

Prepared By: JMN Investment
Management

NoRobo Financial Plan

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Disclaimer: There is no guarantee that the strategies suggested will result in satisfying your financial objectives. JMN gives its best effort to gather client data, develop assumptions, models and stress scenarios so the client can see potential value and risks but there is no way JMN can predict future outcomes. The client should consult other professionals such as accountants, investment advisors, insurance agents, estate planners, and other experts regarding this plan, its implementation and second opinions.

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This Financial Plan is two part, Financial Management and Risk Management. Risk Management includes determining your appetite for risk, maintaining efficient insurance and legal coverages, and maximizing your estate. Financial Management includes money management, investment risk tolerance, investment management, and income tax minimization.

FINANCIAL MANAGEMENT

Financial Management includes a review of your Life Objectives and Tolerance, your current Balance Sheet and Income Statement, and cash flow projections to develop/test a strategy/or strategies that results in successfully meeting your financial needs.

Objectives and Investment Risk Tolerance

The following Life Objectives are your priority: (1) Financial Independence by the age of 55 and (2) Providing for a comfortable retirement. Estate planning is integral in making sure your net worth is maximized for your heirs. Paying for your children's education for the next years and developing an estate plan that maximizes your family's wealth are also very important to you. Charitable giving is also a priority and should be designed to reduce your income tax and estate tax liabilities. At your current age of 48 that leaves seven years before you retire (and want financial independence) so we need to evaluate the growth of your current assets versus your expected living expenses. Three sets of college expenses will cost \$40,000 annually and \$480,000 overall. **As you study your financial plan you will see that your Life Objectives are achieved and explained and are easily identified as they are noted in red.**

You're appetite for risk is a JMN rank of 2 out of 5 (1 the highest risk tolerance; 5 the lowest or most conservative. A risk rank of 2 states that given a bad year in the markets you would be comfortable with a maximum loss of 30% of your investment portfolio. Given your current net worth and life objectives you don't need to have a highest risk tolerance but you have the resources to weather unexpected volatility in financial markets. There are many ways to measure risk and no magic formula to determine your true threshold for losses. However, based on your input and our discussions a rank of 2 or an "above average" risk tolerance seems

fair. Based on JMN's current investment allocation methodology a risk rank of 2 would suggest an allocation of 37% to equities/alternatives, 15% cash, and 48% fixed income investments with varying durations. The allocations may seem low with regard to equities given your higher appetite for risk. JMN's allocation model is currently producing lower equity allocations because of the higher price earnings multiples. The following is the Objective and Risk Tolerance grid that you provided to us.

Life Objectives	Importance					Age
	Most	Very	Some	Little	None	
Enhance Lifestyle				X		NA
Purchase Major Asset			X	X		51
Accumulate Wealth Faster		X				NA
Reduce Taxes		X				NA
Family Protection (Death/Disability)		X				NA
Family Protection (Insurance)		X				NA
Financial Independence	X					55
Comfortable Retirement	X	X				55
Estate Conservation		X				NA
Childrens' Education		X				58
Charitable Giving			X			58

Risk Tolerance - Investments	Lose Less 5%	Lose 5%-10%	Lose 11%-20%	Lose 21%-30%	Lose >30%
Annual Pain Threshold - Investments				X	
Risk Category	5	4	3	2	1

JMN Investment Allocation Suggestions

Equity/Alternatives	5.0%	15.0%	25.0%	36.7%	52.2%
Fixed Income - Medium/Long Duration	32.5%	30.0%	27.5%	24.2%	18.9%
Fixed Income - Short Duration	32.5%	30.0%	27.5%	24.2%	18.9%
Money Market/Cash	30.0%	25.0%	20.0%	15.0%	10.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Financial Statements

The following Balance Sheet and Income Statement reflect your current financial position. A Balance Sheet is a snapshot in time that itemizes your assets and liabilities with the resulting “net” position being your current net worth. An Income statement is a one year summation of your current income and expenses the “net” being the amount of money you save (or need to borrow) over that period of time.

Your Balance Sheet (also called a Statement of Financial Position) is presented below. Your current Net Worth is \$13,142,040; \$13,485,600 in Assets Less \$343,560 in Liabilities. Your Income Statement shows gross income of \$773,402, \$553,883 after income taxes, less \$172,300 in expenses, results in total annual savings of \$381,583.

There are many positive aspects of the financial position including:

- (1) The vast majority of your assets are in cash, cash equivalents, or securities giving you a high level of liquidity. Liquidity is the ability to raise cash quickly without large time delays or losses in market value.
- (2) The only debts you have are related to future taxes due on your retirement accounts upon distribution of your holdings (i.e. deferred income taxes) and investments should you sell them (i.e. capital gains).
- (3) Annual savings of \$381,583 providing significant growth potential to your net worth by supplementing earnings on your current investment portfolio.

