

# Wealth Management Analysis

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Sample Wealth Outlook Report

**Sample Advisor**

Planning and Tools Specialist

**November 08, 2016**

Merrill Lynch Wealth Management

SENSITIVE CLIENT INFORMATION INSIDE

# Introduction

## About This Report

Creating a sound financial strategy requires careful consideration. The Wealth Management Analysis is a brokerage report that analyzes your financial situation, certain goals, and specific issues that you've identified as important. In conjunction with your Financial Advisor's assistance, this report can help you establish and maintain a financial strategy that supports your long-term goals, risk tolerance and liquidity needs. *Appendix: Important Information* and *Appendix: Client Profile*, found at the conclusion of this report, identify the assumptions that are contained in this analysis, including the assets considered and their current value, concentrated positions, other portfolio constraints as well as your investor profile.

Remember, this report is hypothetical in nature, is not a comprehensive financial plan and is only a step in preparing for your future. Once you have reviewed this report, it is your responsibility to determine if, and how, the suggestions made in conjunction with this report should be implemented. You should carefully consider all relevant factors in making these decisions and should consult your outside professional advisors. It is important to review your financial situation on a regular basis. If your financial situation or goals change, you should inform your Financial Advisor and carefully consider the effect of those changes on any course of action you have previously selected.

Merrill Lynch offers brokerage, investment advisory (including financial planning) and other services. For more information about any of these services and their differences, including the type of advice and assistance offered, see your Financial Advisor.

Your Financial Advisor:




Sample Advisor  
advisor\_name@ml.com  
800-123-4567

## In This Report

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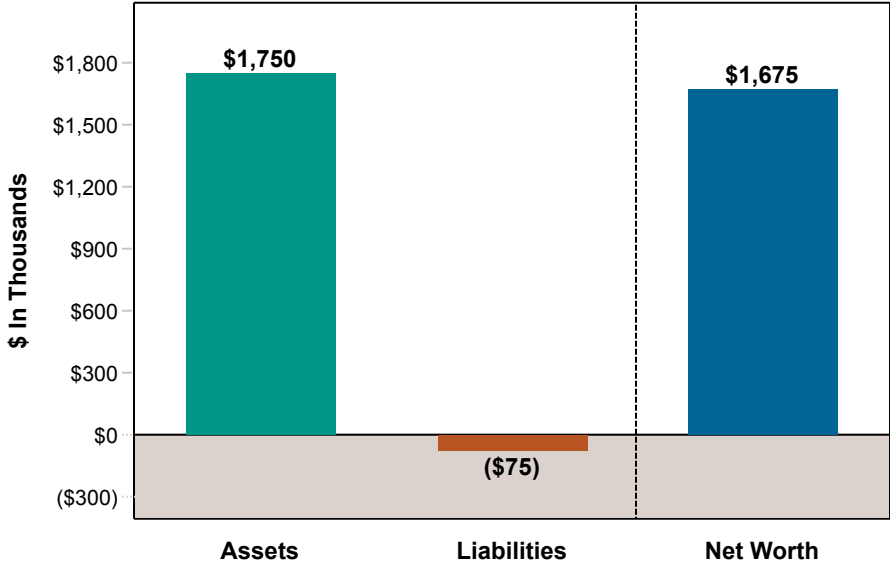
# Your Goals

The following represents your goals.

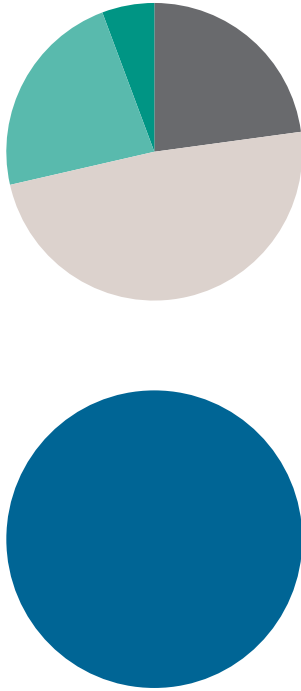
ESSENTIAL	IMPORTANT	ASPIRATIONAL																								
 <p><b>Sample Joint Retirement Goal</b></p> <p><b>Desired Retirement Lifestyle</b></p> <table border="0"> <tr> <td>Time Period</td> <td>Annual Amount</td> </tr> <tr> <td>2028 to 2052</td> <td>\$115,000</td> </tr> <tr> <td>Owner: Joint</td> <td></td> </tr> <tr> <td>Inflation Rate: 2.5%</td> <td></td> </tr> </table>	Time Period	Annual Amount	2028 to 2052	\$115,000	Owner: Joint		Inflation Rate: 2.5%		 <p><b>Education Goal for Child</b></p> <p><b>Education Goal</b></p> <table border="0"> <tr> <td>Time Period</td> <td>Annual Amount</td> </tr> <tr> <td>2020 to 2023</td> <td>\$19,548</td> </tr> <tr> <td>Student: Child Sample</td> <td></td> </tr> <tr> <td>Inflation Rate: 2.5%</td> <td></td> </tr> </table>	Time Period	Annual Amount	2020 to 2023	\$19,548	Student: Child Sample		Inflation Rate: 2.5%		 <p><b>Annual Vacation</b></p> <p><b>Travel and Leisure</b></p> <table border="0"> <tr> <td>Time Period</td> <td>Annual Amount</td> </tr> <tr> <td>2016 to 2052</td> <td>\$5,000</td> </tr> <tr> <td>Owner: Joint</td> <td></td> </tr> <tr> <td>Inflation Rate: 2.5%</td> <td></td> </tr> </table>	Time Period	Annual Amount	2016 to 2052	\$5,000	Owner: Joint		Inflation Rate: 2.5%	
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Your goals and their priorities are based on information that you provided as of the date indicated below. The Time Period reflects when you plan for the goal to occur. For more information and goal priorities please refer to *Appendix: Glossary* and *Appendix: Client Profile*.

# Net Worth Summary



<b>Total Assets</b>	<b>\$1,750,000</b>
<b>Total Liabilities</b>	<b>(\$75,000)</b>
<b>Net Worth</b>	<b>\$1,675,000</b>



Assets		Amount	% of Total
Personal Assets		\$400,000	22.86%
Retirement Assets		\$850,000	48.57%
Portfolio Assets		\$400,000	22.86%
Education Assets		\$100,000	5.71%
Liabilities		Amount	% of Total
Mortgages		(\$75,000)	100.00%

For informational purposes only. Totals may include deposit balances at Bank of America, N.A. and investment balances at MLPF&S. Refer to the *Appendix: Client Profile* of this report for details regarding assets and liabilities.

# Net Worth Details

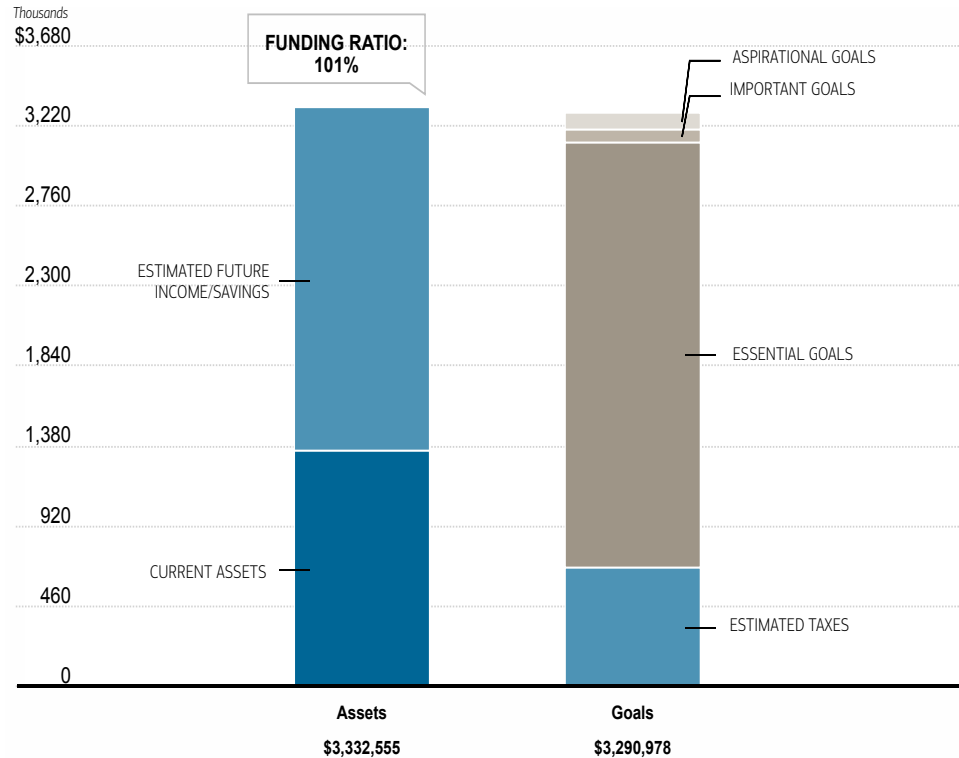
<b>Assets</b>		
<b>Personal Assets</b>		
Primary Home	\$400,000	
<b>Total Personal Assets</b>		<b>\$400,000</b>
<b>Investment Assets</b>		
<b>Retirement Assets</b>		
Sample IRA Trad Acct	\$450,000	
Sample 401k Acct	\$400,000	
<b>Total Retirement Assets</b>	<b>\$850,000</b>	
<b>Portfolio Assets</b>		
Sample Brokerage Acct	\$300,000	
Sample Checking Acct	\$100,000	
<b>Total Portfolio Assets</b>	<b>\$400,000</b>	
<b>Total Investment Assets</b>		<b>\$1,250,000</b>
<b>Education Assets</b>		
Sample 529 Acct for Child	\$100,000	
<b>Total Education Assets</b>		<b>\$100,000</b>
<b>Total Assets</b>		<b>\$1,750,000</b>
<b>Liabilities</b>		
<b>Primary Residence Mortgages</b>		
Primary Home Mortgage	(\$75,000)	
<b>Total Primary Residence Mortgages</b>		<b>(\$75,000)</b>
<b>Total Liabilities</b>		<b>(\$75,000)</b>
<b>Summary</b>		
<b>Total Assets</b>		<b>\$1,750,000</b>
<b>Total Liabilities</b>		<b>(\$75,000)</b>
<b>Net Worth</b>		<b>\$1,675,000</b>

Totals may include deposit balances at Bank of America, N.A. and investment balances at MLPF&S unless otherwise indicated. Refer to the *Appendix: Client Profile* of this report for details regarding specific assets and liabilities.

# Goal Funding Status: Overview

This overview helps you assess the feasibility of your goals.

**ESTIMATED COST OF YOUR GOALS** **\$3,290,978**



## GOALS

<b>ESSENTIAL: Sample Joint Retirement Goal</b>	<b>100% FUNDED</b>
<b>Goal Amount</b>	<b>\$2,440,612</b>
<b>Estimated Taxes</b>	<b>\$650,930</b>

<b>Funding Sources</b>	
Estimated Future Income/Savings	\$1,967,555
Current Assets	1,123,987
<b>Total Assets</b>	<b>\$3,091,542</b>

<b>IMPORTANT: Education Goal for Child</b>	<b>100% FUNDED</b>
<b>Goal Amount</b>	<b>\$72,325</b>
<b>Estimated Taxes</b>	<b>\$0</b>

<b>Funding Sources</b>	
Estimated Future Income/Savings	\$15,000
Current Assets	57,325
<b>Total Assets</b>	<b>\$72,325</b>

<b>ASPIRATIONAL: Annual Vacation</b>	<b>99% FUNDED</b>
<b>Goal Amount</b>	<b>\$91,842</b>
<b>Estimated Taxes</b>	<b>\$35,268</b>

<b>Funding Sources</b>	
Estimated Future Income/Savings	\$0
Current Assets	126,013
<b>Total Assets</b>	<b>\$126,013</b>

**Shortfall** **(\$1,097)**

The outcomes shown are hypothetical, are not guaranteed and your actual results could differ significantly for many reasons. The analysis is based on information about your goals and resources, including external assets if you have chosen to include them. Because the analysis is only calculated based on funded goals (or portions of), if there is a shortfall, the amount may vary as fees and taxes are estimated based on funding the shortfall with a taxable account with 100% Cost Basis. Concentrated equity positions are not given any special treatment or differing assumptions in this analysis; they are treated simply as diversified equity holdings. As a result, your Goal Funding ratio will be impacted if you maintain concentrated positions and you should discuss with your Financial Advisor. Additional information about all of the assumptions, including tax rates, used in this analysis are provided in the Appendix: Understanding Your Analysis, Appendix: Important Information and Appendix: Client Profile at the end of this report.

