FREEMIND
FINANCIAL ADVISORY

REPORT PREPARED FOR

Monica Geller & Chandler Bing

by Daniel Smith
FreeMind Financial Advisory Inc.

Generated on 10/16/2024

Daniel Smith

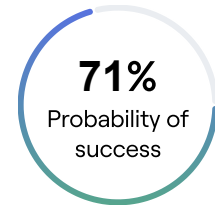631–513–0532

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Snapshot

Plan Summary

The strategies proposed herein by FreeMind Financial Advisory would result in an **improvement of 50%** in the success of your plan, including:
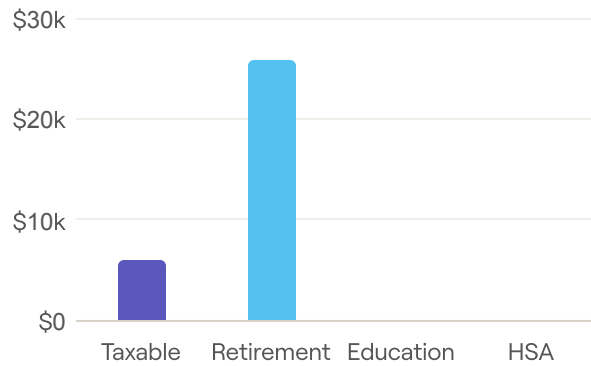
1) Additional **$738,000** in assets at retirement

2) Reduced lifetime taxes paid by nearly **$125,000**

3) **$929,000** increase in lifetime Social Sec. payments
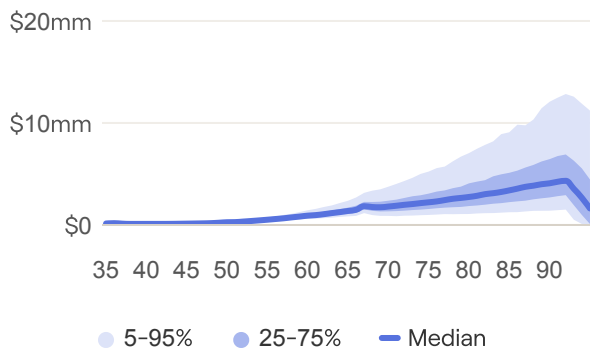
4) Payoff of student loans **20 months** sooner

($21,554)
Net worth

71%
Probability of success

14.1%
Savings rate

25.6%
Total effective tax rate

Balance Sheet

Bank	$9,000
Invested assets	$37,346
Real estate assets	$0
Life insurance cash value	$0
Other assets	$0
Credit cards	$2,900
Mortgages	$0
Home equities	$0
Student loans	$65,000
Other debts	$0
Net worth	**($21,554)**

Current year savings of Proposed plan

Asset simulation results of Proposed plan

- 5-95%
- 25-75%
- — Median

Current allocation

52% / 48%

- U.S. Equities
- International Equities
- Emerging Markets
- Real Estate
- U.S. Bonds
- International Bonds
- Cash
- Other

Equity / Fixed Income

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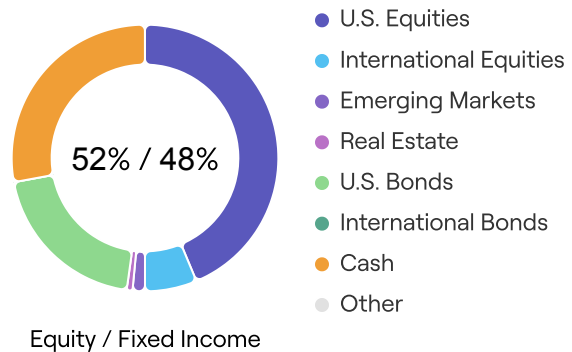
Tasks

Due Date	Assigned to	Task
2024-10-18	Everybody	❗ Review financial plan in virtual meeting on Friday at 2pm.
2024-11-16	Monica Geller & Chandler Bing	⚠ Update beneficiaries for all investment accounts.
2024-11-16	Monica Geller & Chandler Bing	⚠ Link bank account to Altruist taxable brokerage account. Approve move money authorization requested by FreeMind Financial Advisory.
2024-12-02	Daniel Smith	⚠ Schedule year-end review with Monica and Chandler for January 2025.

Blueprint - Net Worth

— Bank & Investments

— Stock plan & Properties & Other assets

— Card & Loans

— Insurance

Erica - 0

Jack - 0

Net Worth: ($21,554)

Monica Geller — Chandler Bing

35   36

Jointly Held

Monica's 401(k) (Fidelity) **$12,175**	Joint Bank Account **$4,000**	Chandler's 401(k) (Voya) **$8,500**
Monica's Roth IRA (Altruist) **$6,871**	Joint Bank Account **$5,000**	Chandler's Roth IRA (Altruist) **$7,800**
Primary Home **$4,500/mo**	Taxable Brokerage Account ... **$2,000**	Chandler's Visa Card **($1,250)**
Monica's Discover Car **($1,650)**		Chandler's Student Loan **($45,000)**
Monica's Student Loan **($20,000)**		Chandler's Group Life Insur... **$100,000** (Benefit)

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Blueprint - Income, Savings, Expenses

Income, Savings, Expenses

Monica Geller – 35   Joint   Chandler Bing – 36

Income

Monica Geller – 35	Joint	Chandler Bing – 36
Monica's Salary **$125,000**		Chandler's Salary **$100,000**
Monica's Social Security **Estimated**		Chandler's Social Security **Estimated**
Monica's Restaurant **$35,000**		

