

# Your Financial Goal Plan

## Retirement Lifestyle Plan

### Custom Financial Blueprint



## IMPORTANT INFORMATION

This brochure includes results for a Sample Retirement Lifestyle Plan, created using MoneyGuidePro™ financial planning software. MoneyGuidePro is owned and licensed by PIEtech, Inc.

Disclosure includes information about MoneyGuidePro limitations, assumptions and a glossary of common terms.

# Using Goal Planning to reach the Retirement you want and the Life Goals you Desire.

Creating a Financial Goal Plan or Financial Blueprint is a very important step to manage financial resources and reach long-term financial goals. Financial Planning is a life-long process designed to assist you and your family in taking control of your financial future. By setting financial goals, developing strategies, and monitoring your progress towards those vital goals on a regular basis, the likelihood of attaining the results you want is drastically improved. In the planning process you set the course of your financial life.

Financial Plans are hypothetical in nature and intended to help you make decisions on your financial future based upon information you have provided and reviewed. That is why it is important to use ongoing and dynamic planning.

# The Problem: Media, Friends, & Investment Statements

You are overloaded daily with information from friends, TV, and web sites. We are all inundated with news, around the clock, from more sources than we've ever had in our history! We can access real-time information from home, work, and on the road . . . from your laptop, smart phone, or tablet. You can access your investment statements 24/7. It's natural to become worried, discouraged or unsure when the information is inconsistent. It's easy to fear the worst and begin thinking you'll never be able to retire, or, if you do retire, you'll run out of money. So, what should you do?

**Sell Stocks? Retire Later? Spend Less? Fire Your Advisor? Worry More?**

## Sample Statement

	Value
Last Year	\$850,000
Now	\$595,000
Change	-30%

## Portfolio Value Example



\*For illustrative purposes only. Not representative of any specific investment.

When things are bad, everyone feels the need to . . . Do Something! But what?

The problem is, you don't have the information you need to decide what to do. You don't know when you can retire or how much money you can spend after you retire. That's because investment statements show only short-term results. They don't tell you how those results will affect your long-term financial success.

**You can't make good long-term decisions based on short-term information.**

# Don't Be Misled Into Poor Decisions



Even worse than not knowing what to do, is doing the wrong thing. So here's what not to do.

- Don't let short-term losses and unreasonable fear mislead you into poor investment decisions.
- Don't make decisions that may feel good in the moment (e.g. dumping all your stocks), but hurt you in the long-run (e.g. running out of money).

To make smart investment decisions today, you need more than investment statements.

The important question isn't . . . .

How much money do I have right now?

That value will change constantly.

What you need to know is . . .

What should I do now to give me the best chance to attain my Goals in the future?

**To answer this question, you need a Retirement Lifestyle Plan:**

- **It can help you feel better today,**
- **It can restore your confidence in the future, and**
- **It will help you make better financial decisions.**

**Let's see what a Retirement Lifestyle Plan looks like.**

# The Solution: A Retirement Lifestyle Plan

Start with your Goals. You're unique. Your retirement Goals are unique.

For a comfortable retirement, you certainly must be able to pay your basic living expenses, without worrying about running out of money. But a truly satisfying retirement lifestyle would also include sufficient money to pay for other purchases and activities that go beyond your basic needs. That's what makes retirement fun.

A Retirement Lifestyle Plan helps you identify all your unique Goals, including the **Needs** you must have, the **Wants** you'd like to have, and even the **Wishes** you might dream about.




The example that follows shows a Retirement Lifestyle Plan for John and Ann, a 57-year-old couple with a three-year-old grandson, Timmy. John and Ann have identified five Goals that will make their retirement satisfactory and enjoyable. Compare their list of Goals to what you might want for your retirement. You could have fewer Goals or many more. Then, review the results for John and Ann's Retirement Lifestyle Plan to see how it helped them feel more confident about their future.

Most Common Goals		Other Goals		
Car	College	Wedding	New Home	Celebration
Travel	Home Improvement	Major Purchase	Start Business	Provide Care
Health Care	Gift or Donation	Leave Bequest	Private School	



# Lifestyle Goals for John and Ann

## Example Plan

Retirement Goals		Amount
 Needs		
10	<b>Retirement - Age and Living Expense</b> John Ann Both Retired (2020-2045) Ann Alone Retired (2046-2048)	65 / 2020 65 / 2020 \$81,600 \$57,000
8	<b>John's SUV</b> when John Retires Recurring every 4 years for a total of 7 times	\$30,000
 Wants		
7	<b>Annual Travel Fund</b> at Retirement Recurring every year for a total of 20 times	\$15,000
5	<b>Ann's Prius</b> when Ann Retires Recurring every 7 years for a total of 2 times	\$25,000
 Wishes		
2	<b>Gifts to Timmy</b> in 2013 Recurring every year for a total of 15 times	\$10,000

After identifying all their Goals, we gathered information about the resources they will use to fund their Goals (including current investments, savings, and retirement income) and then had a conversation with John and Ann about their loss tolerance (they're fairly conservative). Next, we crunched the numbers to answer their question:




**"How can we be certain we'll reach all of our Goals?"**

# And the Answer is. . .

John and Ann can't be certain. Unfortunately, because future returns are unpredictable, no one can be certain they'll reach their Goals. But they can be more confident. Here's how:

First, we calculated the Probability of Success for John and Ann's Current Plan using a Monte Carlo Simulation. Because the Probability of Success for their Current Plan was too low, we worked together to see what changes might improve their results.

## Example Result Summary for John and Ann

Results	Current Scenario	Recommended Scenario	
Likelihood of Funding All Goals	 Probability of Success: <b>66%</b> <b>Below Confidence Zone*</b>	 Probability of Success: <b>76%</b> <b>In Confidence Zone*</b>	
 Confidence Zone (70% - 85%)			
	Current Scenario	Recommended	Changes in Value
Retirement			
John	65 in 2020	65 in 2020	
Ann	65 in 2020	65 in 2020	
Goals			
Total Spending for Life of Plan	\$3,002,600	\$2,890,100	Decreased 4%
Savings			
Total Savings This Year	\$29,000	\$29,000	
Investments			
Portfolio Value	\$970,000	\$970,000	
Allocation Before Retirement	Current	Balanced II	16% Less Stock
Allocation During Retirement	Current	Balanced II	16% Less Stock
Inflation	3.00%	3.00%	

\*The Confidence Zone is the range of probabilities that you and your advisor select as your target range for the Probability of Success result in your Plan.