# Key Factors: Goal Funding Status

GOALS				
<b>Overall Funding Ratio for Your Goals</b>				<b>101%</b>
Goals	Priority	Time Period	Annual Goal Amount	Funding Ratio
<b>Retirement Goals</b>				
<i>Sample Joint Retirement Goal</i>	<i>Essential</i>	<i>Retirement through Rest of Life</i>	<i>\$115,000</i>	<b>100%</b>
<b>Education Goals</b>				
<i>Education Goal for Child</i>	<i>Important</i>	<i>2020 through 2023</i>	<i>\$19,548</i>	<b>100%</b>
<b>Other Goals/Expenses</b>				
<i>Annual Vacation</i>	<i>Aspirational</i>	<i>2016 through Rest of Life</i>	<i>\$5,000</i>	<b>99%</b>
ESTIMATED FUTURE INCOME/SAVINGS				
Description		Time Period		Annual Amount
<b>Income</b>				
<i>Mr Salary</i>		<i>2016 until Retirement</i>		<i>\$125,000</i>
<i>Mrs Salary</i>		<i>2016 until Retirement</i>		<i>\$75,000</i>
<i>Mr Social Security</i>		<i>2026 through Rest of Life</i>		<i>Earnings Based</i>
<i>Mrs Social Security</i>		<i>2028 through Rest of Life</i>		<i>Earnings Based</i>
<b>Tax-Deferred and Tax-Exempt Savings</b>				
<i>401K Tax-Deferred Saving</i>		<i>2016 until Retirement</i>		<i>Maximize</i>
<i>Sample 401k Acct</i>				<i>Company Match</i>
				<i>100.00% up to 10.00%</i>
<i>IRA Tax-Deferred Saving</i>		<i>2016 until Retirement</i>		<i>Maximize</i>
<b>Education Savings</b>				
<i>Education Savings - Funded by Client*</i>		<i>2016</i>		<i>\$15,000</i>

## Key Factors: Goal Funding Status

TARGET ASSET ALLOCATION<sup>†</sup>

Year	Allocation Name	Allocation						Geometric Returns by Confidence Level (%)			Standard Deviation %
		%EQ	%FI	%CA	%RA	%HFS	%PE	95%	75%	55%	
Current	Target Allocation	38.09	28.41	8.95	6.68	11.65	6.22	3.76	5.60	6.65	9.73

## OTHER FACTORS

Client	Retirement Age
MR	67
MRS	67

\*You indicated this education savings will be funded by you.

<sup>†</sup>Expected Geometric Returns by Likelihood/Confidence Level and Expected Standard Deviation are computed using the Allocation(s) indicated above, together with Merrill Lynch's Long-Term Capital Market Assumptions. These returns are not historical or actual investment returns, but rather long-term expectations.

In addition to the factors listed on this page, the Funding Ratio and illustrative returns shown will be impacted by Taxes, Fees (where applicable), Goal Ranking, Inflation, Asset Value and Account Structure in which case your actual investment returns will be lower. The outcomes shown are hypothetical, are not guaranteed and your actual results could differ significantly for many reasons. Additional information about the assumptions in the analysis and related definitions are provided in Appendix: Understanding Your Analysis, Appendix: Important Information, Appendix: Glossary and Appendix: Client Profile at the end of this report.



## Resource Allocation: Assets vs. Goals

# Surplus: \$41,577

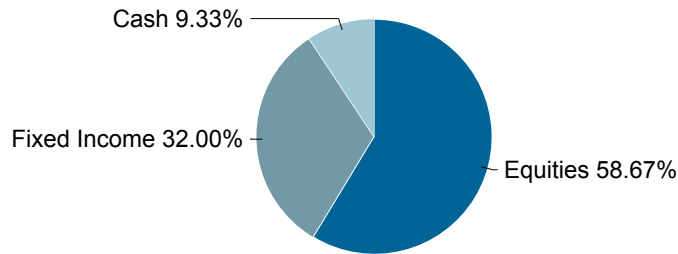
ASSETS		GOALS	
<b>Estimated Future Income/Savings</b>		<b>Essential Goals</b>	
Mrs Social Security	\$667,214	Sample Joint Retirement Goal	\$2,440,612
Mr Social Security	644,066		
Mrs Salary	137,885	<b>Total Essential Goals</b>	<b>\$2,440,612</b>
Employer Contribution to Sample 401k Acct	150,000	<b>Important Goals</b>	
401K Tax-Deferred Saving	281,829	Education Goal for Child	\$72,325
IRA Tax-Deferred Saving	86,561	<b>Total Important Goals</b>	<b>\$72,325</b>
Education Savings - Funded by Client	15,000	<b>Aspirational Goals</b>	
<b>Total Estimated Future Income/Savings</b>	<b>\$1,982,555</b>	Annual Vacation	\$91,842
<b>Current Assets</b>		<b>Total Aspirational Goals</b>	<b>\$91,842</b>
Sample 401k Acct	\$400,000	<b>Total Goal Amount</b>	
Sample 529 Acct for Child	100,000		<b>\$2,604,780</b>
Sample Brokerage Acct	300,000	<b>Total Estimated Taxes</b>	<b>\$686,198</b>
Sample Checking Acct	100,000	<b>SURPLUS / (SHORTFALL)</b>	
Sample IRA Trad Acct	450,000	Total Assets	\$3,332,555
<b>Total Current Assets</b>	<b>\$1,350,000</b>	Total Goal Amount	(2,604,780)
<b>Total Assets</b>		Total Estimated Taxes	(686,198)
	<b>\$3,332,555</b>	<b>Surplus</b>	<b>\$41,577</b>
<b>Other Resources - Not Available to Fund Goals</b>			
Primary Home	\$400,000		
<b>Total Other Resources</b>	<b>\$400,000</b>		

The outcomes shown are hypothetical, are not guaranteed and your actual results could differ significantly for many reasons. The analysis is based on information about your goals and resources, including external assets if you have chosen to include them. Because the analysis is only calculated based on funded goals (or portions of), if there is a shortfall, the amount may vary as fees and taxes are estimated based on funding the shortfall with a taxable account with 100% Cost Basis. Concentrated equity positions are not given any special treatment or differing assumptions in this analysis; they are treated simply as diversified equity holdings. As a result, your Goal Funding ratio will be impacted if you maintain concentrated positions and you should discuss with your Financial Advisor. Additional information about all of the assumptions, including tax rates, used in this analysis are provided in the Appendix: Understanding Your Analysis, Appendix: Important Information and Appendix: Client Profile at the end of this report.

# Goals-Based Asset Allocation Summary

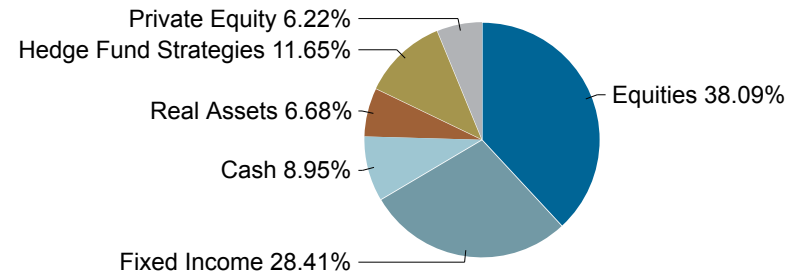
This page illustrates how your current investment assets have been allocated to fund each of your goals. Note that this view does not reflect any future income or savings considered in this analysis, only the allocation of your current investment assets within a target asset allocation strategy.

## OVERALL CURRENT ASSET ALLOCATION



**Total Assets** **\$1,350,000**

## OVERALL TARGET ASSET ALLOCATION



Goals	Allocation	Amount (\$)
<b>ESSENTIAL</b>		
Sample Joint Retirement Goal		1,123,987
<b>IMPORTANT</b>		
Education Goal for Child		57,325
<b>ASPIRATIONAL</b>		
Annual Vacation		126,013
Surplus from Current Assets**		\$42,675
<b>Total Assets</b>		<b>\$1,350,000</b>

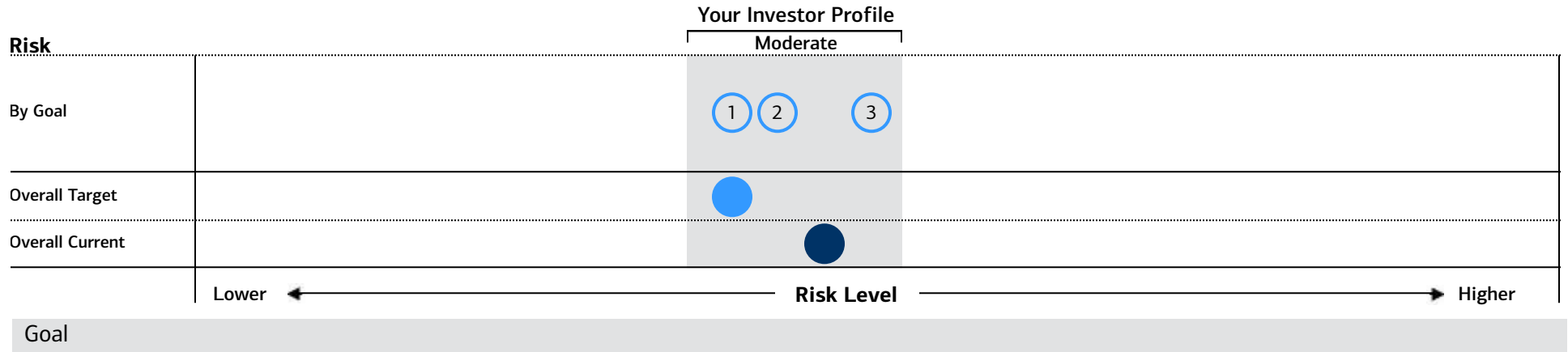
■ Equity ■ Fixed Income ■ Cash ■ Real Assets ■ Hedge Fund Strategies ■ Private Equity

\*\*Surplus from current assets does not account for unused future savings/income. This exhibit only considers current assets used in the analysis.

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# The Risks of Your Goals-Based Asset Allocation

It is important to understand the risk level associated with your current and target asset allocations compared against your Investor Profile.



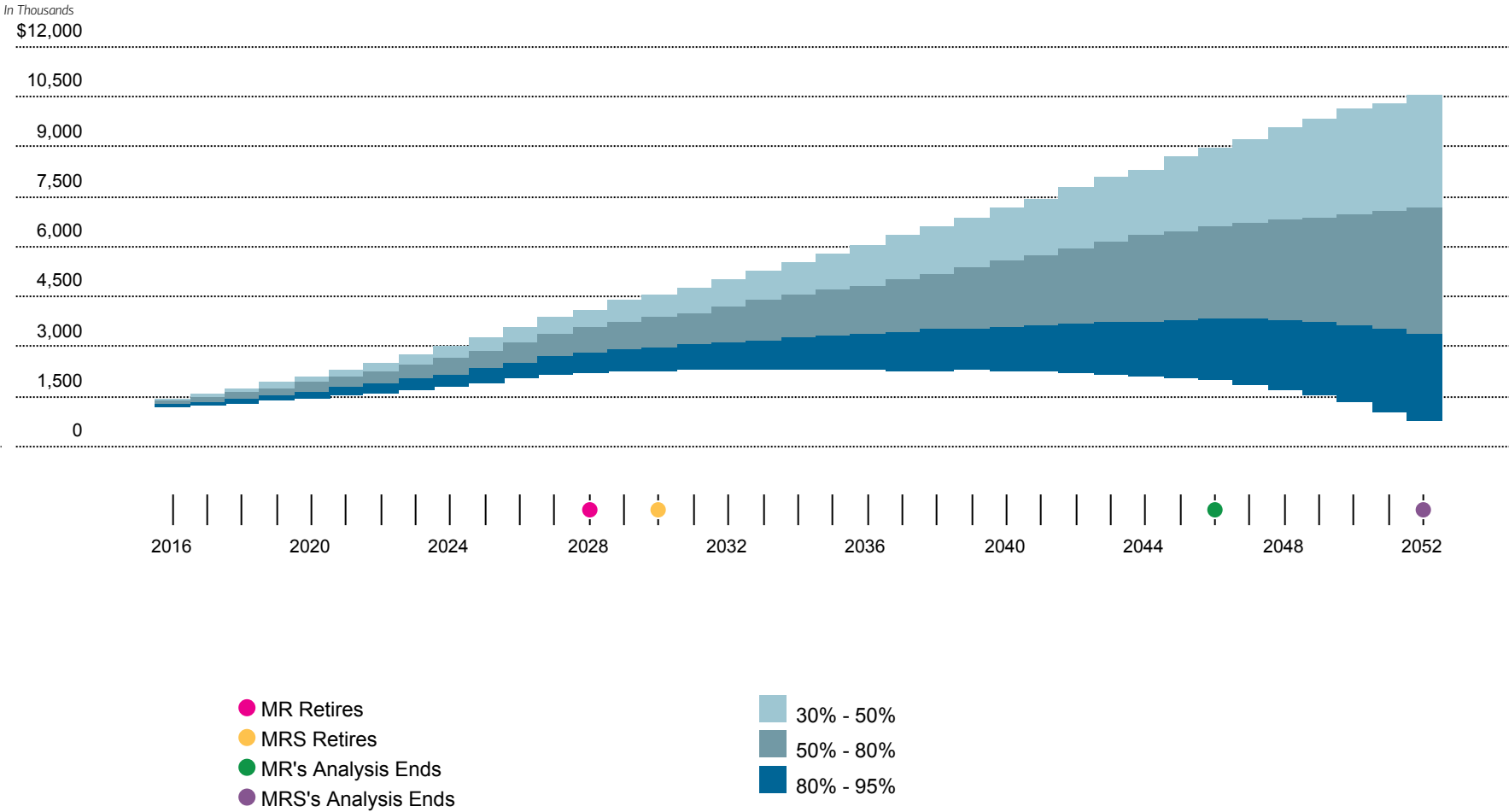
- Goal**
- ① Sample Joint Retirement Goal
  - ② Education Goal for Child
  - ③ Annual Vacation

