

The **Sample Family
Executive Summary**

June 1st 2019



Everything Starts With A Plan

Mink Wealth Management
Responsibility & Legacy To Family

Summary

- You are on track to achieve and exceed your goals. You have a 99% probability of success for achieving the net monthly income of ~\$8,000. Assuming an average total return of 5.2%, you would have ~\$4,250,000 at the end of the plan. (Please see page 6 for more details)
- We do not see a need to purchase a Long-Term Care policy for either Joe or Jane. Given your current spending habits, and if Joe & Jane enter a Nursing Home at age 80 for 5 years at an annual cost of ~\$178,0000 (~\$89,000 each) inflating at 2.5%, you would have ~\$3,000,000 left at the end of the plan. (Please see page 10 for more details)
- Joe will begin taking his Required Minimum Distributions after turning 70 ½ in 2023 from his tax-exempt holding. The gross withdrawal will be \$161,000 (before taxes) and the net distribution to you will be \$117,000 (after taxes). Assuming a 20% Federal and 7% State withholding rate. (Please see page 7 for more details)
- Your Risk Assessment has placed you into a portfolio with 57% Equity, 26% Bonds, 4% cash, and 11% alternatives. Based on the specific suggested holdings, your proposed portfolio would have a risk number of 57 on a scale of 1 to 100 where 78 represents the S&P 500's risk allocation. (Please see pages 4 and 9 for more details)

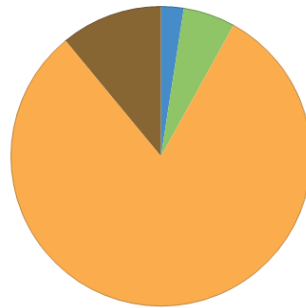
Examples of Other Modules That May be Included in Your Plan

- Tax Efficiency
- Divorce Planning
- Family Support (Assisted Living, Healthcare, Loans)
- Spending Flexibility (Can you spend more? Should you spend less?)
- Customized Investment Guidelines
 - Cruelty Free Portfolio
 - Environmentally Aware Portfolio
- College Planning for Kids or Grandkids
- Estate and Trust Planning
- [Croak Book Development](#)

Net Worth Summary

	Total Value
<u>Assets at Mink Wealth</u>	
MWM- Joe & Jane Joint	~\$255,000
MWM- Joe's IRA (Abbey, Nestor, & Campbell)	~\$325,000
MWM- (Exxon & Structured Notes)	~\$414,000
MWM- Joe's Rollover IRA – Managed	~\$2,950,000
Subtotal	~\$3,944,000
<u>Assets held outside of Mink Wealth</u>	
Checking Account	~\$52,000
Savings Account	~\$59,000
Subtotal	~\$111,000
<u>Properties</u>	
VA Property	~\$500,000
Subtotal	~\$500,000
Total Net Worth	~\$ 4,555,000

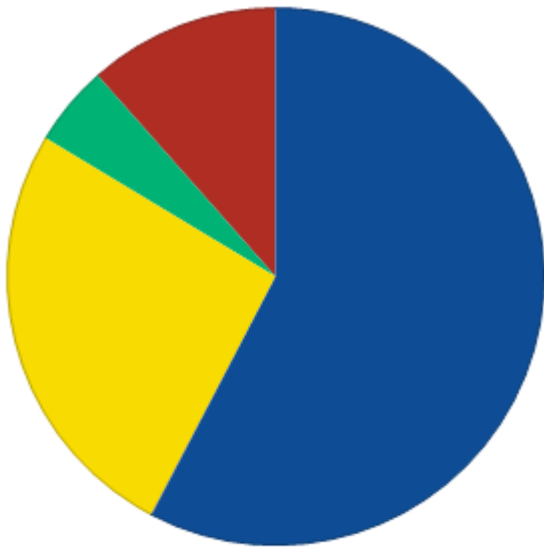
Breakdown by Asset Type (Jan 2018)



■ Cash 2.4%
 ■ Taxable Investments ~5.6%
 ■ Qualified Retirement ~81%
 ■ Real Estate ~11%

