

Wealth Management Analysis



ESSENTIAL



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Time Period Annual Amount
2025 to 2050 \$100,000
Owner: Beth Smith
Inflation Rate: 2.08%

IMPORTANT



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Time Period Annual Amount
2018 to 2021 \$50,000
Student: Emily Smith
Inflation Rate: 5.00%

ASPIRATIONAL

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GOALS

Goal Description	Priority	Timeline
Retirement Goals		
Desired Retirement Spending	Essential	Retirement through Rest of Life
Education Goals		
Education Goal	Important	2018 through 2021
Other Goals/Expenses		
Buy Boat	Aspirational	Retirement through 2025

ESTIMATED FUTURE INCOME/SAVINGS

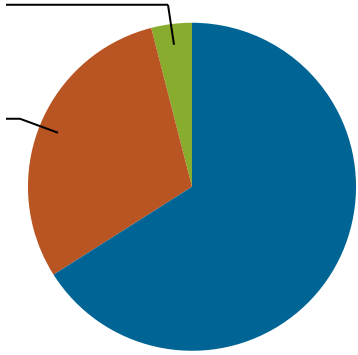
Income Source	Start Date	End Date
Income		
Salary Income	2016	until Retirement
Social Security Income	2025	through Rest of Life
Taxable Savings		
Taxable Savings	2016	until Retirement
Tax-Deferred and Tax-Exempt Savings		
Tax-Deferred Saving	2017	until Retirement

TARGET ASSET ALLOCATION[†]

OTHER FACTORS

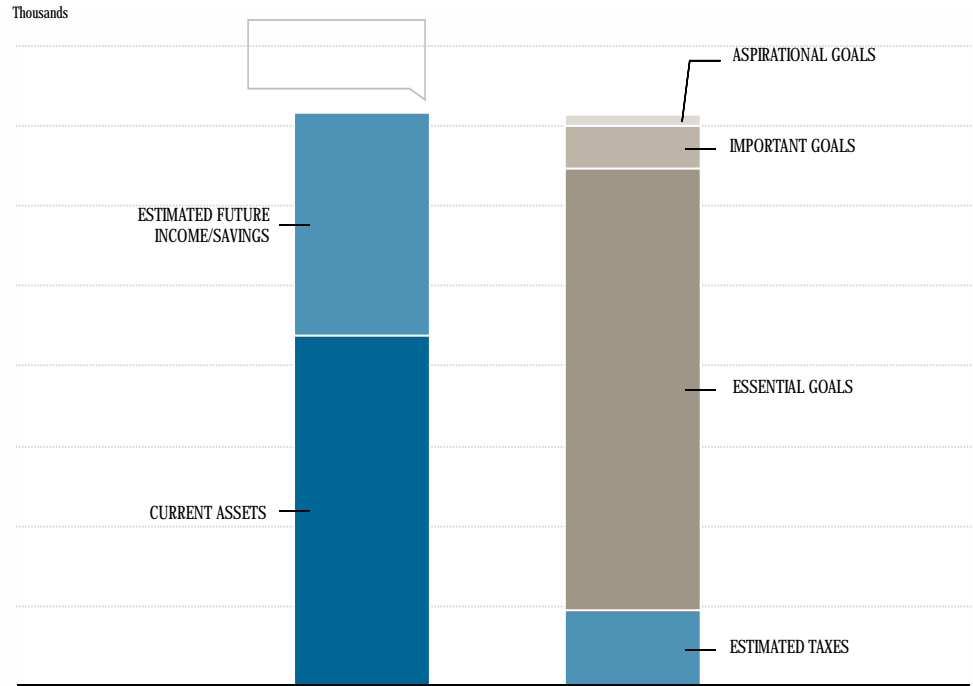
Current	Target Allocation	Retirement Age

[†] This information is provided for informational purposes only and does not constitute an offer of any financial product or service. The target asset allocation is based on the client's goals and risk tolerance. The actual asset allocation may vary due to market conditions and the timing of investments. The retirement age is based on the client's current age and the assumed retirement date. The information is subject to change without notice.