Understanding your Investor Profile is a key component of your overall investment strategy. It helps to define your tolerance for risk, investment time horizon and objective, as well as your general behavior as an investor. Based on information provided to Merrill Lynch in response to questions from your Financial Advisor, your Investor Profile is indicated above. Please see Appendix: Glossary for the definition of Investor Profile, and speak with your Financial Advisor if you wish to make changes.

# Results Of Your Analysis: Potential Wealth

The graph below is an illustration of the range of your potential wealth, on a year by year basis, that may occur based on the assumptions used in the analysis. The percentage indicates the probability your wealth could meet or exceed this level in each specific year of the analysis.

## POTENTIAL WEALTH



The outcomes shown are hypothetical, are not guaranteed and your actual results could differ significantly for many reasons. Additional information about the assumptions in the analysis is provided in *Appendix: Important Information* and *Appendix: Client Profile* at the end of this report.

## Annual Potential Wealth

Year	Age		Potential Wealth (Current Value: \$1,250,000)			
	MR	MRS	95% Likelihood	80% Likelihood	50% Likelihood	30% Likelihood
2016	55	53	\$1,193,855	\$1,279,676	\$1,367,857	\$1,434,169
2017	56	54	\$1,235,605	\$1,353,298	\$1,497,194	\$1,597,838
2018	57	55	\$1,297,216	\$1,439,422	\$1,627,541	\$1,748,604
2019	58	56	\$1,365,448	\$1,551,946	\$1,769,044	\$1,941,074
2020	59	57	\$1,440,075	\$1,654,644	\$1,928,434	\$2,114,173
2021	60	58	\$1,525,719	\$1,773,367	\$2,082,221	\$2,311,034
2022	61	59	\$1,599,132	\$1,887,014	\$2,271,511	\$2,535,136
2023	62	60	\$1,710,492	\$2,044,243	\$2,470,106	\$2,763,824
2024	63	61	\$1,805,281	\$2,174,957	\$2,688,109	\$3,021,494
2025	64	62	\$1,908,754	\$2,336,057	\$2,881,418	\$3,276,872
2026	65	63	\$2,037,097	\$2,516,708	\$3,125,436	\$3,584,950
2027	66	64	\$2,164,759	\$2,699,667	\$3,389,974	\$3,885,072
2028	67	65	\$2,197,040	\$2,801,078	\$3,590,987	\$4,125,410
2029	68	66	\$2,256,751	\$2,899,641	\$3,749,531	\$4,394,373
2030	69	67	\$2,265,408	\$2,993,846	\$3,873,725	\$4,563,645
2031	70	68	\$2,305,874	\$3,071,452	\$4,017,366	\$4,793,963
2032	71	69	\$2,298,606	\$3,125,465	\$4,189,320	\$5,026,791
2033	72	70	\$2,319,550	\$3,202,752	\$4,389,786	\$5,292,116
2034	73	71	\$2,318,079	\$3,285,667	\$4,580,553	\$5,526,311
2035	74	72	\$2,289,809	\$3,344,934	\$4,714,800	\$5,776,546
2036	75	73	\$2,299,123	\$3,397,022	\$4,846,153	\$6,072,859
2037	76	74	\$2,253,341	\$3,425,267	\$5,011,811	\$6,359,479
2038	77	75	\$2,271,549	\$3,533,171	\$5,194,298	\$6,626,183
2039	78	76	\$2,282,223	\$3,558,056	\$5,391,691	\$6,894,269
2040	79	77	\$2,250,352	\$3,611,016	\$5,571,428	\$7,184,680

## Annual Potential Wealth

Year	Age		Potential Wealth (Current Value: \$1,250,000)			
	MR	MRS	95% Likelihood	80% Likelihood	50% Likelihood	30% Likelihood
2041	80	78	\$2,271,963	\$3,623,856	\$5,759,601	\$7,460,469
2042	81	79	\$2,224,697	\$3,702,995	\$5,960,262	\$7,815,278
2043	82	80	\$2,151,202	\$3,747,484	\$6,134,635	\$8,089,781
2044	83	81	\$2,113,583	\$3,750,448	\$6,342,666	\$8,302,861
2045	84	82	\$2,061,174	\$3,809,333	\$6,460,282	\$8,701,037
2046	85	83	\$2,003,383	\$3,836,103	\$6,605,819	\$8,982,125
2047		84	\$1,855,160	\$3,837,841	\$6,706,054	\$9,244,410
2048		85	\$1,700,871	\$3,773,814	\$6,838,634	\$9,611,731
2049		86	\$1,524,824	\$3,750,958	\$6,880,664	\$9,856,137
2050		87	\$1,308,918	\$3,638,312	\$6,985,331	\$10,133,542
2051		88	\$1,047,125	\$3,542,423	\$7,080,424	\$10,316,044
2052		89	\$793,112	\$3,399,397	\$7,171,651	\$10,569,001

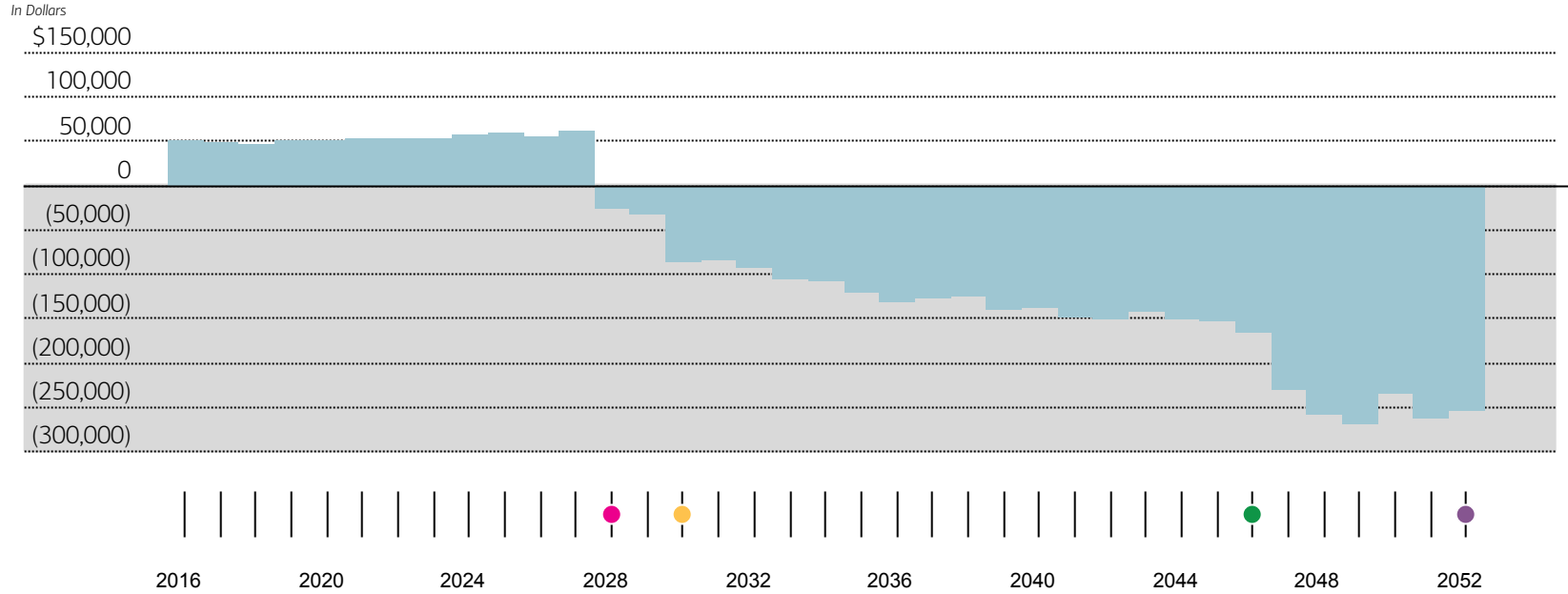
The Likelihood level(s) shown have been selected for purposes of the hypothetical analysis to demonstrate different potential outcomes. Other Likelihood options can be shown, please speak with your Financial Advisor for more information.

The outcomes shown are hypothetical, are not guaranteed and your actual results could differ significantly for many reasons.

Additional information about the assumptions in the analysis is provided in *Appendix: Important Information* and *Appendix: Client Profile* at the end of this report.

# Results Of Your Analysis: Net Cash Flow (80% Likelihood)

## NET CASH FLOW



- MR Retires
- MRS Retires
- MR's Analysis Ends
- MRS's Analysis Ends

The Likelihood level(s) shown have been selected for purposes of the hypothetical analysis to demonstrate different potential outcomes. Other Likelihood options can be shown, please speak with your Financial Advisor for more information.

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# Estimated Cash Flow Summary (80% Likelihood)

Potential Wealth (Current Value: \$1,250,000)												
Year	Age								Tax-Deferred Contributions		Net Cash Flow*** (=)	Potential Wealth (80% Likelihood)
	MR	MRS	Taxable Savings (+)	Income Sources (+)	Gross Portfolio Income (+)	Taxes* (+/-)	Goals / Expenses** (-)	Net Amount (=)	Individual(s) (+)	Employer (+)		
2016	55	53	\$0	\$0	\$13,167	\$0	(\$5,000)	\$8,167	\$30,500	\$12,500	\$51,167	\$1,279,676
2017	56	54	\$0	\$0	\$12,592	(\$3,133)	(\$5,125)	\$4,334	\$31,263	\$12,813	\$48,410	\$1,353,298
2018	57	55	\$0	\$0	\$14,490	(\$7,568)	(\$5,253)	\$1,669	\$32,044	\$13,133	\$46,846	\$1,439,422
2019	58	56	\$0	\$0	\$14,855	(\$5,607)	(\$5,384)	\$3,864	\$32,845	\$13,461	\$50,170	\$1,551,946
2020	59	57	\$0	\$0	\$13,127	(\$4,241)	(\$5,519)	\$3,367	\$33,666	\$13,798	\$50,831	\$1,654,644
2021	60	58	\$0	\$0	\$13,564	(\$3,525)	(\$5,657)	\$4,382	\$34,508	\$14,143	\$53,033	\$1,773,367
2022	61	59	\$0	\$0	\$13,266	(\$4,128)	(\$5,798)	\$3,340	\$35,371	\$14,496	\$53,207	\$1,887,014
2023	62	60	\$0	\$0	\$15,928	(\$7,981)	(\$5,943)	\$2,004	\$36,255	\$14,859	\$53,118	\$2,044,243
2024	63	61	\$0	\$0	\$13,801	(\$3,624)	(\$6,092)	\$4,085	\$37,161	\$15,230	\$56,476	\$2,174,957
2025	64	62	\$0	\$0	\$15,472	(\$3,866)	(\$6,244)	\$5,362	\$38,090	\$15,611	\$59,063	\$2,336,057
2026	65	63	\$0	\$0	\$16,358	(\$10,477)	(\$6,400)	(\$519)	\$39,043	\$16,001	\$54,525	\$2,516,708
2027	66	64	\$0	\$0	\$15,181	(\$4,246)	(\$6,560)	\$4,375	\$40,019	\$16,401	\$60,795	\$2,699,667