### What Is A Monte Carlo Simulation?

We simulate thousands of Trials using different return sequences. Each Trial represents one possible outcome for the plan.

The Probability of Success equals the percentage of Trials (e.g., 76%) that funded all the Goals.



# You Need to Be In Your Confidence Zone!

With these changes, John and Ann's Recommended Plan has a Probability of Success (76%) that is in their Confidence Zone (a target range of probabilities).

When you're in the Zone, you can be confident (but still not certain) you'll have enough money to fund your future Goals without sacrificing more than is necessary today.

## These ARE challenging times.

While you certainly can't ignore today's challenges, you also don't want to overreact to them. Your current well-being and your long-term enjoyment during retirement are dependent on your ability to make well-considered financial decisions during good markets and bad.

As illustrated in the previous sample, a Retirement Lifestyle Plan helped John and Ann feel more confident about their future.

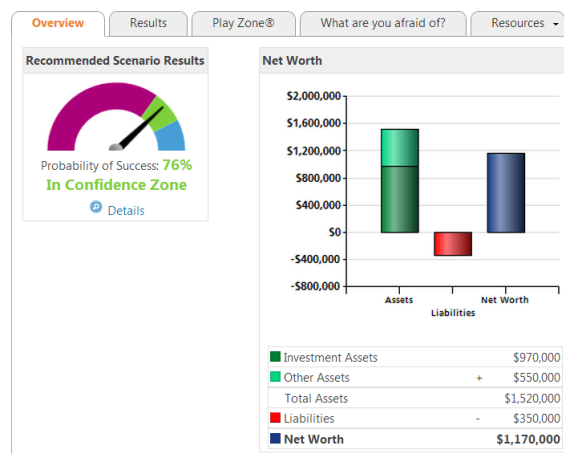
Here's what you're likely to discover if you create your own Retirement Lifestyle Plan: you might not be as well-off as you'd like but, you're usually better-off than you feared. And, with some good planning, you can be **OK**.

## On-going Access to Your Plan

A Financial Plan is a living document so continue to update your plan annually, or as your life changes. You can view your plan within My Snapshot, accessible from your SMART Portal.

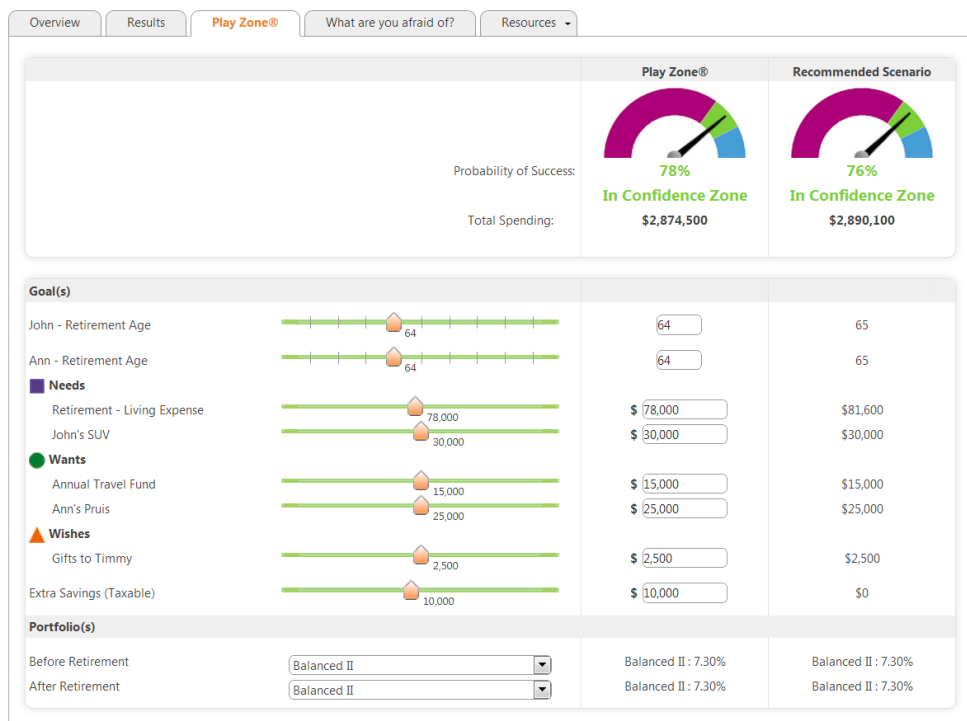
My Snapshot includes:

- Overview of your Recommended Plan
- Results and Recommended Changes
- PlayZone® (see next page)
- What Are You Afraid Of? (see next page)
- Resources - Your Net Worth, Retirement Income and Asset Allocation



