

Wealthcare Profile Status Report

Friday, October 04, 2013

P R E P A R E D F O R

Tom & Katie Client



P R E P A R E D B Y

Wealthcare Advisor

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Important Disclosures

IMPORTANT: The projections or other information generated by Wealthcare Capital Management, Inc ("WCM") regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. The plan results vary with each use and over time.

Analysis Methodology

The general methodology has these common characteristics as user inputs:

1. One or more estimated financial spending goals;
2. One or more financial resources that may be invested to generate funding for current or future financial goals;
3. One or more estimated sources of cash flows into the plan;
4. One or more investment portfolio designs based either on the risk and return characteristics of portfolios linked to financial resources as a whole or multiple portfolio designs based on those resources' tax treatment characteristics and/or time periods during which a portfolio design is to apply;
5. Tax rate assumptions, portfolio management, investment advisor and related investment expenses and portfolio turnover;
6. Client information necessary to the calculation of estimated income taxes on the client(s)' portfolio and social security benefits and if optionally, estimated estate taxes, life, disability and long-term care insurance benefits if applicable; and,
7. Client and spouse or life partner date of birth, life expectancy (or random mortality analysis can be used).

These inputs are then calculated together in chronological sequence (cash inflows and outflows) in annual periods for each year through the end of the user selected planning period. The cash flows include simulated target portfolio investment results (gains or losses), net of estimated taxes, using one of three methods (the three evaluation or simulation methods available are Historic Audit, WealthSimulator®, and Monte Carlo - see Appendix II for definitions). The process is repeated 1,000 times, to generate 1,000 "lifetimes" of hypothetical investment results and overfunded or underfunded wealth management results for each programmatic run. The resulting data comprises a "plan" or "plan scenario". Results on up to four sets of plan scenarios may be presented in this report.

Limitations of the Analysis and Sensitivity of Assumptions to Plan Results

The results of all simulated trials are used to evaluate and describe a hypothetical distribution of outcomes, but do not represent a forecast or prediction of actual expected investment or financial outcomes.

The results in this report are materially affected by the capital market assumptions used. For the Monte Carlo simulation methodology, this report uses asset class level capital market assumptions developed by WCM using an approach described in detail in its whitepaper titled "Are You Modeling What You Intended?", as revised from time-to-time, which can be found at:

www.wealthcarecapital.com/ruminations/WP_areyoumodeling.pdf

Advisors may utilize the capital market assumptions provided by WCM or may choose to override them.

Appendix I, at the end of this report, is a descriptive table of all potential asset classes that might be used in constructing possible investment portfolio alternatives whose investment results are simulated in the report results. Such descriptive information includes the underlying market indices or other factors used in WCM's capital market analysis assumptions.

Appendix II, at the end of this report, defines common terms used throughout the report.

Appendix III, at the end of this report, illustrates the range of returns for each asset class, using Monte Carlo Simulations for one, three and five year periods. These returns reflect both negative and positive returns for each asset class.

The report's analysis does not include the simulation or analysis of individual investment securities other than to the extent certain widely diversified index mutual funds or exchange-traded funds happen to be the same or similar to the indices used by WCM in developing asset class-level capital market assumptions as noted in the table in Appendix I, but no specific examples of such index mutual funds or index exchange-traded funds are represented as recommendations in this report. Note: Indices are unmanaged and a direct investment may not be available for any specific index.

The estimated fees, costs and income taxes and other cash flow input assumptions may be materially different over the course of the related planning time horizon than the actual fees, costs and income tax consequences and other cash flows that will be incurred.

WCM does not practice law or provide professional accounting services but its wealth management software may be used by a Technology Subscriber who does practice and could be appropriately licensed to provide those professional services. Though WCM makes no such representations they are appropriated licensed. In some cases, this report may have been prepared or presented by a professional financial advisor employee or independent contractor licensed to represent WCM as a registered financial advisor who independent of his or her affiliation with WCM is to the best of WCM's knowledge duly authorized to provide accounting, tax and estate planning or insurance related advice recommendations through their own professional organization or another appropriate unaffiliated organization.

Analysis provided using the Financeware software related to estate planning techniques and life, disability and long-term care insurance is based on publicly available information on the nature of those insurance products, but not necessarily any specific policy coverage or premium cost and U.S. tax code and related regulations, as well as information published by sources believed to be reliable but whose reliability WCM cannot guarantee.

Intended beneficiaries of an estate ,or a trust designed to shelter assets from estate taxes, can change as well as what you view today as assets you are comfortable gifting or setting aside in a trust whose assets you no longer have access to at all, or at least in part, during your lifetime. Final decisions of estate tax planning matters including adoption of any estate tax planning techniques should be done after consultation with a qualified tax professional, such as a CPA with estate expertise or estate lawyer. You should review your estate taxation status and estate planning techniques you do adopt periodically with a qualified estate tax professional.

Important Notice

WCM does not endorse or evaluate any advisor that it does not employ and investors should understand that financial advisors must be registered in certain states and/or registered with various regulatory agencies (and/or Self Regulatory Organizations) or may be exempt from registration (as may be applicable) and must provide certain disclosures to their clients and prospective clients based on applicable regulations.

WCM licenses certain investment analysis and other technology tool components to certain Financial Advisors (or anyone that purchases technology tools from WCM via the Internet) under a subscription agreement ("Technology Subscriber"). Any Technology Subscriber that licenses this technology has the ability to control most of the assumptions utilized in the analysis presented in this report. It is important that you understand that the assumptions used regarding capital market assumptions and other financial or life event assumptions (such as retirement date, savings, spending needs, life expectancy, income tax rates, among others) will determine the results of any analysis, and therefore any results presented in this report could be materially misleading and have not been endorsed, validated, or examined by WCM acting as a registered investment advisor and should not be relied upon. Any investors not completely confident in their understanding of the complexity of these analytics should seek the advice of a professional who thoroughly understands the implications of the analysis and any assumptions used. If this report was prepared by your Financial Advisor who is a Technology Subscriber of WCM, it is your advisor's obligation to completely disclose all material assumptions used, the basis for such assumptions, and also to clearly indicate that WCM has not endorsed, tested or validated any of their assumptions other than WCM's default capital market assumptions for Monte Carlo or Wealth Simulator® if such advisor used those default assumptions and WCM may have made different recommendations if WCM were acting in a contractual advisory capacity.

WCM does not provide professional tax or insurance services, although its licensed wealth management software may be used to assist Financial Advisors who are also licensed tax and insurance professionals. Any specific tax strategy or insurance product recommendations are those of the applicable Financial Advisor, even when such strategies or insurance purchase recommendations may have been developed in part from the analysis capabilities of WCM's licensed technology tools. If you are an advisory client of WCM, any estate or other tax strategy or insurance need suggestions should be reviewed with an appropriate tax or insurance professional before adoption and implementation.

Key Terms Defined

Acceptable

A scenario comprised of the client's minimal goals and priorities that are still satisfactory.

Comfort Level

This reflects the percentage of simulations run against an investor's financial strategies in which the investor exceeded his or her goals.

Comfort Zone®

The Comfort Zone® encompasses Comfort Levels from 75 to 90.

Ideal

A scenario comprised of the client's maximum goals and priorities that would be the best possible scenario to reach..

Recommended

A scenario comprised of an adjustment bounded by the client's Ideal and Acceptable goals that falls within the Comfort Zone®.

Sacrifice Zone

The sacrifice zone encompasses Comfort Levels above 90

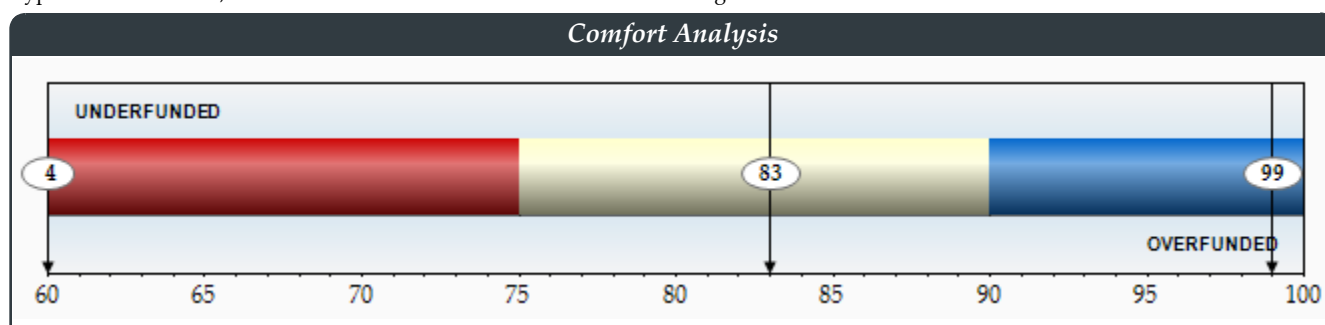
Uncertain Zone

The uncertain zone encompasses Comfort Levels below 75.