Asset Allocation ⁸

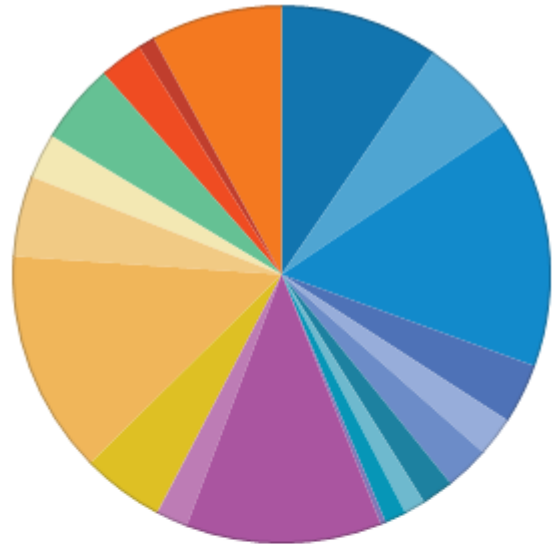
By Asset Class



- Equities (57.65%)
- Taxable Bonds (25.94%)
- Other (11.53%)
- Tax Exempt Bonds (0.04%)
- Cash (4.84%)

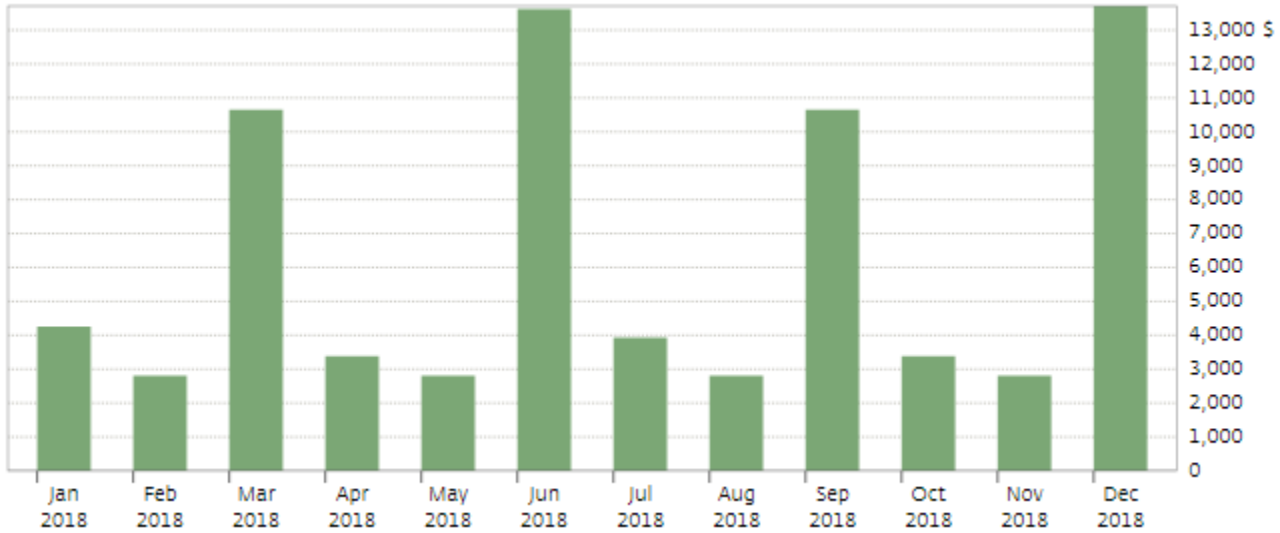
Managed Futures,
Commodities, & REITs

By Sub Asset Class



- Large Growth (9.54%)
- Large Blend (14.98%)
- Mid Value (2.38%)
- Small Growth (1.92%)
- Small Blend (1.29%)
- International (11.77%)
- Sht Trm Mun (0.00%)
- Long Trm Mun (0.04%)
- Inv Grd Bnd (13.47%)
- IPS (2.70%)
- Inv Real Estate (2.62%)
- Managed Futures (7.90%)
- Large Value (6.01%)
- Mid Growth (3.61%)
- Mid Blend (2.67%)
- Small Value (1.28%)
- Balanced (0.31%)
- Emerg Mkts (1.90%)
- Int Trm Mun (0.00%)
- Hgh Yld Bnd (4.92%)
- Sht Trm Bnd (4.85%)
- Cash (4.84%)
- Commodities (1.01%)