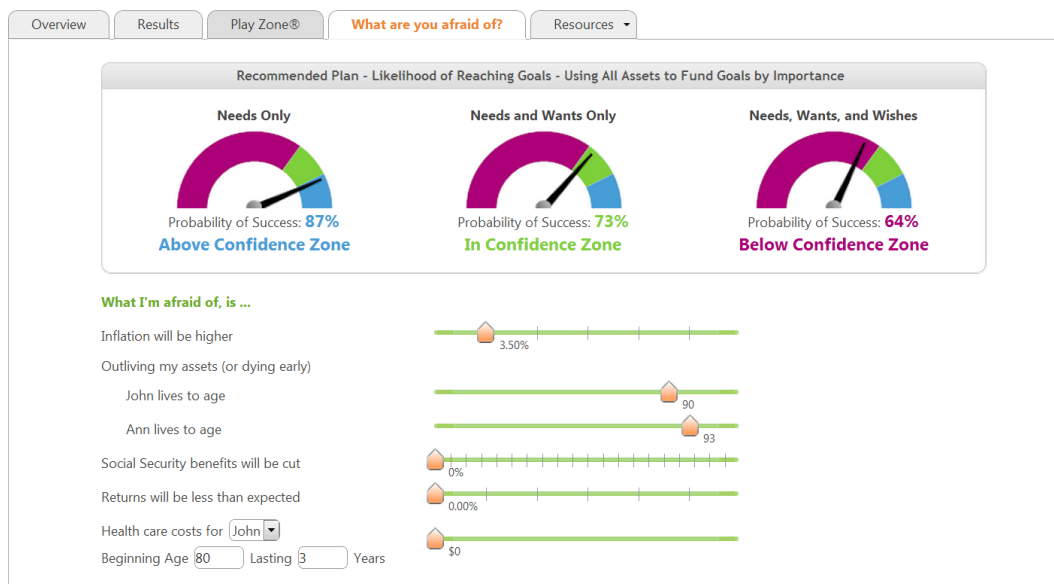
# PlayZone®

PlayZone® allows you to quickly see the result of retiring earlier, adjusting Goal amounts, saving more, or investing differently.



## Address Your Fears

After reading an article on rising inflation, health care costs or interest rates, use "What Are You Afraid Of?" to quickly see how these factors might affect your plan. Use the sliders to see how these "unpredictables" might affect your plan's Needs, Wants and Wishes. When you're done, contact your advisor to discuss the results.



# Six Easy Steps to Your Retirement Lifestyle Plan

1. Identify all your unique Goals and select the Importance of each.
2. Identify the resources that will help fund your Goals.
  - Income Sources
  - Investment Assets
  - Savings
  - Other Assets
3. Determine the balance of Risk and Return that is right for you.
4. Create your personal Retirement Lifestyle Plan.
5. Review and discuss your Plan results.
  - See how you're doing now
  - Determine how to get into your **Confidence Zone**
6. Implement your Action Items.
  - Establish the proper savings strategy
  - Implement an appropriate Asset Allocation strategy for your Investment Portfolio

## Plan Long-term

The true power of your Retirement Lifestyle Plan doesn't come from doing it once and forgetting it. Planning is an ongoing process. Your plan must be reviewed and updated at least once a year, and more often if you have significant changes in your Goals. Updating your plan regularly is the best way to put current events in perspective, decide what changes are appropriate, and strengthen your confidence in the future.

**Enjoy life today - without giving up your Retirement Dreams.**

# SELECT

Portfolio Management, Inc.  
REGISTERED INVESTMENT ADVISOR  
Money Management, Inc.  
REGISTERED INVESTMENT ADVISOR

Managing, Building, and Preserving Your Wealth

## You can't make good long-term decisions based upon short-term information.

Financial planning is the process of meeting your life goals through the proper management of your finances. By setting goals, developing and implementing financial strategies, and regularly monitoring progress, likelihood of achieving goals is greatly increased.

But, if financial planning is so important, then why do most people spend more time planning their annual vacation than they do managing their finances? The problem is that the perception of financial planning as complicated and overwhelming is an old one.

Select Portfolio Management (SPM) has developed a simple process to help individuals and families take control of their financial future. All that is required is the dedication of several hours of your time and we work together with you to craft a financial goal plan ('Blueprint').

## Financial Questionnaire and Needs Assessment

All financial planning starts with a questionnaire to gain an understanding of your current financial situation, your financial goals and what is critically important to you. Your SPM Wealth Advisor or a Certified Financial Planner® either do this in person or through an online secure questionnaire.

## Financial Planning and Analysis Services

Financial Goal achievement and Retirement Planning are generally at the core of most financial plans and so planning services provided range from Simplified Financial Planning to far more comprehensive Financial Goal Planning (Financial "Blueprint") Services.

Planning Services or Enhanced Analysis Modules are also available offering in-depth analysis on a stand-alone basis including:

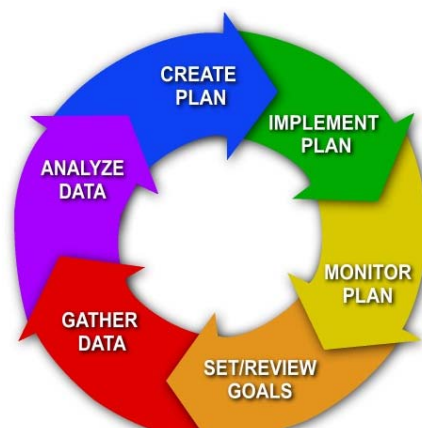
- Retirement Zoomer®
- Lifetime Income Plan
- Social Security Maximization Analysis
- Retirement Goals
- College Funding Planning
- Life Insurance Needs Analysis
- Asset Allocation Analysis
- Long-Term Care Analysis
- Estate Planning Analysis

Once you have your Plan or Analysis prepared it is saved for future updates and you receive a summarized Action Plan. This Action Plan outlines what strategies need to be implemented to remedy any identified deficiencies and to increase the long-term probability of reliably achieving your lifetime financial goals.



## Benefits of a Financial Plan

- You will have a better understanding of your current financial situation
- You can determine attainable retirement, education-funding, insurance, and other important goals
- You will have a better chance to have the necessary financial resources set aside to fund your future goals as they occur
- You can reduce the effect of unexpected events, such as disability, premature death, or long term care needs, etc.



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## **GARY MCCARVER, MBA, CFP®** **Director of Financial Planning**

As a CERTIFIED FINANCIAL PLANNER™ Professional, Gary's role at SPM is to help individuals, families and business owners achieve their life goals and objectives, through the creation of a personalized Financial Plan and using implementation strategies normally reserved for the highly affluent.