Here are some items/weaknesses that might benefit from a change:

- (1) Your mix of investments (including cash) is approximately 42% equities, 34% fixed income investments, and 24% cash. This is a relatively conservative mix of investments in terms of cash allocation. It's possible your net worth may grow at a higher rate over the longer term if you change the investment allocation percentages.

- (2) Your Rental Real Estate holdings. They do provide some added income however you may be better served by selling your rental and reinvesting the proceeds into alternate and more liquid investments.
- (3) Your tax exempt investments and retirement contributions. Given your marginal tax rate of 39.5% lowering your adjusted gross income before taxes and/or increasing your after tax yield on your bond portfolio would increase cash savings.

In the next section Net Worth & Cash Flow Projections we determine your ability to meet your financial objectives by taking your current financial position, incorporate market assumptions and suggested improvements, thereby forecasting your future net worth and available cash.

Under the proposed new tax rules we estimate that your federal income taxes will decline from \$206,095 to \$189,075 largely due to a combination of lower rates, a higher standard deduction, and the fact as a Florida resident you never used the state income tax deduction.

NoRobo Family Statement of Financial Position

Assets		Liabilities	
Cash Assets:		Loans Payable:	
Checking Accounts	\$ 12,000	Residence	\$ -
Savings Accounts	-	Car Loan	-
Money Market Accounts	2,070,000	Personal Loan	-
Total Cash Assets	\$ 2,082,000	Other	-
		Total Loans Payable	\$ -
Investments:		Taxes Payable:	
Treasury Bond	\$ -	Deferred Compensation	\$ -
Certificate of Deposit	\$ -	401(k)	\$ -
Corporate Bond	1,200,000	IRAs	\$ 179,480
Municipal Bond	2,030,000	NQ Stock Options	\$ -
Common Stock	3,867,600	Deferred Assets	\$ 1,540
Preferred Stock	-	Capital Gains	\$ 162,540
Master Limited Partnership	100,000	Residence	\$ -
Non-Qualifying Options	-	Total Taxes Payable	\$ 343,560
Incentive Stock Options	-		
Total Investments	\$ 7,197,600	Total Liabilities	\$ 343,560
Trust Assets:		Net Worth	
Deferred Compensation	\$ -		\$ 13,142,040
401(k) Plan	-		
Individual Retirement Accounts	641,000		
Total Trust Assets	\$ 641,000		
Illiquid Assets:			
Residence	\$ 2,000,000		
Second Home	-		
Real Estate - Investment	760,000		
Automobiles	75,000		
Furnishings	250,000		
Other	480,000		
Total Illiquid Assets	\$ 3,565,000		
Total Assets	13,485,600		

Income		Expenses	
Earned Income:		Household/Living Expenses:	
Wages & Salary	\$ 500,000	Rent/Home	\$0
Bonus	-	Homeowners Association	600
Taxable Benefits	-	Property Tax	19,000
Deferred Compensation	-	Food	24,000
Self Employed Income	-	Automobile	2,400
Business Income	-	Clothing	6,000
Rental Income (Net Of Expenses)	41,000	Electric	6,000
Other Income (AMT)	-	Water	-
Total Earned Income	\$ 541,000	Telephone	1,800
		Furnishings	2,400
Cash Income:		Repair/Maintenance	18,000
Taxable Interest	\$ 78,500	Supplies	1,200
Taxable Dividends	77,352	Medical (Deductible/Co-Pay)	-
Long-Term Capital Gain	-	Prescription Drugs	3,600
Short-Term Capital Gain	-	Personal Care	2,400
Rental Income	-	Support Payments	-
Estate & Trust Income	-	Education	-
Gifts & Inheritances	-	Other	36,000
Other Tax Free (Federal)	76,550	Total Household Living Expenses	\$ 142,600
Other Tax Free (State)	-		
Other Income	-	Insurance Expenses:	
Total Cash Income	\$ 232,402	Health	\$ 26,400
		Auto	2,200
Non Cash Income:		Life	-
Interest	\$ -	Liability	1,100
Dividends	\$ -	Disability	-
Long-Term Capital Gain	\$ -	Other	-
Short-Term Capital Gain	\$ -	Total Insurance Expenses	\$ 29,700
Other	\$ -		
Total Non Cash Income	\$ -	Total Expenses	\$ 172,300
		Total Excess Income	\$ 381,583
Total Gross Income	\$ 773,402		
Adjusted Gross Income Expenses:			
Deferred Compensation	\$ -		
Individual Retirement Account	-		
Pension Plan(s)	-		
401(k) Plan/SEP	-		
Total Adjusted Gross Income Expenses	\$ -		
Total Adjusted Gross Income	\$ 773,402		
Taxes Paid:			
Federal Income Taxes	\$ (206,095)	Federal Marginal Tax Rate	39.6%
State Income Taxes	\$ -		
Local Income Tax	\$ -		
Alternative Minimum Tax	\$ -		
Social Security Tax	\$ (5,580)		
Medicare Tax	\$ (7,845)		
Total Taxes Paid	\$ (219,519)		
Total Income Before Expenses	\$ 553,883		

