treasuries, Long-Term	5.6%	12.6%
US Stocks–Large Cap Growth	11.8%	21.9%	Bonds–Treasuries, TIPS	5.8%	7.8%
US Stocks–Mid Cap Value	10.8%	17.7%	Bonds–Treasuries, Long Duration, Zero Co	2.7%	27.1%
US Stocks–Mid Cap Growth	10.6%	19.9%	Bonds–Corporate, IG, Short-Term	4.5%	4.2%
US Stocks–Small Cap Value	11.0%	17.7%	Bonds–Corporate, IG, Intermediate	5.3%	7.0%
US Stocks–Small Cap Growth	9.6%	19.3%	Bonds–Corporate, IG, Long-Term	6.4%	9.8%
International Stocks–Developed ex-US	5.0%	19.2%	Bonds–Corporate, High Yield	6.8%	10.5%
International Stocks–Japan	3.1%	20.3%	Bonds–International, USD Hedged	5.1%	4.8%
International Stocks–Pacific ex Japan	8.3%	22.6%	Bonds–International, Emerging Market	8.3%	14.0%
International Stocks–Latin America	6.3%	33.7%	Senior Floating Rate Loans	4.4%	10.8%
International Stocks–Emerging Markets	8.6%	34.9%	Bonds–Tax Exempt, Short-Term	2.7%	1.9%
International Stocks–Emerging Markets, Asia	7.0%	32.7%	Bonds–Tax Exempt, Intermediate	4.5%	4.3%
International Stocks–ex-US Small Cap	8.1%	22.6%	Bonds–Tax Exempt, Long-Term	4.7%	6.0%
International Stocks–Emerging Markets Sma	10.7%	33.7%	Bonds–Tax Exempt, High Yield	5.3%	6.8%
Sector–Health Care	13.7%	17.4%	Gold	6.6%	17.1%
Sector–IT	13.7%	31.5%	Broad Commodities	4.1%	22.7%
Sector–Consumer Discretionary	9.3%	21.8%	REIT–US	8.7%	19.1%
Sector–Industrials	8.3%	17.3%	REIT–International	3.2%	22.4%
Sector–Consumer Staples	7.2%	12.4%	Money Market	2.8%	2.3%
Sector–Financials	7.0%	22.3%	Cash, M1	0.1%	0.1%
Sector–Energy	4.5%	24.2%			
Sector–Utilities	4.3%	18.5%			
Bonds–Treasuries, Short-Term	3.8%	3.8%			

Rain Dog's Tax Model

Rain Dog's tax model forecasts federal and state taxes based on current laws and tax brackets with simplified deduction, exemption, and tax bracket parameters. Future tax laws may be significantly different than current tax laws and may result in higher or lower taxes than the taxes that are reflected in this report. Your specific taxes may be affected by factors that are not included in Rain Dog's analysis and may result in higher taxes than shown in this report.

Here is how **federal taxes** have been modeled in this report:

Deduction	Itemized deduction: $50,000
Future income tax increases:	Yes (3.0% per bracket in 2030)

Here is how future **state taxes** have been modeled in this report:

State:	WA	Does state combine income & capital gains?	No
State income tax rate	9.90%	State capital gains tax rate	7.00%
State income tax exemption	$1,000,000	State capital gains tax exemption	$270,000
Percent of social security taxed by state	100.00%	State home sale capital gains exemption	Not taxed

Rain Dog's Methodology (continued)

Monte Carlo Simulation

Rain Dog's Investment Forecast Model uses Monte Carlo simulations to analyze the ways that different factors interact with one another in a statistically rigorous way. For investment purposes, these factors can include market volatility, rates of return, rates of inflation, tax consequences of different income levels, required minimum distributions, advisor fees, and many other factors.

In a Monte Carlo simulation, each factor is assigned a "probability distribution," and then hundreds or thousands of trials are run in which each factor varies randomly, interacting with each other factor in ways defined by the simulation.

Results of the Monte Carlo simulation can be used in several ways, including defining a "nominal" (50/50) outcome and also defining the likelihood of other outcomes. Rain Dog uses Monte Carlo simulation to forecast or estimate numerous factors including the aggregate rate of return of a portfolio, income levels at different times, asset levels at different times, and overall risk of success or failure. This information is then used to help make planning decisions.

As with any kind of forecasting, a Monte Carlo simulation cannot perfectly predict the future, i.e., there is no guarantee of future performance. The accuracy of a Monte Carlo simulation depends significantly on the accuracy of the statistical assumptions used to calibrate the Monte Carlo model, and Rain Dog has calibrated our Monte Carlo model in several ways that make it potentially more accurate than many other simulations (although still in no way guaranteed). The Rain Dog model:

- Uses historically-based probability distributions for all asset classes rather than standard normal (bell curve) distributions, which supports modeling "fat tail" behavior that standard normal distributions do not model
- Accounts for statistical dependencies among asset classes (correlations)
- Offers more asset classes (45) than other models (5-10), which allows more fine-tuning in evaluating investment alternatives
- Accounts for tax consequences including growth over time of keeping assets in different locations (i.e., 401K, Roth, taxable), including federal income taxes, federal capital gains taxes, state income and capital gains taxes, and required minimum distributions
- Accounts for both tax implications and asset-growth implications of converting a portfolio to different allocations over different time periods
- Accounts for effect of rebalancing at different periodicities
- Accounts for different spending sleeve or buffer strategies for withdrawing income during retirement
- Accounts for rational responses to changing market conditions from investors, such as spending less during down cycles

IMPORTANT: While we have taken extensive measures to ensure the accuracy of Rain Dog's Investment Forecast Model, the projections and other information generated by Rain Dog regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Best use of the results is for sake of comparing alternative approaches.