Gary specializes in providing an integrated approach to Retirement, Estate and Legacy planning to SPM clients. Specifically focusing on how to successfully transition from the wealth accumulation phase of life to the wealth distribution and transfer phases. Financial Planning, when done correctly, is a holistic approach to money with each financial goal having a direct impact on all other goals ... creating of future full of possibilities. Financial Planning is as much about sharing your dreams as disclosing your assets.

The CERTIFIED FINANCIAL PLANNER™ and CFP® professional certification marks are granted by Certified Financial Planner Board of Standards, Inc. recognized for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

## **Professional Experience**

Gary McCarver has held the CERTIFIED FINANCIAL PLANNER™ certification since 1984. He is an Investment Advisor Representative for Select Portfolio Management, Inc. (SPM). Gary is a Registered Representative (Series 7, 63 and 65) with Securities Equity Group, member FINRA & SIPC.

Gary is recognized for using a highly consultative approach to help in the creation of personalized and comprehensive wealth management plans for his clients. He then educates his clientele on strategies, designs and opportunities throughout the implementation process.

After a 26-year career in the Banking and financial services industry, Gary became a founding partner of a Registered Investment Advisory firm. After 10 years he sold his interest in his RIA and has subsequently joined the SPM team as an Investment Advisor Representative, Wealth Advisor, and as Director of Financial Planning. Gary is also in charge of marketing for the SPM family of companies including the philanthropic Faithful with Finances outreach program..

Within the Community, Gary has served for nearly a decade on the board of directors for local non-profit organizations. Gary brings a wealth of unique talents to his practice possessing expert level skills in marketing, web design, and convergence technology and has even published 7 internationally performed plays.

## **Education**

- CERTIFIED FINANCIAL PLANNER™ #2206
- MBA - Suma Cum Laude distinction
- BA - Computer Science
- CA Insurance License #0573104



## **Contact Gary**

- ADDRESS: 26800 Aliso Viejo Parkway - Suite 150  
Aliso Viejo, CA, 92656
- PHONE: (800) 445-9822 / (949) 975-7900
- EMAIL: gary.mccarver@selectportfolio.com



## Financial Goal Planning Questionnaire

By completing our secure online Financial Goal Planning Questionnaire we receive much of the information needed to prepare a financial goal plan for you. To begin ... simply type <http://selectportfolio.com/plan> into your browser. When you first visit the welcome page - enter your contact information and I will create a questionnaire for you and then will email you back with an ID and PIN for access.

**WELCOME**

**A personal note from Gary McCarver**

Thank you for taking the time to complete this form.

A few housekeeping items:

- I recommend making use of the **TAB key** as you move from one field to the next on this form. It will make things go much quicker.
- Do not forget to **attach** the relevant documents on every document field. This will help me create a paperless document vault for you in addition to providing me with much needed relevant information.
- The form **auto-saves** frequently so don't worry about losing information if your computer fails or if you lose internet connection.

I look forward to taking a look at your information and scheduling our next meeting together. If at any time you have a problem, please reach out to me. I can even get online with you if you need any assistance.

**Start this form**

After you receive back your log-in ID and PIN ... please answer questions about income, assets, liabilities, and cash flow. Then give a quick summary of your financial goals and attitude on risk. You can save your answers, gather information and continue later, so filling out the questionnaire is on your schedule.

When you have completed the questionnaire, please click the submit button on the final page and I will be notified that all of your data is ready for review.

**Gary R. McCarver, CFP®**

Director of Financial Planning

Office: 949-975-7900 Cell: 949-280-7959

eMail: [gary.mccarver@selectportfolio.com](mailto:gary.mccarver@selectportfolio.com)

**SELECT PORTFOLIO MANAGEMENT, INC.**  
**A REGISTERED INVESTMENT ADVISOR**  
**FINANCIAL GOAL PLANNING SERVICES AGREEMENT**

This Financial Goal Planning Services Agreement is entered into this \_\_\_\_\_, between, **Select Portfolio Management, Inc.** ('Advisor'), a Delaware corporation, whose California address is **26800 Aliso Viejo Parkway, Suite 150, Aliso Viejo, California 92656-2682**

and \_\_\_\_\_ ('Client'), of \_\_\_\_\_.

**Financial Goal Planning Services**

Financial Goal achievement and Retirement Planning are generally at the core of most financial plans (hereinafter called 'Services'). Level 1 Planning Services are provided through your advisor utilizing software provided through Fidelity. Consultation for Level 2 and 3 Plans is provided by one of SPM's CERTIFIED FINANCIAL PLANNER™ professionals and begins with a comprehensive secure online questionnaire<sup>1</sup>, data is then transferred to software licensed through MoneyGuidePro™<sup>2</sup> to create a Financial Goal Plan, 'Financial Blueprint', Retirement Lifestyle Plan, Retirement Zoomer<sup>®2</sup> or analysis.

- ☐ **Level 1 - Simplified Financial Planning Service.** The Advisor provides the Client with a basic assessment of the Client's current financial situation in regards to the Client's budget and other goals. Level 1 Plans give a basic understanding of resources as they relate basic lifetime goal achievement which helps Clients to make better financial decisions and feel more confident about their future.

**Estimated hours to complete (between 5 – 10)**

**Estimated fee \$1,000 - \$2,000**

- ☐ **Level 2 - Financial Goal Planning Service.** The Advisor provides the Client with a more extensive assessment<sup>3</sup> of the Client's current financial situation and makes specific recommendations relating to improving the likelihood in achieving the Client's Retirement Lifestyle and other financial goals using online access to our financial planning system throughout the planning process. Enhanced analysis can be added from the stand-alone modules list below based upon specific Client needs.

**Estimated hours to complete (between 10 – 20)**

**Estimated fee \$2,000 - \$4,000**

- ☐ **Level 3 - Comprehensive 'Financial Blueprint' Service.** Components of a Comprehensive 'Financial Blueprint' normally include those provided in Level 2 plans enhanced with detailed recommendations<sup>3</sup> relating to more complex client goals, assets and/or strategies. 'Financial Blueprints' include SuperSolve<sup>®2</sup> enabled analysis utilizing extensive historical/projected returns 'Monte Carlo Simulation' and/or 'Stress Test Analysis' further evaluating goal achievement probabilities. Online access to the financial planning system is provided throughout the planning process and on an ongoing basis so that the Client can dynamically update assets/goals to help keep their plan current.