This overview helps you assess the feasibility of your goals.

ESTIMATED COST OF YOUR GOALS **\$2,926,469**



GOALS

R : Desired Retirement Spending

Goal Amount

Estimated Taxes

Funding Sources

Estimated Future Income/Savings

Current Assets

Total Assets

R : Education Goal

Goal Amount

Estimated Taxes

Funding Sources

Estimated Future Income/Savings

Current Assets

Total Assets

R : Buy Boat

Goal Amount

Estimated Taxes

Funding Sources

Estimated Future Income/Savings

Current Assets

Total Assets

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Potential Wealth (Current Value: \$1,800,000)

Year					Tax-Deferred Contributions			
	Gross Portfolio Income (+)	Taxes* (+/-)	Goals / Expenses** (-)	Net Amount (=)	Individual(s) (+)	Employer (+)	Net Cash Flow*** (=)	Potential Wealth (75% Likelihood)
2017	\$42,478	\$0	\$0	\$62,478	\$24,000	\$0	\$86,478	\$1,856,704
2018	\$41,267	(\$13,156)	(\$52,500)	(\$3,973)	\$24,499	\$0	\$20,526	\$1,898,326
2019	\$45,032	(\$26,546)	(\$55,125)	(\$15,798)	\$25,009	\$0	\$9,211	\$1,946,752
2020	\$43,972	(\$14,589)	(\$57,881)	(\$7,224)	\$25,529	\$0	\$18,305	\$2,010,230
2021	\$41,513	(\$12,922)	(\$60,775)	(\$10,467)	\$26,060	\$0	\$15,593	\$2,055,625
2022	\$49,489	(\$36,160)	\$0	\$35,497	\$26,602	\$0	\$62,099	\$2,190,403
2023	\$44,097	(\$13,673)	\$0	\$53,053	\$27,155	\$0	\$80,208	\$2,337,664
2024	\$42,840	(\$11,879)	\$0	\$54,061	\$27,720	\$0	\$81,781	\$2,473,168

Potential Wealth (Current Value: \$1,800,000)

Year		Income Sources (+)	Gross Portfolio Income (+)	Taxes* (+/-)	Goals / Expenses** (-)	Net Amount (=)	Individual(s) (+)	Employer (+)	Net Cash Flow*** (=)	Potential Wealth (75% Likelihood)
2025	65	\$35,928	\$43,512	(\$15,952)	(\$217,903)	(\$154,415)	\$0	\$0	(\$154,415)	\$2,371,527
2026	66	\$36,676	\$49,035	(\$15,074)	(\$120,356)	(\$49,719)	\$0	\$0	(\$49,719)	\$2,391,441
2027	67	\$37,439	\$41,360	(\$12,866)	(\$122,859)	(\$56,926)	\$0	\$0	(\$56,926)	\$2,398,943
2028	68	\$38,217	\$42,593	(\$14,024)	(\$125,414)	(\$58,628)	\$0	\$0	(\$58,628)	\$2,418,379
2029	69	\$39,012	\$41,325	(\$11,983)	(\$128,023)	(\$59,669)	\$0	\$0	(\$59,669)	\$2,431,449
2030	70	\$39,824	\$43,982	(\$16,875)	(\$130,686)	(\$63,755)	\$0	\$0	(\$63,755)	\$2,446,070
2031	71	\$40,652	\$42,323	(\$19,774)	(\$133,404)	(\$70,203)	\$0	\$0	(\$70,203)	\$2,454,641
2032	72	\$41,498	\$46,452	(\$41,968)	(\$136,179)	(\$90,197)	\$0	\$0	(\$90,197)	\$2,450,788
2033	73	\$42,361	\$49,480	(\$22,494)	(\$139,011)	(\$69,664)	\$0	\$0	(\$69,664)	\$2,441,998
2034	74	\$43,242	\$42,534	(\$22,058)	(\$141,903)	(\$78,185)	\$0	\$0	(\$78,185)	\$2,455,405
2035	75	\$44,141	\$41,069	(\$22,034)	(\$144,854)	(\$81,678)	\$0	\$0	(\$81,678)	\$2,432,503
2036	76	\$45,059	\$41,808	(\$21,597)	(\$147,867)	(\$82,597)	\$0	\$0	(\$82,597)	\$2,419,697
2037	77	\$45,997	\$45,279	(\$23,246)	(\$150,943)	(\$82,913)	\$0	\$0	(\$82,913)	\$2,435,200
2038	78	\$46,953	\$42,090	(\$35,854)	(\$154,083)	(\$100,894)	\$0	\$0	(\$100,894)	\$2,430,921
2039	79	\$47,930	\$41,531	(\$23,701)	(\$157,288)	(\$91,528)	\$0	\$0	(\$91,528)	\$2,390,151
2040	80	\$48,927	\$42,809	(\$42,027)	(\$160,559)	(\$110,850)	\$0	\$0	(\$110,850)	\$2,368,438
2041	81	\$49,945	\$34,572	(\$28,223)	(\$163,899)	(\$107,605)	\$0	\$0	(\$107,605)	\$2,363,236
2042	82	\$50,984	\$48,886	(\$27,589)	(\$167,308)	(\$95,027)	\$0	\$0	(\$95,027)	\$2,318,204