Additional Disclosures

THESE DISCLOSURES SHOULD BE REVIEWED IN CONJUNCTION WITH THE DISCLOSURES ON THE FIRST PAGE AND IN THE DESCRIPTION OF RAIN DOG'S METHODOLOGY. THIS DISCLOSURE CONTAINS IMPORTANT INFORMATION AND SHOULD BE REVIEWED CAREFULLY WHEN CONSIDERING AN INVESTMENT STRATEGY. This information is provided by Rain Dog LLC ("Rain Dog LLC") for use by the client identified herein. This information is for one-on-one use only and should not be distributed to any other parties. This document is neither an offer to sell nor a solicitation to buy any security or investment product. It is Rain Dog LLC's recommendation based on information provided by the client. It should not be assumed that any of the recommendations discussed will prove to be profitable, or that the investment recommendations or decisions made in the future will be profitable. This analysis could change significantly as more information is learned about the objectives, time horizon, risk capacity, and risk tolerance of the client; additional specific details of the client account, restrictions imposed by the client, and market exigencies at the time of investment. Rain Dog reserves the right to modify its recommendations based on changing market dynamics and/or the client's needs.

RAIN DOG LLC DOES NOT PROVIDE LEGAL OR ACCOUNTING 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.

No Warranties. Rain Dog LLC makes no warranties, expressed or implied, as to accuracy, completeness, or results obtained from any information created using Rain Dog LLC's Investment Forecast Model (“Rain Dog”). Rain Dog uses simplified assumptions derived and/or obtained from historical data that are used to create assumptions about potential investment returns.

RISKS INHERENT IN INVESTING. Investing in fixed income securities (bonds and cash) involves interest rate risk, credit risk, and inflation risk. Investing in cash or cash alternatives involves inflation risk. In addition, investments in money market securities may involve credit risk and a risk of principal loss. U.S. Treasury bills are subject to market risk if sold prior to maturity. **Investing in stock securities** (equities) involves volatility risk, market risk, business risk, and industry risk. The prices of most stocks fluctuate, in some cases dramatically. **International investing** involves additional risks including, but not limited to, changes in currency exchange rates, differences in accounting and taxation policies, and political or economic instabilities that can increase or decrease returns.

Inherent limitations of forecasting models. Investment outcomes in the real world are the results of an enormous set of variables, including variables that have not yet been discovered. Any financial forecasting model, such as Rain Dog, considers a relatively small subset of the factors that may affect investment outcomes, and each of those can vary in unpredictable ways. The forecasts made in this report are hypothetical, do not reflect actual investment results, and are not guarantees of future results.

Percent-likelihood forecasts. The percentage likelihood is the percentage generated by Rain Dog, based on the Rain Dog model’s assumptions. A likelihood of 100% means that, as far as Rain Dog is concerned, the likelihood of a successful outcome is 100%. Rain Dog has been calibrated using historical returns, including the great recession, and Rain Dog allows for extended periods in which investment returns are significantly worse than any historical period. That does not mean that Rain Dog accounts for every possible scenario. Events could occur that are completely outside the assumptions used to create the Rain Dog model, such as collapse of social security or hyperinflation such as Latin America saw in the 1980s-1990s. Investors who are concerned about events like these may assign probabilities to them that produce a lower likelihood of success than indicated by Rain Dog.

Availability of rates of return used by Rain Dog. The assumed rates of return of Rain Dog's asset classes are based on the historical returns of low cost index funds. There is no guarantee that these historical rates of return will recur in the future. Investments in actively managed funds and other types of funds may incur higher fees, which will affect performance. Investments that are not considered by Rain Dog may have characteristics that are similar or superior to the categories that are used in Rain Dog.

Results may vary because of real-world circumstances. The results presented in this report are not predictions of actual results but are rather intended to support comparisons among alternatives. Actual results may vary to a material degree due to external factors beyond the scope and control of this report such as investment returns, inflation, taxes, and other economic conditions. As these factors vary, your actual results will vary from those presented in Rain Dog. Small changes in these inputs and assumptions may have a significant impact on the results.

Rebalancing fees and expense. The portfolio returns assume that the portfolio is rebalanced to the target allocation on the frequency shown in the report. Tax consequences of rebalancing are calculated using federal tax rates. Any fund-level fees incurred are not included in Rain Dog's calculations.

Additional Disclosures (continued)

Insurance, Annuities and other related calculations. Rain Dog may include life insurance, annuity or other products in its calculations. The return or returns of any such life insurance product, annuity or other product as included in the calculations are hypothetical and shall not be construed as actual performance of the 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.

Advisor fees. Rain Dog's standard advisor fees are included in all relevant calculations in this report unless otherwise indicated. Standard fees are $10,000 per year plus 0.25% of Assets Under Management (AUM) per year.

Liquidation of holdings. This report may recommend liquidation of some or all of your current holdings. The tax consequences of liquidation have been modeled using simplified tax assumptions.

Tool version.
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