**Estimated hours to complete (between 20 – 40)**

**Estimated fee \$4,000 - \$6,000**

- ☐ **Customized 'Financial Blueprint' Service.** Components of a Customized 'Financial Blueprint' normally include those provided in Level 3 plans enhanced with advanced planning strategies and often involve the inclusion of services of outside Financial Professionals, CPAs, and/or Attorneys. This level of Financial Planning involves the capabilities of our entire firm and is highly tailored to a Client's needs.

**Estimated hours to complete (50-100 hours as required)**

**Separate Agreement Required**

- ☐ **Stand-Alone Planning Services or Enhanced Analysis Modules** Optional in-depth analysis modules can be added to both Level 2 or Level 3 plans as needed or provided on a stand-alone basis:

- |  |                                       |
|--|---------------------------------------|
| • Retirement Zoomer <sup>®</sup> Plan <sup>2</sup> | • College Funding Planning            |
| • Lifetime Income Plan                             | • 529 Tuition Plans Analysis (Add-on) |
| • Social Security Maximization Analysis            | • Advanced Asset Allocation Analysis  |
| • General Estate Planning Analysis                 | • Long-Term Care Scenario Analysis    |

**Additional Fee for each stand alone module or those integrated into a plan is only \$500**

## **1. Planning Fees**

**Initial Plan Fee** – Generally, Financial Planning/Analysis fees are determined as a flat fee and a deposit of 50% of the quoted fee is due at the time the 'Financial Goal Planning Services Agreement' is signed. The remaining balance is due at the time your plan or analysis is presented. A printed copy of a Client's plan will be created to recognize the completion of a planning agreement. A Client's specific deposit/fee and level of service or stand-alone analysis is quoted on the last page of this Agreement.

**Ongoing Plan Fees** – There are no ongoing mandatory planning fees although we recommend that you consider updating your plan on an annual or bi-annual basis. Plan revisions will be based on the original plan and take into account any changes in a Client's financial goals, tax, legal, and risk management that are entered into our online software or otherwise provide to us. Updates are quoted based upon the time anticipated to review, revise and present your updated plan or analysis. Level 3 plans have enhanced online access and can be dynamically updated by Clients on an ongoing basis and as such only require evaluation on a periodic basis which is charged at a rate of \$250.00 per hour.

**For Updates or hours substantially in excess of those customary for the level of plan selected:** Additional hours needed to revise/complete plan are computed at the rate of \$250.00 per hour.

## **2. Additional Compensation**

In appropriate circumstances, Advisor may pay a portion of the fee received from clients to third parties. Such payments may be made in connection with the third party's referral of new clients to the Advisor, and in all events, such payments are fully disclosed and approved by the Client in compliance with Rule 206(4) - 3 of the Investment Advisor's Act of 1940. The cost of referral fees is borne entirely by Advisor.

## **3. Client's Responsibility**

The Client will furnish the Advisor with complete and accurate information concerning the Client's financial and economic situation, the Client's investment objectives, and any restrictions the Client wishes to impose. The software used by the Advisor is interactive in nature and the Client will be required to enter or revise data utilizing our online planning system from their own computer. The Advisor makes no guarantees with respect to the accuracy of information provided by Client.

## **4. Basis of Advice**

Client acknowledges that Advisor obtains information from a wide variety of publicly available sources. Advisor does not have, nor does he claim to have, sources of inside or private information. Advisor cannot guarantee the results of any of its recommendations. Client at all times may elect unilaterally to follow or ignore completely any information, recommendation, or advice given by the Advisor.

## **5. Non-Exclusive Advisory Services**

Client acknowledges and agrees that Advisor performs investment advisory services for various clients and nothing in this Agreement shall limit or restrict the Advisor from rendering advisory services to any other person or firm.

## **6. Advisor/Client Relationship**

Client acknowledges and agrees that the services rendered under this Agreement are advisory in nature. Accordingly, Client expressly agrees that Advisor shall not be held liable in any way for the performance of the services hereunder and the consequences of its recommendations, as long as those services and recommendations are rendered by it in good faith. In the event that Client shall die or be declared incompetent, the authority of Advisor to continue to act under the terms of this Agreement shall continue until such time as Advisor is notified in writing of the death or incompetence of Client or cancellation of agreement.

## **7. Representations**

The Client represents that all financial and other information that Client furnishes to Advisor or enters into the online Financial Planning System is true and correct and may be relied upon by Advisor when providing services under this Agreement. The Client agrees to update the Advisor and enter any material change in the Client's circumstances that might affect the manner in which the Client's assets should be managed or invested. Advisor shall have no liability for the Client's failure to update their online data or timely inform them of any material change in the Client's financial circumstances.

## **8. Risks**



The Client recognizes that there may be loss or depreciation of the value of any investment due to the fluctuation of market values. No assurance can be given that the Advisor's recommendations will result in profitable investments for the Client or that the Client will not incur losses. The Client represents that no party to this Agreement has made any guarantee, either oral or written that the Client's investment objectives will be achieved. Advisor shall not be liable for any error in judgment and/or for any investment losses in the absence of malfeasance, negligence, or violation of applicable law.

## **9. Potential Conflicts of Interest**

The Advisor's investment advisory services, asset management services, investment supervisory services, and financial planning services are marketed directly by representatives and/or employees of the Advisor and may be marketed indirectly through solicitors under Rule 206(4)-3 of the Investment Advisors Act of 1940. These persons are in most cases associated or licensed with a broker-dealer, insurance company and/or another registered investment advisor. Because of these past or present affiliations, the representative, employee and/or solicitor may receive or have received commissions on the client's initial and/or subsequent purchases of various securities and/or insurance products.