Year	Age								Tax-Deferred Contributions		Net Cash Flow*** (=)	Potential Wealth (80% Likelihood)
	MR	MRS	Income Sources (+)	Gross Portfolio Income (+)	Taxes* (+/-)	Goals / Expenses** (-)	Net Amount (=)	Individual(s) (+)	Employer (+)			
2028	67	65	\$146,547	\$15,047	(\$27,247)	(\$170,129)	(\$35,782)	\$8,742	\$0	\$0	(\$27,040)	\$2,801,078
2029	68	66	\$150,210	\$14,696	(\$33,073)	(\$174,381)	(\$42,548)	\$8,960	\$0	\$0	(\$33,588)	\$2,899,641
2030	69	67	\$87,172	\$11,128	(\$15,296)	(\$169,557)	(\$86,553)	\$0	\$0	\$0	(\$86,553)	\$2,993,846
2031	70	68	\$89,351	\$10,688	(\$11,541)	(\$173,796)	(\$85,298)	\$0	\$0	\$0	(\$85,298)	\$3,071,452
2032	71	69	\$91,585	\$9,037	(\$15,572)	(\$178,141)	(\$93,091)	\$0	\$0	\$0	(\$93,091)	\$3,125,465
2033	72	70	\$93,874	\$10,365	(\$27,986)	(\$182,594)	(\$106,341)	\$0	\$0	\$0	(\$106,341)	\$3,202,752
2034	73	71	\$96,221	\$11,335	(\$29,582)	(\$187,159)	(\$109,185)	\$0	\$0	\$0	(\$109,185)	\$3,285,667
2035	74	72	\$98,627	\$9,706	(\$37,259)	(\$191,838)	(\$120,764)	\$0	\$0	\$0	(\$120,764)	\$3,344,934
2036	75	73	\$101,092	\$9,810	(\$46,890)	(\$196,634)	(\$132,622)	\$0	\$0	\$0	(\$132,622)	\$3,397,022
2037	76	74	\$103,620	\$6,119	(\$36,869)	(\$201,550)	(\$128,680)	\$0	\$0	\$0	(\$128,680)	\$3,425,267
2038	77	75	\$106,210	\$11,211	(\$36,510)	(\$206,589)	(\$125,678)	\$0	\$0	\$0	(\$125,678)	\$3,533,171
2039	78	76	\$108,865	\$12,654	(\$51,050)	(\$211,753)	(\$141,284)	\$0	\$0	\$0	(\$141,284)	\$3,558,056
2040	79	77	\$111,587	\$11,174	(\$44,732)	(\$217,047)	(\$139,018)	\$0	\$0	\$0	(\$139,018)	\$3,611,016
2041	80	78	\$114,377	\$17,934	(\$59,621)	(\$222,473)	(\$149,783)	\$0	\$0	\$0	(\$149,783)	\$3,623,856



# Estimated Cash Flow Summary (80% Likelihood)

Potential Wealth (Current Value: \$1,250,000)											
Year	Age		Income Sources (+)	Gross Portfolio Income (+)	Taxes* (+/-)	Goals / Expenses** (-)	Net Amount (=)	Tax-Deferred Contributions		Net Cash Flow*** (=)	Potential Wealth (80% Likelihood)
	MR	MRS						Individual(s) (+)	Employer (+)		
2042	81	79	\$117,236	\$16,653	(\$57,707)	(\$228,035)	(\$151,853)	\$0	\$0	(\$151,853)	\$3,702,995
2043	82	80	\$120,167	\$21,563	(\$49,972)	(\$233,736)	(\$141,978)	\$0	\$0	(\$141,978)	\$3,747,484
2044	83	81	\$123,171	\$19,146	(\$54,777)	(\$239,579)	(\$152,039)	\$0	\$0	(\$152,039)	\$3,750,448
2045	84	82	\$126,250	\$24,286	(\$58,040)	(\$245,569)	(\$153,073)	\$0	\$0	(\$153,073)	\$3,809,333
2046	85	83	\$129,407	\$23,278	(\$66,691)	(\$251,708)	(\$165,714)	\$0	\$0	(\$165,714)	\$3,836,103
2047		84	\$73,026	\$33,631	(\$79,610)	(\$258,001)	(\$230,954)	\$0	\$0	(\$230,954)	\$3,837,841
2048		85	\$74,852	\$17,147	(\$86,887)	(\$264,451)	(\$259,339)	\$0	\$0	(\$259,339)	\$3,773,814
2049		86	\$76,723	\$16,176	(\$92,664)	(\$271,062)	(\$270,827)	\$0	\$0	(\$270,827)	\$3,750,958
2050		87	\$78,641	\$31,575	(\$68,271)	(\$277,839)	(\$235,894)	\$0	\$0	(\$235,894)	\$3,638,312
2051		88	\$80,607	\$27,380	(\$85,820)	(\$284,785)	(\$262,618)	\$0	\$0	(\$262,618)	\$3,542,423
2052		89	\$82,623	\$31,541	(\$77,894)	(\$291,904)	(\$255,634)	\$0	\$0	(\$255,634)	\$3,399,397

\*Includes estimated Federal and State taxes provided by either you or Merrill Lynch. See *Appendix: Important Information Income Tax Estimation* section and *Appendix: Client Profile* for further details.

\*\*Includes your contributions to tax-deferred plans. Goals and expenses may reflect different values than other Analyses, depending on the specific goals considered in each Analysis.

\*\*\*Net Cash Flow represents the sum of all taxable savings, income sources, gross portfolio income, taxes, goals/expenses and tax-deferred contributions (individual and employer). Your Financial Advisor may have omitted some of these columns from your view for ease of viewing this Cash Flow Summary. If you would like a more detailed summary, please contact your Financial Advisor.

■ Indicates retirement age, current or anticipated, as applicable.

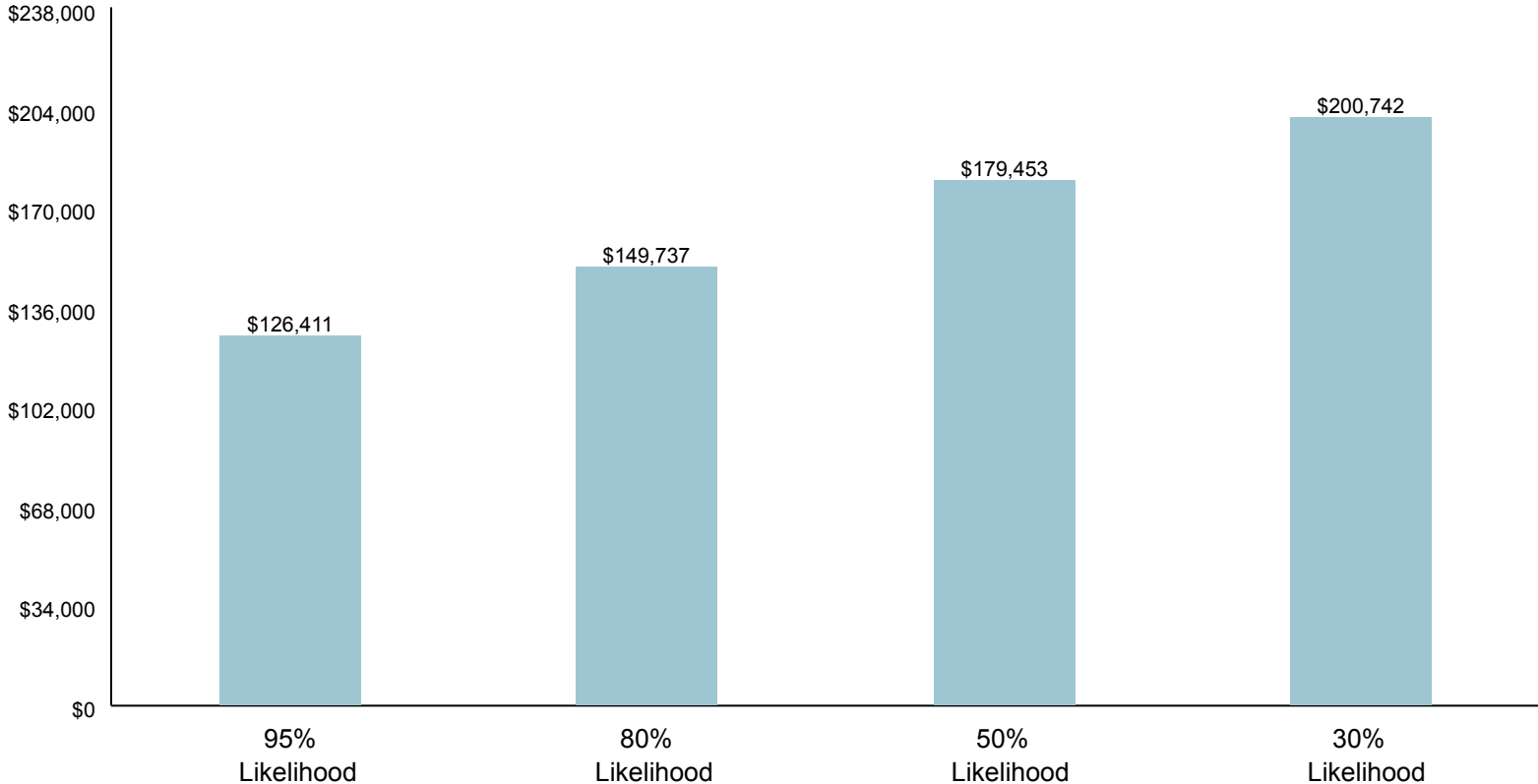
The Potential Wealth outcome shown above is hypothetical, is not guaranteed and your actual results could differ significantly for many reasons.

The Likelihood level(s) shown have been selected for purposes of the hypothetical analysis to demonstrate different potential outcomes. Other Likelihood options can be shown, please speak with your Financial Advisor for more information.

Additional information about the assumptions in the analysis is provided in *Appendix: Important Information* and *Appendix: Client Profile* at the end of this report.

# Potentially Achievable Annual Lifestyle

The following chart helps to illustrate an estimated sustainable annual spending amount from retirement age until the end of the analysis before running out of money under various scenarios. It may help to gauge the range of your sustainable annual spending during retirement.



The chart does not include any expenses occurring in retirement. A "likelihood" scenario indicates the estimated annual spending that can be sustained throughout retirement before running out of money, and is based on the confidence rate indicated. Any scenario with a likelihood lower than 50% would be considered optimistic, meaning your return on investments would be higher than the expected mean return. Any scenario with a likelihood higher than 50% would be considered pessimistic, likewise, your return on investments would be lower than the expected mean return. The Likelihood level(s) shown have been selected for purposes of the hypothetical analysis to demonstrate different potential outcomes. They are not guaranteed and your actual results could differ significantly for many reasons. Other Likelihood options can be shown, please speak with your Financial Advisor for more information. Additional information about the assumptions in the analysis is provided in *Appendix: Important Information* and *Appendix: Client Profile* at the end of this report.

## COST OF GOAL BASED ON ALLOCATION, TIME HORIZON AND CONFIDENCE LEVEL

Allocation <sup>1</sup>	Expected Return <sup>2</sup> (Annual, Arithmetic)	Expected Volatility <sup>2</sup> (Annual)	5 Years(\$K)			10 Years(\$K)			20 Years(\$K)			30 Years(\$K)		
			95%	75%	55%	95%	75%	55%	95%	75%	55%	95%	75%	55%
Conservative	5.6%	6.2%	95.2	83.8	78.0	79.9	66.8	60.3	53.4	41.4	35.9	34.7	25.4	21.3
Moderately Conservative	6.8%	8.9%	99.8	83.2	75.1	83.1	64.3	55.6	53.5	37.2	30.3	33.1	21.2	16.5
Moderate	7.8%	12.0%	106.6	83.8	73.2	89.5	63.7	52.6	57.1	35.4	26.9	34.5	19.2	13.8
Moderately Aggressive	8.2%	13.6%	111.0	84.6	72.5	94.1	64.1	51.5	60.4	35.1	25.8	36.4	18.7	12.9
Aggressive	8.6%	15.0%	115.0	85.3	72.0	98.3	64.4	50.7	63.5	35.0	24.9	38.3	18.4	12.2

■ Indicates the cheapest goal cost for the given priority and time horizon

The above table illustrates how the cost of goal varies for a given allocation over various time periods and confidence levels. It shows the cost in today's dollars of a single cash flow (\$100K) desired in future, given:

- Allocation<sup>1</sup>, corresponding expected return and Volatility<sup>2</sup>
- Time Horizon: 5, 10, 20 and 30 years
- Confidence Levels:
  - Essential Goals funded at (95%)
  - Important Goals funded at (75%)
  - Aspirational Goals funded at (55%)

### Important Information About the Report

The analysis is based on probabilistic modeling, which does not analyze specific security holdings. Instead, it analyzes the identified asset allocation, cash inflows and cash outflows. The analysis represents a static analysis at a specific point in time. Therefore, the results of the analysis can change over the time and with each use if any of underlying assumptions and/or profile data are adjusted. In addition, the analysis does not represent the results that would occur from extreme market event, either positive or negative due to the low probability of such an occurrence.