Savings

Monica Geller – 35	Joint	Chandler Bing – 36
Monica's 401(k) **4%**	Joint Taxable **$2,400**	Chandler's 401(k) **4%**
Monica's Traditional IRA **$0**		Chandler's Traditional IRA **$0**
Monica's Roth IRA **$3,000**		Chandler's Roth IRA **$1,500**

Expenses

Monica Geller – 35	Joint	Chandler Bing – 36
	Pre-retirement Living Expen... **$4,000/mo**	
	Childcare **$1,000/mo**	

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Blueprint - Goals

Goals

Retirement	Education	Asset Purchase	Other
Retirement Age 67/67		**Move to Long Island** $550,000	**Hawaii Vacation** $12,000
Retirement Monthly ... $3,700		**Move to Florida** $375,000	**Domestic Travel** $1,500
Annual Retirement H... Estimate/Estimate			**Lease Car** $20,000
Annual Retirement LT... $64,200/$64,200			**Car Purchase** $25,000

Monte Carlo Analysis

Use of a detailed retirement analysis tool is important to help determine whether you are on track for a successful retirement. Monte Carlo simulations, stress tests, and viewing specific scenarios can help you evaluate your retirement plans and see the impact of potential changes.

Proposed plan

71%
Probability of success

1,521,167

Current plan

21%
Probability of success
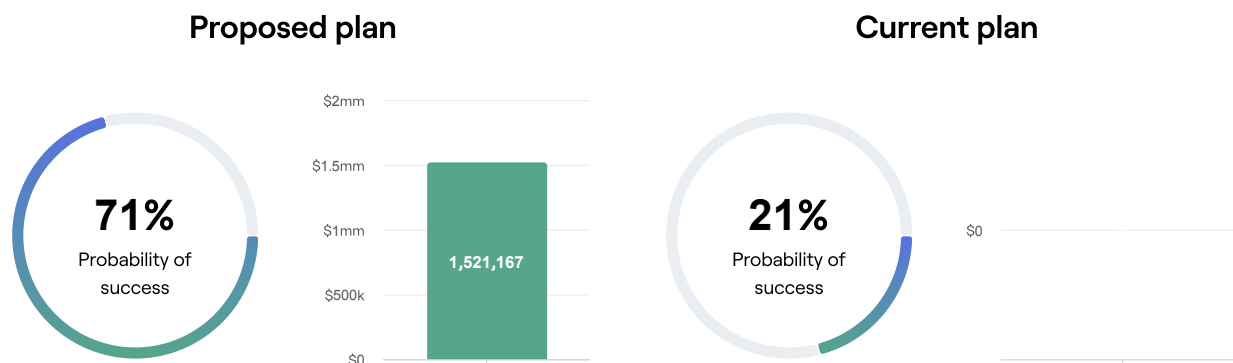
Asset simulation results – Proposed plan

- 5-95% Confidence Level
- 25-75% Confidence Level
- Median
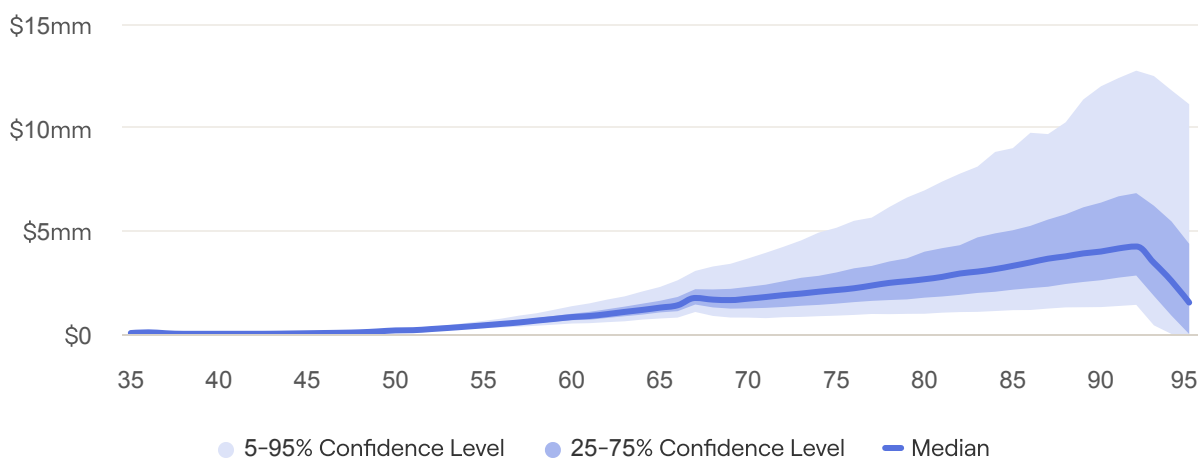
This section of the report displays the results of Monte Carlo simulations run on the current and proposed plans. The results are derived from 1000 simulations and the specified retirement cash flows. The chart of probability of success represents the overall likelihood of success in both the current and proposed plan.

IMPORTANT: The projections or other information generated by RightCapital regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results are based on return and volatility assumptions from a number of market indices shown in disclosure sections 5, 6 and 8.4. Fees and expenses are not included, and thus, are excluded, including, but not limited to, fund fees, account fees, product fees and advisor fees. Inclusion of those fees results in lower returns, which would affect the probability of achieving any particular outcome. Results may vary with each use and over time. The analysis must be reviewed in conjunction with assumptions, limitations and methodologies in the disclosure section. This report is not complete without the accompanying disclosure page.