The Advisor, its representatives and/or employees recommends to clients securities available through Securities Equity Group, Registered Broker-Dealer, member FINRA/SIPC. The Advisor is under common control and ownership with broker-dealer Securities Equity Group and registered representatives of Securities Equity Group can earn commissions or 12b-1 fees for product implementation that may result from a recommendation made by them in their capacity as a representative of the Advisor. The Advisor may recommend to Clients the use of the Advisor's fee-based portfolio management services and/or investment advisory services. The Advisor may be paid a fee for these services by the Client according to the individual agreements entered into with the Client. The Advisor may also recommend to Clients the use of non-affiliated investment advisors and may be paid a referral fee by these non-affiliated investment advisors.

## **10. Arbitration**

Client agrees that any and all controversies which may arise between Client and Advisor concerning any account, transaction, dispute or the construction, performance or breach of this Agreement shall be determined by arbitration to be held in the state of California, in accordance with the rules then in effect of the American Arbitration Association or successor organization. This does not constitute a waiver of any right provided by the Investment Advisors Act of 1940 or state regulations, including the right to choose the forum in which to seek resolution of disputes.

## **11. Cancellation**

The Financial Planning Services Agreement may be terminated by the Client or Advisor, without charge, upon delivery a written notice of termination within five (5) business days from the date of the Client's execution of the Agreement. Afterwards, the Client or Advisor may terminate the Agreement upon written notice delivered by overnight mail and will only incur a final fee due based upon time incurred by the Advisor prior to termination calculated on the hourly rate identified in Section 1. As the preparation of a Financial Plan or Financial Analysis requires input from both the Client and the Advisor, in the unlikely event that the Client fails to provide required/requested financial data or enter/update required/requested financial information on our online system for 12 months, the Agreement will be terminated with no obligation of additional compensation due to the Advisor nor refund of deposit.

## **12. Other Advice**

It is expressly understood and agreed between the parties hereto that the Advisor is not qualified to render and will not render legal, accounting, or tax advice, or prepare any legal, accounting, or tax documents for the implementation of Client's financial strategy. The Client agrees that his or her attorney, accountant, and tax preparer shall be responsible for rendering legal advice and opinions and for preparation of legal, accounting, or tax documents. Any additional consulting services desired by the client from third party professionals shall be at the sole cost and expense of the client. Further, it is expressly acknowledged, understood and agreed by the Client that the Advisor undertakes no liability whatsoever for the accuracy or extent of any such additional consulting services sought and received by the Client from third party professionals and that the Client expressly releases and agrees to hold the Advisor harmless from any claim for damage arising by the Client against such third party professionals materially relating to any such additional consulting services provided to the Client.

### **13. Delivery of Brochure**

By execution of this Agreement, the Client acknowledges receipt of Advisor's Brochure and Brochure Supplement or other disclosure document containing the background and business practices.

### **14. Miscellaneous**

No assignment of this Agreement shall be made without the express written consent of Client. This Agreement shall be governed and construed according to the laws of the State of California. If more than one Client signs this Agreement, then each Client agrees to be bound jointly and severally.

### **15. Confidentiality & Communication**

All information and advice furnished by Client to Advisor shall be treated as confidential and shall not be disclosed to third parties, except as permitted by the Client in writing.

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## **SIGNATURES**

**IN WITNESS WHEREOF**, I have read this Agreement and fully understand the various provisions set forth as they affect the services rendered by Select Portfolio Management, Inc., (Advisor). I have also specifically reviewed the Services outlined herein. The parties hereto have duly executed this Revised Financial Goal Planning Services Agreement on this \_\_\_\_\_, 20 \_\_\_\_.

### **INDIVIDUAL / JOINT FINANCIAL PLANNING CLIENT(S):**

<hr/>	<hr/>
<b>Name (Printed)</b>	<b>(Signature)</b>
<hr/>	<hr/>
<b>Name (Printed)</b>	<b>(Signature)</b>
<hr/>	<hr/>

### **OFFICER OR REPRESENTATIVE OF SELECT PORTFOLIO MANAGEMENT, INC.:**

<hr/> <b>Gary R. McCarver, CFP® (Signature)</b>	<b>PLANNING FEE QUOTE:</b>  Level <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Custom  <input type="checkbox"/> New Plan <input type="checkbox"/> Update <input type="checkbox"/> __ Module(s)  Deposit due with Agreement \$ _____  Due at Completion of Plan   \$ _____
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<sup>1</sup> Confidential Online Questionnaire is provided through PreciseFP® and is a trademark of Spectrum Input, LLC.

<sup>2</sup> Retirement Zoomer®, MoneyGuidePro™, and SuperSolve® enabled software are trademarks of PIETech, Inc.

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# IMPORTANT DISCLOSURE INFORMATION ABOUT MONEYGUIDEPRO

**IMPORTANT:** The projections or other information generated by MoneyGuidePro 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 return assumptions in MoneyGuidePro are not reflective of any specific product, and do not include any fees or expenses that may be incurred by investing in specific products. The actual returns of a specific product may be more or less than the returns used in MoneyGuidePro. It is not possible to directly invest in an index. Financial forecasts, rates of return, risk, inflation, and other assumptions may be used as the basis for illustrations. They should not be considered a guarantee of future performance or a guarantee of achieving overall financial objectives. Past performance is not a guarantee or a predictor of future results of either the indices or any particular investment.

MoneyGuidePro results may vary with each use and over time.

## **MoneyGuidePro Assumptions and Limitations Information Provided by You**

Information that you provided about your assets, financial goals, and personal situation are key assumptions for the calculations and projections in this Report. Please review the Report sections titled "Personal Information and Summary of Financial Goals", "Current Portfolio Allocation", and "Tax and Inflation Options" to verify the accuracy of these assumptions. If any of the assumptions are incorrect, you should notify your financial advisor. Even small changes in assumptions can have a substantial impact on the results shown in this Report. The information provided by you should be reviewed periodically and updated when either the information or your circumstances change.