See Appendix II for a complete listing of common terms and definitions.

Comfort Analysis

Important: The projections or other information generated by WCM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.



NAME	SIMULATION METHOD	COMFORT LEVEL	STATUS
1 <i>Ideal</i>	Monte Carlo	4%	UNCERTAIN (UNDERFUNDED)
2 <i>Recommended</i>	Monte Carlo	83%	COMFORT
3 <i>Acceptable</i>	Monte Carlo	99%	SACRIFICE (OVERFUNDED)

■ SACRIFICE (OVERFUNDED) . Unnecessary sacrifice to lifestyle or undue investment risk.
■ COMFORT. Sufficient confidence without undue sacrifice, changes to goals likely to be minor and manageable.
■ UNCERTAIN (UNDERFUNDED) . Confidence is too low, changes to goals may be necessary now and into the future.

	IDEAL	RECOMMENDED	ACCEPTABLE
Retirement Age			
Tom	Retired	62	65
Katie	Retired	62	65
Retirement Spending			
Tom	\$175,000	\$175,000	\$160,000
Other Goals			
Jamaica Trips	\$25,000	\$25,000	\$10,000
Education Goal	Yes	Yes	Some
Target End Value			
Today's Dollars	\$2,000,000	\$500,000	\$100,000
Actual Dollars	\$6,149,567	\$1,537,392	\$307,478
Savings (Current)			
Tom	\$7,500	\$10,000	\$20,000
Katie	\$7,500	\$10,000	\$20,000
Default Inflation Rate	3%	3%	3%
Investment Adjustment	-1.427%	-1.427%	-1.429%
Portfolio			
All Accounts	WCM-RISK AVERSE 30% EQUITIES	WCM-BALANCED INCOME 45% EQUITIES	WCM-GROWTH 90% EQUITIES
Median Return	6.17%	7.22%	9.56%
Risk			
Std. Deviation*	6.85%	9.04%	17.19%
Downside (95%-tile)**	-4.51%	-6.63%	-14.92%

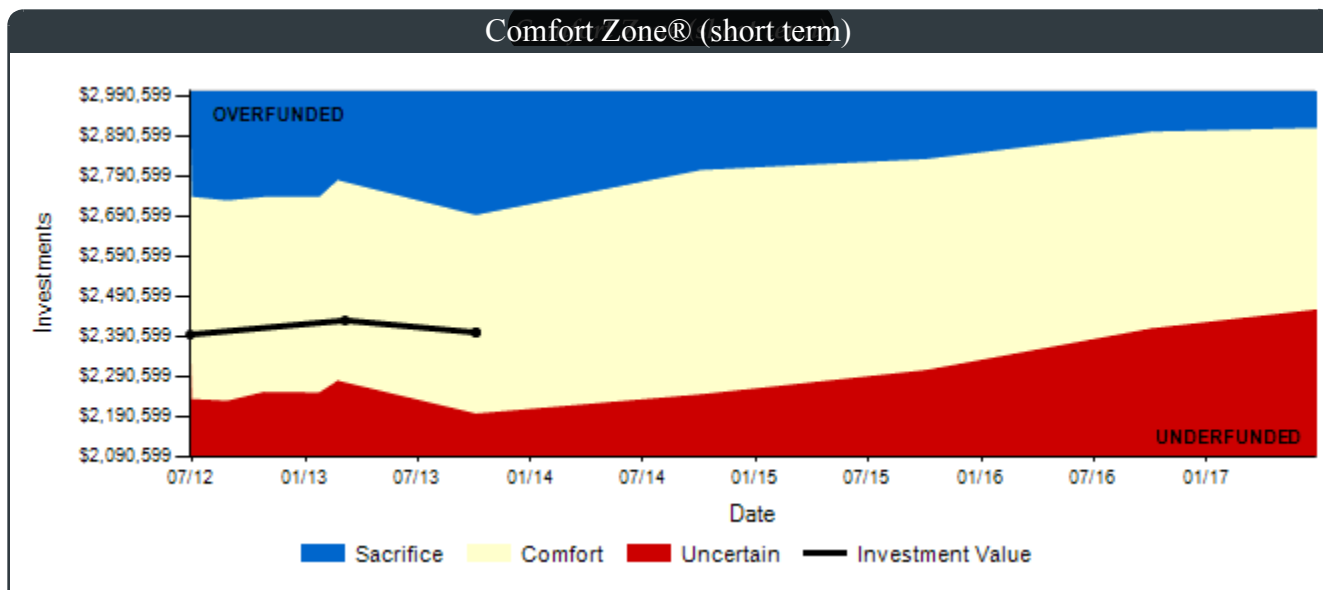
*Standard deviation is a risk statistic used to measure the volatility of return observations around the portfolio's average return.

**Downside represents the 1-year 95th percentile return. 95% of all 1-year returns simulated are better than this return and 5% are worse.

Wealthcare Analysis

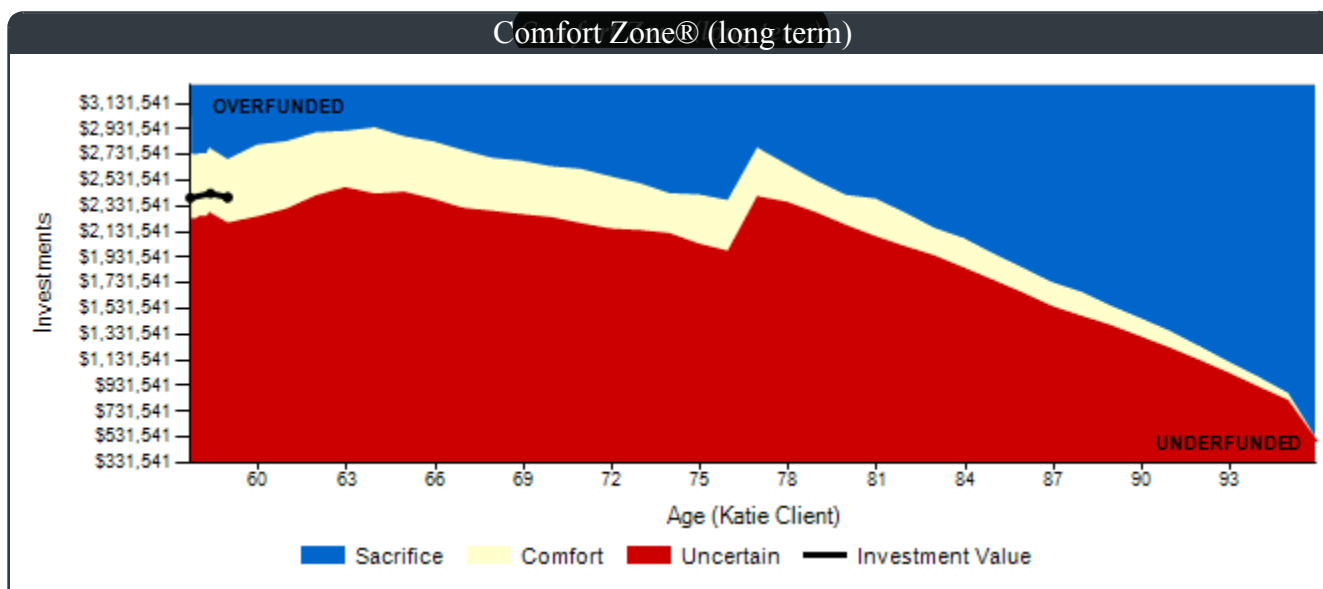
Important: The projections or other information generated by WCM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

See Common Terms and Definitions in Appendix II at the end of this report for more information about the Wealthcare Analysis.