Net Worth & Cash Flow Projections

In determining your ability to meet your financial objectives we run four different projections of your Net Worth and Cash Flow:

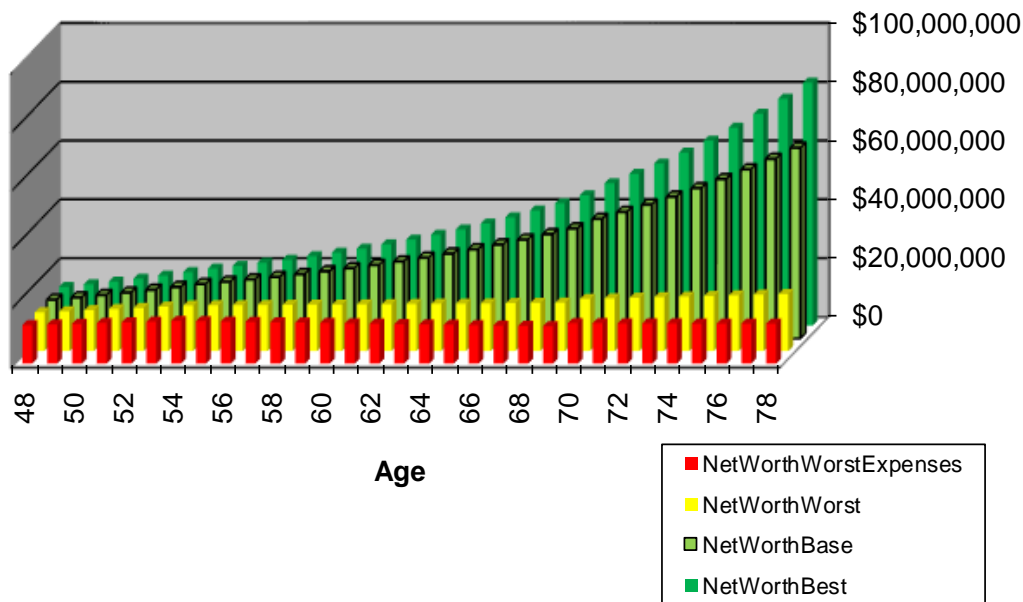
- Base Case = Base Case Assumptions as shown below
- Best Case = Higher Investment Earnings
- Worst Case = Lower Investment Earnings
- Worst Case & Higher Expenses = Lower Earnings & Unforeseen Expenses

Key Assumptions in projecting your net worth and annual cash flow are:

- Your current age is 48
- You and your wife start social security (SS) at age 70 (SS analysis in appendix)
- You pay \$40,000 per year for three in college starting in 2018 (total \$480,000)
- At age 55 you stop working and live on your investment income
- Your pension and begins at age 66
- Medicare and associated lower medical costs start at age 66
- Your investment mix going forward is 42% equities, 45% fixed income, 13% cash
- Municipal Bond investments are increased to 75% of your 40% fixed income allocation and \$250,000 of your current money market funds are switched to municipal bond.
- Your rental real estate (RE) property is sold in 2019 (RE analysis in appendix)
- Your income statement and your investments compound at the following levels:

<u>Scenario</u>	<u>Base</u>	<u>Worst</u>	<u>Best</u>
Corporate Bonds	1.50%	0.00%	3.00%
Municipal Bonds	2.00%	0.00%	3.00%
Treasury Bonds/Money funds	1.00%	0.00%	1.00%
Equities & Alternatives	6.00%	-10.00%	8.00%
Expenses	0.00%	100.00%	0.00%

Projected Net Worth



Scenario	1 Year	5 Years	10 Years	20 Years	30 Years
Base	\$13,901,061	\$ 17,458,417	\$ 21,812,823	\$ 35,408,624	\$ 64,836,396
Worst	\$13,506,907	\$ 15,079,134	\$ 15,692,823	\$ 16,357,762	\$ 19,401,601
Best	\$14,018,835	\$ 18,151,967	\$ 23,565,265	\$ 41,619,805	\$ 82,635,062
Worst & Expenses	\$13,361,634	\$ 14,324,941	\$ 14,110,617	\$ 12,867,460	\$ 13,609,618

