REPORT PREPARED FOR

# Robin Scherbatsky

by Daniel Smith
FreeMind Financial Advisory Inc.

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# Snapshot

### Plan Summary

The strategies proposed herein by FreeMind Financial Advisory would result in an **improvement of 48%** in the success of your plan, including:

1) Additional **$1,000,000+** in assets at retirement

2) Reduced lifetime taxes paid by nearly **$275,000**

3) **$586,000** increase in lifetime Social Sec. payments

4) Payoff of student loans **26 months** sooner

**$8.23k**
Net worth

**80%**
Probability of success

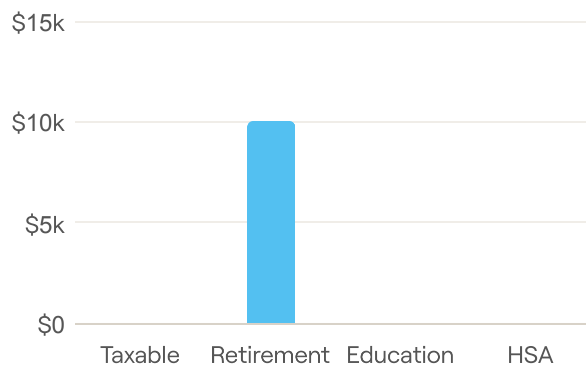
**12.6%**
Savings rate

**24.6%**
Total effective tax rate

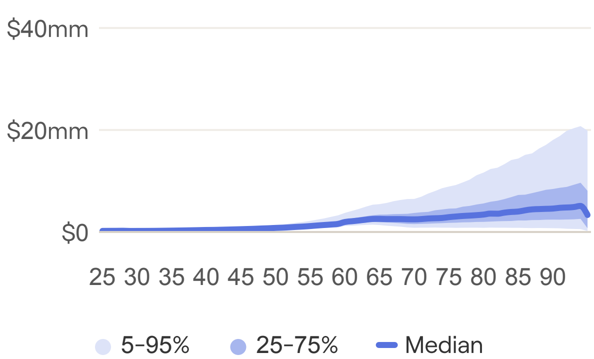
### Balance Sheet

| | |
|---|---|
| Bank | $4,200 |
| Invested assets | $11,981 |
| Real estate assets | $0 |
| Life insurance cash value | $0 |
| Other assets | $0 |
| Credit cards | $950 |
| Mortgages | $0 |
| Home equities | $0 |
| Student loans | $7,000 |
| Other debts | $0 |
| **Net worth** | **$8,231** |

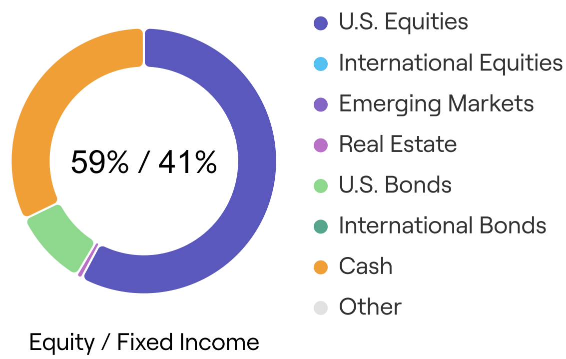
### Current year savings of Proposed plan




### Asset simulation results of Proposed plan




### Current allocation



# Tasks

| Due Date | Assigned to | Task |
|---|---|---|
| 2024-10-18 | Everybody | Review financial plan in virtual meeting on Friday at 2pm. |
| 2024-10-22 | Robin Scherbatsky | 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 Robin Scherbatsky for January 2025. |

# Blueprint - Net Worth

- Bank & Investments
- Stock plan & Properties & Other assets
- Card & Loans
- Insurance

Net Worth: $8,231

Robin Scherbatsky

25

| Bank & Investments | Stock plan & Properties & Other assets | Card & Loans |
| --- | --- | --- |
| Checking Account **$1,200** | Primary Home **$2,450/mo** | Visa Credit Card **($750)** |
| Savings Account **$3,000** | | Discover Credit Card **($200)** |
| Robin's 401(k) (Fidelit... **$8,050** | | Robin's Student Loan **($7,000)** |
| Robin's Roth IRA (Altr... **$3,431** | | |
| Taxable Brokerage A... **$500** | | |