Income Schedule Summary ⁷



Summary	Interest	Income	Total
January, 2018	\$ 0	\$ 4,249	\$ 4,249
February, 2018	0	2,807	2,807
March, 2018	0	10,660	10,660
April, 2018	0	3,387	3,387
May, 2018	0	2,807	2,807
June, 2018	0	13,627	13,627
July, 2018	0	3,925	3,925
August, 2018	0	2,807	2,807
September, 2018	0	10,660	10,660
October, 2018	0	3,387	3,387
November, 2018	0	2,807	2,807
December, 2018	0	13,711	13,711
Total	0	74,834	74,834

Financial Plan Assumptions

- The plan ends when Jane is 93.
- ~\$8,000 net monthly spending.
- Cash Outflows:
 - A. House Repairs (1): ~\$10,000 in 2018 (Checking/ Savings).
 - B. House Repairs (2): ~\$40,000 in 2030 (Distribution xxx213).
 - C. New Car: ~\$45,000 in 2019 - Lexus Replacement (Distribution xxx213).
 - D. New Car: ~\$35,000 in 2022 Toyota Replacement (Distribution xxx213).
 - E. Christine's wedding: \$30,000 in 2019 (Distribution xxx213).
 - F. New Roof: ~\$25,000 in 2025 (Distribution xxx213).
 - G. South Sea Cruise: ~\$25,000 in 2018/19 (Checking/ Savings).
 - H. Travel (1): ~\$25,000 in 2023 (Distribution xxx213).
 - I. Travel (2): ~\$30,000 in 2026 (Distribution xxx213).
 - J. Travel (3): ~\$30,000 in 2027 (Distribution xxx213).

Retirement Plan Scenarios ^{2,4}: Note: The Financial Planning Community uses 85% as the minimum acceptable probability of success for retirement.

Scenario #1



Our analysis estimates a **99%** probability of success in achieving the monthly expenses of **~\$8,000/mo.** Assuming an average total return total return of **~5.2%**, you would have **~\$4,250,000***, in current dollars, left at the end of your plan (Jane 93).

Scenario #2

How much can you spend at an 85% probability of success?



Our analysis estimates an **85%** probability of success in achieving the monthly expenses of **~\$13,150/mo.** Assuming an average total return total return of **~5.2%**, you would have **~\$1,900,000***, in current dollars, left at the end of your plan (Jane 93).

*The ending value at the end of the plan does not include the value of your Warrenton VA property or the value of your life insurance.

Retirement after Tax Income Schedule as of April 2018 ³

Sources of Funds	2018 → 2022	2023 +
Joe's Part-Time Consulting	~\$100/mo	-
Joe's Social Security @70	-	~\$2,650/mo (~\$3555/mo Gross)
Jane's Spousal Social Security Benefits @70	-	~\$1,050/mo (~\$1,400/mo Gross)
MWM- Portfolio Withdrawals <i>(Portfolio withdrawal rate averages at 2.5% over the life of the plan)</i>	~\$8,000/mo (~\$11,000/mo Gross)	~\$4,300/mo (~\$5,750/mo Gross)
Total Income	~\$8,100/mo Net	~\$8,000/mo Net