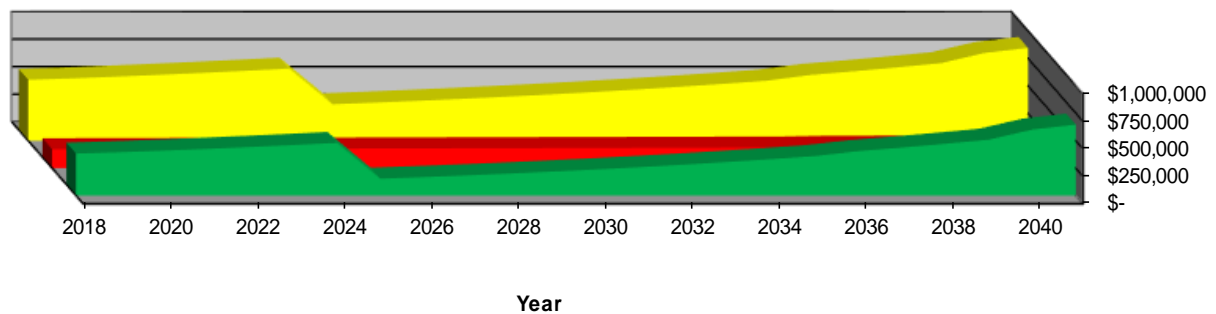
The importance of saving cannot be overstated. In the case where your expenses double your investment earnings (i.e. Worst Case & Higher Expenses) are not sufficient to grow your net worth. **The good news is even when stressing your investment earnings and ability to save money your worst case is a stable net worth, which will meet your major objectives.** Living within your means is probably the number one law in financial planning for the future. Simple to say harder to accomplish as 80% of Americans have less than \$1,000 in savings.

The miracle of strong savings and compound interest on the investment portfolio results in significant net worth gains. If you are patient earnings growth and savings means net worth of

\$9.4, \$11.5, \$19.0, and \$32.1 million over 5, 10, 20 and 30 year periods, respectively. The portfolio grows at an after-tax 3.7% yield in the base case. The yield in the best case scenario is 4.7% after-tax; given time even a small portfolio enhancement can materially increase your assets.

Annual Cash Flow Projection

- Total Excess Income
- Total Expenses
- Total Income Before Expenses



Scenario	1 Year	5 Years	10 Years	20 Years	30 Years
Base	\$ 393,241	\$ 459,124	\$ 200,043	\$ 470,897	\$ 1,067,555
Worst	\$ 433,801	\$ 461,424	\$ 107,383	\$ 123,491	\$ 200,739
Best	\$ 443,797	\$ 523,970	\$ 268,446	\$ 641,602	\$ 1,498,682
Worst & Expenses	\$ 287,503	\$ 299,728	\$ (75,017)	\$ (105,777)	\$ (83,877)

In the Worst Case & Higher Expense scenario you still at least break even in terms of paying your expenses on an annual basis. **That said retirement at age 65 looks favorable because you are living off the earnings from your investment portfolio, pension, and social security without “dipping into” your investment portfolio.**

RISK MANAGEMENT

Risk Management involves the identification of risk and the steps one can take to eliminate or minimize risk. In financial planning most of those risks are personal in nature. For our purposes we don't want to over insure buy rather cover those losses and exposures that could significantly reduce your net worth. Consistent with concentrating on larger risks one should use larger deductibles (or out of pocket costs), stay away from costly insurance/investment choices such as annuities and/or whole life policies, and only use financially sound insurers.

Insurance

Life Insurance - JMN believes that life insurance is best purchased to protect the client and client's family should a death occur in the family. The point seems obvious but many times insurance is mixed with investments, and in that case, JMN feels the insurance company (and the insurance company's sales person) is the largest beneficiary. Term insurance is the type of policy we recommend if you are healthy and need to supplement your net worth until your investments grow. There is no need for you to have life insurance given your financial status.

Health Insurance – The Blue Cross PPO (Preferred Provider Organization) policy you have as a \$1,000,000 major medical maximum, a family deductible of \$7,500, and a coinsurance or 100% over the deductible amount for “in network” providers and 80% coinsurance for “out of network” providers. In any event, the stop-loss for the policy is \$10,000 out of pocket expenses for “out of network” providers. The policy premium of \$2,250 per month is paid through your business (so your expense these cost and save taxes) is high however given your past medical history and your son's disability it is a good fit. When you reach age 66 you will be eligible for Medicare which combined with a supplemental policy will give you similar coverages at a more reasonable price (hopefully). The use of a health care spending account in which pre-tax dollars

are spent on out of pocket medical expenses is saving you 33% (the marginal tax rate) of dollars paid to meet the deductible.

Disability Insurance – Disability insurance is very costly and qualifying for payouts can be difficult however if income is significant, net worth less than your require, and younger this cost may be justified. Sometimes the option is provided by an employer at a reasonable cost. In this case your net worth and cash flow is significant (even in a stress scenario) thus it is recommended that you pass on the coverage. If you decide to purchase disability insurance the perils insured should include both accident and sickness, it should specify that you cannot work in your “own” occupation rather than “any” occupation, and the payout focus is the maximum benefit period even if you have to accept a longer waiting period.

Long-Term Care Insurance – like disability coverage long-term care (LTC) insurance, is expensive and qualifying for payouts can be challenging. In this world of high health costs which include at home and/or third party care post injury/illness LTC makes sense if you can find a reasonably priced plan that has a broad definition of coverage triggers and has some level of renewability. In your case, if you can’t find a policy that fits, hopefully your higher level of savings and net worth will cover unforeseen expenses.

Property and Liability Insurance: Buying Property and Liability Insurance is purchased for financial security. Significant damage to your home or auto, or legal costs in our litigious focused world can ruin an otherwise great financial strategy.