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Retirement Analysis Action Items

	Proposed	Current
Financial goals		
Monica's retirement age	68	67
Chandler's retirement age	68	67
Retirement Monthly Expense	$3,700	$3,700
Savings		
Monica's 401(k)	0%	4%
Chandler's 401(k)	4%	4%
Monica's Roth IRA	Max	$3,000
Chandler's Roth IRA	Max	$1,500
Joint Taxable	$6,000	$2,400
Expenses		
Pre-retirement Living Expenses	$4,000	$4,000
Childcare	$1,000	$1,000
Strategies		
Asset allocation	Aggressive	Current allocation
Glide path	FreeMind Financial Glide Path	FreeMind Financial Glide Path
Social Security	Optimal strategy	Current strategy
Monica Geller	Age 70	Full retirement age
Chandler Bing	Age 70	Full retirement age
Debt strategy	Debt proposal	Current payments
Tax strategy	Tax proposal	Current strategy
Retirement Spending	Retirement Spending Stages	Retirement Spending Stages
Primary home relocations		
Move to Long Island	2026	2026
Move to Florida	Chandler's retirement	Chandler's retirement

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Saving Analysis - Proposed plan

Savings over time of Proposed plan

- Taxable account
- Retirement account
- Education account
- HSA account
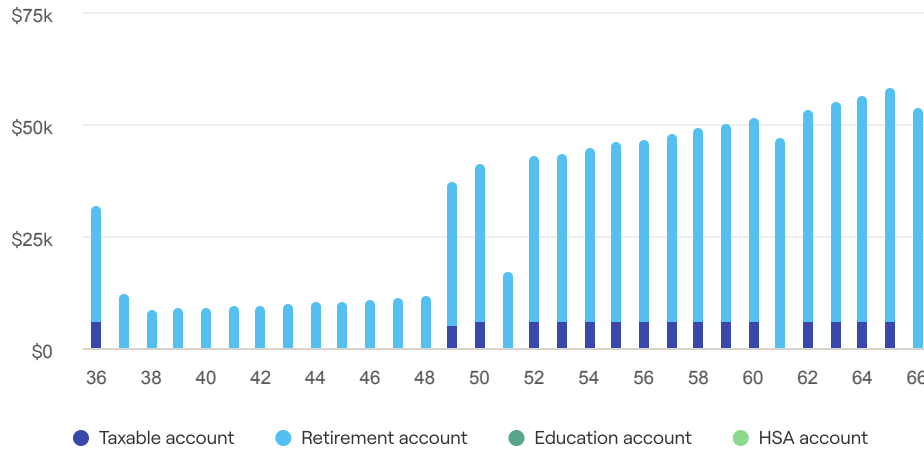
Total savings of
$991,847
Average savings rate of
15.0%
with total income of
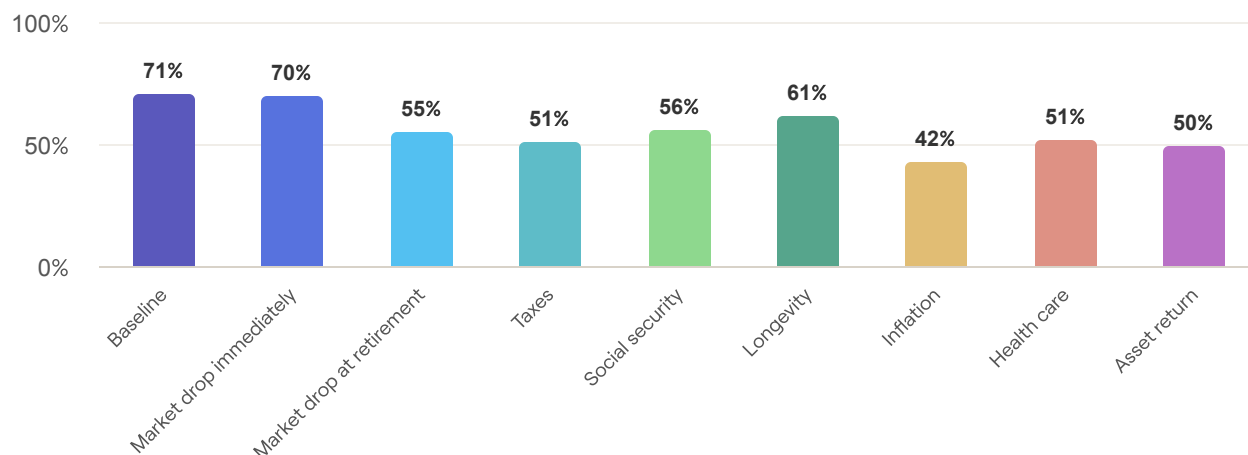$6,555,158

Total savings and returns of Proposed plan

- Current portfolio
- Total savings
- Portfolio return
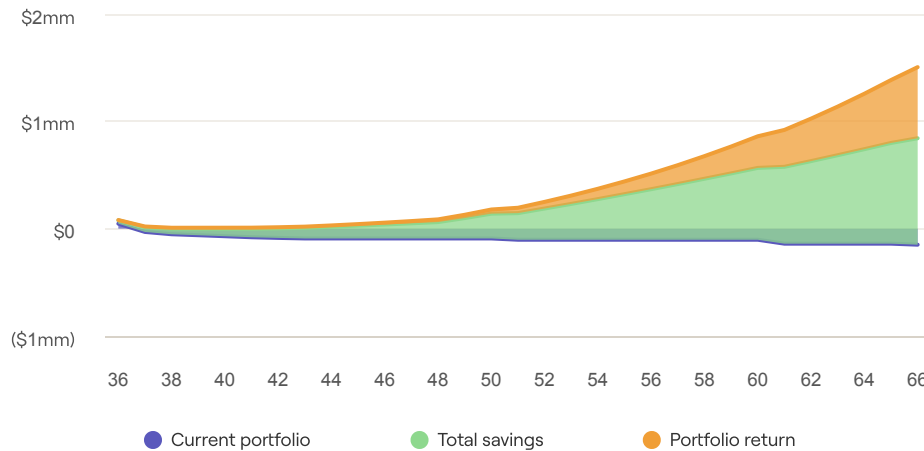
Total invested asset
$1,505,061
at retirement
$991,847 total savings
$662,520 portfolio return