Potential Wealth (Current Value: \$1,800,000)

Year	Age						Tax-Deferred Contributions		Net Cash Flow*** (=)	Potential Wealth (75% Likelihood)
		Income Sources (+)	Gross Portfolio Income (+)	Taxes* (+/-)	Goals / Expenses** (-)	Net Amount (=)	Individual(s) (+)	Employer (+)		
2043	83	\$52,044	\$34,756	(\$23,602)	(\$170,788)	(\$107,590)	\$0	\$0	(\$107,590)	\$2,279,469
2044	84	\$53,127	\$41,549	(\$28,264)	(\$174,340)	(\$107,928)	\$0	\$0	(\$107,928)	\$2,242,179
2045	85	\$54,232	\$39,260	(\$32,690)	(\$177,967)	(\$117,165)	\$0	\$0	(\$117,165)	\$2,193,205
2046	86	\$55,360	\$40,447	(\$30,784)	(\$181,668)	(\$116,645)	\$0	\$0	(\$116,645)	\$2,160,536
2047	87	\$56,511	\$37,024	(\$47,038)	(\$185,447)	(\$138,950)	\$0	\$0	(\$138,950)	\$2,117,446
2048	88	\$57,686	\$34,389	(\$33,296)	(\$189,304)	(\$130,525)	\$0	\$0	(\$130,525)	\$2,084,175
2049	89	\$58,886	\$31,794	(\$38,667)	(\$193,242)	(\$141,229)	\$0	\$0	(\$141,229)	\$2,024,620
2050	90	\$60,111	\$27,117	(\$29,784)	(\$197,261)	(\$139,817)	\$0	\$0	(\$139,817)	\$1,988,519

*Includes estimated Federal and State taxes provided by either you or Merrill Lynch. See *d a f a a a* section and *d f* for further details.

**Includes your contributions to tax-deferred plans. Goals and expenses may reflect different values than other Analyses, depending on the specific goals considered in each Analysis.