Chance of Falling Outside of the Comfort Zone®

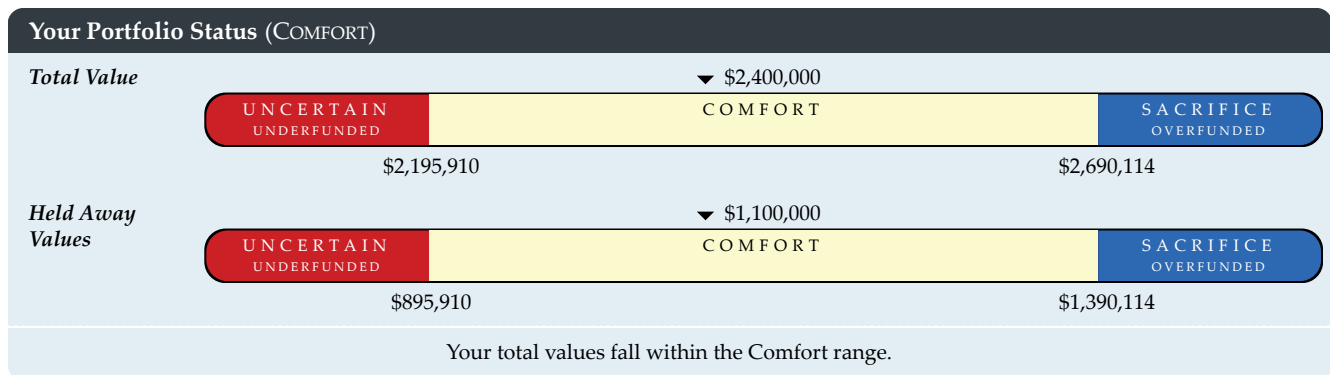
	<u>1 YEAR</u>	<u>3 YEARS</u>	<u>5 YEARS</u>
Sacrifice (Overfunded above)			
Amount	\$2,802,405	\$2,897,980	\$2,937,261
Chance	8.0%	24.5%	36.4%
Uncertain (Underfunded below)			
Amount	\$2,243,691	\$2,408,102	\$2,422,385
Chance	11.1%	25.2%	24.0%
Outside			
Chance	19.1%	49.7%	60.4%



Portfolio Values

<u>DESCRIPTION</u>	<u>ACCOUNT NO.</u>	<u>LAST UPDATED</u>	<u>LAST VALUATION</u>
Tom's Brokerage Account	423456	10/04/2013	\$500,000
Katie's Brokerage Account	123456	10/04/2013	\$300,000
Tom & Katie Joint Brokerage	323456	10/04/2013	\$300,000
Katie's Savings Account	223456	10/04/2013	\$100,000
Tom's Savings Account	523456	10/04/2013	\$100,000
Held Here Values Total			\$1,300,000

<u>DESCRIPTION</u>	<u>ACCOUNT NO.</u>	<u>LAST UPDATED</u>	<u>LAST VALUATION</u>
Tom's 401k	554321	10/04/2013	\$800,000
Katie's 401k	654321	10/04/2013	\$300,000
Held Away Values Total			\$1,100,000
Total Value			\$2,400,000



Status Update - Current Values

Please update any changes to your goals in the space provided below

	<u>IDEAL</u>	<u>IDEAL UPDATES</u>	<u>ACCEPTABLE</u>	<u>ACCEPTABLE UPDATES</u>
Retirement Age				
Tom	Retired		65	
Katie	Retired		65	
Retirement Spending				
Tom	\$175,000		\$160,000	
Other Goals				
Jamaica Trips	\$25,000		\$10,000	
Education				
Tommy				
19 to 21	\$10,000		\$10,000	
25 to 26	\$50,000		\$0	
Target End Value				
Today's Dollars	\$2,000,000		\$100,000	
Actual Dollars	\$6,149,567		\$307,478	
Savings				
Katie's 401k Savings	\$7,500		\$20,000	
Tom's 401k Savings	\$7,500		\$20,000	
Other Income				
Katie's Pension	\$45,000		\$45,000	
Rental Income	\$50,000		\$50,000	
Sale of Rental Properties	\$500,000		\$500,000	
Portfolio				
All Accounts	WCM-RISK AVERSE		WCM-GROWTH	
	30% EQUITIES		90% EQUITIES	

Important: If you have made adjustments to your current values above, please fax these changes to your advisor.

Your Portfolio Values

<u>DESCRIPTION</u>	<u>ACCOUNT NO.</u>	<u>LAST UPDATED</u>	<u>LAST VALUATION</u>
Tom's Brokerage Account	423456	10/04/2013	\$500,000
Katie's Brokerage Account	123456	10/04/2013	\$300,000
Tom & Katie Joint Brokerage	323456	10/04/2013	\$300,000
Katie's Savings Account	223456	10/04/2013	\$100,000
Tom's Savings Account	523456	10/04/2013	\$100,000
Held Here Values Total			\$1,300,000

*Please update account balances in the **Enter Recent Value*** column below

<u>DESCRIPTION</u>	<u>ACCOUNT NO.</u>	<u>LAST UPDATED</u>	<u>LAST VALUATION</u>	<u>ENTER RECENT VALUE*</u>
Tom's 401k	554321	10/04/2013	\$800,000	
Katie's 401k	654321	10/04/2013	\$300,000	
Held Away Values Total			\$1,100,000	
Total Value			\$2,400,000	

<u>DESCRIPTION</u>	<u>ACCOUNT NO.</u>	<u>LAST UPDATED</u>	<u>LAST VALUATION</u>	<u>ENTER RECENT VALUE*</u>
Tom & Katie Home		03/15/2012	\$700,000	
Tom & Katie Rental House		03/15/2012	\$300,000	
Tom & Katie Rental Condo		03/15/2012	\$200,000	
Non Investment Values Total			\$1,200,000	

<u>DESCRIPTION</u>	<u>ACCOUNT NO.</u>	<u>LAST UPDATED</u>	<u>LAST VALUATION</u>	<u>ENTER RECENT VALUE*</u>
Mortgage		03/15/2012	(\$220,000)	
Liability Total			(\$220,000)	

Last Updated: _____

Important: If you have made adjustments to your current values above, please fax these changes to your advisor.

Status Update: Priorities

Below, you will find a list of priorities outlined by you in our last meeting. Please take a moment to review your choices and note any changes.

Understanding your priorities is very important to the advice process. Please take a moment to review your acceptable compromises.						
		Acceptable Compromises				
		Take More Investment Risk	Save More	Retire Later	Reduce Size of Estate	Reduce Retirement Spending
GOAL	To reduce the investment risk in our portfolio, we would be willing to:	N/A		◆	◆	
	We would like to reduce our current savings and to achieve this we would prefer to:		N/A			
	To achieve our early retirement age, we would be willing to:			N/A	◆	
	In order to achieve our larger estate goal, we would be willing to:				N/A	
	To achieve our higher spending target in retirement, we would prefer to:		◆	◆	◆	N/A
	To meet our "Jamaica Trips" goal, we would be willing to:			◆	◆	
	To meet our "College Education" goal, we would be willing to:			◆	◆	
				◆	◆	

We understand that your goals and priorities may change. If you have any new goals or changes to your priorities since we last met, please explain below.

Your Current Notes:

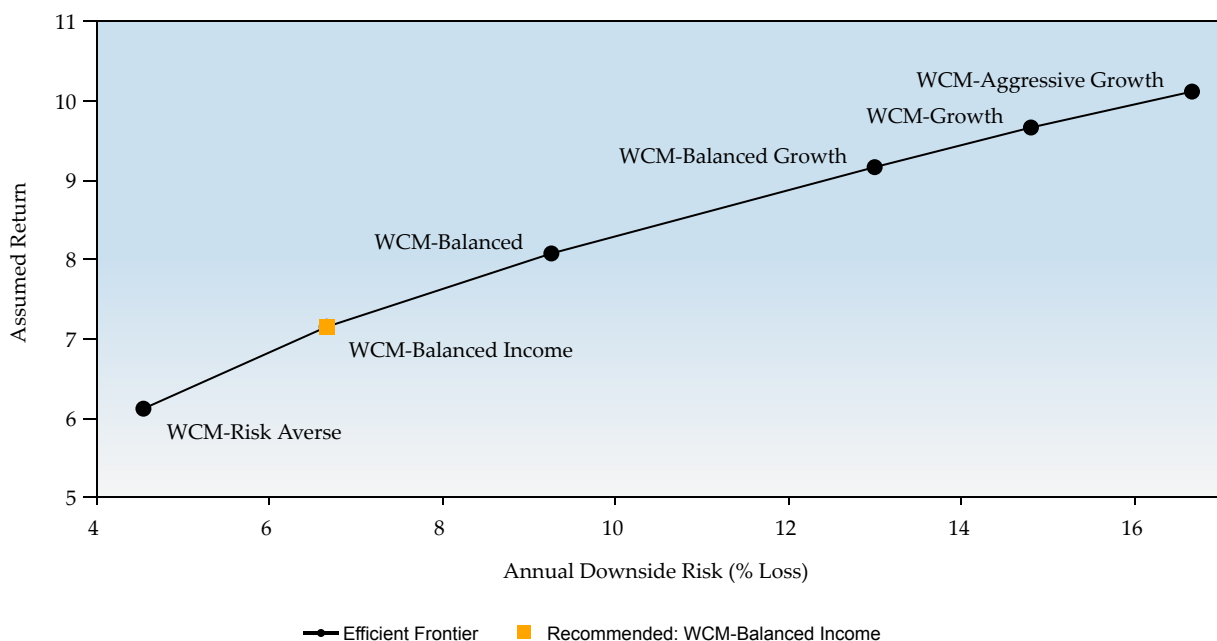
I understand that you feel morally obligated to pass on your house and \$500,000 that you inherited from Tom's father, even though your Estate Goal is a low priority.