IMPORTANT: The projections or other information generated by RightCapital regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results are based on return and volatility assumptions from a number of market indices shown in disclosure sections 5, 6 and 8.4. Fees and expenses are not included, and thus, are excluded, including, but not limited to, fund fees, account fees, product fees and advisor fees. Inclusion of those fees results in lower returns, which would affect the probability of achieving any particular outcome. Results may vary with each use and over time. The analysis must be reviewed in conjunction with assumptions, limitations and methodologies in the disclosure section. This report is not complete without the accompanying disclosure page.

Stress Test

Even the best retirement plans will be exposed to various risks. These risks can include market volatility, taxation, low Social Security payments, longevity, inflation, and short and long-term health care expenses. It is important to both anticipate and plan for such risks. Doing so can substantially increase your probability of success.

Stress test - probability of success - Proposed Plan

Baseline	Market drop immediately	Market drop at retirement	Taxes	Social security	Longevity	Inflation	Health care	Asset return
71%	70%	55%	51%	56%	61%	42%	51%	50%

Stress Test results are based on the following assumptions:

Equity markets drop immediately by	30%	Equity markets drop at retirement by	30%
Tax expense will be higher by	20%	Social Security will be reduced by	20%
You (and the co-client) will live	10 yrs. longer	Inflation will be higher by	0.5%
Health care cost will be higher by	30%	Asset return will be lower by	1%

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

IMPORTANT: The projections or other information generated by RightCapital regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results are based on return and volatility assumptions from a number of market indices shown in disclosure sections 5, 6 and 8.4. Fees and expenses are not included, and thus, are excluded, including, but not limited to, fund fees, account fees, product fees and advisor fees. Inclusion of those fees results in lower returns, which would affect the probability of achieving any particular outcome. Results may vary with each use and over time. The analysis must be reviewed in conjunction with assumptions, limitations and methodologies in the disclosure section. This report is not complete without the accompanying disclosure page.

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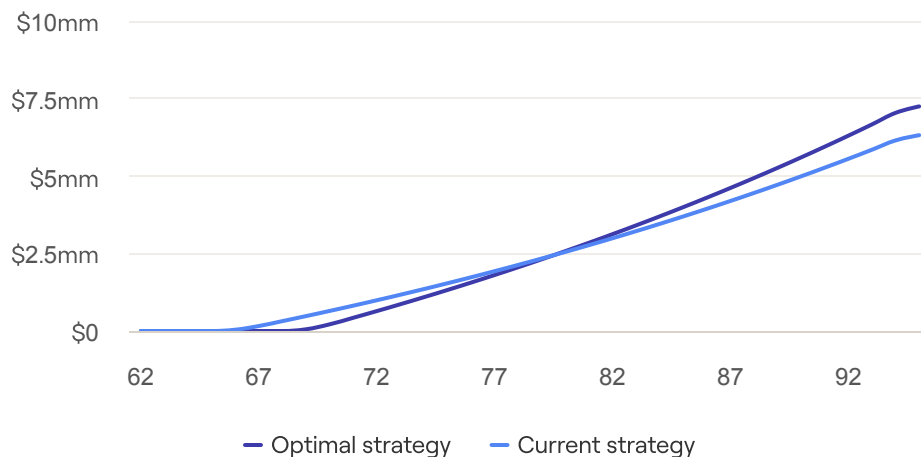
Optimal Social Security Strategy

There are as many as 700 different Social Security filing strategies that can be tested in order to identify the optimal Social Security benefit for your specific retirement needs. Compare your optimal strategy to others to see the potential benefit of optimization.

Annual cash flow comparison
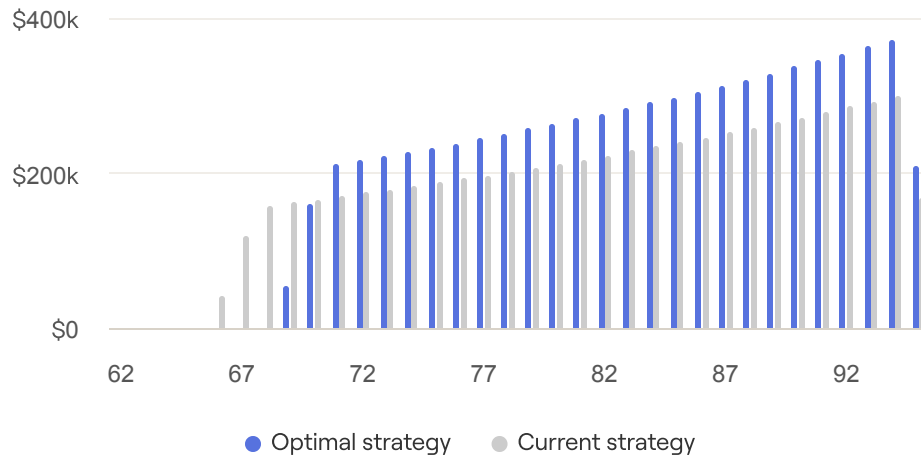
$929,060 more
from the Optimal Social Security filing strategy than Current strategy

● Optimal strategy ● Current strategy

Cumulative cash flow comparison

Age 80
break-even point between the Optimal Social Security filing strategy and Current strategy