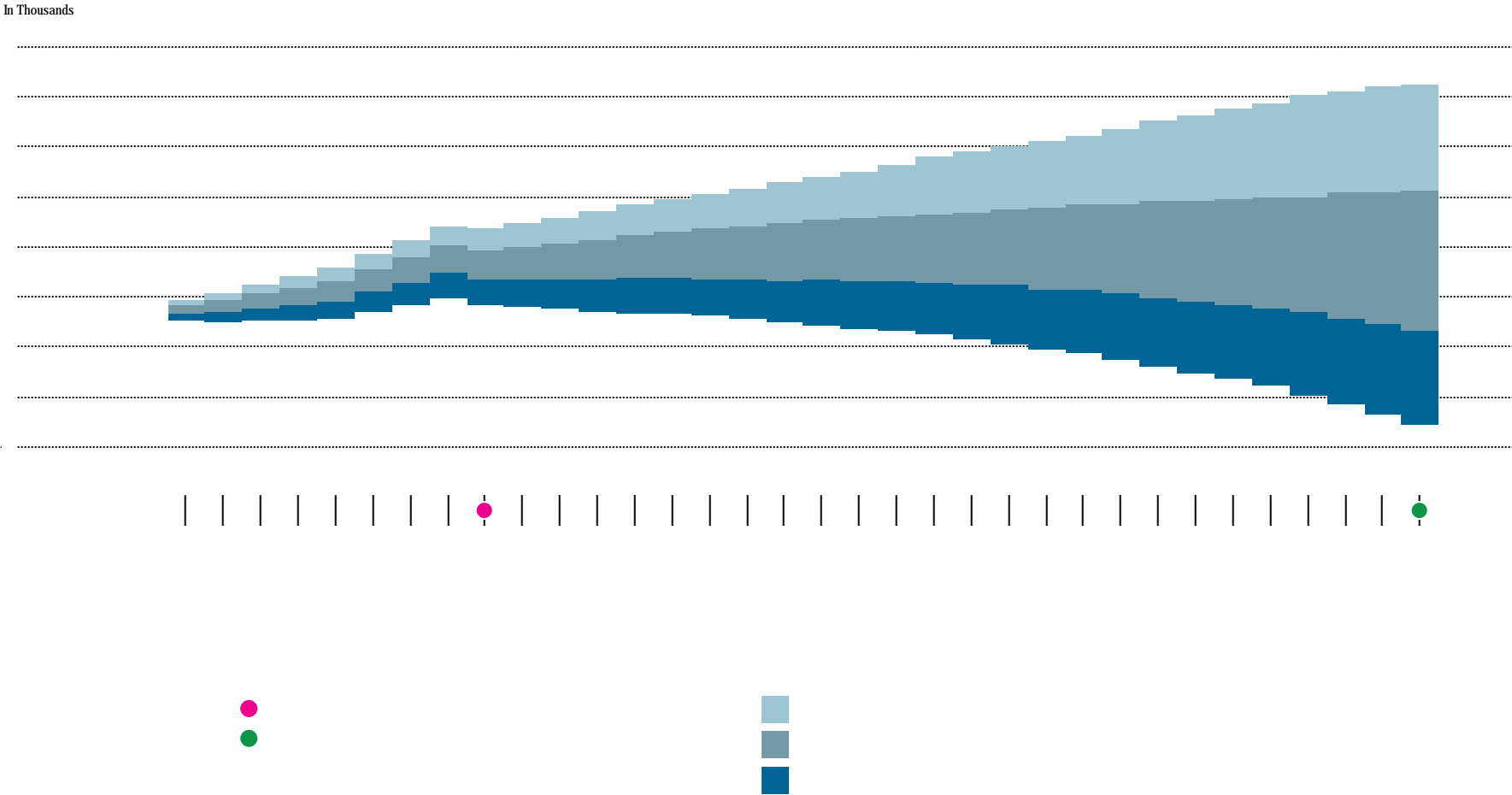
***Net Cash Flow represents the sum of all taxable savings, income sources, gross portfolio income, taxes, goals/expenses and tax-deferred contributions (individual and employer). Your Financial Advisor may have omitted some of these columns from your view for ease of viewing this Cash Flow Summary. If you would like a more detailed summary, please contact your Financial Advisor.

■ Indicates retirement age, current or anticipated, as applicable.