# Blueprint - Income, Savings, Expenses

- Income
- Savings
- Expenses

Income, Savings, Expenses

Robin Scherbatsky - 25

| Income | Savings | Expenses |
|---|---|---|
| Robin’s Salary<br>**$80,000** | Robin’s 401(k)<br>**3%** | Pre-retirement Living Expen...<br>**$1,650/mo** |
| Robin’s Social Security<br>**Estimated** | Robin’s Roth IRA<br>**$3,000** | |
| Robin’s Inheritance Income<br>**$250,000** | Robin’s Taxable<br>**$1,000** | |
| | Age 50 – Retirement Prep<br>**$10,000** | |

# Blueprint - Goals

- Retirement
- Education
- Asset Purchase
- Other

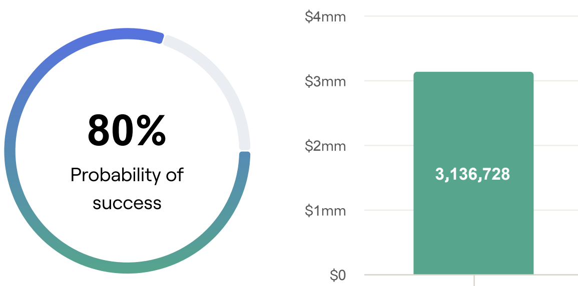
Goals

| Retirement | Education | Asset Purchase | Other |
|---|---|---|---|
| Retirement Age **65** | | Apartment Purchase **$350,000** | Car Purchase **$18,000** |
| Retirement Monthly ... **$1,750** | | | Vacation to Japan **$8,000** |
| Annual Retirement H... **Estimate** | | | |
| Annual Retirement LT... **$64,200** | | | |

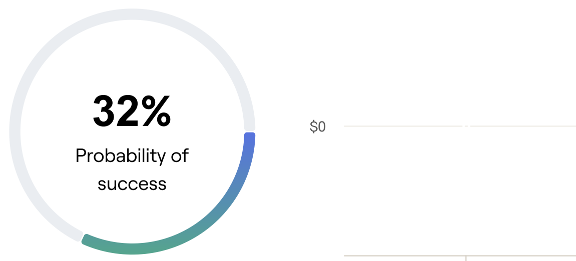
# Monte Carlo Analysis

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.

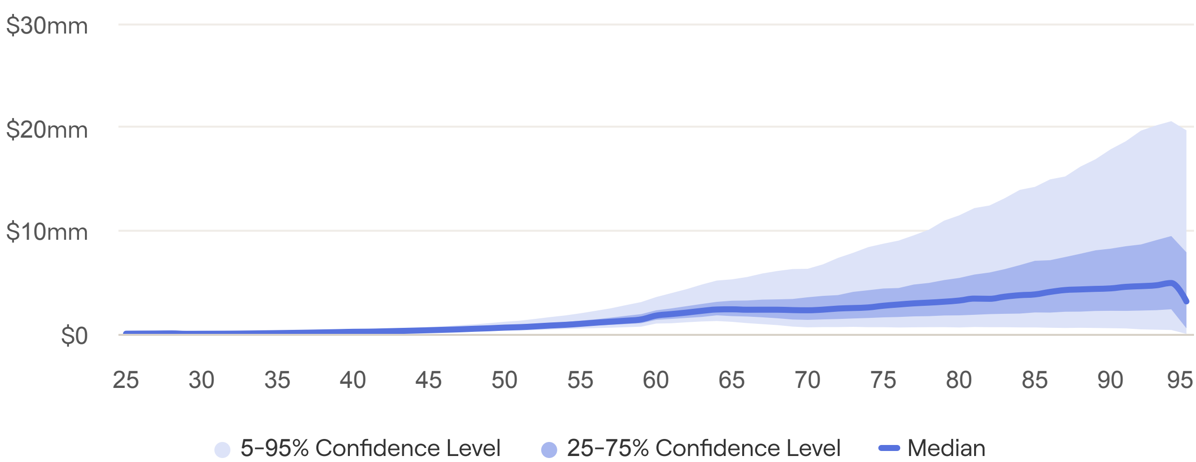
### Proposed plan




### Current plan




### Asset simulation results - Proposed plan




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.