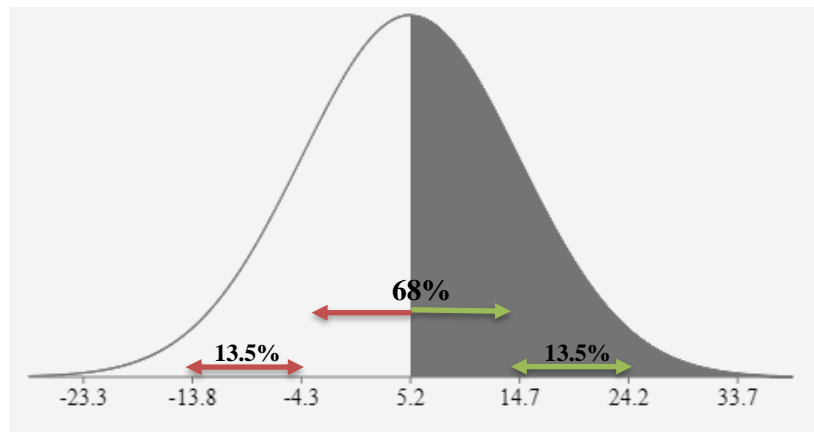
Required Minimum Distribution (RMD)

Joe will begin his required minimum distribution at age 70 ½ in 2023. Based on the projected value of your portfolio and given your portfolio withdrawals, the gross RMD value would be ~\$161,000. Assuming a 20% Federal and 7% State tax withholding, the net amount would be ~\$117,500.

- Please note that any RMDs that is not needed to meet your annual spending goal will simply be re-invested or held as an emergency cash buffer.

Risk & Return Assessment ¹

Risk/Return Assumptions	Average Total Return	Standard Deviation
Total Portfolio ¹ (Assets at MWM & Outside)	~5.2%	~9.5%



Based on your projected risk & return assumptions, there is a 68% probability* that your returns will fall between -4.3% and 14.7% on a rolling 12 months period. There is a 13.5% probability** of poor returns that fall between -4.3% and -13.8% on a rolling 12 months period. There is also a 13.5% probability** of great returns that fall between 14.7% and 24.2% on a rolling 12 month period.

(*) 1 STD DEV: represents 1 standard deviation away from the expected return which correlates to 68% of all possible returns.

(**) 2 STD DEV: represents 2 standard deviations away from the expected return which correlates to 95% of all possible returns.