All asset and net worth information included in this Report was provided by you or your designated agents, and is not a substitute for the information contained in the official account statements provided to you by custodians. The current asset data and values contained in those account statements should be used to update the asset information included in this Report, as necessary.

## **Assumptions and Limitations**

MoneyGuidePro offers several methods of calculating results, each of which provides one outcome from a wide range of possible outcomes. All results in this Report are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. All results use simplifying assumptions that do not completely or accurately reflect your specific circumstances. No Plan or Report has the ability to accurately predict the future. As investment returns, inflation, taxes, and other economic conditions vary from the MoneyGuidePro assumptions, your actual results will vary (perhaps significantly) from those presented in this Report.

All MoneyGuidePro calculations use asset class returns, not returns of actual investments. The projected return assumptions used in this Report are estimates based on average annual returns for each asset class. The portfolio returns are calculated by weighting individual return assumptions for each asset class according to your portfolio allocation. The portfolio returns may have

been modified by including adjustments to the total return and the inflation rate. The portfolio returns assume reinvestment of interest and dividends at net asset value without taxes, and also assume that the portfolio has been rebalanced to reflect the initial recommendation. No portfolio rebalancing costs, including taxes, if applicable, are deducted from the portfolio value. No portfolio allocation eliminates risk or guarantees investment results.

MoneyGuidePro does not provide recommendations for any products or securities.

## **Risks Inherent in Investing**

Investing in fixed income securities involves interest rate risk, credit risk, and inflation risk. Interest rate risk is the possibility that bond prices will decrease because of an interest rate increase. When interest rates rise, bond prices and the values of fixed income securities fall. When interest rates fall, bond prices and the values of fixed income securities rise. Credit risk is the risk that a company will not be able to pay its debts, including the interest on its bonds. Inflation risk is the possibility that the interest paid on an investment in bonds will be lower than the inflation rate, decreasing purchasing power.

Cash alternatives typically include money market securities and U.S. treasury bills. Investing in such cash alternatives involves inflation risk. In addition, investments in money market securities may involve credit risk and a risk of principal loss. Because money market securities are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency, there is no guarantee the value of your investment will be maintained at \$1.00 per share. U.S. Treasury bills are subject to market risk if sold prior to maturity. Market risk is the possibility that the value, when sold, might be less than the purchase price.

Investing in stock securities involves volatility risk, market risk, business risk, and industry risk. The prices of most stocks fluctuate. Volatility risk is the chance that the value of a stock will fall. Market risk is chance that the prices of all stocks will fall due to conditions in the economic environment. Business risk is the chance that a specific company's stock will fall because of issues affecting it. Industry risk is the chance that a set of factors particular to an industry group will adversely affect stock prices within the industry. (See "Asset Class – Stocks" in the Glossary section of this Important Disclosure Information for a summary of the relative potential volatility of different types of stocks.)

International investing involves additional risks including, but not limited to, changes in currency exchange rates, differences in accounting and taxation policies, and political or economic instabilities that can increase or decrease returns.

## **Report Is a Snapshot and Does Not Provide Legal, Tax, or Accounting Advice**

This Report provides a snapshot of your current financial position and can help you to focus on your financial resources and goals, and to create a plan of action. Because the results are calculated over many years, small changes can create large differences in

future results. You should use this Report to help you focus on the factors that are most important to you. This Report does not provide legal, tax, or accounting advice. Before making decisions with legal, tax, or accounting ramifications, you should consult appropriate professionals for advice that is specific to your situation.

### Results Using Monte Carlo Simulations

Monte Carlo simulations are used to show how variations in rates of return each year can affect your results. A Monte Carlo simulation calculates the results of your Plan by running it many times, each time using a different sequence of returns. Some sequences of returns will give you better results, and some will give you worse results. These multiple trials provide a range of possible results, some successful (you would have met all your goals) and some unsuccessful (you would not have met all your goals). The percentage of trials that were successful is the probability that your Plan, with all its underlying assumptions, could be successful. In MoneyGuidePro, this is the Probability of Success. Analogously, the percentage of trials that were unsuccessful is the Probability of Failure. The Results Using Monte Carlo Simulations indicate the likelihood that an event may occur as well as the likelihood that it may not occur. In analyzing this information, please note that the analysis does not take into account actual market conditions, which may severely affect the outcome of your goals over the long-term.

MoneyGuidePro uses a specialized methodology called Beyond Monte Carlo™, a statistical analysis technique that provides results that are as accurate as traditional Monte Carlo simulations with 10,000 trials, but with fewer iterations and greater consistency. Beyond Monte Carlo™ is based on Sensitivity Simulations, which re-runs the Plan only 50 to 100 times using small changes in the return. This allows a sensitivity of the results to be calculated, which, when analyzed with the mean return and standard deviation of the portfolio, allows the Probability of Success for your Plan to be directly calculated.

## Glossary

### Asset Allocation

Asset Allocation is the process of determining what portions of your portfolio holdings are to be invested in the various asset classes.

### Asset Class

Asset Class is a standard term that broadly defines a category of investments. The three basic asset classes are Cash, Bonds, and Stocks. Bonds and Stocks are often further subdivided into more narrowly defined classes. Some of the most common asset classes are defined below.

### Cash and Cash Alternatives

Cash typically includes bank accounts or certificates of deposit, which are insured by the Federal Deposit Insurance Corporation up to a limit per account. Cash Alternatives typically include money market securities, U.S. treasury bills, and other investments that are readily convertible to cash, have a stable market value, and a very short-term maturity. U.S. Treasury bills are backed by the full faith and credit of the U.S. Government and, when held to maturity, provide safety of principal. (See the "Risks Inherent

in Investing" section in this Important Disclosure Information for a summary of the risks associated with investing in cash alternatives.)

### Bonds

Bonds are either domestic (U.S.) or global debt securities issued by either private corporations or governments. (See the "Risks Inherent in Investing" section in this Important Disclosure Information for a summary of the risks associated with investing in bonds. Bonds are also called "fixed income securities.")