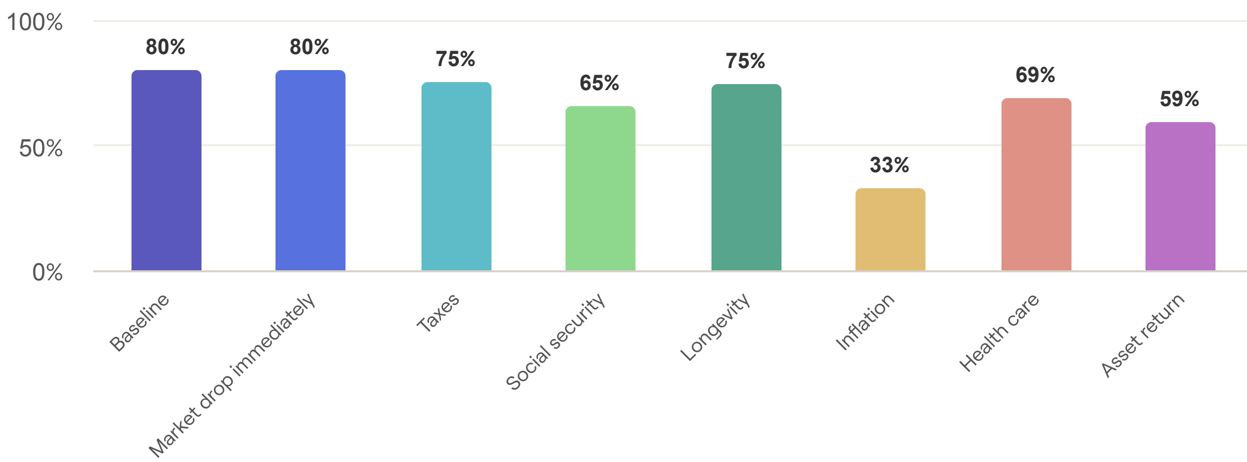
# Retirement Analysis Action Items

| | Proposed | Current |
|---|---|---|
| **Financial goals** | | |
| Robin’s retirement age | 65 | 65 |
| Retirement Monthly Expense | $1,750 | $1,750 |
| **Savings** | | |
| Robin’s 401(k) | 3% | 3% |
| Robin’s Roth IRA | Max | $3,000 |
| Robin’s Taxable | $2,000 | $1,000 |
| Age 50 – Retirement Prep | $15,000 | $10,000 |
| **Expenses** | | |
| Pre-retirement Living Expenses | $1,650 | $1,650 |
| **Strategies** | | |
| Asset allocation | Aggressive | Current allocation |
| Glide path | FreeMind Financial Glide Path | FreeMind Financial Glide Path |
| Social Security | Optimal strategy | Current strategy |
| Robin Scherbatsky | 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** | | |
| Apartment Purchase | 2028 | 2030 |

# 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




### Stress Test results are based on the following assumptions:

| | | | |
|---|---|---|---|
| Equity markets drop immediately by | 20% | Tax expense will be higher by | 20% |
| Social Security will be reduced by | 20% | You will live | 5 yrs. longer |
| Inflation will be higher by | 1% | Health care cost will be higher by | 20% |
| 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.

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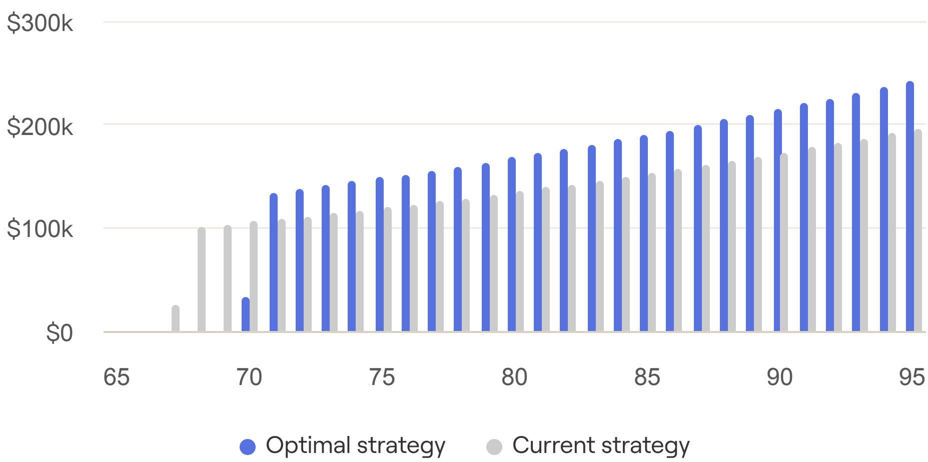
# Optimal Social Security Strategy