The tax assumptions used may change. The analysis assumes specific income and capital gains tax rates, unless provided by the client and may not accurately reflect the taxes applicable to a specific situation.

Additional analytical information can be found in Appendices: "Understanding Your Analysis" and "Important Information" within the Wealth Outlook Report.

\*The conservative to Aggressive model allocation is based on the US- biased Tier 0 Strategic Asset Allocation (SAA) models as shown within the RIC Report.

\*The annualized expected return and volatility are based on Merrill Lynch long-term Capital Market Assumptions {Return, Risk, Correlation}.

### Alternative Investments

Investments whose risks and returns are generally not correlated with more traditional investments (e.g. equities, fixed income and cash) which can include Managed Futures, Hedge Funds, Private Equities, income producing Real Estate, Precious Metals, Non-Traditional Funds (which are mutual funds and exchange-traded funds that are classified as alternative investments because their principal investment strategies utilize alternative investment strategies or provide for alternative asset exposure as the means to meet their investment objectives) and Market-Linked Investments. Alternative investments should be carefully considered based on an investor's investment objectives, risk tolerance, time horizon, liquidity needs and net worth. Some alternative investments, such as hedge funds and private equities, require a net worth of \$5 million or more and are often long-term, illiquid investments that are not easily valued.

### Arithmetic Mean Return

Arithmetic average or mean return is computed by dividing the sum of a set of numbers by the number of items. This is what people typically think of as the "average". Similarly, the arithmetic average return of an investment refers to the simple average of returns observed over a period of time and it ignores the impact of compounding. Therefore the arithmetic average return is an estimate of the return on a year-to-year basis. This is in contrast to the geometric average which represents the compound rate of return over a given observation period and as such is a more accurate measure of long-term performance.

### Asset Allocation

The mix of investment classes — equities, fixed income, cash, and, where appropriate, alternative investments — for an investor's portfolio. The appropriate balance is based on the anticipated return and relative risk of each asset category as well as your Investor Profile, including risk tolerance, investment objectives, time horizon, age, liquidity needs, and separately, your current asset allocation and asset level.

### Cash (Banking Assets and Brokerage Cash)

Refers to the total dollar value resulting from the aggregation of each account's Cash, short positions and margin balance. Where multiple accounts are included in the analysis, both Cash and Net Debit Balance may be reflected. The Cash value shown within the Wealth and Risk Allocation exhibit may include Banking Assets and Brokerage Cash. Based on their intended purpose, your Financial Advisor will group these assets across the personal and market risk categories as discussed with you and as reflected in *Appendix: Client Profile*. The grouping of these assets are for purposes of the Wealth and Risk Allocation exhibit only and does not change the nature of the underlying investment, related risk, or any legal protection.

### Cash Flow Mode

The specific cash flow setting used by your Financial Advisor to prepare your cash flow analysis. The two options available are:

**Define Taxable Savings:** This option requires less detailed profiling of pre-retirement cash flows and will simply assume that the defined savings indicated occur each year without looking at salary and pre-retirement lifestyle.

**Calculate Taxable Savings:** This option requires more detailed profiling of pre-retirement cash flows and will net all indicated expenses and taxes from all indicated income each year to determine what, if anything, will be saved to the taxable portfolio.

### Compound Annual Growth Rate

A measure of the average return of an investment over a period of time. In particular, it is the rate of return that, if realized consistently, would produce the same cumulative return that the investment actually achieved. Also known as *Annualized Return* or *Geometric Return*.

### Coverdell Education Savings Account

A Coverdell Education Savings Account (formerly Education IRA) is a custodial account or trust, usually maintained by a bank or financial organization, exclusively for the purpose of paying the qualified higher-education expenses of the designated beneficiary.

### Custom Allocation

A customized asset allocation model developed by your Financial Advisor based on your financial situation, tolerance for risk, liquidity needs, time horizon and investment objectives.

### Deterministic Modeling

Deterministic modeling assumes that a constant annual rate of return is applied to the portfolio every year throughout the analysis. This type of modeling does not illustrate year-by-year volatility of a portfolio.

### Diversification

Investing in multiple investments, typically of different kinds, to help limit risk. The concept of "not putting all your eggs into one basket."

### Effective Income Tax Rate

A term used in this report indicating the percentage of every dollar actually paid in taxes. It is calculated by dividing federal income tax liability (and state and local income taxes where applicable) by total gross income.

### Equities

Investments representing ownership in a corporation. As a part owner or shareholder, an investor could profit from the company's successes in the form of increased share prices, dividends, or both. On the other hand, equities have no fixed set value and are only worth what another investor is willing to pay at any given moment.

### Fixed Income

Debt investments representing money investors lend to a government or corporation (the issuer). The issuer, in return, promises to pay the investor a fixed or floating rate (coupon rate) at stated intervals over a predetermined period of time. At the end of this time (maturity date), the principal is returned to the investor. Prior to maturity, the value of the security fluctuates as current interest rates rise or fall.

### Goal Funding Shortfall

Represents the dollar amount that the aggregate goals or an individual goal may be underfunded.

### Goal Funding Surplus

Represents the dollar amount that the aggregate goals or an individual goal may be overfunded. Surplus funding is calculated for the duration of the analysis. Amount shown is not representative of the surplus today, but throughout the course of the analysis.

### Goal Priority

Priority of each goal which you specify. The goal must have one of three priorities:

**Essential:** Goals that matter the most and are of the highest priority. You may not be willing to take much risk to pursue these goals.

**Important:** Goals you seek to achieve, but may be willing to take on a more flexible risk tolerance to reach them. These goals are not as critical as your Essential goals, but more important than your Aspirational goals. You may be willing to take some risk to achieve these goals, potentially more than for your Essential goals but not as much as for your Aspirational goals.

**Aspirational:** The least critical, or "nice-to-have" goals. You may be willing to take the most risk compared to the other two goal priorities to achieve these goals.

### Hard Assets

Assets that are not classified and, therefore, not included in the analysis.

### Hedge Funds

In general, hedge funds offer access to strategies and returns not available to investors in traditional long-only strategies. Hedge funds offer a broad range of strategies that include event driven, equity long-short, relative value, multi-strategy, global macro, and managed futures. Hedge funds may include risks not typically underwritten by traditional managers such as leverage, a lack of transparency, and lower liquidity that make them inappropriate for some investors. Hedge funds are usually formed as limited partnerships or limited liability corporations. Additionally, there are eligibility requirements.

### Incentive Stock Options (ISOs)

Compensatory rights to purchase stock at a specific price for a specific time period. They are granted to an employee by an employer and are intended to meet the requirements for special tax treatment under the Treasury Regulations.

### Investor Profile

A description of various factors, including investment objectives, risk tolerance, liquidity needs and time horizon, based on what you tell us. The overall risk characterization of the investor profile – conservative, moderately conservative, moderate, moderately aggressive, and aggressive - serves as the foundation for a target asset allocation.

Each investor profile is associated with a target asset allocation range based on the Strategic Asset Allocation models developed by Merrill Lynch, which are designed to serve as guidelines for a long-term investment horizon. The allocation ranges are used in conjunction with Merrill Lynch's long-term Capital Market assumptions to determine a corresponding risk range associated with each investor profile. Specific information on Merrill Lynch's Capital Markets assumptions can be found in *Appendix: Understanding Your Analysis – Capital Markets Assumptions*.

### Lifetime Retirement Income

Sources of income that may continue for as long as you live, including Social Security, pensions, and certain income-generating products and investments. These sources of income are typically more stable than investment income.

### Lump Sum Invested Today

A term used in the education section identifying the amount of money you need to invest today using the college after-tax investment rate to fund all of the college cost.

### Managed Asset Short Allocation

When a managed asset has a negative allocation in one or more of its asset categories.

### Margin Balance

A balance represents either a debit balance (the amount owed to Merrill Lynch as a result of such transactions as trade commitments or Visa charges) or a credit balance (the amount held in your account after all trade commitments or Visa charges have been paid in full).

### Net Debit Balance

Refers to the negative number resulting from the aggregation of each account's Cash, short positions and margin balance. Where multiple accounts are included in the analysis, both Cash and Net Debit Balance may be reflected.

### Nonqualified Stock Options

Compensatory rights to purchase stock at a specific price, for a specific time period which do not meet receive special tax treatment. If granted with an exercise price of fair market value, no income is recognized at the time of grant. However, at the time of exercise, the difference between the fair market value and the exercise price becomes taxable compensation.

### Non-Traditional Funds

Non-Traditional funds (NTFs) are mutual funds and exchange-traded funds that are classified as alternative investments because their principal investment strategies utilize alternative investment strategies or provide for alternative asset exposure as the means to meet their investment objectives. Though the portfolio holdings of NTFs are generally made up of stocks and bonds, NTFs may also hold other asset classes and may use short selling, leverage and derivatives. While the strategies employed by NTFs are often used by hedge funds and other alternative investment vehicles, unlike hedge funds, NTFs are registered with the SEC and thus subject to a more structured regulatory regime and offer lower initial and subsequent investment minimums, along with daily pricing and liquidity. While these investment vehicles can offer diversification within a relatively liquid and accessible structure, it is absolutely essential to understand that because of this structure, NTFs may not have the same type of non-market returns as other investments classified as alternative investments (such as hedge funds) and thus may serve as an imperfect substitute for such other investment vehicles. The risk characteristics of NTFs can be similar to those generally associated with traditional alternative investment products (such as hedge funds). Like any investment, an investor can lose all or a substantial amount of his or her investment. In addition to the foregoing risks, each alternative investment vehicle is subject to its own varying degrees of strategy-specific or other risks. Whether a particular investment meets the investment objectives and risk parameters of any particular client must be determined case by case. No assurance can be given that the investment objectives of any particular alternative investment will be achieved. You must carefully review the prospectus or offering materials for any particular fund/pooled vehicle and consider your ability to bear these risks before any decision to invest.

### Portfolio Assets

A term used in this report to identify the sum of the following investment categories: cash and cash equivalents, equities and fixed income and incentive compensation awards.

### Private Equity

Private Equity managers invest in privately held and certain public companies. In general, they take controlling positions and/or board seats with the goal of seeking to support the operations of the companies or restructuring them to create value and, ultimately, deliver greater returns to investors. Private equity managers employ a range of strategies, and they typically take several years to invest their capital and realize returns. Because of their approach and constraints, Private Equity may not be suitable for all investors, particularly those with high liquidity needs. For example, Private Equity managers often require that money be "locked up" for a specific period of time; investments in Private Equity are typically illiquid for 10-12 years. These investments are usually formed as limited partnerships or limited liability corporations. Additionally, there are eligibility requirements.

### Probabilistic (Monte Carlo) Modeling

A statistical modeling technique in which a set of future outcomes is forecasted based on the variability or randomness associated with historical occurrences. The likelihood that an event will occur (e.g., assets balances will not drop below a specific value) is determined by analyzing the range of potential outcomes. In this report, a probabilistic approach is used to determine the range of potential wealth outcomes that could be realized. It involves generating thousands of scenarios, each simulating the growth of assets over a specified period of time, taking into account various factors, such as economic conditions, the allocation of assets, and market volatility. Of course, outcomes based on this modeling technique are not guaranteed and your actual results could significantly differ for many reasons.

### Probability Levels/Confidence Levels

A statistical measure of likelihood based on the ratio of "successful" occurrences to the total number of possible occurrences.