Updated as of: _____

Important: If you have made adjustments to your current values above, please fax these changes to your advisor.

Wealthcare Allocation Summary (Detail)

Risk vs Return Chart



Annual Downside Risk represents the 1-year 95th percentile return.
95% of all 1-year returns simulated are better than this return and 5% are worse.

Age: Now Name: *WCM-Balanced Income* Tax Status: All Accounts *Risk: 9.03% **Return: 7.16%



* Risk is based on the standard deviation of individual asset classes and the correlations between them.

** Return is an estimated geometric median based on a weighted arithmetic mean and standard deviation.

International investing involves additional risks such as foreign currency fluctuations, differing financial accounting standards, and possible political and economic instability. Mid and Small cap investing generally involves greater risk and volatility. In a rising interest rate environment, the value of fixed-income securities typically declines.

Hedge funds and other alternative investments may involve additional risks, may not be suitable for all investors, may involve complex tax structures and delays in tax reporting, are not subject to the same level of regulation as mutual funds and often charge high fees.

Standard deviation is a risk statistic used to measure the amount of volatility of the return observations around the portfolio's average return.

Past performance is not an indication of future results.

See Appendix I - Table of Asset Classes, Indexes and Definitions.

Source: CRSP®, Center for Research in Security Prices, Graduate School of Business, The University of Chicago. Used with permission. All rights reserved. crsp.uchicago.edu

Appendix I - Table of Asset Classes, Indexes and Definitions

NOTE: Indices are unmanaged and a direct investment may not be available for any specific index. Risk and return characteristics in this appendix were based on the available historical data for each asset class or on proxies, as noted in the asset class description, where such historical data was limited or unavailable.

Asset Class	Index (for correlations)	Risk	Return	Qualified Dividend
Alternative Assets	No Viable Index - Considered Unpredictable	37.03%	4.33%	10.00%
Alternative Assets represents a mixed bag of non-traditional investments which have a limited track record and uncertain volatility. Investments within this class include options, hedge funds, private equity, venture capital, managed futures, leveraged buyouts and many more. These investments may not be suitable for all investors, may involve complex tax structures and delays in tax reporting, are not subject to the same level of regulations as mutual funds and often charge high fees. As a proxy, in simulations where this asset class represented part of a portfolio, a return assumption matching the 3 month T-Bill is used with risk characteristics of the Russell 2000® Index multiplied by a factor of 1.4.				
Broad Domestic Equity	CRSP Total Market	19.30%	13.21%	95.00%
This index represents the performance of an unmanaged portfolio of the total market of publicly traded domestic stocks as measured by the CRSP Total Market Index. Stocks in this index have a broad range of liquidity, are somewhat sensitive to economic sector and industry group performance and may range widely in the efficiency of their pricing.				
Cash and Equivalents (90 Day T-Bill)	T-Bill - 3 Month Yield	3.40%	4.27%	0.00%
This index is designed to represent the performance of an unmanaged portfolio of 90-day Treasury bills. Being short term and U.S. guaranteed, the index carries little currency or little interest rate risk and represents extremely safe investments.				
Concentrated Large Cap	MSCI Emerging Markets	55.53%	12.50%	95.00%
A risk factor multiplier of 3 is applied to the risk characteristics of the MSCI Emerging Markets Index to reflect the potential impact of the additional volatility when the portfolio is undiversified.				
Concentrated Small Cap	MSCI Emerging Markets	84.24%	15.91%	95.00%
A risk factor multiplier of 3 is applied to the risk characteristics of the MSCI Emerging Markets Index to reflect the potential impact of the additional volatility when the portfolio is undiversified.				
Emerging Markets	MSCI Emerging Markets	30.95%	16.35%	95.00%
MSCI Emerging Markets Index is designed to represent an unmanaged portfolio of foreign stocks of less developed countries that are open to foreign investment by institutional investors. Investments in this class are subject to not only stock market volatility and currency risks, but also potentially carry higher than average risks of liquidity and political uncertainty.				
Hedge Funds	Mount Lucas Management Index	28.91%	5.50%	0.00%
Hedge Funds represent a class of investments intended to achieve a targeted rate of return without regard to the performance of the overall market. These investments utilize aggressive strategies such as short selling, leveraging, swaps, arbitrage and the like in an attempt to achieve the desired various risk and return objectives. These investments generally have little transparency, limited liquidity and their characteristics are highly uncertain. These investments may not be suitable for all investors, may involve complex tax structures and delays in tax reporting, are not subject to the same level of regulation as mutual funds and often charge high fees. As a proxy, in simulations where this asset class represented part of a portfolio, a return assumption matching the 3 month T-Bill plus 100 basis points is used with risk characteristics of the Mount Lucas Management Index.				
High Yield Bonds	Barclays High Yield Composite Bond Index	10.98%	7.24%	0.00%
U.S. High Yield Bonds are designed to represent an unmanaged portfolio of fixed income investments of low credit quality. Only U.S. dollar denominated bonds are included but may include issues that are in default, distressed, and may include zero coupon bonds or new issues.				
International Bonds	Citigroup Non-US World Gov't Bonds	12.48%	6.08%	0.00%
This index is designed to represent the market-capitalization weighted performance of an unmanaged portfolio of fixed-rate sovereign debt of foreign issuers. The securities in this index are issued in the domestic market in the local currency and therefore have both interest rate risk and currency risk. Only issues with at least a one-year maturity are included.				
International Stocks	MSCI EAFE Equity Index	24.06%	12.50%	95.00%
International Stocks are designed to represent ownership in stocks of developed foreign countries. The unmanaged index is made of developed markets and is designed to weight world equity markets by market cap excluding U.S. Stocks. Stocks in these markets not only carry the risk of stock market volatility but are also subject to currency risks.				
Intermediate Government Bonds (7-10 Year)	CRSP 5 Year Bond	6.68%	5.67%	0.00%
Intermediate U.S. Government Bonds are designed to represent the total return performance of an unmanaged portfolio intermediate				

Asset Class	Index (for correlations)	Risk	Return	Qualified Dividend
government fixed-rate debt issues and is based on a blend of 60% five year and 40% twenty year bonds. Investments in this class have a low credit risk and are moderately sensitive to interest rate risk.				
Intermediate Gov't/ Corp Bonds	Barclays Aggregate Bond	5.48%	5.57%	0.00%
U.S. Government/Corporate Bonds are designed to represent the total return performance of an unmanaged portfolio of government and investment-grade corporate fixed-rate debt issues of moderate duration. Investments in this class have a low credit risk but are sensitive to interest rate risk.				
Intermediate Municipal Bonds	Barclays Munis 5 - Year	5.20%	4.35%	0.00%
The Intermediate Municipal Bond Index is designed to represent the performance measured in total return of an unmanaged portfolio of investment grade municipal bonds over a moderate duration and providing reasonable credit quality and liquidity.				
Large Cap Stocks, Large Cap Diversified	CRSP 1-2	18.51%	12.50%	95.00%
This Index represents the top two deciles of the CRSP domestic stock universe. It is weighted by market cap and therefore closely correlates to other large cap market indices. Stocks in this index generally have high to moderate liquidity, and are generally sensitive to both economic sector and industry group performance.				
Large Cap Growth	Russell 1000 Growth®	18.51%	11.50%	95.00%
Large Cap Growth is designed to represent the performance of large cap growth stocks as measured by the Russell 1000 Growth® Index. Stocks in this unmanaged cap. weighted index generally have high to moderate liquidity and carry higher than average price to book ratios, but are generally sensitive to both economic sector and industry group performance.				
Large Cap Value	Russell 1000 Value®	20.33%	13.50%	95.00%
Large Cap Value is designed to represent the performance of large cap value stocks as measured by the Russell 1000 Value® Index. Stocks in this unmanaged cap. weighted index generally have high to moderate liquidity and have lower than average price to book ratios, but are generally sensitive to both economic sector and industry group performance.				
Long Term Government Bonds	CRSP 20 Year Bond	7.48%	5.82%	0.00%
Long Term Government Bonds are designed to represent the total return performance of an unmanaged portfolio of long term government fixed-rate debt issues. Investments in this class have a low credit risk but are sensitive to interest rate risk.				
Long Term Government/ Corporate Bonds	Barclays Long Gov't/Credit	8.90%	5.99%	0.00%
Long Term Government/Corporate Bonds are designed to represent the total return performance of an unmanaged portfolio of government and investment-grade corporate fixed-rate debt issues of longer duration (ten or more years). Investments in this class have a low credit risk but are sensitive to interest rate risk.				
Long Term Municipal Bonds	Barclays Long Municipal Bond Index	7.47%	4.48%	0.00%
The Long Term Municipal Bond Index is designed to represent the performance measured in total return of an unmanaged portfolio of investment grade municipal bonds over a long duration and providing reasonable credit quality and liquidity and high sensitivity to interest rate risk.				
Managed Futures	Mount Lucas Management Index	28.91%	5.50%	0.00%
Managed Futures represents investments in futures contracts trading in real assets and commodities (precious metals, pork bellies, oil) and financial assets (currencies and securities indices). Investments in this class are uncertain and sensitive to their economic sector as well as more global influences. As a proxy, in simulations where this asset class represented part of a portfolio, a return assumption matching the 3 month T-Bill plus 100 basis points is used with risk characteristics of the Mount Lucas Management Index.				
Micro Cap Stocks	CRSP 9-10	37.03%	17.17%	95.00%
The Micro Cap Stocks index is designed to represent the performance of an unmanaged portfolio of stocks with \$30 million to \$300 million capitalization. Stocks in this index are extremely sensitive to their economic sector and industry performance and tend to be quite volatile.				
Mid-Cap Stocks, Mid-Cap Diversified	CRSP 3-5	23.19%	15.03%	95.00%
The Mid-Cap Stocks index is designed to represent the performance of an unmanaged portfolio of stocks that are smaller than large cap stocks yet are larger than small cap stocks. Unlike some small cap stocks, stocks in this index provide adequate liquidity and are sensitive to their economic sector and industry performance yet may be less efficiently priced than larger, more broadly-held large cap stocks.				
Mid-Cap Growth	Russell Midcap Growth®	23.19%	14.03%	95.00%
Mid-Cap Growth is designed to represent the performance of an unmanaged portfolio of mid-cap growth stocks as measured by the				