The Potential Wealth outcome shown above is hypothetical, is not guaranteed and your actual resw 24(gB2D2 Y222D2Y222Dy2Y(B2D2Y222D*,9Y222Dm2Djr2Djr.2Y222DM,Y666Dw2Yk4BD2Yk,)D2Y).9DRG(2Y4k9D,6BY222Dm)(2Y4k9D,(Y(4(Dlr\$qq(9B an oth Br,D

The graph below is an illustration of the range of your potential wealth, on a year by year basis, that may occur based on the assumptions used in the analysis. The percentage indicates the probability your wealth could meet or exceed this level in each specific year of the analysis.

POTENTIAL WEALTH



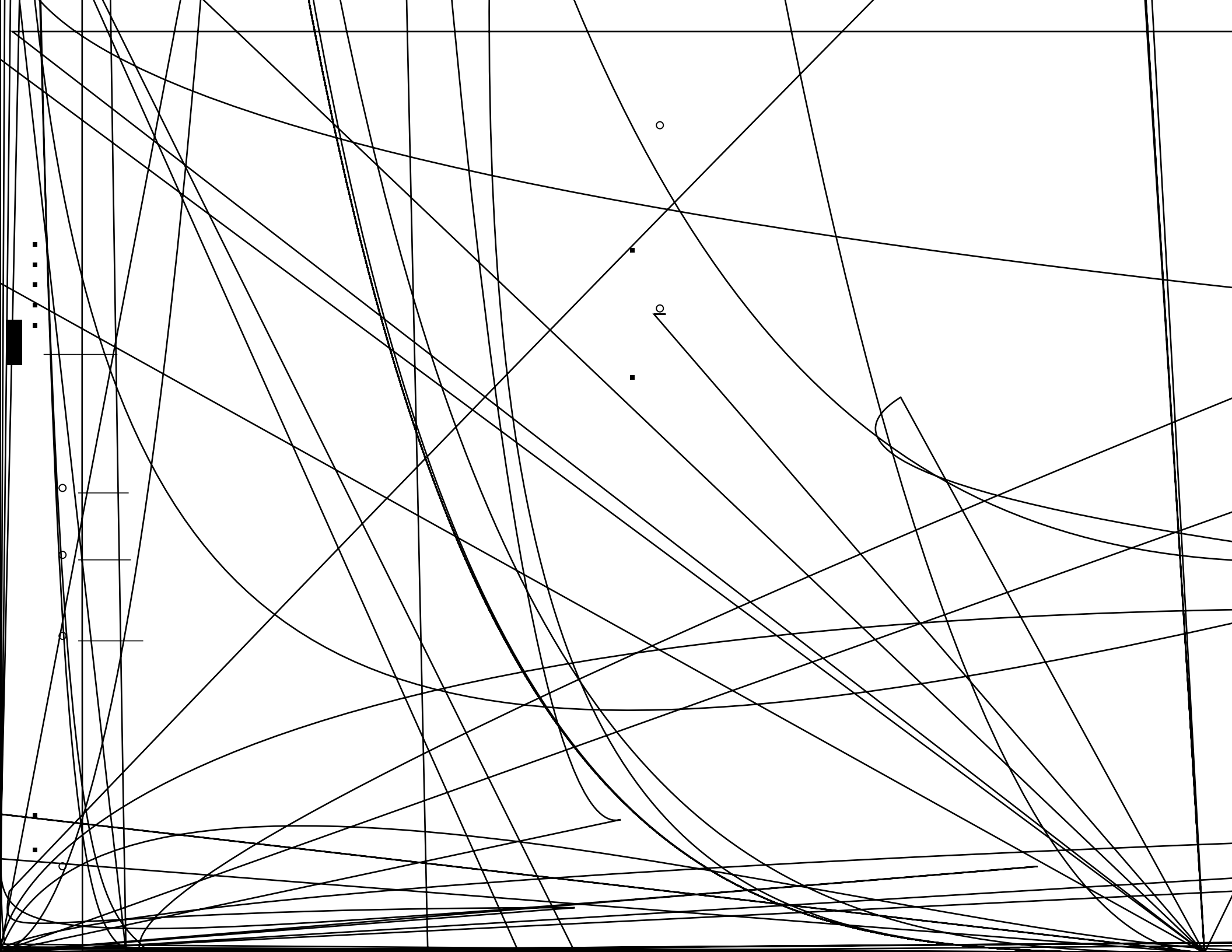
The outcomes shown are hypothetical, are not guaranteed and your actual results could differ significantly for many reasons. Additional information about the assumptions in the analysis is provided in *d a f a* and *d f* at the end of this report.