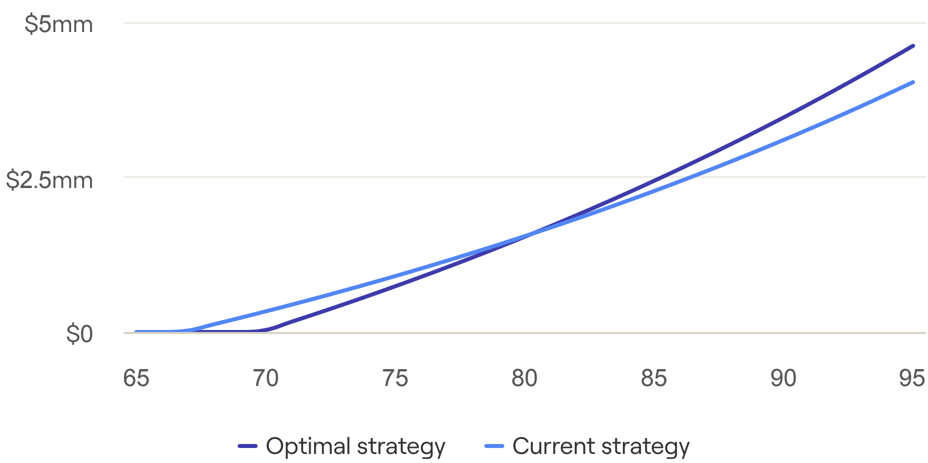
There are as many as 700 different Social Security filing strategies that can be tested in order to identify the optimal Social Security benefit for your specific retirement needs. Compare your optimal strategy to others to see the potential benefit of optimization.

### Annual cash flow comparison




**$586,326 more**
from the Optimal Social Security filing strategy
than Current strategy

### Cumulative cash flow comparison




**Age 81**
break-even point between the Optimal Social Security filing strategy and Current strategy

### To obtain maximum Social Security benefit

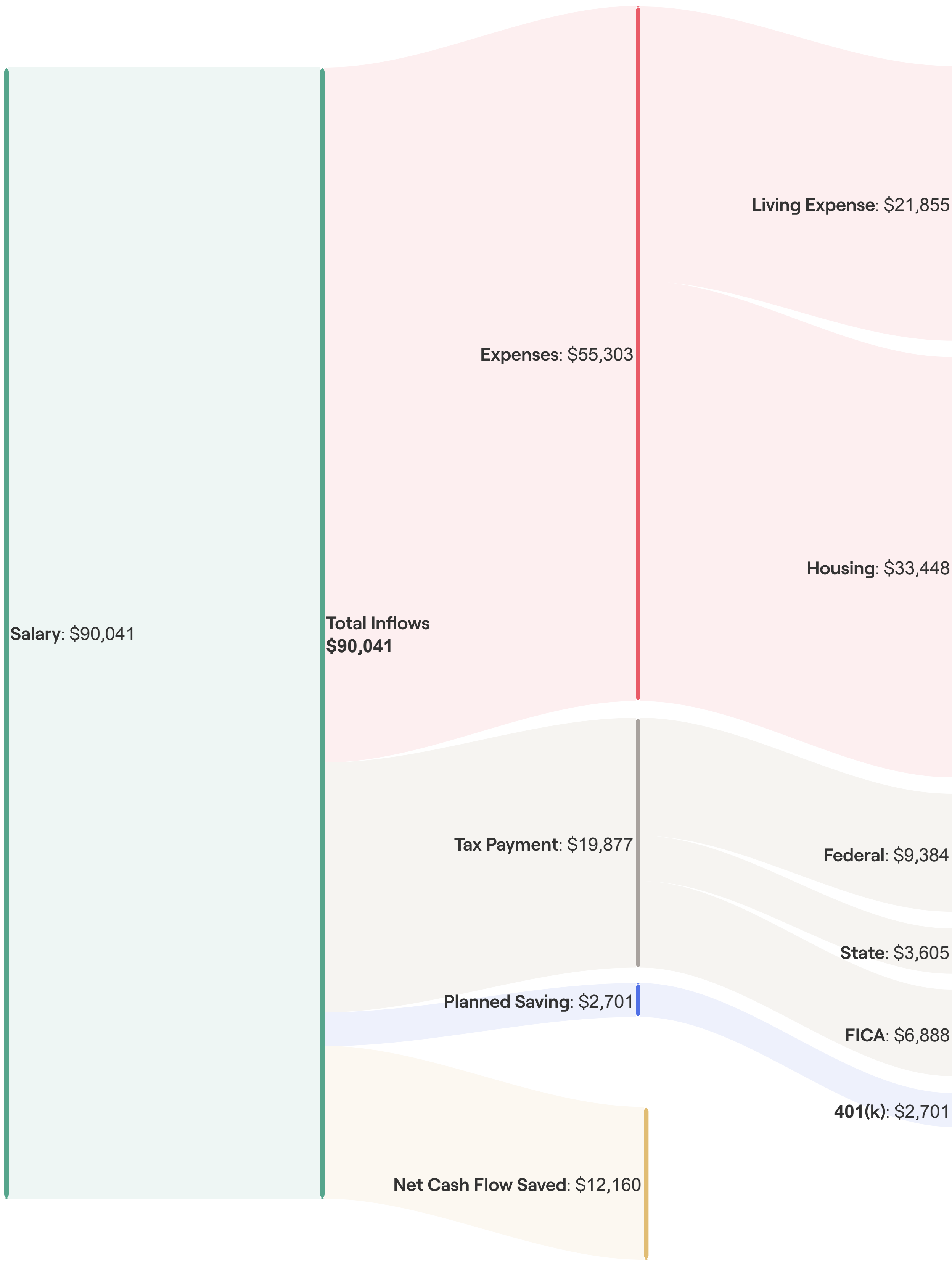
1. Robin applies own retirement/spousal benefit at age 70.