Home Insurance – Here are the specifics of the insurance policies covering the two real estate properties:

Personal Residence – Dwelling \$2,000,000, Personal Property \$510,000, Loss of Use \$220,000, Personal Liability \$500,000, and Medical Payments \$1,000.

Rental Property – Dwelling \$665,000, Other Structures \$66,500, Personal Property \$332,000, Loss of Use \$133,000, Personal Liability \$300,000, and Medical Payments \$1,000.

Both property's Dwelling coverage is replacement cost both policies have a 2% hurricane deductible and the Rental Property has a sinkhole deductible of 10%. Both of your homes are covered by additional Flood insurance policies.

Look into eliminating your Personal Property Coverage on your rental property. Otherwise it appear your coverages are adequate.

Automobile Insurance – the two automobiles have the following coverages: (1) Actual Cash Value on Collision and Comprehensive Coverages, (2) \$500,000 Bodily Injury, Uninsured Motorists Insurance of \$500,000, and a \$500 deductible. The policies have towing and medical payment coverages. You may want to explore a higher deductible versus lower premium costs; your coverages look adequate.

Umbrella Policy – is designed to pay liability claims above those limits specified by your home owners and automobile policies. Umbrella policies should also include coverage for personal injury claims. Your current policy has a maximum limit of \$2,000,000 with a cost of \$1,000 annually. This coverage is well worth the cost; you may want to see if you can increase your coverage.

Professional Liability – errors and omissions in business activities are not covered by a personal umbrella policy. You should strive to find a financial reasonable professional liability policy for JMN Investment Management LLC. To date the cost has been considered excessive but if possible as the business grows add this coverage.

Estate Planning

Estate Planning is the transfer of your property to your heirs/beneficiaries to meet the objectives for the transferor while in most instances minimizing estate taxation. Non-tax objectives include: Determining your heirs, how they will receive your assets, having adequate estate liquidity, determining trustees, sheltering assets from creditors, and who will settle the estate, possible charitable giving, and liquidating businesses.

Estate Documents Everyone Should Have:

Will – an enforceable document that declaring what you want done with probate property (or property belonging to the estate). The document takes effect at the person’s death. Provisions include: assembling the estate, managing the estate, payment of taxes, distribution and naming an executor. You have a will. Passing intestate (or without a will) can be costly and not allow for estate distribution that you desire.

Revocable Living Trust – a testamentary trust created under a person’s will that also does not become effective until death. A living trust bypasses the costly probate process enabling a trustee to carry out instructions you desire. You have a living trust,

Special Directive(s) – is a directive in your last will that instructs your executor to take an action; a **medical directive** is a legal document within a living will that instructs others to take a health action/decision should you no longer have the capacity.

Year	Gross Estate	Gifting	Estate Expenses	Unified Credit (AB)	Life Insurance Trust	Taxable Estate	Estate Tax
Today	\$ 9,050,000	(\$28,000)	(\$90,500)	(\$10,980,000)	\$ -	\$ -	\$ -
2023	\$ 12,581,032	(\$28,000)	(\$125,810)	(\$10,980,000)	\$ -	\$ 1,447,221	\$ 524,289
2028	\$ 16,663,420	(\$28,000)	(\$166,634)	(\$10,980,000)	\$ -	\$ 5,488,786	\$ 2,140,914
2033	\$ 21,384,418	(\$28,000)	(\$213,844)	(\$10,980,000)	\$ -	\$ 10,162,574	\$ 4,010,430
2038	\$ 26,845,149	(\$28,000)	(\$268,451)	(\$10,980,000)	\$ -	\$ 15,568,697	\$ 6,172,879
2043	\$ 33,162,809	(\$28,000)	(\$331,628)	(\$10,980,000)	\$ -	\$ 21,823,181	\$ 8,674,672
2032	\$ 40,473,232	(\$28,000)	(\$404,732)	(\$10,980,000)	\$ -	\$ 29,060,499	\$ 11,569,600
2037	\$ 48,933,850	(\$28,000)	(\$489,339)	(\$10,980,000)	\$ -	\$ 37,436,512	\$ 14,920,005
2042	\$ 58,727,139	(\$28,000)	(\$587,271)	(\$10,980,000)	\$ -	\$ 47,131,868	\$ 18,798,147
2047	\$ 70,064,598	(\$28,000)	(\$700,646)	(\$10,980,000)	\$ -	\$ 58,355,952	\$ 23,287,781

Key characteristics of your current estate plan include:

- (1) Adequate Estate Liquidity – business interests are a very small percentage of your estate. That combined with the fact that most of your assets are highly marketable your heirs should have adequate funds to pay taxes if necessary.
- (2) A Special Needs Trust – your disable son is covered by a trust that is designed for those either physically or mentally challenged. It is written so the beneficiary can enjoy the use of property in the estate without giving up needs-based benefits (such as Medicaid or Social Security).
- (3) A Marital Trust – A marital trust (also called a “A” trust) allows the couple’s heirs to avoid probate and take less of a hit from estate taxes by taking full advantage of the unlimited marital deduction, which allows spouses to pass assets to each other without tax consequences. However, when the surviving spouse dies, the remaining trust assets will be subject to estate taxes. To further avoid estate taxes when the surviving spouse dies, a marital trust is sometimes used in conjunction with a credit shelter trust (also called a “B” trust).
- (4) Staggered Distributions to Beneficiaries – the trust disperses one third of the beneficiary’s estate over a fifteen year period from age 35 to 50. However it does allow for distributions in emergencies as designated by the estate plan.