Asset Class	Index (for correlations)	Risk	Return	Qualified Dividend
Russell Midcap Growth® Index. Stocks in this index generally have adequate liquidity and carry higher than average price to book ratios, and are generally sensitive to both economic sector and industry group performance. Stocks in this index may be less efficiently priced than larger, more broadly-held large cap stocks.				
Mid-Cap Value	Russell Midcap Value®	26.14%	16.03%	95.00%
Mid-Cap Value is designed to represent the performance of an unmanaged portfolio of mid-cap value stocks as measured by the Russell Midcap Value® Index. Stocks in this index generally have adequate liquidity and carry lower than average price to book ratios, and are generally sensitive to both economic sector and industry group performance. Stocks in this index may be less efficiently priced than larger, more broadly-held large cap stocks.				
Municipal Bonds (7-10 Year)	Barclays Munis 10 - Year	6.68%	4.41%	0.00%
The Ten Year Municipal Bonds Index is designed to represent the performance measured in total return of an unmanaged portfolio of investment grade municipal bonds over a ten year duration while providing reasonable credit quality and liquidity but more interest rate risk than an unmanaged portfolio of short-term duration municipal bonds.				
Other/Unclassified	MSCI Emerging Markets	37.03%	4.33%	10.00%
This class is intended to incorporate those items which do not fall within any of the other classifications used in this system. As a proxy, in simulations where a portion of a portfolio's asset class composition was unknown, for the unknown portion, a return assumption matching the 3 month T-Bill is used with risk characteristics of the MSCI Emerging Markets Index multiplied by a factor of 1.4.				
Real Estate/REITs	NAREIT REIT: All	14.51%	8.02%	50.00%
Real Estate Investment Trusts (REITs) are designed to represent the total return performance of an unmanaged portfolio allocated entirely to Real Estate Investment Trusts. Both equity and mortgage REITs are included in the index. REITs carry both income and the potential for capital appreciation and depending on their specific structure are subject to varying degrees of interest rate risks and may be subject to specific geographic regional real property risks (earthquakes, floods, wildfires, hurricanes) which may disrupt any income returns.				
Short Term Corporate Bonds	Merrill Lynch 1-3 Year Corporate	4.01%	5.05%	0.00%
Short Term Corporate Bonds are designed to represent the total return performance of an unmanaged portfolio of short term (one to three years) investment grade corporate fixed-rate debt issues, through a blend of 50% T-Bill and 50% 5 Year Gov't Bonds. Investments in this class have a low credit risk and are moderately sensitive to interest rate risk.				
Short Term Government Bonds	Merrill Lynch 1-3 Year Gov't	3.85%	4.92%	0.00%
Short Term Government Bonds are designed to represent the total return performance of an unmanaged portfolio of short term (one to three years) government fixed-rate debt issues, through a blend of 50% T-Bill and 50% 5 year gov't bonds. Investments in this class have a low credit risk and are moderately sensitive to interest rate risk.				
Short Term Municipal Bonds	CRSP 2 Year Bond	3.85%	3.78%	0.00%
The Short Term Municipal Bond Index is designed to represent the performance measured in total return of an unmanaged portfolio of investment grade municipal bonds over a period of one to three years and providing reasonable credit quality and liquidity with moderate interest rate risk.				
Small Cap Stocks, Small Cap Diversified	CRSP 6-8	28.08%	15.91%	95.00%
Small Cap Stocks are represented by deciles 6-8 of the CRSP domestic stock universe. Stocks in this index generally have less liquidity than large cap stocks and can be somewhat less sensitive to economic sector and industry group performance, but generally carry higher volatility.				
Small Cap Growth	Russell 2000 Growth®	28.08%	14.91%	95.00%
Small Cap Growth is designed to represent the performance of an unmanaged portfolio of small cap growth stocks as measured by the cap weighted Russell 2000 Growth® Index. Stocks in this index generally have less liquidity than large cap stocks and carry higher than average price to book ratios. Stocks in this index may be somewhat less sensitive to both economic sector and industry group performance than large cap stocks but generally carry higher volatility.				
Small Cap Value	Russell 2000 Value®	30.18%	16.91%	95.00%
Small Cap Value is designed to represent the performance of an unmanaged portfolio of small cap value stocks as measured by the cap weighted Russell 2000 Value® Index. Stocks in this index generally have less liquidity than large cap stocks and have lower than average price to book ratios. Stocks in this index may be somewhat less sensitive to both economic sector and industry group performance than large cap stocks, but generally carry higher volatility.				
Tax-Free Money Market	Tax-Free Money Market Average	3.40%	3.21%	0.00%
Tax Free Money Market is designed to represent the performance of an unmanaged equal weighted portfolio municipal money market				

Asset Class	Index (for correlations)	Risk	Return	Qualified Dividend
funds. Being short term and high credit quality, the index carries little currency or little interest rate risk and represents fairly safe investments.				
TIPS	Barclays Capital TIPS Index	8.90%	5.93%	0.00%
TIPS are designed to track the performance of Treasury Inflation Protected Securities. These securities are adjusted in terms of principal based on inflation and deflation and pay interest twice annually based on the adjusted principal value. The CRSP 20 year Bond Index is used for the correlation index for periods prior to the availability of TIPS.				

Appendix II - Common Terms and Definitions

Actual Time Weighted Return

A rate of return is the gain or loss on an investment over a specified period, expressed as a percentage increase over the initial investment cost. A time weighted return is utilized here in order to give a more accurate rate of return when there are new inflows into your account - like cash or securities. The new inflow is eliminated from the calculation of the rate of return for the specified time period being reported on. This gives you a more accurate picture of how the assets in your account actually performed.

Annualized Time Weighted Return

A rate of return for a given period that is less than one year, but that is computed as if the rate were for a full year. The annualized rate is essentially an estimated rate of annual return that is extrapolated mathematically. The annualized rate is calculated by multiplying the change in rate of return in one month by 12 (or one quarter by four).

Asset Allocation

The apportioning of investment funds among categories of assets, such as cash, equities, fixed income, etc. Asset allocation affects both risk and return.

By-Pass Trust

A by-pass trust is an estate tax strategy using an irrevocable trust into which the first decedent at or prior to death deposits assets into a trust to generate an income source that can be withdrawn by the surviving spouse during that spouse's lifetime and the remaining trust assets can be passed onto designated heirs free of estate tax upon the surviving spouse's death. The initial transfer of assets to the bypass trust for the benefit of the spouse is a tax-free transfer under a currently unlimited marital estate or gift tax deduction rules.

Capital Appreciation

The rise in the value of an asset in your account based upon a rise in the market price of the underlying assets.