# Cash Flows - Proposed Plan

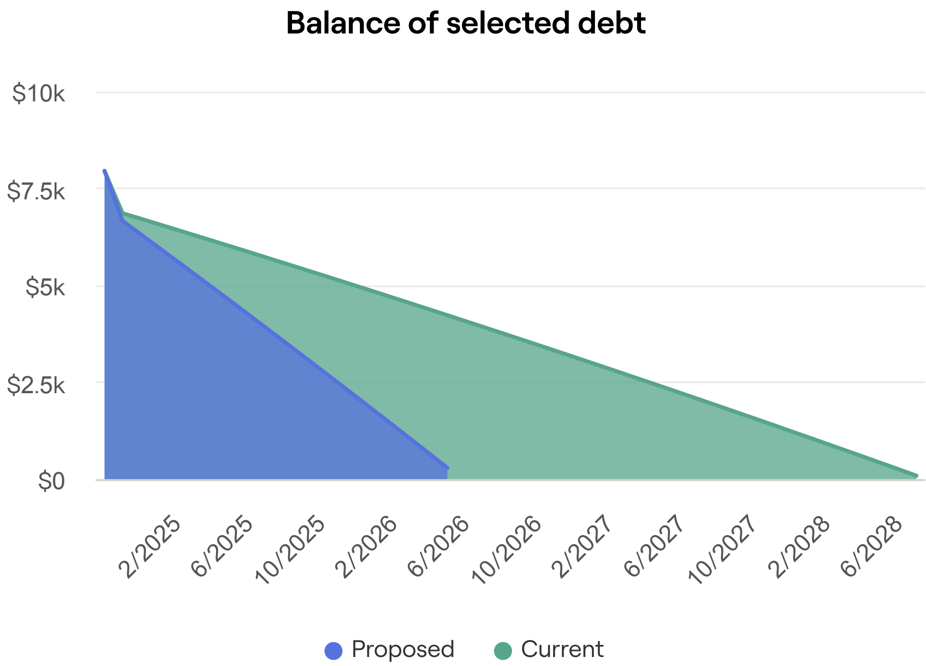
**Maps**

Baseline

Cash flow year 2029 (30)



# Debt Management




Total savings of

**$364**

and debt free

**26**

months sooner

## Proposed payment strategy

| | |
|---|---|
| Payment priority | Same priority for all debt |
| Current total monthly payment | $1,136 |
| Proposed additional monthly payment | $200 |
| Proposed total monthly payment | $1,336.00 |