— Optimal strategy — Current strategy

To obtain maximum Social Security benefit
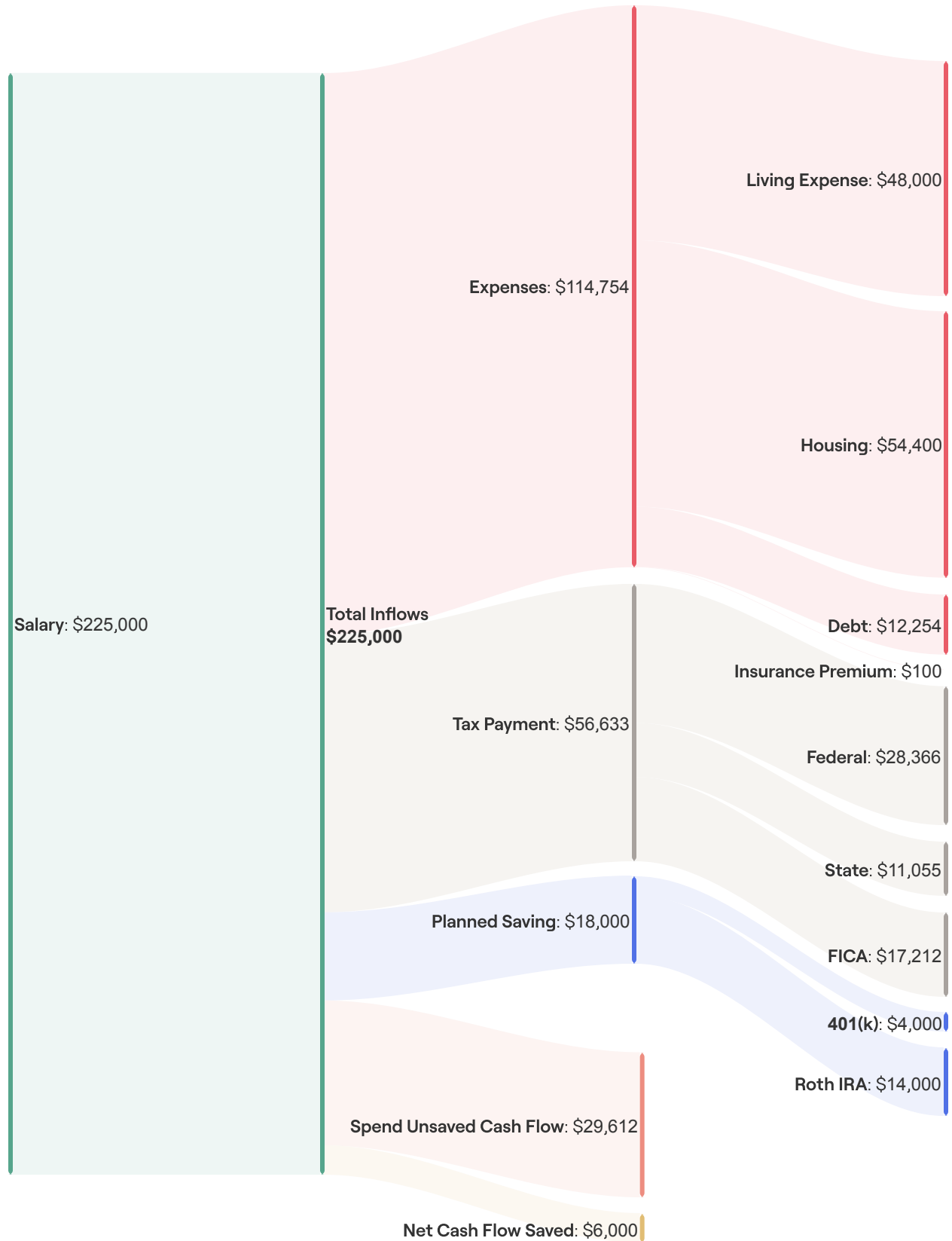
1. Chandler applies own retirement/spousal benefit at age 70.

2. Monica applies own retirement/spousal benefit at age 70.

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Cash Flows - Proposed Plan

Salary: $225,000

Total Inflows
$225,000

Expenses: $114,754

Tax Payment: $56,633

Planned Saving: $18,000

Spend Unsaved Cash Flow: $29,612

Net Cash Flow Saved: $6,000

Living Expense: $48,000

Housing: $54,400

Debt: $12,254

Insurance Premium: $100

Federal: $28,366

State: $11,055

FICA: $17,212

401(k): $4,000

Roth IRA: $14,000
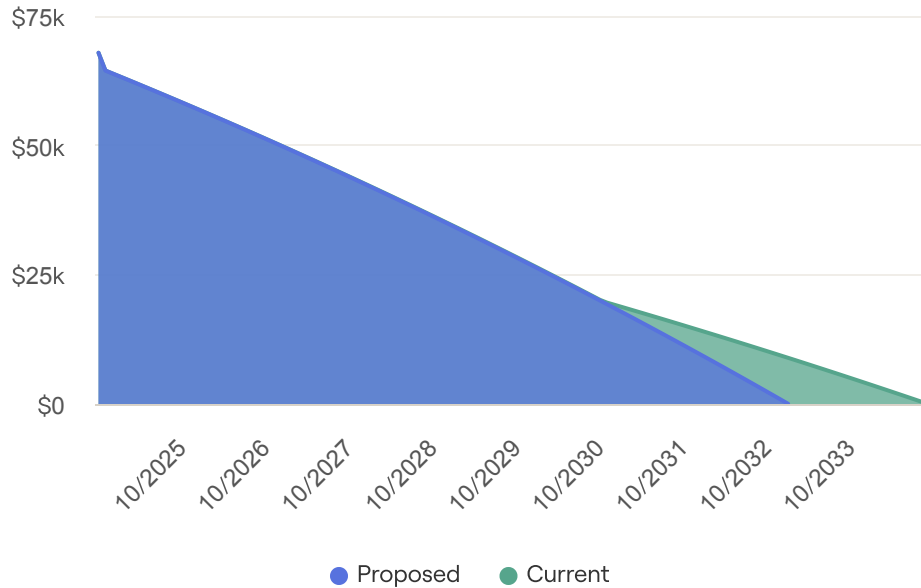
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Debt Management