### Real Assets

Real Assets consist of Treasury Inflation Protected Securities (TIPS), commodities, and exposure to the real estate asset class, including both private real estate investments and Real Estate Investment Trust Securities (REITS). Historically, Real Assets have typically generated income and total returns that follow inflation (the TIPS component is included especially for inflation protection). In addition, Real Asset returns have had low correlations to other assets, offering potential diversification benefits. These investments may take many forms, and include limited partnerships or limited liability corporations, or publicly traded securities, such as ETFs or listed REITS.

### Restricted Stock

A grant of employer stock subject to non-transferability and vesting restrictions. Restricted stock usually includes voting and dividend rights. It is not taxable until the restrictions lapse, unless the employee timely makes an 83(b) election to be taxed at grant.

### Restricted Stock Unit

The right to receive a future delivery of shares and/or cash subject to vesting. A Restricted Stock Unit award offers no ownership rights until vesting but may provide for dividend equivalent units.

### Retirement Assets

A term used in this report to identify all the assets listed under retirement plans on the Wealth Outlook Profile.

### Section 529 College Savings Plan

A state-sponsored program designed to help families invest for qualified higher education expenses. Most states offer a Section 529 plan. Anyone can establish or contribute to a Section 529 plan, regardless of their income level. Investment options vary by plan, but most plans offer investment portfolios consisting of underlying mutual funds or individual mutual fund options. Withdrawals, including any earnings, used for qualified higher education expenses are exempt from federal income tax. The earnings portion of non-qualified withdrawals is subject to federal income tax, and may be subject to a 10% additional federal tax, as well as applicable state and local income taxes. Before you invest in a Section 529 plan, request the plan's official statement from your Merrill Lynch Financial Advisor and read it carefully. The official statement contains more complete information, including investment objectives, charges, expenses and risks of investing in the plan, which you should carefully consider before investing. You should also consider whether your home state or your designated beneficiary's home state offers any state tax or other benefits that are available only for investments in such state's 529 plan. Section 529 plans are not guaranteed by any state or federal agency.

### Short Position

When an investor sells a borrowed security in anticipation of a price decline. This activity involves risk because an increase in the price of the stock will result the investor having to cover the position by, among other things, selling securities or depositing additional funds. Investors should fully understand these risks. Note that short positions are included as part of the cash calculation. Where a Net Debit Balance exists, the Short Position value is shown. Your Financial Advisor can provide additional detail regarding short positions in your account.

### Standard Deviation

A measure of the extent to which observations in a series vary from the arithmetic mean of the series. The standard deviation of a series of asset returns is a measure of volatility, or risk, of the asset.

### Stock Appreciation Right

A right to receive cash and/or shares equal to the appreciation in the employer's stock value from the date of grant to the date of exercise. A stock appreciation right is economically similar to an option, except that the employee does not pay to exercise, receives only the spread value upon exercise, and receives the spread in either cash or shares.

### UGMA/UTMA accounts

Custodial accounts funded with the gifts given to minors through the Uniform Gift to Minors Act/Uniform Transfer to Minors Act.

### Unclassified Assets

Assets that cannot be assigned to an asset class within the standard asset schema. Capital market assumptions cannot be properly applied to these assets so they are removed for calculation/forecasting purposes. Unclassified Asset values are displayed for Net Worth and Asset Allocation purposes for overall balance purposes.

## Appendix: Understanding Your Analysis

Your analysis, including the illustrations presented, is based on information that you have provided, including:

- Personal information about yourself and any other individuals you have provided for the analysis;
- Cash flow information (e.g., goals, other current and planned expenses, income and savings), and
- The current value of your disclosed assets and their overall allocation. A complete listing of all the information included in this analysis can be found in the *Appendix: Client Profile* of this report.

It is important to understand that the results of this analysis depend on the information you provided about your assets, liabilities, goals, income, expenses and other relevant financial data. Failure to include complete information will materially impact the results of this analysis. It is also important to understand that portfolio values will fluctuate over time due to a number of reasons, including market fluctuations. This analysis represents information as of the date indicated.

### Important Forecasting Assumptions

**IMPORTANT:** The projections or other information shown in this analysis 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 may vary with each use and over time.

### Probabilistic Modeling

Portions of this analysis are based on probabilistic modeling. Probabilistic modeling is a statistical modeling technique in which a set of future outcomes are forecasted based on the variability or randomness associated with historical occurrences. In this report, a probabilistic approach is used to determine the likelihood that you may be able to achieve your stated goals and to identify a range of potential wealth outcomes that could be realized. It involves generating thousands of scenarios, each simulating the growth of assets over a specified period of time, taking into account a variety of factors, such as economic conditions, the allocation of assets, portfolio value, cash flow and market volatility. The analysis presented is not a guarantee, prediction or projection of any particular result and your actual results may vary materially. Rather, this analysis is directional in nature and can be used to help you evaluate how certain decisions or strategies may impact your ability to achieve your goals. You should also understand that probabilistic modeling does not analyze specific security holdings, but instead analyzes the identified asset allocation and identified cash inflows and outflows, and that the results of the analysis can change over time and with each use if any of the underlying assumptions or profile data is adjusted. In addition, this analysis does not represent the results that would occur from an extreme market event, either positive or negative, due to the low probability of such an occurrence.

In addition, the following treatment is applied within the Retirement analysis:

- surplus net cash flows are assumed to be reinvested into the taxable portion of your portfolio at the end of each year, and
- net cash flow deficits are funded first from taxable assets and then from the tax-advantaged assets (Note: the analysis will account for any penalties that may result from premature withdrawals from qualified plans).

It is important to note that this methodology results in goals/expenses that occur earlier in the Retirement analysis receiving greater priority as they are more likely to be funded than goals that occur later in the analysis.

For further information, you should carefully review the explanation of the methodology used, including key assumptions, which is provided in this report.

For more specifics on probabilistic modeling, including the capital market assumptions used in this analysis, see *Appendix: Important Information* of this report. Assumptions regarding asset allocation,

portfolio value, and cash inflow and outflows are based on information you provided and are identified in *Appendix: Client Profile* of this report.

### Your Net Worth Statement

Your net worth includes only the assets and liabilities you identified in your profile and all employee retirement benefits are assumed to be fully vested. It does not include assets which you do not directly and personally control, such as defined benefit pension plans, non-vested stock options and trust funds from which you cannot withdraw principal.

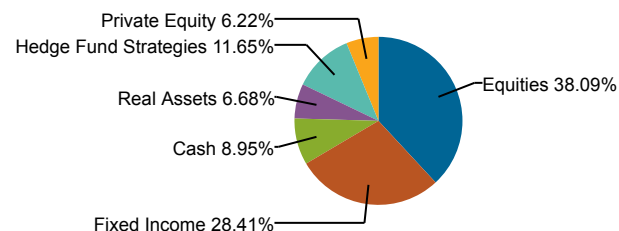
Life insurance proceeds (face value) and survivor annuities are not included because they are not available to you while you are alive.

The potential capital gains and other taxes which may be incurred when converting your assets to cash are also not considered in the calculation of your net worth.

### Your Asset Allocation Analysis

Based on the information you provided, your investor profile represents a Moderate model.

The asset allocation model reflected in this analysis is based on the asset allocation calculated by the Goals-Based analysis.



**The risk associated with the asset allocation model is consistent with the risk corresponding to your investor profile.**

You should discuss the allocation model reflected in this analysis with your Financial Advisor to ensure it is appropriate for you. Note that if you choose to re-allocate your assets to the asset allocation model shown, you may incur transaction charges and taxes. Your advisors, including tax advisors, can help you develop strategies to manage the tax impact of these changes.

**Important Note about Alternative Investments:** Alternative investments can provide diversification benefits not obtained from more traditional investments, but should be carefully considered based on your investment objectives, risk tolerance, liquidity needs and time horizon. Certain types of products that implement alternative investment strategies (such as hedge funds and private equity) are often long-term, illiquid investments that are not easily valued, while other types of products that implement alternative investment strategies, such as Non-Traditional Funds (NTFs) (mutual funds and exchange traded funds that pursue alternative strategies or provide alternative asset exposure) are generally liquid. NTFs, hedge funds, private equity funds and other products that implement alternative investment strategies may be reflected in the alternative investment asset allocation.

- For Alternative Investments, Exchange Funds, Hedge Funds, Private Equity, Managed Futures Precious Metals, NTFs and select Market-Linked Investments may be included.

## Appendix: Understanding Your Analysis

- For “Other” and “Hard” Assets, items that are not easily classified in to the asset classes above (such as business interests, investment real estate, options, and life insurance) are shown for informational purposes only and are not part of your analysis.

### Your Retirement Analysis

You have elected to receive your retirement analysis based on probabilistic forecasting. You should read and understand the information presented in this section of the report as well as in the *Appendix: Important Information* section at the end of this report. You should also discuss this election with your Financial Advisor to ensure you understand the impact it may have on your analysis.

The potentially achievable lifestyle presented in this analysis was based on information you provided concerning your asset allocation and the timing and amount of cash flows. It is important to understand that this is not a guarantee of success. Your achievable lifestyle may be higher or lower depending on a number of factors including, but not limited to, your spending and saving habits, changes in asset allocation and the changing investment markets.

Assets that you indicated were reserved for funding education goals are not considered to be available to fund other goals or expenses. Any surplus funds remaining after all education goals for a particular child are funded will not be reflected in your retirement analysis. These surpluses are assumed to have passed to the child and are outside of your control or access.

If the education funds you specified are not sufficient to fund a particular child's education goals, deficits will be withdrawn first from your taxable portfolio and then from your tax-deferred portfolio. Education funds designated for one child will not be used to cover deficits for another child.

This analysis does not include any transaction costs that may be associated with purchasing or selling securities. Portfolio Management or other advisory-related fee assumptions may be included. For more information please see the Assumptions Regarding Fees Section of *Appendix: Client Profile*.

### Goal Funding Status Analysis

#### Purpose

The Goal Funding Status analysis is designed to provide an estimate in present value terms of the achievability of your financial goals when compared to your available funding sources (current assets, future incomes and savings) based on inputs, assumptions and methodology described below as of the date of this analysis.

#### Your Goals

Goals are defined as desired annual cash-flows over a pre-specified future time-horizon and with a desired priority. Common goals considered in the analysis may include:

- A pre-retirement lifestyle goal that grows with inflation
- A retirement lifestyle goal that grows with inflation
- An education goals that grow with inflation
- A legacy wealth goal for heirs or other dependents
- Other goals that grow with inflation

A goal's priority is in the analysis as Essential, Important or Aspirational, and its priority is used in two ways:

1. To determine the order in which goals are funded using your current assets and future resources. Essential goals, which have the highest priority are funded first, followed by Important goals, and finally by Aspirational goals. For example, you may assign a retirement lifestyle goal with the highest priority (Essential), so that it is funded first; and.

2. To define a level of investment risk tolerance that is acceptable in funding each goal:

- **Essential** – Goals that matter most and cannot be sacrificed, (e.g. ensuring you have sufficient resources to meet your basic pre-retirement and retirement lifestyle spending). As such, you may not be willing to take much risk to pursue these goals. The methodology uses a 95% probability of success measure to determine the achievability of these goals.
- **Important** – Goals you aim to achieve, but may have some flexibility in how or when they are reached, (e.g. ability to fund a child's education needs). As such, you may be willing to take some risk to achieve these goals, more than for your Essential goals but not as much as for your Aspirational goals. The methodology uses a 75% probability of success measure to determine the achievability of these goals.
- **Aspirational** – The least critical, or “nice-to-have” goals, (e.g. ability to buy a boat or vacation house). As such, you may be willing to take more risk to achieve these goals. The methodology uses a 55% probability of success measure to determine the achievability of these goals.

The above examples may vary from person to person. As always, there is a trade-off between risk and probability of success: the higher the potential risk, the lower the probability of success to achieve a particular goal. For additional information of probability measures used in this analysis, please see *Appendix: Glossary-Probabilistic (Monte Carlo) Modeling and Probability Levels/Confidence Levels*.

### Asset Allocation

The asset allocation used within the analysis can be one of the three choices:

- Current – Your current asset allocation based on the information you provided about your accounts and assets or information we have on record for you;
- Target – Your target asset allocation can be based on the following:
  - As selected by your Financial Advisor in consultation with you and, if desired, your legal and/or tax advisors,
  - An asset allocation using the methodology described below.

The asset allocation used is reflected in the *Appendix: Client Profile* section of this report.

### Analytics Processing

The analysis estimates the achievability of each goal based on the selected asset allocation (current, target or suggested), a level of investment risk commensurate with the goal's priority and time-horizon, your current asset, and the and expected future resources that you specified.