Charitable Remainder Trust (CRT)

A by-pass trust is an estate tax strategy using an irrevocable trust into which the first decedent at or prior to death deposits assets into a trust to generate an income source that can be withdrawn by the surviving spouse during that spouse's lifetime and the remaining trust assets can be passed onto designated heirs free of estate tax upon the surviving spouse's death. The initial transfer of assets to the bypass trust for the benefit of the spouse is a tax-free transfer under a currently unlimited marital estate or gift tax deduction rules.

Comfort Level

This reflects the percentage of simulations run against an investor's financial strategies in which the investor exceeded his or her goals.

Comfort Zone®

The Comfort Zone® encompasses Comfort Levels from 75 to 90.

CRSP®

Center for Research in Security Prices. Graduate School of Business, The University of Chicago. Used with permission. All rights reserved. crsp.uchicago.edu

Custom

Custom refers to an advisor constructed allocation other than the model portfolios developed by WCM.

Default Inflation Rate

This rate is fixed in the simulation and will govern the growth rate for all cash flows for which the user selects to apply the default rate. This rate is also used to calculate the future value of the estate goal. The user may select a different inflation rate - ranging from zero to fifteen percent - for each cash flow (contribution, withdrawal, retirement income).

Disability insurance

Insurance offering income protection to individuals who become disabled for a long period of time, and as a result can no longer work during that time period. Many employers provide some degree of short-term disability insurance for up to six months for some portion of earning lost due to disability. Long-term disability insurance coverage is based on some form of a percentage of the disabled workers wage history prior to disability. In the United States, workers who have participated in social security (FICA) withholding payments from earnings may be eligible for long-term disability benefits from the Social Security Administration. Often privately issued long-term disability coverage policies have income protection benefits that may vary or cease if and when a disabled worker qualifies for social security disability benefits or full social security retirement benefits. In most cases, the long-term disability insurance benefits end on or before a recipient's 75th birthday. Coverage even lasting that long is unusual and is typically only provided if the recipient was over 70 years old when they became disabled while still working. Typically, if the premiums for privately issued disability coverage policy are paid for by the person insured by the policy, in the United States any benefits paid from coverage are not subject to income tax. If those premiums are paid by another interested party, such as the insured's employer, those benefits are normally taxable.

Downside Risk

This return represents the one year return at the 95th percentile of all returns. This return represents very poor market returns as 95% of all simulated returns are better than this return and 5% are worse.

Effective Tax Rate

This tax rate is applied during retirement to outside sources of income designated as "gross" and distributions from tax deferred accounts. This rate is based on the investor's income, current filing status exemptions and estimates of income tax deductions. The actual tax rates applied to a client may vary depending on these and other variables. Taxes modeled may not represent the actual tax liability owed to the IRS.

Estimated Geometric Median

A projected compound return of the portfolio or asset class over a number of years chosen so that half of all such projected returns (for this portfolio or asset class) would be higher than this return and half would be lower.

Federal Capital Gains Tax

This tax rate is the investor's effective long term federal capital gains tax rate. The federal capital gains tax rate is based primarily on the investor's income and filing status both in pre-retirement and during retirement. In the event the investor resides in a state with a state capital gains tax rate, the federal capital gains tax rate will be reduced in accordance with current tax rules. This tax rate is applied to all realized long term capital gains in the investor's taxable portfolio. The actual tax rates applied to a client may vary depending on these and other variables. Taxes modeled may not represent the actual tax liability owed to the IRS.

Federal Estate Tax

The tax rate applicable once one or more allowable exemptions are exhausted depending user inputs and mortality sequence assumptions applied to groups of assets and liabilities indicated by the ownership type by a client or a client and client life partner. Taxpayers can use various strategies to reduce which assets or the value of the assets an estate tax is applied to, including, but not limited to, by-pass trusts, charitable remainder trusts (CRTs), systematic charitable gifting, and irrevocable insurance trusts (ILITs).

Federal Income Tax

This tax rate represents the investor's effective top marginal tax rate adjusted downward to account for the deduction of state taxes from federal taxable income. The pre-retirement federal income tax rate is based primarily on the investor's income and filing status both in pre-retirement and during retirement. This tax rate is adjusted downward by the state income tax rate, if any, and is applied to taxable interest income, taxable portfolio yield, taxable dividends and realized short term capital gains in the investor's taxable portfolio. The actual tax rates applied to a client may vary depending on these and other variables. Taxes modeled may not represent the actual tax liability owed to the IRS.

Held Away Account

Values designated as held away accounts refer to the value of accounts that are not managed by the advisor, but are included in the client's plan. Updating the value of such accounts is important to ensure the utility of the analysis.

Historical Audit

This simulation method tests an investor's financial strategies against historical returns using rolling historical periods.

Income

The revenues earned in your account as a result of your portfolio holdings. For example, interest paid on cash or cash equivalents or dividends disbursed by the underlying companies held by funds you are invested in.

Inflation Adjustment

The user may select an inflation rate to apply to cash flows on an annual basis. This rate may be used with cash outflows to reflect the loss of purchasing power of a given dollar amount over time or may illustrate the impact of a COLA or other similar adjustment on cash inflows.

Investment Gain

The investment gain reflected in your Portfolio Performance Summary represents the difference between your beginning market value and your ending marketing value.

Investment Income Medicare Tax

U.S. citizens with adjustable gross income (AGI) over \$200,000 who file individually, or over \$250,000 for married couples filing jointly, are subject to this tax. The provision normally imposes a 3.8% tax on income from interest, dividends, non-qualified annuities, royalties and rents which are not derived in the ordinary course of trade or business, excluding active S corporation or non-passive partnership income. AGI does not include certain items such as interest on tax-exempt bonds and veterans' benefits. If capital gains on a primary home sale exceed \$250,000 for individuals, or \$500,000 for a married couple, and the income threshold is met, only the realized gain in excess of those limitations is subject to the 3.8% tax.

Irrevocable Life Insurance Trust (ILIT)

An ILIT is an estate tax strategy where an irrevocable trust is set up by the taxpayer with assets to acquire one or more life insurance policies whose death benefits becomes payable to the trust as owner of the insurance policies upon the taxpayer's death without being subject to estate tax. ILITs are often used to provide a source of estate-tax free liquidity to an estate with otherwise limited liquidity.

Life Insurance

Insurance paying designated beneficiaries a benefit upon the death of the insured. The two major categories of life insurance are term insurance whose only benefit is a death benefit and whose premium costs for younger insured policy holders is usually much lower than the other primary category; whole life insurance. Whole life policies build a cash surrender value as premiums are made which normally be borrowed against or collected full with a surrender and cancellation of the life policy at the option of the policy owner. Term policies are often issued for fixed periods of time of 5, 10 or 20 years with either scheduled premium increases each year, or fixed level premiums each year of the term period, and become much more expensive as the insured becomes older to renew. Whole life policies have premium periods that can be made in one large single payment or each year to a set future age typically age 65 or longer up to advanced ages of 95 – 100 or to the death of the insured, whichever is sooner.

Local Income Tax

In the event the investor requires an additional tax, users may supply a local income tax rate that will be applied to taxable interest income, taxable portfolio yield, taxable dividends and realized taxable portfolio short term capital gains. This tax rate is fixed in the simulation. The actual tax rates applied to a client may vary depending on these and other variables. Taxes modeled may not represent the actual tax liability owed to the local taxing authority.

Long-term Care Insurance

Insurance offering the insured benefits to pay for long-term care needs for an individual or for some form of joint insurance coverage for either the first of a couple who qualifies for long-term care benefits or for the more expensive cost of care of a couple if and when one or both covered participants under a joint policy require long-term care. The cost of care in the United States can vary by location of services provided and the degree of care required. Annual costs of \$50,000 to \$75,000 or more for long-term a year is not unusual. Most long-term care policies provide a fixed monthly maximum benefit after some qualification period of initial care in a long-term care facility. Some life insurance policies, typically under a universal life structure, have provisions that allow for some level of withdrawal of insurance value for long-term care benefits that reduces or eliminates any death benefit is utilized. Long-term care policies without inflation adjustments for potential benefit payments carry lower premium costs.

Market Value

The current quoted price of a security as indicated by the latest trade recorded.

Median Return

This return represents the median simulated compounded return over the life of the plan based on the mean, standard deviation and correlation of the simulated asset classes. Half of the simulated compound returns are higher than this return and half of the simulated compound returns are less than this return.

Monte Carlo Simulation

This simulation method tests an investor's financial strategies against random scenarios of investment returns an investor might encounter during their lifetime based on the user's capital market assumption for each asset class or portfolio.

Net Contributions

The amount of additional assets deposited into your account not derived from your existing portfolios returns.