Domestic government bonds are backed by the full faith and credit of the U.S. Government and have superior liquidity and, when held to maturity, safety of principal. Domestic corporate bonds carry the credit risk of their issuers and thus usually offer additional yield. Domestic government and corporate bonds can be sub-divided based upon their term to maturity. Short-term bonds have an approximate term to maturity of 1 to 5 years; intermediate-term bonds have an approximate term to maturity of 5 to 10 years; and, long-term bonds have an approximate term to maturity greater than 10 years.

### Stocks

Stocks are equity securities of domestic and foreign corporations. (See the "Risks Inherent in Investing" section in this Important Disclosure Information for a summary of the risks associated with investing in stocks.)

Domestic stocks are equity securities of U.S. corporations. Domestic stocks are often sub-divided based upon the market capitalization of the company (the market value of the company's stock). "Large cap" stocks are from larger companies, "mid cap" from the middle range of companies, and "small cap" from smaller, perhaps newer, companies. Generally, small cap stocks experience greater market volatility than stocks of companies with larger capitalization. Small cap stocks are generally those from companies whose capitalization is less than \$500 million, mid cap stocks those between \$500 million and \$5 billion, and large cap over \$5 billion.

Large cap, mid cap and small cap may be further sub-divided into "growth" and "value" categories. Growth companies are those with an orientation towards growth, often characterized by commonly used metrics such as higher price-to-book and price-to-earnings ratios. Analogously, value companies are those with an orientation towards value, often characterized by commonly used metrics such as lower price-to-book and price-to-earnings ratios.

International stocks are equity securities from foreign corporations. International stocks are often sub-divided into those from "developed" countries and those from "emerging markets." The emerging markets are in less developed countries with emerging economies that may be characterized by lower income per capita, less developed infrastructure and nascent capital markets. These "emerging markets" usually are less economically and politically stable than the "developed markets." Investing in international stocks involves special risks, among which include foreign exchange volatility and risks of investing under different tax, regulatory and accounting standards.

### Asset Mix

Asset Mix is the combination of asset classes within a portfolio, and is usually expressed as a percentage for each asset class.

### Current Portfolio

Your Current Portfolio is comprised of all the investment assets you currently own (or a subset of your assets, based on the information you provided for this Plan), categorized by Asset Class and Asset Mix.

### Inflation Rate

Inflation is the percentage increase in the cost of goods and services for a specified time period. A historical measure of inflation is the Consumer Price Index (CPI). In MoneyGuidePro, the Inflation Rate is selected by your advisor, and can be adjusted in different scenarios.

### Liquidity

Liquidity is the ease with which an investment can be converted into cash.

### Monte Carlo Confidence Zone

The Monte Carlo Confidence Zone is the range of probabilities that you (and/or your advisor) have selected as your target range for the Monte Carlo Probability of Success in your Plan. The Confidence Zone reflects the Monte Carlo Probabilities of Success with which you would be comfortable, based upon your Plan, your specific time horizon, risk profile, and other factors unique to you.

### Monte Carlo Probability of Success / Probability of Failure

The Monte Carlo Probability of Success is the percentage of trials of your Plan that were successful. If a Monte Carlo simulation runs your Plan 10,000 times, and if 6,000 of those runs are successful (i.e., all your goals are funded and you have at least \$1 of Safety Margin), then the Probability of Success for that Plan, with all its underlying assumptions, would be 60%, and the Probability of Failure would be 40%.

### Monte Carlo Simulations

Monte Carlo simulations are used to show how variations in rates of return each year can affect your results. A Monte Carlo simulation calculates the results of your Plan by running it many times, each time using a different sequence of returns. Some sequences of returns will give you better results, and some will give you worse results. These multiple trials provide a range of possible results, some successful (you would have met all your goals) and some unsuccessful (you would not have met all your goals).

### Needs / Wants / Wishes

In MoneyGuidePro, you choose an importance level from 10 to 1 (where 10 is the highest) for each of your financial goals. Then, the importance levels are divided into three groups: Needs, Wants, and Wishes. Needs are the goals that you consider necessary for your lifestyle, and are the goals that you must fulfill. Wants are the goals that you would really like to fulfill, but could live without. Wishes are the "dream goals" that you would like to fund, although you won't be too dissatisfied if you can't fund them. In MoneyGuidePro, Needs are your most important goals, then Wants, then Wishes.

### PlayZone®

An interactive MoneyGuidePro feature that allows you to adjust your retirement age, Goal expense amounts, annual savings, and/or Target Portfolio and immediately see the results of the changes.

### Portfolio Total Return

A Portfolio Total Return is determined by weighting the return assumption for each Asset Class according to the Asset Mix.

### Real Return

The Real Return is the Total Return of your portfolio minus the Inflation Rate.

### Recommended Scenario

The Recommended Scenario is the scenario selected by your advisor to be shown on the results page, in Play Zone, and in the Presentation.

### Retirement Start Date

For married couples, retirement in MoneyGuidePro begins when both the client and spouse are retired. For single, divorced, or widowed clients, retirement begins when the client retires.

### Risk

Risk is the chance that the actual return of an investment, asset class, or portfolio will be different from its expected or average return.

### Target Goal Amount

The Target Goal Amount is the amount you would expect to spend, or the amount you would like to spend, for each financial goal.

### Target Retirement Age

Target Retirement Age is the age at which you would like to retire.

### Target Savings Amount

In the Resources section of MoneyGuidePro, you enter the current annual additions being made to your investment assets. The total of these additions is your Target Savings Amount.

### Time Horizon

Time Horizon is the period from now until the time the assets in this portfolio will begin to be used.

### Total Return

Total Return is an assumed, hypothetical growth rate for a specified time period. The Total Return is either (1) the Portfolio Total Return or (2) as entered by you or your advisor. Also see "Real Return."

### Willingness

In MoneyGuidePro, in addition to specifying Target Goal Amounts, a Target Savings Amount, and Target Retirement Ages, you also specify a Willingness to adjust these Target values. The Willingness choices are Very Willing, Somewhat Willing, Slightly Willing, and Not at All.