- The present value of a future goal is estimated using analytical formulas that model the uncertainty in future investment returns assuming a log-normal distribution and compute a desired future cash-flow's present value via risk-adjusted discounting as a function of the target amount, time-horizon, priority, and asset class capital market assumptions (see section below):
  - Each cash-flow within a multi-year goal is treated separately and then calculated together.
  - A goal's present value is the estimated initial wealth (in today's dollars) to invest in the selected asset allocation to achieve the target amounts consistent with your stated time-horizon and goal priority level.
- The present value of the expected future inflows available to fund each goal is estimated based on the expected inflation rate as indicated in *Appendix: Client Profile - Goals and Expenses*. It is important that future income and savings entered are realistic and achievable.



# Appendix: Understanding Your Analysis

- Deferred compensation accounts are incorporated into the analysis by the following 2 step process:
  - Step 1: Project the growth of the account till the payout year.
  - Step 2: The projected account balance is treated as income at the payout year.

Note: Deferred compensation accounts can be projected using a deterministic or probabilistic method:

- Deterministic – Rate of return entered by your Financial Advisor is used to project the account balance.
- Probabilistic – Asset allocation specified by your Financial Advisor and 95% probability of success is used to project the account balance.
- The estimated cost of each goal is compared against current and future assets available to fund that goal to estimate its achievability or funding status in present value terms. This is repeated for every goal, in order of goal priority, to determine the overall plan funding status:
  - In estimating the funding status of each goal, the available future inflows are used first, followed by current assets;
  - Although you may elect to use surplus assets within education accounts (529, taxable education, etc.) to fund non-education goals, they are only used once any education goal is fully funded;
  - Required minimum distributions for retirement accounts are not considered in this analysis.

## The Impact of Taxes

Taxes are estimated based on the rates you provided as indicated in the Tax Information section of *Appendix: Client Profile*. Note that tax rates can change over time. Taxes on investment income from taxable accounts are determined based on the characteristics of the income generated from the assets, and are computed as if due in the year of the goal.

Withdrawals in a given year will be first taken from taxable accounts so that your tax-advantaged investments can continue to grow tax-deferred. If you have more than one taxable account, withdrawals will be first taken out from accounts with the highest cost basis.

Additional information can be found in *Appendix: Client Profile - Effective Tax Rate*

## Capital Market Assumptions

The analysis uses long-term capital market assumptions developed by Merrill Lynch to generate a range of potential future return outcomes and are presented for informational purposes only:

ASSET CLASS LONG TERM CAPITAL MARKET ASSUMPTIONS				
Returns, Standard Deviation and Income (Annual)				
Asset Class	Arithmetic Mean Return	Standard Deviation	Geometric Mean Return	Income
Equity	9.50%	18.00%	8.05%	1.75%
Fixed Income	5.30%	7.50%	5.03%	5.30%
Cash	3.00%	0.90%	3.00%	3.00%
Real Assets	6.20%	14.10%	5.28%	3.12%
Hedge Fund Strategies	7.20%	9.70%	6.76%	0.00%
Private Equity	11.00%	23.00%	8.69%	11.00%

ASSET CLASS LONG TERM CAPITAL MARKET ASSUMPTIONS						
CORRELATION MATRIX						
	Equity	Fixed Income	Cash	Real Assets	Hedge Fund Strategies	Private Equity
Equity	1.000					
Fixed Income	0.237	1.000				
Cash	-0.014	0.044	1.000			
Real Assets	0.567	0.273	-0.094	1.000		
Hedge Fund Strategies	0.492	0.226	0.132	0.513	1.000	
Private Equity	0.586	-0.072	-0.062	0.555	0.376	1.000

In addition please note that:

- The core long-term expected inflation rate is assumed to be 2.5%;
- Concentrated equity positions are not given any special treatment or differing assumptions in this analysis; they are treated as diversified equity holdings.

This analysis does not include any transaction costs or fees that may be associated with purchasing or selling securities. Portfolio Management or other advisory-related fee assumptions may be included. For more information please see the Assumptions Regarding Fees Section of *Appendix: Client Profile*.

**These assumptions are not guarantees or projections of future results and the actual performance of your portfolio may differ significantly from the asset class return assumptions. The outcomes shown in this analysis should be considered as estimated and hypothetical and will differ from actual outcomes.**

## Target Asset Allocation

As indicated above, your Target Asset Allocation is selected by your Financial Advisor, based on your Investor Profile and other factors; or based on the Goals Based analytical engine. The Goals Based analytical engine determines a suggested asset allocation for each goal based on an estimated value in present value terms. Then, each of Merrill Lynch's available strategic asset allocation (SAA) models are reviewed to identify the lowest required estimated value in today's dollars based on annual future cash flow and specified goal priority (as described above).

## Appendix: Understanding Your Analysis

This process is then repeated for each desired future cash-flow of a multi-year goal. The selected models and present value amounts are finally aggregated into one target asset allocation.

For example, the Goals Based analytical engine will suggest a more conservative asset allocation for an Essential goal than for an Aspirational goal over the same time-horizon. The assumption is that a conservative asset allocation has a tighter future projected wealth distribution than an aggressive one over the same time horizon. Therefore a conservative asset allocation is preferred for Essential goals that need to be achieved with very high confidence (i.e. Essential priority or 95% probability of success).

The Target Asset Allocation generated by the Goals Based analytical engine may be different than the asset allocation selected by your Financial Advisor. Differences may relate to your risk tolerance, liquidity, financial situation and needs and other important factors. If you have questions about your Target Asset Allocation and how it has been derived, please speak with your Financial Advisor.

Additional considerations based on net worth, income and the goal's time-horizon are also taken into account when selecting a Target Asset Allocation. For example, an allocation containing less liquid products (e.g. Hedge Funds or Private Equity) would generally not be used for goals with short-term time-horizons. Additionally, a Target Asset Allocation will not contain investments that a client is not qualified for (e.g. Hedge Funds or Private Equity), irrespective of time-horizon.

*Additional information regarding the Investor Profile can be found in Appendix: Glossary and Appendix: Client Profile. Please speak with your Advisor if you wish to make changes.*

## Appendix: Important Information

THIS REPORT IS FURNISHED ON A CONFIDENTIAL BASIS FOR THE USE OF THE RECIPIENT AND THEIR ADVISOR AND FOR DISCUSSION PURPOSES ONLY AND IS SUBJECT TO COMPLETION OR AMENDMENT.

### Important Disclosures

The information contained in this report does not constitute a solicitation to buy or sell any security.

You are not required to transact business with Merrill Lynch or to implement any of the suggestions made in connection with this report. You should carefully consider all relevant factors if you choose to implement through Merrill Lynch any or all of the suggestions made in connection with the report, and consult with your outside professional advisors. Merrill Lynch and its affiliates do not provide legal, tax or accounting advice. In addition, Merrill Lynch will be acting solely as broker-dealer, not as an investment advisor (unless otherwise agreed in writing) and may execute transactions for your account as agent or principal. Merrill Lynch and its Financial Advisors will receive compensation for such transactions. Your Financial Advisor can provide you with additional information. All recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs, and risk tolerance.

### Explanation of Analyses and Assumptions

The analyses, suggested asset allocations and recommendations contained in this report are based on:

- Information you provided in the questionnaire or verbally to your Financial Advisor.
- Appropriate financial concepts.
- Investment assumptions pertaining to your current and proposed portfolios, and individual asset classes.

The assets and liabilities identified in *Appendix: Client Profile* are the basis for all analyses in this report.

The GWM Investment Management & Guidance Group developed the analytics used to create this report. The validity of recommendations and analyses contained in this report is dependent upon the accuracy and thoroughness of the data provided by you. The use of different data will result in different results.

### Classification of Securities

- For Asset Class or Sector analyses, securities are generally classified by asset class and sector.
- For Sector, security classifications are based on Global Industry Classification Standard ("GICS"). Source: Morgan Stanley Capital International ("MSCI") and Standard & Poor's ("S&P"), a division of the McGraw Hill Companies, Inc.
- Convertible securities and options are classified as Equities.
- Preferred stock is classified as Fixed Income.
- Life Insurance Products are classified as Other.
- For Alternative Investments, Exchange Funds, Hedge Funds, Private Equity, Managed Futures, Precious Metals and select Market-Linked Investments may be included.

- For "Other" and "Hard" Assets, items that are not easily classified into the asset classes above (such as business interests, investment real estate, options, and life insurance) are shown for informational purposes only and are not part of your analysis.
- When External Assets are included in a Report (as described further in the External Assets section of this Appendix), holdings are generally classified, where available, as indicated above. If a classification is not available, External Assets are classified as "Other".
- For mutual funds, exchange traded funds, closed end funds and the investment options of underlying annuities, the fund may be shown by holdings or, optionally, by profile (fund objective). When shown by holdings, the fund is classified by the asset class, sector, size and style or maturity breakdown of those holdings. When shown by profile, the fund is classified by the asset class, sector, or size and style provided by vendors and mapped to Merrill Lynch's RIC (Research Investment Committee) allocation schema in order to report the industry's or Merrill Lynch's interpretation of the objective of the fund/pooled investment vehicle. Note that the data used for this classification is obtained from a variety of sources and may not be current (see "Data As Of" date shown in the Details Section for the date the portfolio holdings were reported by the fund). Mutual funds, exchange traded funds, closed end funds and the investment options of underlying annuities may change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds, exchange traded funds, closed end funds, and the investment options of underlying annuities may not accurately reflect the current composition of these funds. The classification of these securities may differ from other sources due to differing methods of classification (e.g. shown and classified by holdings versus by profile). As such, this Report may differ from other reports (e.g., your Merrill Lynch account statement, in which these funds are always shown by profile) depending on whether the funds are shown by holdings or by profile in this Report. In particular, Non-Traditional Funds (NTFs), mutual funds and exchange traded funds that pursue alternative strategies or provide alternative asset exposure, may be classified as alternative investments when shown by profile, but when shown by holdings, the NTF will be classified by the asset class, sector, size and style or maturity breakdown of its holdings, which may reflect no allocation to alternative investments.
- If the holdings or profile data for mutual funds, exchange traded funds, or closed end funds is not available, the fund is classified by its predominant asset class ("Data As Of" date shown as "N/A" in the Details Section). If the holdings or profile data for the investment options of underlying annuities is not available, fixed annuities and market value adjusted annuities are classified as Fixed Income and variable annuities are classified as Equities. Note that annuities and life insurance products are not held in your account but are included here for your information.
- For investment advisory programs asset allocation information may be based on your actual holdings, model portfolio holdings or the mandated style. Your Financial Advisor can provide additional information.

### External Assets

The following important information is provided to help you better understand the external assets information that has been provided in this Report, if applicable, and to advise you of action you may need to take by periodically reviewing those assets. If you have requested your Advisor include your external assets in this Report, your disclosed external assets are reflected in Appendix: Client Profile in the "Investment Assets Not Held at Merrill Lynch or Bank of America" section. For purposes of the following information, these assets are referred to generally as "External Assets."

- External Assets may include holdings, values and other information that have been supplied: (1) by you to your Advisor; (2) by you through My Financial Picture; (or) through My Financial Picture by a third party service which combines your External Assets and provides that information to Merrill Lynch.

## Appendix: Important Information

- Please make sure you periodically review your External Assets and if you have provided External Assets-related information to your Financial Advisor for inclusion in this or other reports and analyses, it is important that you provide your Financial Advisor with updated values, as appropriate.
- Your Advisor and Merrill Lynch will not update information relating to your External Assets, except for pricing information, if pricing information for the particular security is available to Merrill Lynch. Please refer to "Pricing of Securities" within Appendix: Important Information for additional information.
- *Your Merrill Lynch Account Statement is your official record of holdings, balances, and security values for your accounts at Merrill Lynch and sold to you by your Financial Advisor. Any investments sold to you by your Merrill Lynch Financial Advisor will be included on your Merrill Lynch Account Statement. Any information contained in this Report does not replace or supersede information on your Merrill Lynch Account Statement or any third party account statement for your External Assets. If there is any inconsistent information reflected for the External Assets information included in this Report, please refer to the statement or report sent to you by the third party and notify the Office Management Team at your Merrill Lynch branch office so that we may update the information.*
- **Merrill Lynch does not independently verify the accuracy of the information supplied, by you or any third party used through My Financial Picture.**
- Although Merrill Lynch may be providing you with information relating to External Assets, Merrill Lynch does not provide investment advice with respect to External Assets unless otherwise agreed to between you and Merrill Lynch.