## Individual loan strategy

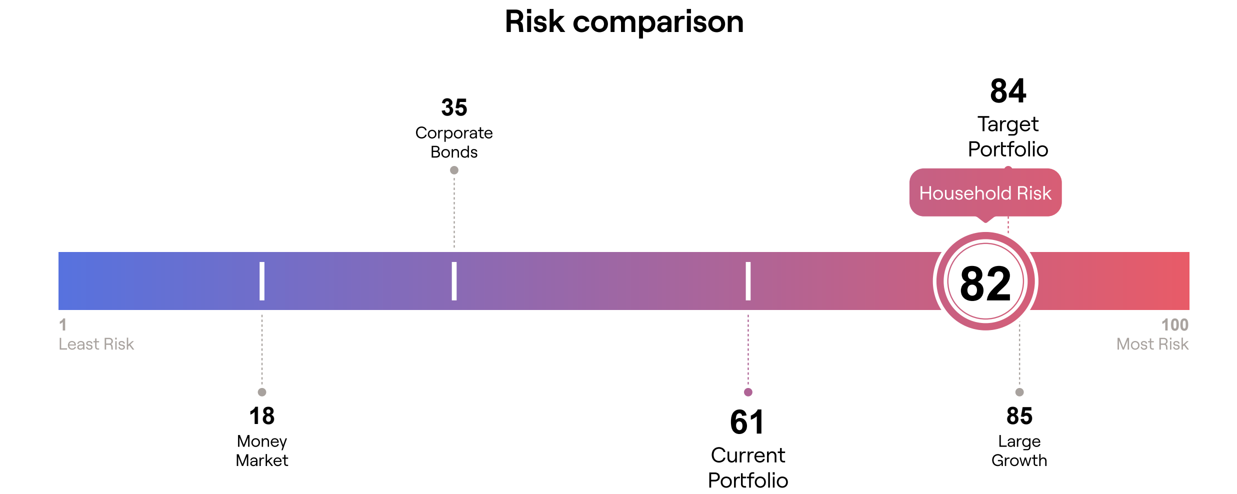
| Loan name | Interest rate | Balance | Strategy |
|---|---|---|---|
| Visa Credit Card | 25% | $750.00 | Keep current payment |
| Discover Credit Card | 25% | $200.00 | Keep current payment |
| Robin’s Student Loan | 4.75% | $7,000 | Use proposed payment strategy |

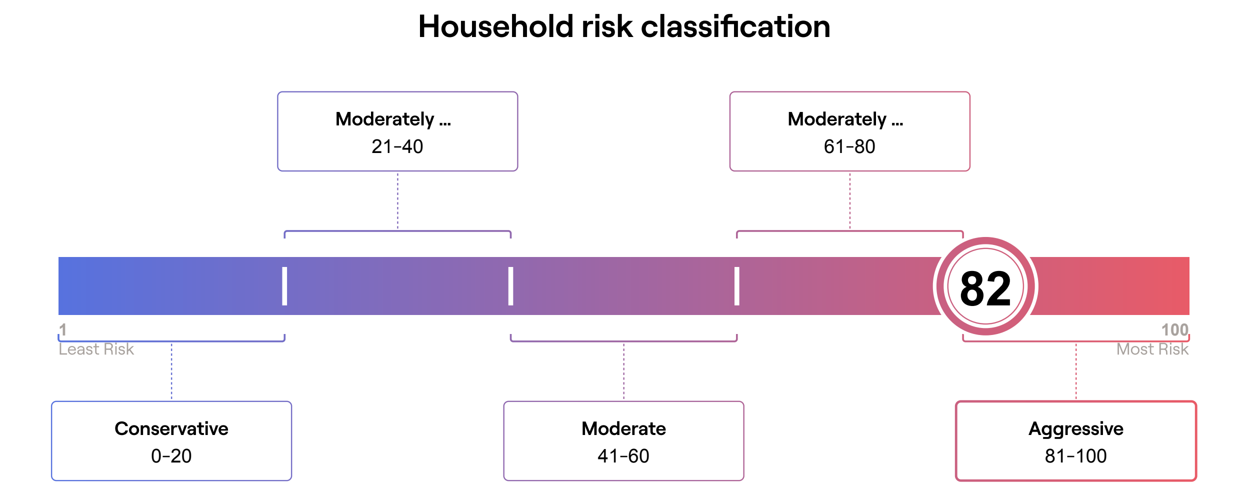
# Debt Management Payments

Proposed payments for next month

| Debt Name | Balance | Interest Rate | Minimum Payment | Current Payment | Proposed Payment |
|---|---|---|---|---|---|
| Visa Credit Card | $750 | 25% | $0 | $764 | $764 |
| Discover Credit Card | $200 | 25% | $0 | $204 | $204 |
| Robin’s Student Loan | $7,000 | 4.75% | $50 | $168 | $368 |

# Risk Tolerance Summary



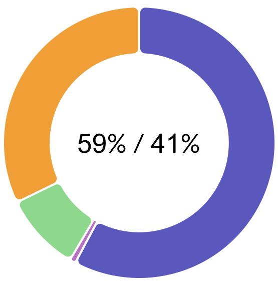




The risk score ranges from 1-100, where 1 is low risk and 100 is high risk. Your advisor has evaluated your household risk score to be 82.