At present the Unified Credit combined your AB Trust structure shields your estate from taxes until 2032. After that your estate tax will increase if your gross estate reaches the levels shown above. There are a number of structures/strategies you can study to reduce your estate taxes at that time:

- (1) Increase your annual giving. You and your wife can give up to \$28,000 (\$14,000 each) to as many individuals as you wish. This can reduce your estate significantly avoiding estate taxes. Be wary of gifts beyond your next generation of heirs over the annual gift limits as you may incur a “generation skipping tax” or GST.
- (2) As mentioned you have a marital trust assumed in the projection above which allows you to “shelter” 2x the unified tax exclusion or \$10,980,000 from estate taxation. If the unified credit increases (increasing the assets excluded from the estate) you may not need to use other estate savings strategies.

- (3) Qualified charitable giving has an unlimited estate tax exclusion.
- (4) To the extent you can get Life Insurance, the cost of a Life Insurance Trust may be justified because estate taxes are so expensive (with a 40% top bracket).
- (5) Other Strategies to reduce your estate include: (1) Grantor Annuity Trusts (GRAT), (2) Dynasty Trusts, (3) Family Limited Partnerships, and alternate valuation methods.

Under the new Tax Reform Act the unified credit would be doubled increasing your unified tax exclusion to \$21,960,000; your projected estate tax liability would decreased consistent with the following schedule:

Year	Gross Estate	Gifting	Estate Expenses	Unified Credit (AB)	Life Insurance Trust	Taxable Estate	Estate Tax
Today	\$ 9,050,000	\$ (28,000)	\$ (90,500)	\$ (21,960,000)	\$ -	\$ -	\$ -
2023	\$ 12,581,032	\$ (28,000)	\$ (125,810)	\$ (21,960,000)	\$ -	\$ -	\$ -
2028	\$ 16,663,420	\$ (28,000)	\$ (166,634)	\$ (21,960,000)	\$ -	\$ -	\$ -
2033	\$ 21,384,418	\$ (28,000)	\$ (213,844)	\$ (21,960,000)	\$ -	\$ -	\$ -
2038	\$ 26,845,149	\$ (28,000)	\$ (268,451)	\$ (21,960,000)	\$ -	\$ 4,588,697	\$ 1,780,879
2043	\$ 33,162,809	\$ (28,000)	\$ (331,628)	\$ (21,960,000)	\$ -	\$ 10,843,181	\$ 4,282,672
2032	\$ 40,473,232	\$ (28,000)	\$ (404,732)	\$ (21,960,000)	\$ -	\$ 18,080,499	\$ 7,177,600
2037	\$ 48,933,850	\$ (28,000)	\$ (489,339)	\$ (21,960,000)	\$ -	\$ 26,456,512	\$ 10,528,005
2042	\$ 58,727,139	\$ (28,000)	\$ (587,271)	\$ (21,960,000)	\$ -	\$ 36,151,868	\$ 14,406,147
2047	\$ 70,064,598	\$ (28,000)	\$ (700,646)	\$ (21,960,000)	\$ -	\$ 47,375,952	\$ 18,895,781

Appendix – Assumptions/Analysis behind the Numbers

There are many assumption sets that were used in developing your financial plan. Listed in the appendix are assumptions related to: (1) Investments, (2) your Portfolio, (3) your Personal facts, (4) Real Estate, (5) Social Security, and (6) Estate planning.

Investment Assumptions:

Investment Categories	Yield	Pre-Retire	Pre-Retire	Post-Retire	Post-Retire
		Tax	ATax	Tax	ATax
Checking	0.00%	35.00%	0.00%	25.00%	0.00%
Savings	0.00%	35.00%	0.00%	25.00%	0.00%
Money Market	0.00%	35.00%	0.00%	25.00%	0.00%
Certificate of Deposit	1.00%	35.00%	0.65%	25.00%	0.75%
Treasury Bond	2.00%	35.00%	1.30%	25.00%	1.50%
Corporate Bond	2.40%	35.00%	1.56%	25.00%	1.80%
Municipal Bond	2.00%	0.00%	2.00%	0.00%	2.00%
Common Stock	7.00%	15.00%	5.95%	15.00%	5.95%
Preferred Stock	4.00%	35.00%	2.60%	25.00%	3.00%
Master Limited Partnership	7.00%	15.00%	5.95%	15.00%	5.95%
Real Estate Investment Trust	5.50%	35.00%	3.58%	25.00%	4.13%
Non-Qualifying Option	7.00%	35.00%	4.55%	25.00%	5.25%
Incentive Stock Option	7.00%	15.00%	5.95%	15.00%	5.95%