% Long-term Cap. Gains

This percentage is fixed in the simulation and is used by the analysis tool to identify the percentage of realized capital gains should taxed at the federal and state long term capital gains rates. If the % Long-term Cap. Gains rate is 50%, then 50% of the realized capital gains will be taxed at federal and state capital gains rates.

Portability Exclusion

In relation to estate tax planning, this term relates to an election available at the first decedent's passing when the decedent's estate tax return is filed (even if no estate tax is due), which allows the surviving spouse can take the decedent's remaining unused gift and estate tax exemption and add it to their own unused gift and estate tax exemption for use upon the surviving spouse's death. This strategy can be used as a possible alternative to a by-pass trust strategy.

Sacrifice Zone

The sacrifice zone encompasses Comfort Levels above 90

Simulation Method

An investor's financial strategies may be analyzed using a variety of simulation methods. A simulation method describes what type of market data is used to reflect potential returns in each year analyzed the number of simulations performed.

Standard Deviation

A mathematical calculation that produces a number which measures the extent and frequency to which a series of investor returns varies from the average/mean of all returns. A higher number indicates a higher level of historical volatility and equates with greater risk.

State Capital Gains Tax

This tax rate represents the investor's long term state capital gains tax rate. The pre-retirement state capital gains tax rate is based primarily on the investor's income and filing status both in pre-retirement and during retirement. This tax rate is applied to all realized long term capital gains in the investor's taxable portfolio. The actual tax rates applied to a client may vary depending on these and other variables. Taxes modeled may not represent the actual tax liability owed to the state taxing authority.

State Estate or Death Tax

The estate or death tax (in some states both apply) determined by state of residence applicable once one or more allowable exemptions are exhausted depending on user inputs and mortality sequence assumptions applied to groups of assets and liabilities indicated by the ownership type by a client or a client and client life partner. Taxpayers can use various strategies to reduce which assets or the value of the assets an estate tax is applied to, including, but not limited to, by-pass trusts, charitable remainder trusts (CRTs), systematic charitable gifting, and irrevocable insurance trusts (ILITs).

State Income Tax

This tax rate represents the investor's top marginal state tax rate. The pre-retirement state income tax rate is based primarily on the investor's income and filing status both in pre-retirement and during retirement. This tax rate is applied to taxable interest income, taxable portfolio yield, taxable dividends and realized short term capital gains in the investor's taxable portfolio. The actual tax rates applied to a client may vary depending on these and other variables. Taxes modeled may not represent the actual tax liability owed to the state taxing authority.

Total Expenses

The total expenses reflected in your Portfolio Performance Summary represents portfolio management and advisory fees (sometimes combined into one fee according to your advisory agreement) collected for the time period reflected.

Turnover Rate

This percentage is fixed in the simulation and is used by the analysis tool to identify realized capital gains and losses in the taxable portfolio. If the turnover rate is 100%, then the analysis tool will assume that 100% of the simulated capital gains or losses will be realized each year in the simulation.

Uncertain Zone

The uncertain zone encompasses Comfort Levels below 75.

Wealth Simulator®

This simulation method tests an investor's financial strategies against historical returns that have been placed in random order.

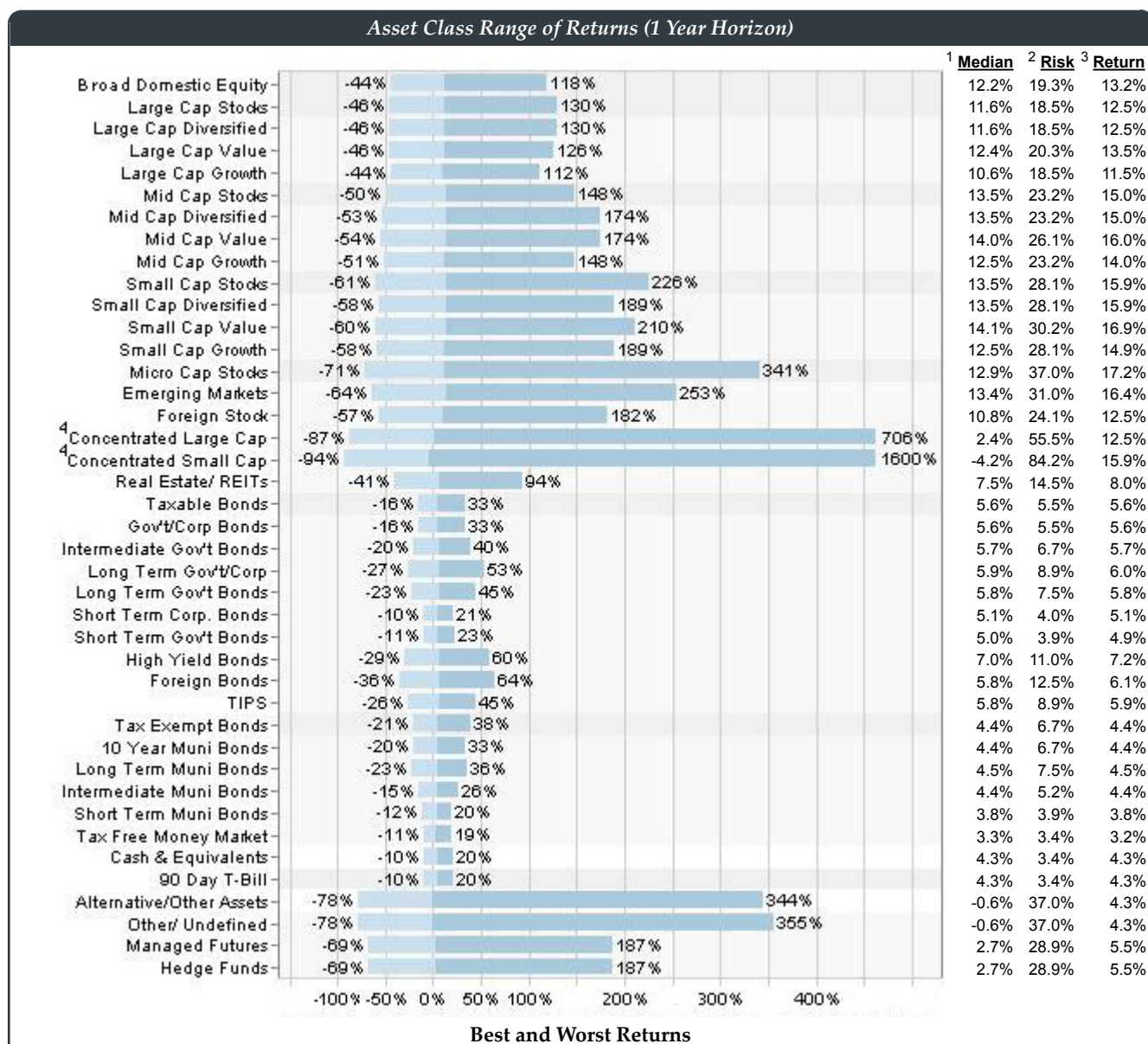
Wealthcare Analysis

The Wealthcare Analysis is not a projection of future portfolio values because future values are uncertain. If the current value of your portfolio(s) falls outside the comfort range, you may want to consider examining your investment risk or otherwise modify your goals. The upper range (sacrifice) represents portfolio values needed for greater than 90% confidence of exceeding your current goals. The lower range (uncertain) represents values needed for less than 75% confidence of exceeding your current goals. The unpredictability of future investment returns for your recommended allocation determines the range of values between sacrifice and uncertainty.

Weighted Arithmetic Mean

This is the weighted average of the arithmetic returns for a particular portfolio allocation, with the returns of each asset class given a weight proportional to its weight in the allocation.

Appendix III - Range of Asset Class Returns (Monte Carlo)



¹Median

See "Median Return" in "Appendix II – Common Terms and Definitions" above.

²Risk

The standard deviation of the asset class' annual return as input to the Monte Carlo simulation. See "Appendix II – Common Terms and Definitions" above for the definition of "standard deviation".