Balance of selected debt

Total savings of
$828
and debt free
20
months sooner

Proposed payment strategy

Payment priority	Highest to lowest interest rate
Current total monthly payment	$3,729
Proposed additional monthly payment	$0
Proposed total monthly payment	$3,729.43

Individual loan strategy

Loan name	Interest rate	Balance	Strategy
Monica's Discover Car	25%	$1,650.00	Keep current payment
Chandler's Visa Card	25%	$1,250.00	Keep current payment
Monica's Student Loan	4.5%	$20,000	Use proposed payment strategy
Chandler's Student Loan	4.15%	$45,000	Use proposed payment strategy

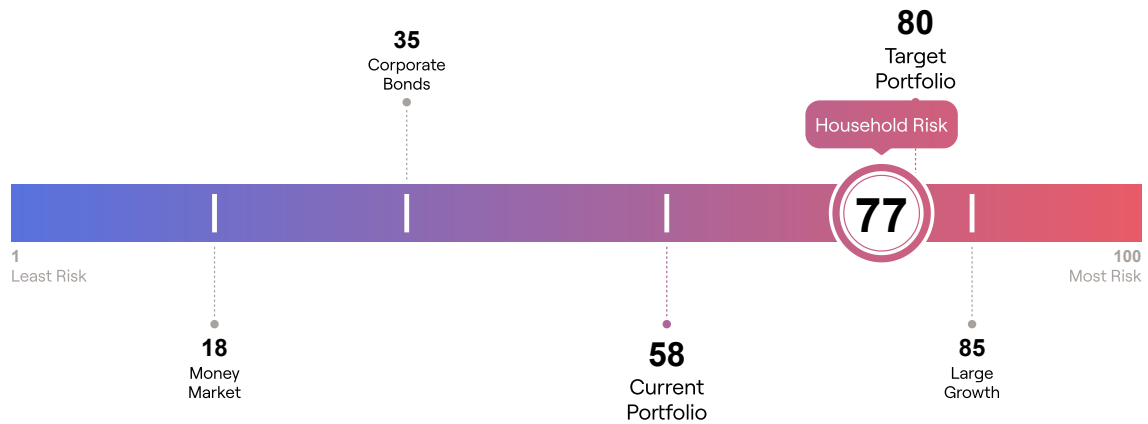This report is not complete without the accompanying disclosure page.

Debt Management Payments

Proposed payments for next month

Debt Name	Balance	Interest Rate	Minimum Payment	Current Payment	Proposed Payment
Monica's Discover Car	$1,650	25%	$0	$1,681	$1,681
Chandler's Visa Card	$1,250	25%	$0	$1,273	$1,273
Monica's Student Loan	$20,000	4.5%	$100	$315	$625
Chandler's Student Loan	$45,000	4.15%	$150	$460	$150

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Risk Tolerance Summary

Risk comparison

35
Corporate
Bonds

80
Target
Portfolio

Household Risk

77

1
Least Risk

100
Most Risk

18
Money
Market

58
Current
Portfolio

85
Large
Growth

Household risk classification

Moderately ...
21–40

Moderately ...
61–80

77

1
Least Risk

100
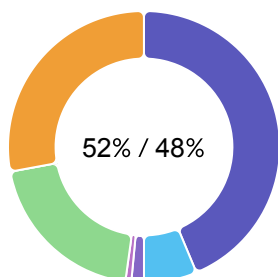Most Risk

Conservative
0–20

Moderate
41–60

Aggressive
81–100
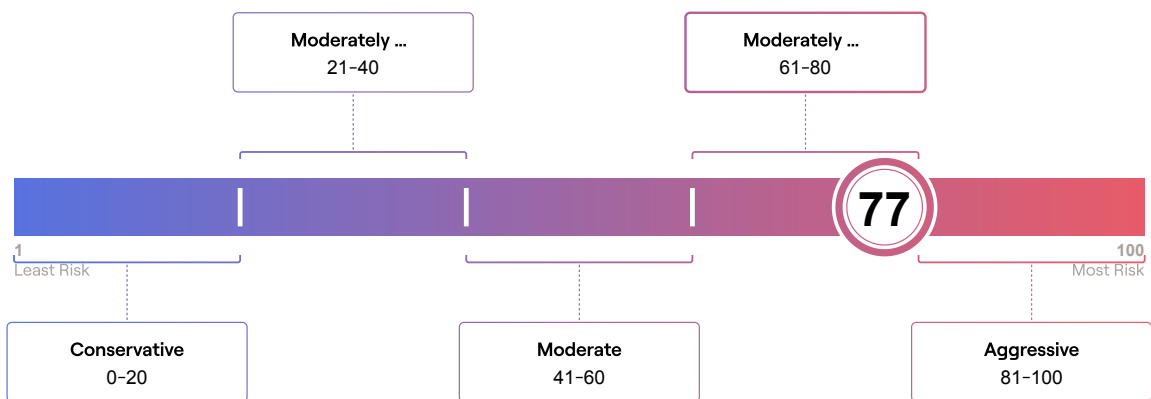
The risk score ranges from 1–100, where 1 is low risk and 100 is high risk. Your advisor has evaluated your household risk score to be 77.