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Sample Report

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The analysis uses long-term capital market assumptions developed by Merrill Lynch to generate a range of potential future return outcomes and are presented for information purposes only. Correlation assumptions used in the analysis:

ASSET CLASS LONG TERM CAPITAL MARKET ASSUMPTIONS: CORRELATION MATRIX

Asset Class	Equity	Large Cap Growth	Large Cap Value	Small Cap Growth	Small Cap Value	International	Fixed Income	Short Term Bonds	Intermediate Term Bonds	Long Term Bonds	Cash	Hedge Fund Strategies	Private Equity	Real Assets
Equity														
Large Cap Growth														
Large Cap Value														
Small Cap Growth														
Small Cap Value														
International														
Fixed Income														
Short Term Bonds														
Intermediate Term Bonds														
Long Term Bonds														
Cash														
Hedge Fund Strategies														
Private Equity														
Real Assets														

The below table illustrates the projected rates of return of all asset classes and target allocations considered at various confidence levels. The confidence levels provide a measure of likelihood or confidence of success (i.e. ratio of "successful" occurrences to the total number of possible occurrences). They are used to illustrate a range of outcomes for various scenarios over a planning horizon of 25 years.

GEOMETRIC AVERAGE RETURNS AT CONFIDENCE LEVELS BASED ON 25 YEAR INVESTMENT HORIZON

Asset Class	95%	80%	75%	55%	50%	30%
Equities						
Large Cap Growth						
Large Cap Value						
Small Cap Growth						
Small Cap Value						
International						
Fixed Income						
Long Term Bonds						
Intermediate Term Bonds						
Short Term Bonds						
Cash						
Real Assets						
Hedge Fund Strategies						
Private Equity						

TARGET ALLOCATION

Allocation Name	95%	80%	75%	55%	50%	30%
Target Allocation						

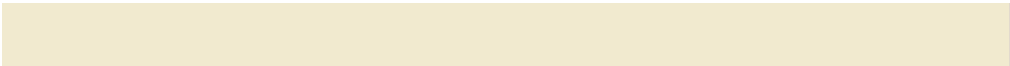
For Probabilistic Modeling: A certain number of paths are generated (each step along each path is assumed to be independent from the previous one). The paths are then sorted from the highest to lowest growth rate at horizon and the percentile values identified (these are the growth rates shown in the table above). For example, the value of 5.1% for Equity under the "80%" column indicates that 80% of the paths have generated a growth rate of at least 5.1% over planning horizon of 25 years (this corresponds to the 20th percentile). For more information see *Important Disclosures Regarding Probabilistic Modeling* within *Appendix: Understanding Your Analysis*.

For Deterministic Modeling: A single path is projected with a straight-line forecast using the rates of return above that correspond to the labels in the report: Conservative: 80%, Moderate: 50%, Aggressive: 30%. For more information see *Deterministic Modeling* within *Appendix: Understanding Your Analysis*.

It's important to note that these returns are geometric returns (aka Compound Annual Growth Rates – CAGR) over a 25 year planning horizon, not arithmetic averages over a 1-period horizon. These returns are not historical or actual investment returns, but rather long-term expectations.

The 50% rate of return corresponds to the Geometric Mean Return found in the Asset Class Rates of Return Table of *Appendix: Important Information*.

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Sample Report

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