High-Level Portfolio Summary:

Class	Ownership	Tax-Status	Market Value
Checking	Joint	Non-Qualified	\$ 12,000
Savings	Joint	Non-Qualified	\$ -
Money Market	Joint	Non-Qualified	\$ 2,070,000
Certificate of Deposit	Joint	Non-Qualified	\$ -
Treasury Bond	Joint	Non-Qualified	\$ -
Corporate Bond	Joint	Non-Qualified	\$ 1,200,000
Municipal Bond	Joint	Non-Qualified	\$ 2,030,000
Common Stock	Joint	Non-Qualified	\$ 3,867,600
Preferred Stock	Joint	Non-Qualified	\$ -
Mutual Fund	Joint	Non-Qualified	\$ -
Master Limited Partnership	Joint	Non-Qualified	\$ 100,000
Stock Options	Joint	Non-Qualified	\$ -
Stock Options	Joint	Non-Qualified	\$ -
Real Estate	Joint		\$ 2,000,000
Real Estate	Joint		\$ -
Real Estate			\$ 760,000
Automobile #1	Joint		\$ 75,000
Qualified - IRA/SEP	Nicholas	Qualified	\$ 641,000
Furnishings	Joint		\$ 250,000
Other	Joint		\$ 480,000

Personal Assumptions:

Financial Plan	NoRobo Family				
	Year				
Personnal Information	2018				
	Yourself	Significant Other	Son Dependent	Son Dependent	Daughter Dependent
Last Name	NoRobo	NoRobo	NoRobo	NoRobo	Smith
First Name	Fred	Freida	Frank	Frump	Flower
Middle Initial	P	A	D	J	L
Sir Name	Fred	Frieda	Frank	FF	Stem
Street Address	111 Ironhorse Blvd	111 Ironhorse Blvd	111 Ironhorse Blvd	111 Ironhorse Blvd	
City	Stuart	Stuart	Stuart	Stuart	
State	Florida	Florida	Florida	Florida	Florida
Zip	33777	33777	33777	33777	33777
Home Phone	333-333-3333	444-444-4444	555-555-5555	666-666-6666	
Cell Phone	777-777-7777	888-888-8888			
SSN#	123-45-6789	987-65-4321			
Date of Birth	11/11/1969	10/1/1970	7/30/1999	5/10/2003	2/12/2001
Marital Status	Married	Married	Single	Single	Married
Tax Filing Status	Joint	Joint			
Disabled	No	No	Yes	No	
		48.10	47.21	18.39	14.61
Comments					16.84

Business Information

Occupation	Finance	Housewife
Employer	NoRobo Investment Management	
Length of Employment (Yr)	11	
Job Title	Managing Member	
Street Address	111 Ironhorse Blvd	
City	Stuart	
State	Florida	
Zip	33777	
Business Phone	123-456-7777	
401k/SEP Plan	No	
Pension Plan	No	
Self Employed	Yes	
S Corporation? (For Tax)	Yes	
C Corporation	No	
LLC	Yes	

Estate Planning

Will	Yes	Yes
Living Trust	Yes	Yes
Special Needs Trust	Yes	Yes
Marital Trust	Yes	Yes
Generation Skipping Trust	No	No
Insurance Trust	No	No
Charitable Trust	No	No
Other Trusts	No	No
Prior Gifts	Yes	Yes
\$ Gifts (in annual limit)	\$28,000	\$28,000
\$ Gifts (above annual limit)	\$0	\$0
Specific Bequests	No	No
Whom		

Rental Real Estate Analysis:**Rental Investment Analysis**

RE Value	\$	675,000.00
Mortgage	\$	-

Item	Monthly	Annual
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Rental Income	\$ 6,000.00	\$ 72,000.00
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Mortgage Payment	\$0.00	\$ -
Real Estate Commission	\$ 600.00	\$ 7,200.00
Property Tax	\$ 989.58	\$ 11,875.00
Home Insurance	\$ 333.33	\$ 4,000.00
Utilities	\$ 260.00	\$ 3,120.00
Repair	\$ -	\$ -

Total Expenses	\$2,182.92	\$26,195.00
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Pre-Tax Income	\$ 3,817.08	\$ 45,805.00
Less: Depreciation	\$ 1,840.91	\$ 22,090.91
Less: Interest Expense	\$ -	\$ -
Add: Mortgage Payment	\$ -	\$ -
Taxable Income	\$ 1,976.17	\$ 23,714.09
Taxes	\$ 553.33	\$ 6,639.95

Pre-Tax Cashflow	\$ 3,817.08	\$ 45,805.00
Taxes	\$ 553.33	\$ 6,639.95
After Tax Cashflow	\$ 3,263.75	\$ 39,165.05