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Asset Allocation

Current allocation

All accounts

52% / 48%

43.7%	U.S. Equities	47%	
6.3%	International Equities	20.9%	
1.5%	Emerging Markets	8%	
0.7%	Real Estate	4%	
19.9%	U.S. Bonds	15.8%	
0%	International Bonds	4.3%	
27.9%	Cash	0%	
0%	Other	0%	

Target allocation

Aggressive

80% / 20%

Equity / Fixed Income

Annual return: 5.7%
Standard deviation: 9.5%
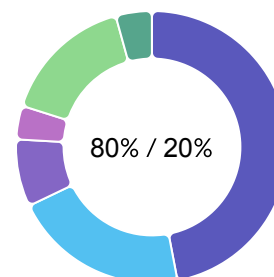
Equity / Fixed Income

Annual return: 7.4%
Standard deviation: 14.2%

To balance back to your target portfolio:

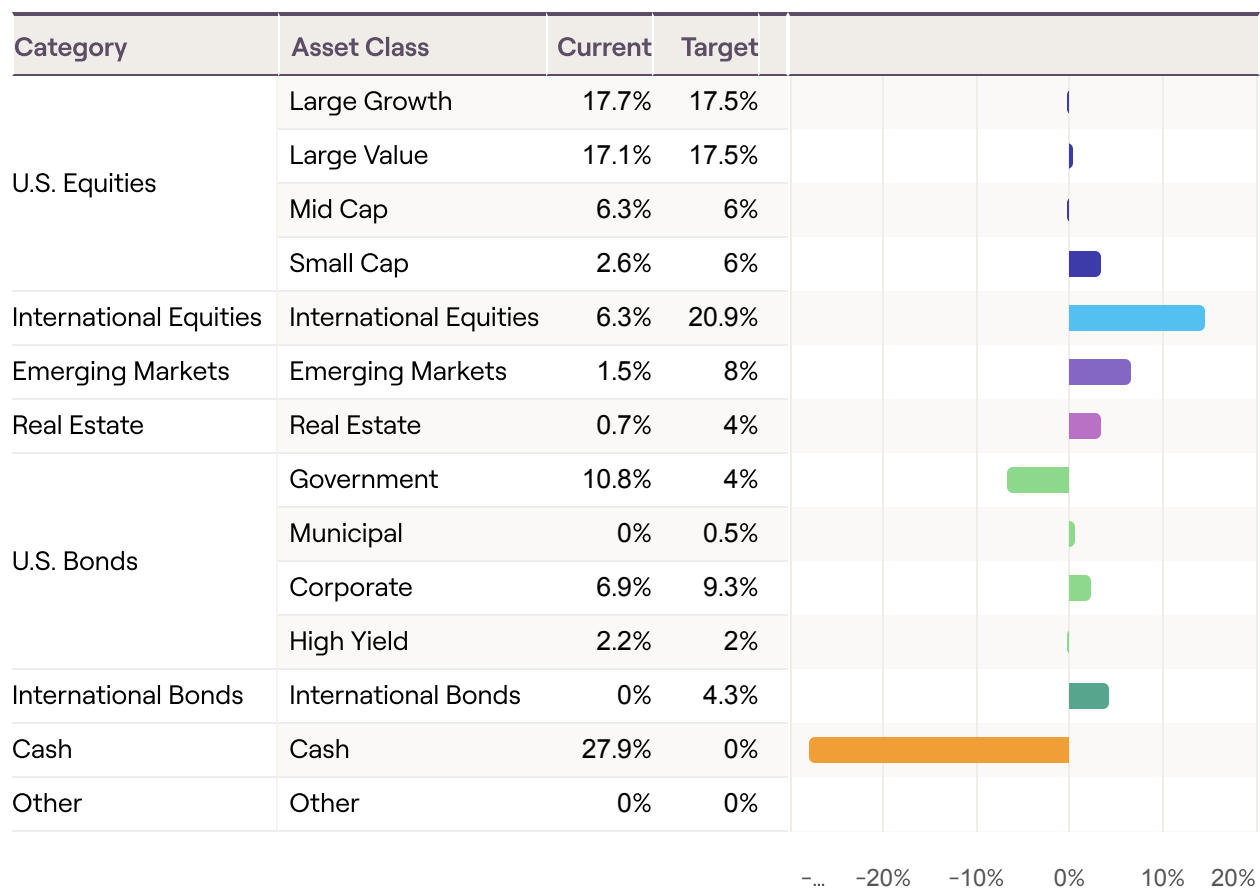|					
U.S. Equities	Buy	$1,529	U.S. Bonds	Sell	$1,900
International Equities	Buy	$6,767	International Bonds	Buy	$1,993
Emerging Markets	Buy	$3,012	Cash	Sell	$12,930
Real Estate	Buy	$1,529	Other	Sell	$0

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

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

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Asset Allocation Details

| Category	Asset Class	Current	Target	
U.S. Equities	Large Growth	17.7%	17.5%	
	Large Value	17.1%	17.5%	
	Mid Cap	6.3%	6%	
	Small Cap	2.6%	6%	
International Equities	International Equities	6.3%	20.9%	
Emerging Markets	Emerging Markets	1.5%	8%	
Real Estate	Real Estate	0.7%	4%	
U.S. Bonds	Government	10.8%	4%	
	Municipal	0%	0.5%	
	Corporate	6.9%	9.3%	
	High Yield	2.2%	2%	
International Bonds	International Bonds	0%	4.3%	
Cash	Cash	27.9%	0%	
Other	Other	0%	0%	