³Return

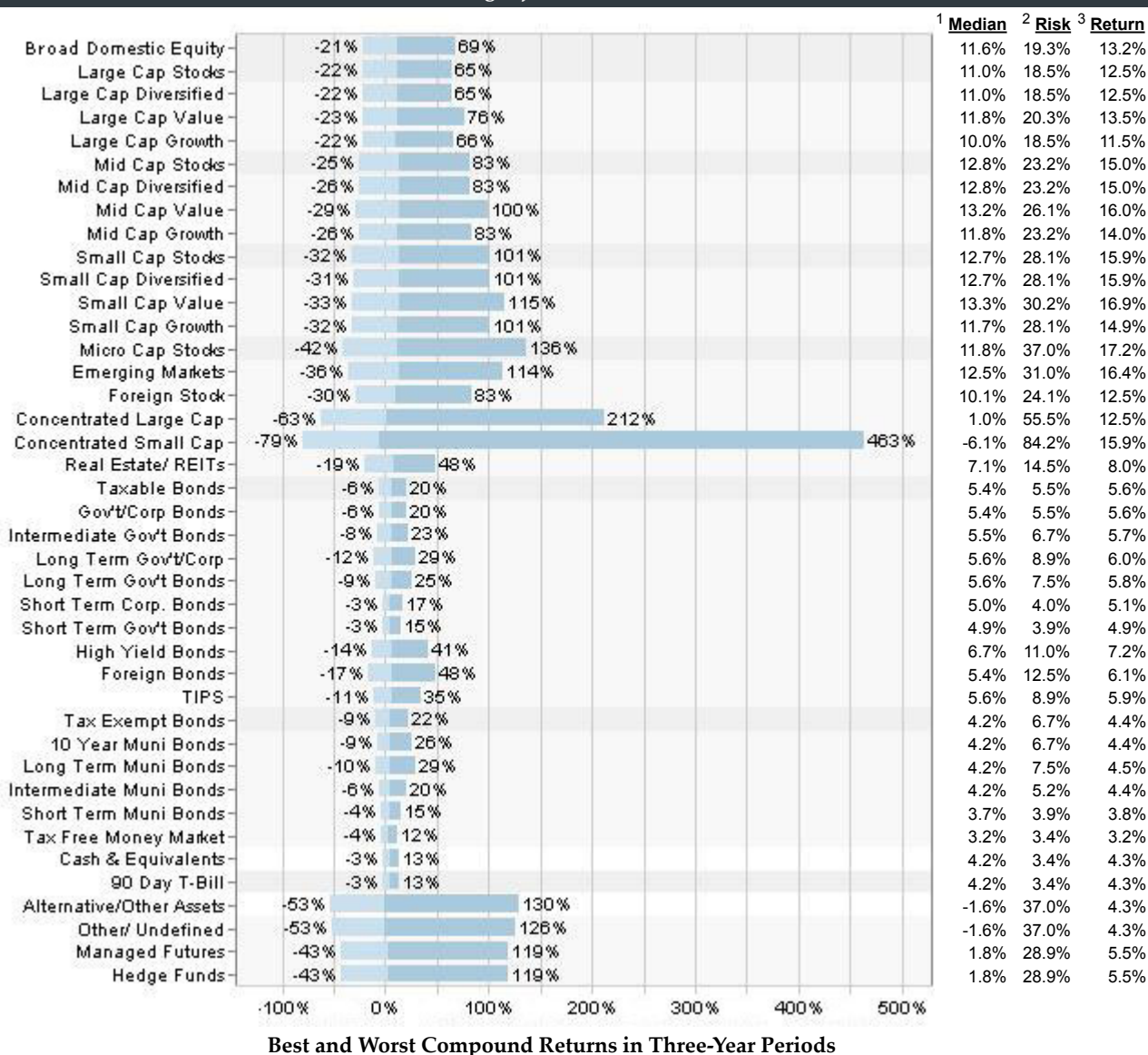
The arithmetic mean (i.e., average) of the asset class' annual return as input to the Monte Carlo simulation.

⁴Best Returns for Concentrated Large and Small Cap

The best return chart for the Concentrated Large and Small Cap asset classes have been truncated to improve overall clarity of the chart.

Important: The results shown are based on Monte Carlo simulations and do not reflect results using Historical Audit or Wealth Simulator®. See Appendix II for descriptions of the Historical Audit and Wealth Simulator®.

Asset Class Range of Returns (3 Year Horizon)



¹Median

See "Median Return" in "Appendix II – Common Terms and Definitions" above.

²Risk

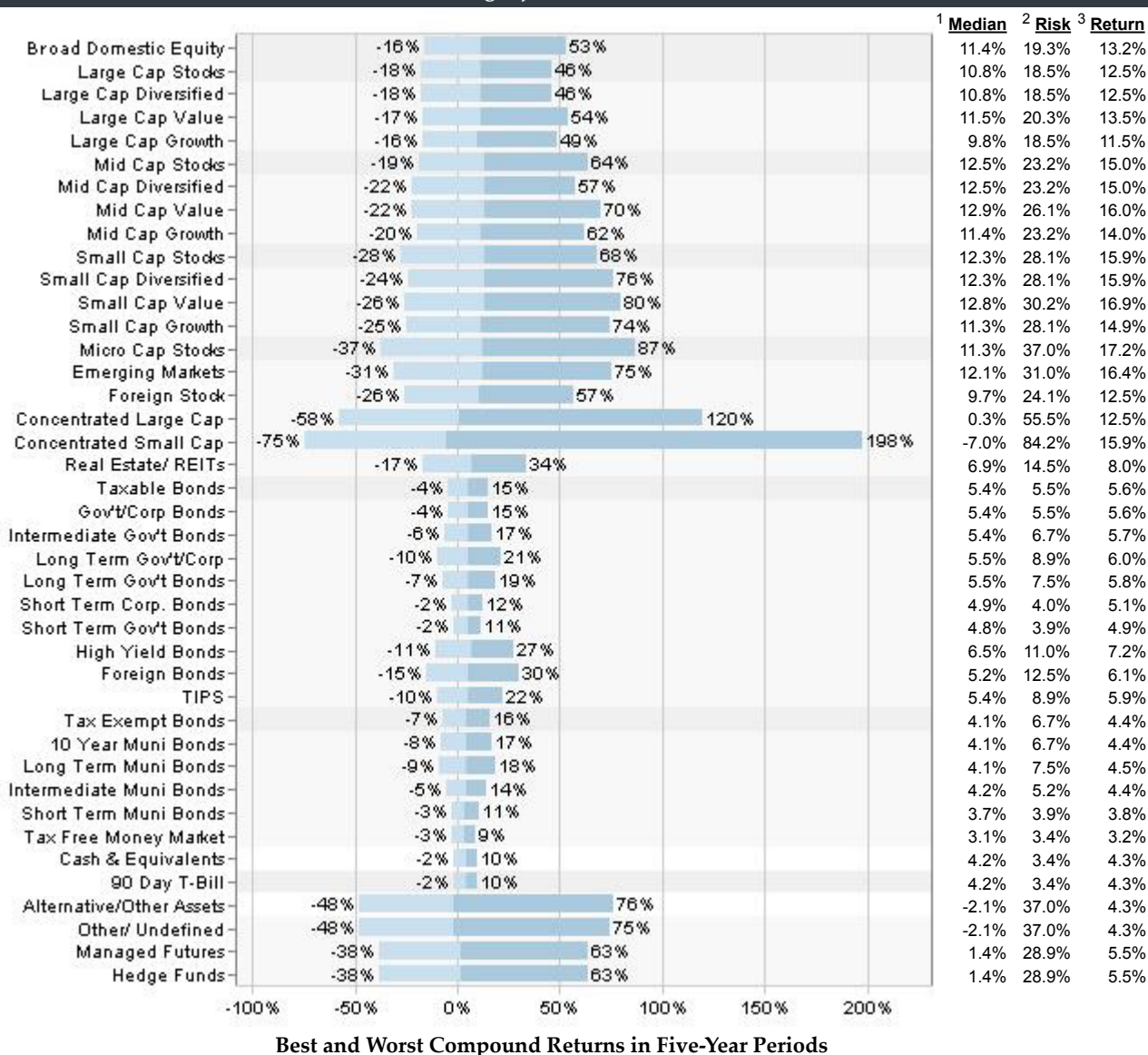
The standard deviation of the asset class' annual return as input to the Monte Carlo simulation. See "Appendix II – Common Terms and Definitions" above for the definition of "standard deviation".

³Return

The arithmetic mean (i.e., average) of the asset class' annual return as input to the Monte Carlo simulation.

Important: The results shown are based on Monte Carlo simulations and do not reflect results using Historical Audit or Wealth Simulator®. See Appendix II for descriptions of the Historical Audit and Wealth Simulator®.

Asset Class Range of Returns (5 Year Horizon)



¹Median

See "Median Return" in "Appendix II – Common Terms and Definitions" above.

²Risk

The standard deviation of the asset class' annual return as input to the Monte Carlo simulation. See "Appendix II – Common Terms and Definitions" above for the definition of "standard deviation".

³Return

The arithmetic mean (i.e., average) of the asset class' annual return as input to the Monte Carlo simulation.

Important: The results shown are based on Monte Carlo simulations and do not reflect results using Historical Audit or Wealth Simulator®. See Appendix II for descriptions of the Historical Audit and Wealth Simulator®.