Principal Paydown	\$ -	\$0.00
After Tax + Paydown	\$ 3,263.75	\$39,165.05

Pre-Tax Return		6.786%
After-Tax Return		5.802%

Social Security Assumptions:

Single Social Security - Larger Earner
 Born After 1960
 Present Value of Benefits (Monthly)
 SS Normal Payment at Age 67
 Normal Monthly Payout

Starting Social Security Age & Benefit Percentage			Monthly Benefit \$2,000 Social Security High Value	Age To Take Social Security	Expected Age At Death
62 70%	67 100%	70 130%			
\$0.00	\$0.00	\$0.00	\$0.00	NA	62
\$16,619.41	\$0.00	\$0.00	\$16,619.41	62	63
\$32,910.00	\$0.00	\$0.00	\$32,910.00	62	64
\$48,878.28	\$0.00	\$0.00	\$48,878.28	62	65
\$64,530.63	\$0.00	\$0.00	\$64,530.63	62	66
\$79,873.30	\$0.00	\$0.00	\$79,873.30	62	67
\$94,912.41	\$23,742.01	\$0.00	\$94,912.41	62	68
\$109,653.97	\$47,014.28	\$0.00	\$109,653.97	62	69
\$124,103.88	\$69,826.12	\$0.00	\$124,103.88	62	70
\$138,267.89	\$92,186.61	\$30,864.61	\$138,267.89	62	71
\$152,151.66	\$114,104.71	\$61,118.57	\$152,151.66	62	72
\$165,760.75	\$135,589.16	\$90,773.95	\$165,760.75	62	73
\$179,100.58	\$156,648.54	\$119,842.60	\$179,100.58	62	74
\$192,176.48	\$177,291.25	\$148,336.12	\$192,176.48	62	75
\$204,993.67	\$197,525.55	\$176,265.91	\$205,903.37	63	76
\$217,557.28	\$217,359.52	\$203,643.10	\$221,828.86	65	77
\$229,872.31	\$236,801.07	\$230,478.63	\$239,095.47	68	78
\$241,943.69	\$255,857.97	\$256,783.22	\$260,831.42	69	79
\$253,776.24	\$274,537.82	\$282,567.37	\$284,161.28	69	80
\$265,374.68	\$292,848.10	\$307,841.39	\$307,841.39	70	81
\$276,743.65	\$310,796.11	\$332,615.36	\$332,615.36	70	82
\$287,887.68	\$328,389.01	\$356,899.17	\$356,899.17	70	83
\$298,811.23	\$345,633.85	\$380,702.53	\$380,702.53	70	84
\$309,518.65	\$362,537.49	\$404,034.94	\$404,034.94	70	85
\$320,014.23	\$379,106.69	\$426,905.72	\$426,905.72	70	86
\$330,302.15	\$395,348.07	\$449,324.00	\$449,324.00	70	87
\$340,386.53	\$411,268.11	\$471,298.73	\$471,298.73	70	88
\$350,271.38	\$426,873.18	\$492,838.70	\$492,838.70	70	89
\$359,960.67	\$442,169.50	\$513,952.49	\$513,952.49	70	90
\$369,458.25	\$457,163.18	\$534,648.55	\$534,648.55	70	91
\$378,767.92	\$471,860.22	\$554,935.14	\$554,935.14	70	92
\$387,893.40	\$486,266.47	\$574,820.35	\$574,820.35	70	93
\$396,838.34	\$500,387.69	\$594,312.14	\$594,312.14	70	94
\$405,606.29	\$514,229.53	\$613,418.28	\$613,418.28	70	95
\$414,200.78	\$527,797.50	\$632,146.41	\$632,146.41	70	96
\$422,625.22	\$541,097.03	\$650,504.00	\$650,504.00	70	97
\$430,882.98	\$554,133.43	\$668,498.38	\$668,498.38	70	98
\$438,977.36	\$566,911.91	\$686,136.75	\$686,136.75	70	99
\$446,911.60	\$579,437.56	\$703,426.14	\$703,426.14	70	100

Estate Planning Assumptions:**Estate Assumptions**

IRA/401(k)/SEP	\$ 600,000
Pension Contribution	\$ -
Pension AT Yield	3.0%
Investments	\$ 6,000,000
Annual Contribution	\$ 429,000
AT Yield	3.0%
Other Assets	\$ 200,000
Life Insurance	\$ -
Home Value	\$ 2,000,000
Mortgage	\$ -
Home Appreciation	1.0%
Cash	\$ 50,000
Personal Property	\$ 150,000
Cars	\$ 50,000
Gifts	1
Exemption	\$ 28,000
Estate Expenses (LT)	1.0%
Estate Tax Credit	\$ 5,490,000

Disclaimer: There is no guarantee that the strategies suggested will result in satisfying your financial objectives. JMN gives its best effort to gather client data, develop assumptions, models and stress scenarios so the client can see potential value and risks but there is no way JMN can predict future outcomes. The client should consult other professionals such as accountants, investment advisors, insurance agents, estate planners, and other experts regarding this plan, its implementation and second opinions.