# Asset Allocation

## Current allocation

All accounts



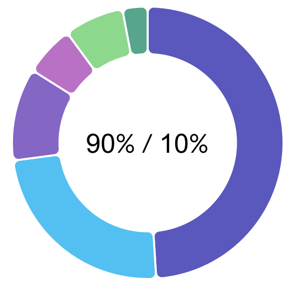

Equity / Fixed Income

Annual return: 5.6%
Standard deviation: 10.2%

| Current | Asset class | Target |
|---|---|---|
| 57.8% | U.S. Equities | 49% |
| 0% | International Equities | 23.9% |
| 0% | Emerging Markets | 11% |
| 0.7% | Real Estate | 6% |
| 9.3% | U.S. Bonds | 7.1% |
| 0% | International Bonds | 3% |
| 32.2% | Cash | 0% |
| 0% | Other | 0% |

## Target allocation

Most Aggressive




Equity / Fixed Income

Annual return: 7.7%
Standard deviation: 15.8%

### To balance back to your target portfolio:

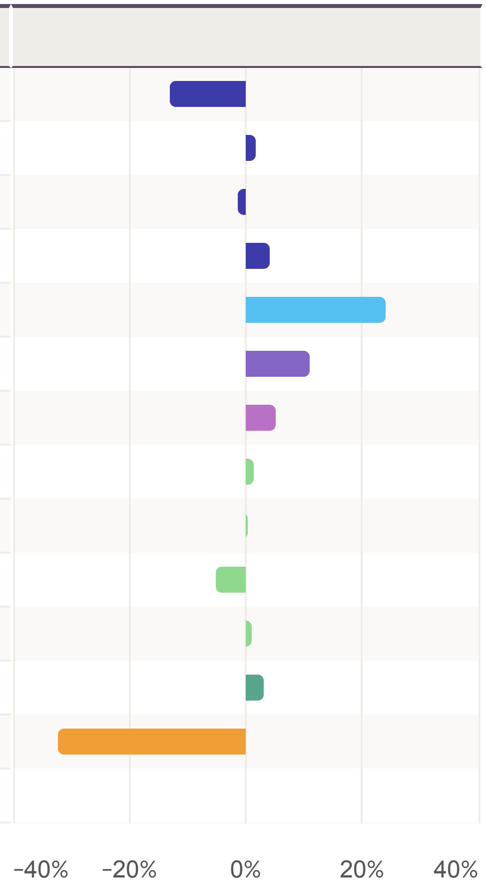
| | | |
|---|---|---|
| U.S. Equities | Sell | $1,424 |
| International Equities | Buy | $3,867 |
| Emerging Markets | Buy | $1,780 |
| Real Estate | Buy | $858 |
| U.S. Bonds | Sell | $356 |
| International Bonds | Buy | $485 |
| Cash | Sell | $5,210 |
| Other | Sell | $0 |

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.