−… −20% −10% 0% 10% 20%

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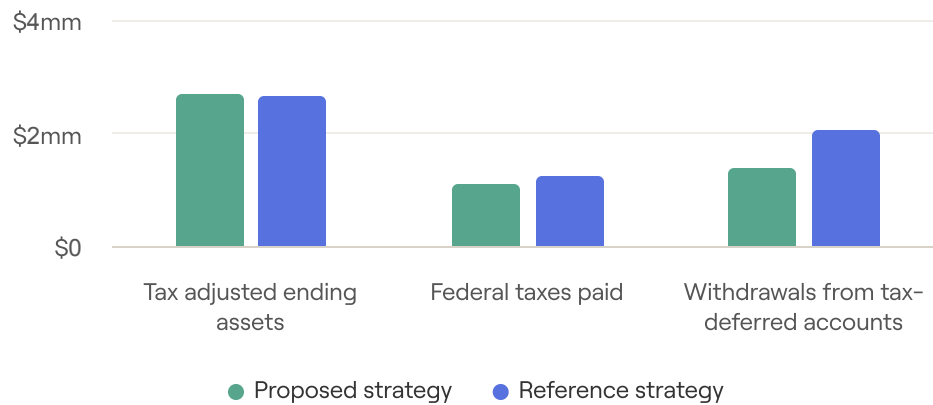
Allocation Path

The allocation path chart can illustrate how your portfolio's asset allocation may change over time.

Asset allocation over time   Starting allocation: Current allocation

Glide path: FreeMind Financial Glide Path

● Equity   ● Fixed Income   ● Cash
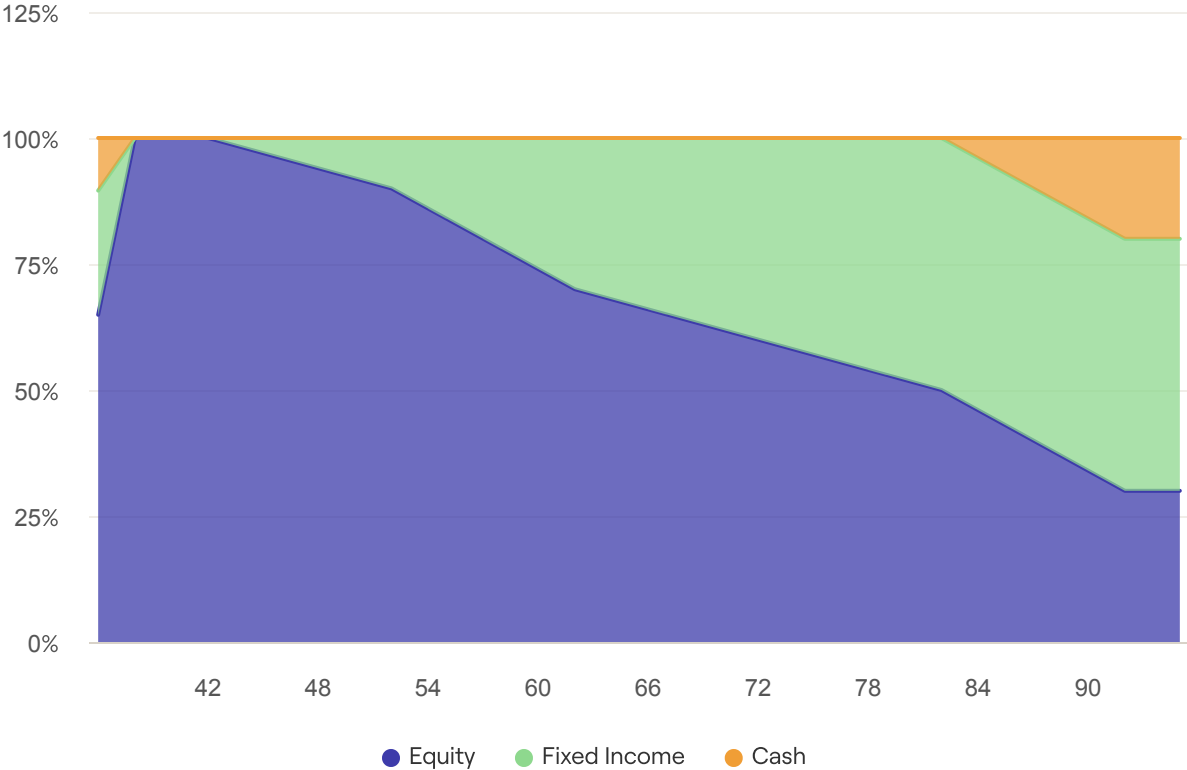
Tax Strategies - Summary

Summary of tax strategy - Proposed Plan

Proposed strategy results in

$22,621 more tax adjusted ending assets

$124,620 less taxes paid

$677,175 less withdrawals from tax-deferred accounts

● Proposed strategy   ● Reference strategy

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Beneficiaries

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

	Account Balance	Death Benefit	Primary Beneficiary	Contingent Beneficiary
Bank				
Joint Accounts				
Joint Bank Account	$4,000			
Joint Bank Account	$5,000			
Invested Assets				
Monica's Accounts				
Monica's 401(k) (Fidelity)	$12,175			
Monica's Roth IRA (Altruist)	$6,871			
Chandler's Accounts				
Chandler's 401(k) (Voya)	$8,500			
Chandler's Roth IRA (Altruist)	$7,800			
Joint Accounts				
Taxable Brokerage Account (Altruist)	$2,000			
Life Insurance				
Chandler's Accounts				
Chandler's Group Life Insurance		$100,000		