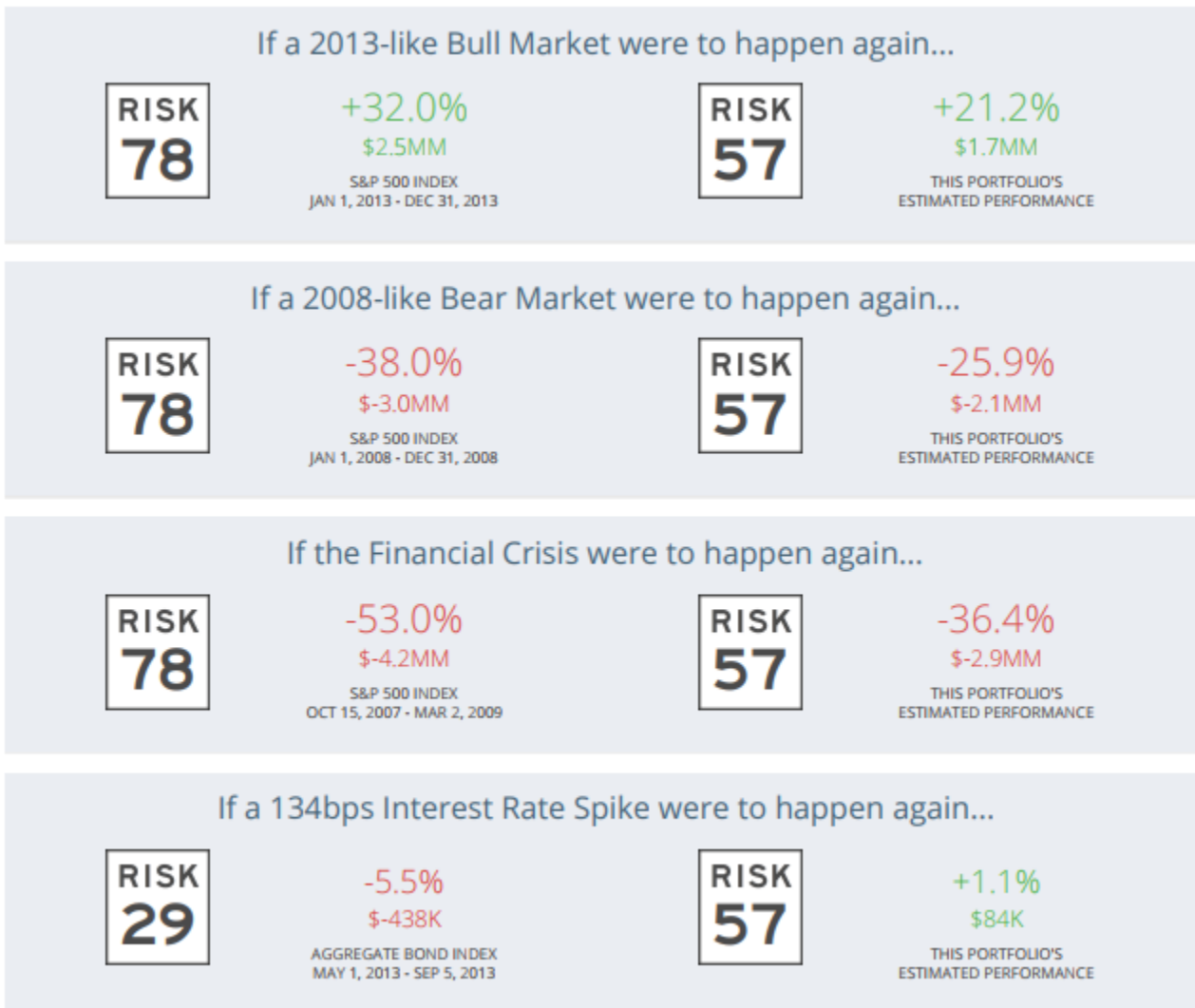
13.5% falls on the lower half of the bell curve and is between -13.8% and -4.3%.

13.5% falls on the upper half of the bell curve and is between 14.7% and 24.2%.

Bear Market Stress Test ⁶



If your investments lost 26% this year, you have a 99% probability in achieving the net monthly spending of ~\$8,000/mo in addition to the cash out-flows outlined earlier in the assumptions section.



Long Term Care Analysis

The graph below shows, in current dollars, what would happen to your Portfolio based on Scenario #1 if Joe & Jane enter a Nursing Home at age 80 for 5 years at an annual cost of ~\$178,000 (~\$89,000 each) inflating at 2.5%.

● *Portfolio value Without LTC Expenses* ● *Portfolio value with LTC Expenses*

Effect of Long-Term Care Expense on your Investment Portfolio





¹ Historical total return and standard deviation are based on projected Capital Market Assumptions provide by Envestnet.

² Spending is adjusted for inflation at 2.5%.

³ Assumes a 20% Federal tax withholdings and 7% State while living in VA.

⁴ Ending value of portfolio in current dollars is based on an average rate of return of your current portfolio through the life of the plan.

⁵ All figures are after tax.

⁶ This is the approximate loss sustained by a portfolio with a similar percentage of stocks, bonds and cash During the Great Recession, which lasted from November 2007 through February 2009. Historical Bear Market data is provided by Riskalyze. The information provided regarding the likelihood of various investment outcomes are hypothetical and may not reflect the actual growth of the actual investments.

⁷ Projected equity dividends in the Income Schedule are provided for informational purposes only. Data is generated from the most recent equity dividend payment for the given equity security, and replicated using the current quantity and next expected dividend payment date. There is no assurance that projected equity dividends will actually pay the projected amount on the projected date.

⁸ Style classifications are provided by Morningstar, Inc. and mapped into one of the style classifications supported on this platform. Sector information is provided by Morningstar. Bond type and rating information is provided by Interactive Data Corporation.