# Asset Allocation Details

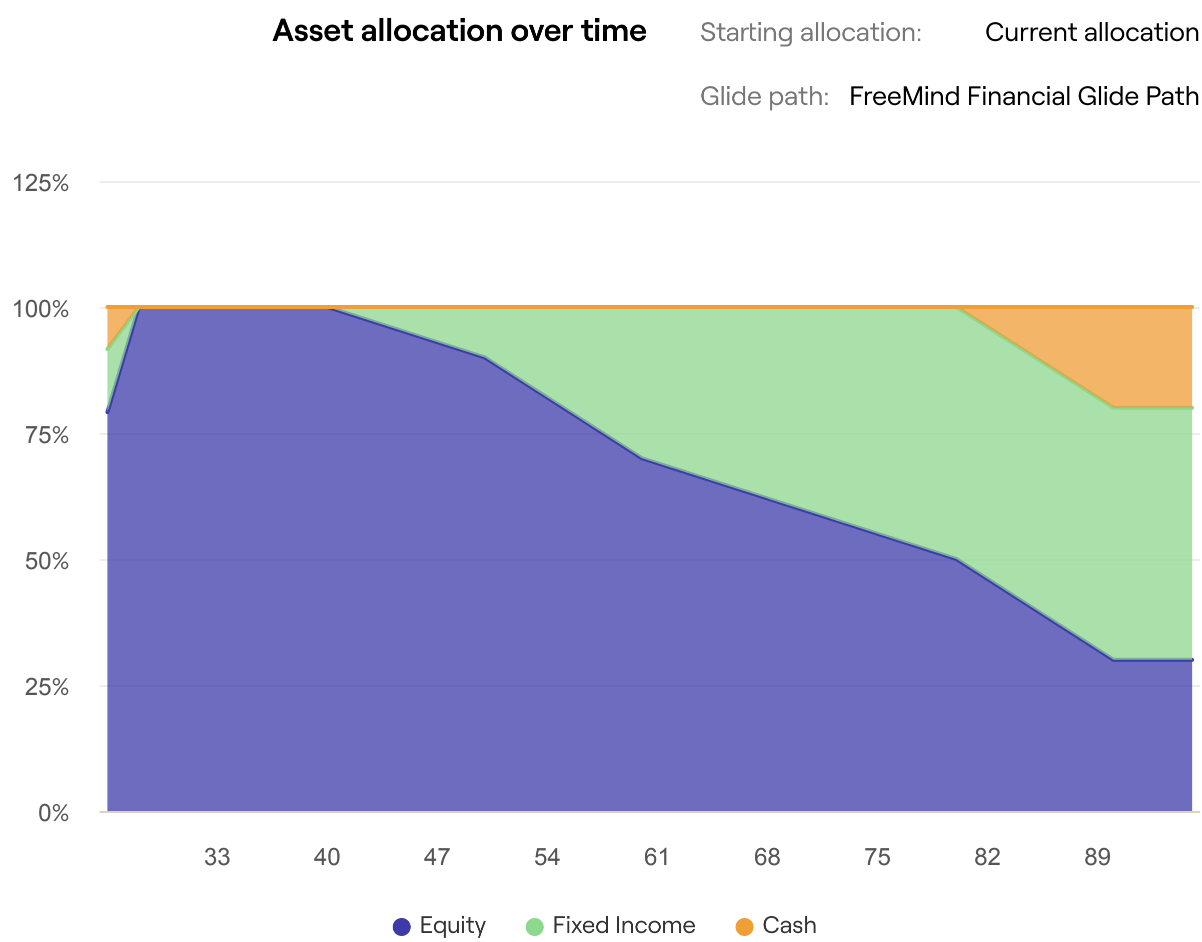
| Category | Asset Class | Current | Target |
|---|---|---|---|
| U.S. Equities | Large Growth | 30.2% | 17% |
| | Large Value | 15.3% | 17% |
| | Mid Cap | 8.8% | 7.5% |
| | Small Cap | 3.5% | 7.5% |
| International Equities | International Equities | 0% | 23.9% |
| Emerging Markets | Emerging Markets | 0% | 11% |
| Real Estate | Real Estate | 0.7% | 6% |
| U.S. Bonds | Government | 0% | 1.5% |
| | Municipal | 0% | 0.3% |
| | Corporate | 9.3% | 4.3% |
| | High Yield | 0% | 1% |
| International Bonds | International Bonds | 0% | 3% |
| Cash | Cash | 32.2% | 0% |
| Other | Other | 0% | 0% |



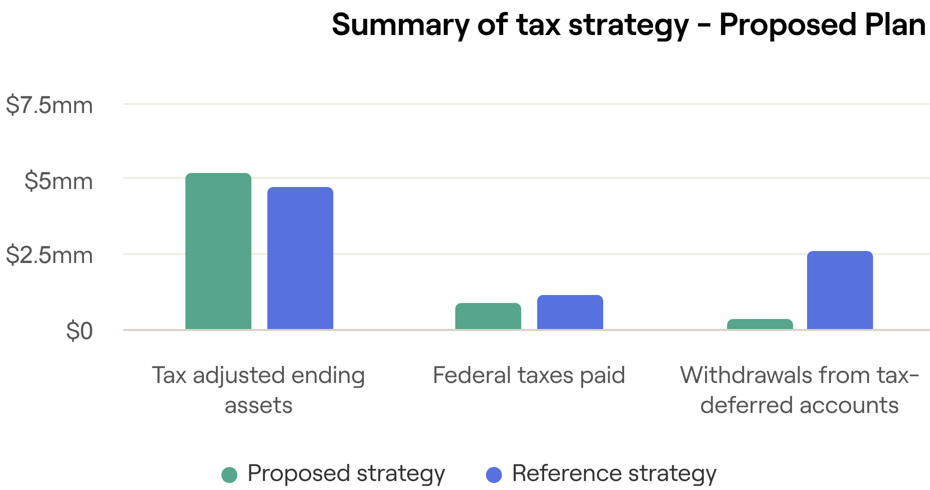

Please refer to sections 5 and 8.4 of the disclosure section for more information.

# Allocation Path

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



# Tax Strategies - Summary




Proposed strategy results in

$465,720 more
tax adjusted ending assets

$272,316 less
taxes paid

$2,204,172 less
withdrawals from tax-deferred accounts

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