### IMPORTANT FORECASTING ASSUMPTIONS

**IMPORTANT: The projections or other information shown in a Wealth Management Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.**

#### Forecasting Return Assumptions

The analyses contained in this report uses forward-looking rates of return developed by Merrill Lynch. The rates of return reflect the range of potential performance outcomes for each asset class over the next 25 years and are presented for informational purposes only. These assumptions are not guarantees or projections of future results and the actual performance of your portfolio may differ significantly from the asset class return assumptions.

- Probabilistic modeling is used by default in the Retirement analysis, however your Financial Advisor may have chosen to use deterministic modeling.
- If deterministic modeling is used, the standard deviation is assumed to be 0%
- For Education, Estate and Insurance analyses, deterministic modeling is used and the returns associated with 50% confidence level are used
- For Stock Options analysis, the stock value is projected using deterministic modeling and the returns associated with 50% confidence level.

The assumptions used within the analysis are:

ASSET CLASS LONG TERM CAPITAL MARKET ASSUMPTIONS Returns, Standard Deviation and Income (Annual)					
Asset Class	Arithmetic Mean	Standard Deviation	Geometric Mean Return	Income	Portfolio Turnover
Equities	9.5%	18.0%	8.0%	1.75%	35.0%
Large-Cap Growth	9.9%	20.6%	8.0%	1.20%	35.0%
Large-Cap Value	9.2%	16.5%	8.0%	2.60%	35.0%
Small-Cap Growth	11.5%	28.8%	8.0%	0.40%	35.0%
Small-Cap Value	9.8%	20.5%	8.0%	1.70%	35.0%
International	10.0%	21.2%	8.0%	1.75%	35.0%
Fixed Income	5.3%	7.5%	5.0%	5.30%	30.0%
Long-Term Bonds	6.4%	12.4%	5.6%	6.35%	30.0%
Intermediate-Term Bonds	5.0%	5.5%	4.8%	4.97%	30.0%
Short-Term Bonds	4.1%	3.3%	4.0%	4.08%	30.0%
Cash	3.0%	0.9%	3.0%	3.00%	100.0%
Real Assets	6.2%	14.1%	5.3%	3.12%	35.0%
Hedge Fund Strategies	7.2%	9.7%	6.8%	0.00%	75.0%
Private Equity	11.0%	23.0%	8.7%	11.00%	10.0%

The return and standard deviation assumptions listed below are used within the probabilistic analyses for a concentrated stock position and are based on the sector classification of the holding.

**INDUSTRY SECTOR LONG TERM CAPITAL MARKET ASSUMPTIONS**  
**Return and Standard Deviation**

Sector	Portfolio Turnover	Return	Volatility
Consumer Discretionary	35.0%	9.9%	43.3%
Consumer Staples	35.0%	6.9%	33.7%
Energy	35.0%	7.0%	28.3%
Financials	35.0%	10.4%	47.3%
Health Care	35.0%	7.7%	43.5%
Industrials	35.0%	9.4%	35.6%
Information Technology	35.0%	13.3%	73.0%
Materials	35.0%	9.0%	40.8%
Real Estate	35.0%	7.2%	34.2%
Telecom Services	35.0%	9.4%	52.7%
Utilities	35.0%	5.7%	47.4%

Note that the deterministic analyses do not reflect the increased portfolio risk and volatility usually associated with holding a concentrated position.

**Additional Assumptions Related to Probabilistic and Deterministic Modelling:**

- Analyses based on a target asset allocation that differs from your current allocation do not take into account fees and capital gains taxes incurred by re-allocating from your current asset allocation.
- Annual rebalancing of portfolios is consistent with the asset allocation used in the analysis.
- Transaction costs are not included. Fee assumptions may be included into certain analyses. For more information please see the Assumptions Regarding Fees Section of *Appendix: Client Profile*.
- Dividends and income are reinvested to the extent not used to fund annual spending.
- The core inflation rate is assumed to be 2.5%.

**Alternative Investment Risks**

For investors who may want to consider alternative investments as part of a diversified portfolio, careful consideration should be given to the associated risks of these investments. The investor's investment objectives, time horizon, risk tolerance, liquidity needs and net worth should be appropriate as certain types of products that implement alternative investment strategies (such as hedge funds and private equity) are often long-term, illiquid investments that are not easily valued. Often specific levels of net worth and liquidity are required in making certain alternative investments available (e.g., for some alternative investments, such as hedge funds and private equity, net worth of \$5 million or more is required). In addition, the timing of capital calls and distributions may not be predictable; periodic pricing or valuation information may not be available; and complex tax structures may be utilized and there may be delays in distributing important tax information. Certain alternative investment products (such as hedge funds and private equity) are sold pursuant to exemptions from registration with the SEC and may not be subject to the same regulatory requirements as other investment products. Certain alternative investments require tax reports on Schedule K-1 to be prepared and filed. As a result, investors will likely be required to obtain extensions for filing federal, state, and local income tax returns each year. Certain other investments in your portfolio may also be classified as alternative investments. Non-Traditional funds (NTFs) are mutual funds and exchange-traded funds that are classified as alternative investments because their principal investment strategies utilize alternative investment strategies or provide for alternative asset exposure as the means to meet their investment objectives. Though the portfolio holdings of NTFs are generally made up of stocks and bonds, NTFs may also hold other asset classes and may use short selling, leverage and derivatives. While the strategies employed by NTFs are often used by hedge funds and other alternative investment vehicles, unlike hedge funds, NTFs are registered with the SEC and thus subject to a more structured regulatory regime and offer lower initial and subsequent investment minimums, along with daily pricing and liquidity. While these investment vehicles can offer diversification within a relatively liquid and accessible structure, it is absolutely essential to understand that because of this structure, NTFs may not have the same type of non-market returns as other investments classified as alternative investments (such as hedge funds) and thus may serve as an imperfect substitute for such other investment vehicles. The risk characteristics of NTFs can be similar to those generally associated with traditional alternative investment products (such as hedge funds). No assurance can be given that the investment objectives of any particular alternative investment will be achieved. Like any investment, an investor can lose all or a substantial amount of his or her investment. In addition to the foregoing risks, each alternative investment vehicle is subject to its own varying degrees of strategy-specific or other risks. Whether a particular investment meets the investment objectives and risk parameters of any particular client must be determined case by case. You must carefully review the prospectus or offering materials for any particular fund/pooled vehicle and consider your ability to bear these risks before any decision to invest. The use of different data will result in different risk allocation.

## Pricing of Securities

Pricing of securities is provided for your information. Your Account Statement is your official record of holdings, balances and security values for your accounts at Merrill Lynch and sold to you by your Advisor. Unless you or a third party have provided the values for any External Assets, values reflect information as of the "As of Date" shown. Values for External Assets (if you have chosen to include them) will reflect information as of the "As of Date" indicated, provided pricing information for the particular security is available to Merrill Lynch. Otherwise, pricing information for External Assets are based on values you or a third party have provided to Merrill Lynch. Please contact your Advisor if you have questions relating to pricing information. Please see the External Assets section in Appendix: Important Information for important information relating to External Assets generally, including reviewing the External Assets with your Financial Advisor on a regular basis. Annuities and life insurance products are not held in your account. Their values are listed in the report for your convenience. Life Insurance Cash Values and Annuity Contract Values are used to calculate Total Portfolio Value. These values are as of close of business one day prior to the "As of Date" shown. Cash Values may not reflect immediately available funds due to loan balances and/or policy changes. Annuity Contract Values may not reflect immediately available funds due to contract changes. Prices specified may fluctuate and the price at the time of purchase or sale may be more or less than that shown. Prices may also change subsequent to purchase, and the value of your investment may decrease.

## Asset Allocation Models

Where a Merrill Lynch asset allocation model is presented, it is an allocation model developed by BofA-Merrill Lynch Global Research or GWM Investment Management & Guidance for use with Merrill Lynch clients. These models represent asset allocation approaches based on a client's profile and investment objectives and are subject to change as market conditions change in the future. In addition, Merrill Lynch asset allocation models including alternative investments consider liquidity needs as an important factor in the formation of an asset allocation strategy. Liquidity refers to the ability or timeliness with which assets can be converted into cash. Depending on your personal financial needs and objectives, it is important to consider whether you may need to sell investments to raise cash over varying time horizons. If the Merrill Lynch asset allocation model used in this report includes alternative investments, it is designed for investors with lower liquidity needs, which means that up to 10-30% of the portfolio may be illiquid for 3-5 years.

Alternatively, your Financial Advisor may have customized an asset allocation for your specific situation which may or may not be based on a Merrill Lynch asset allocation model. You should regularly review your asset allocation with your Financial Advisor and your professional advisors. Asset Allocation does not assure a profit or protect against a loss in declining markets. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns.

- The Portfolio Assets Rate of Return represents the after-tax rate of return that your portfolio assets are projected to generate for the purposes of this analysis. Liquidating your portfolio assets would be more costly than the financing alternatives with lower interest rates because you would be losing a greater amount of investment income than you would be paying in interest costs.

Merrill Lynch does not provide advice on tax issues. Interest expense may not be deductible for all taxpayers. Please consult your tax advisor.

## Standard Deviation

Standard deviation is a measure of the amount of risk present in a portfolio. It gives an indication of the range of returns to be expected in an average year. For example, if a portfolio has an average annual return of 10% and a Standard Deviation of 6%, 2/3 of the time, returns were between 4% and 16% in a year. Generally, the higher the Standard Deviation, the higher the variability or risk.

## Income Tax Estimation

If you provided estimated tax rates, they were used as the basis for income tax estimation in this analysis. The estimates you provided are detailed in the *Appendix: Client Profile* section at the end of this report.

If you requested a systematic estimation of future estimated income taxes in your analysis, the key assumptions used are explained below as well as in the *Appendix: Client Profile* section at the end of this report.

It is important to remember that these estimates are provided as a general guideline and it is very likely that your actual future tax liability would be higher or lower than illustrated here.

In addition to the assumptions provided in the *Appendix: Client Profile* section of this report, the following key assumptions are made when requesting a systematic estimation.

- The only tax filing statuses available are Single and Married Filing Jointly.
- The tax estimation process used in this analysis does not consider the Alternative Minimum Tax (AMT).
- The estimation also does not consider any impact of the exercise of stock options.
- Taxes due to salary and net self employment income are assumed to be paid in the year in which the income is received. A withholding tax is also applied on the taxable portion of retirement plan distributions, at a 20% rate.
- All remaining income taxes are assumed to be paid in the year following the year in which the income is taxable.

Neither Merrill Lynch nor its Financial Advisors provide legal, tax, or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

## Appendix: Important Information

The analysis uses long-term capital market assumptions developed by Merrill Lynch to generate a range of potential future return outcomes and are presented for information purposes only. Correlation assumptions used in the analysis:

### ASSET CLASS LONG TERM CAPITAL MARKET ASSUMPTIONS: CORRELATION MATRIX

Asset Class	Equity	Large Cap Growth	Large Cap Value	Small Cap Growth	Small Cap Value	International	Fixed Income	Short Term Bonds	Intermediate Term Bonds	Long Term Bonds	Cash	Hedge Fund Strategies	Private Equity	Real Assets
Equity	1.00													
Large Cap Growth	0.93	1.00												
Large Cap Value	0.92	0.84	1.00											
Small Cap Growth	0.76	0.83	0.70	1.00										
Small Cap Value	0.75	0.71	0.81	0.87	1.00									
International	0.61	0.58	0.59	0.52	0.51	1.00								
Fixed Income	0.24	0.19	0.24	0.09	0.13	0.14	1.00							
Short Term Bonds	0.21	0.19	0.23	0.07	0.13	0.14	0.82	1.00						
Intermediate Term Bonds	0.21	0.19	0.24	0.08	0.14	0.16	0.91	0.94	1.00					
Long Term Bonds	0.27	0.25	0.30	0.13	0.19	0.18	0.94	0.85	0.94	1.00				
Cash	-0.01	-0.01	0.00	-0.04	-0.03	-0.03	0.04	0.20	0.08	0.05	1.00			
Hedge Fund Strategies	0.49	0.41	0.41	0.46	0.44	0.46	0.23	0.25	0.25	0.26	0.13	1.00		
Private Equity	0.59	0.48	0.44	0.55	0.51	0.60	-0.07	-0.24	-0.18	-0.12	-0.06	0.38	1.00	
Real Assets	0.57	0.45	0.56	0.48	0.57	0.66	0.27	0.30	0.32	0.32	-0.09	0.51	0.56	1.00

## Appendix: Important Information (Projected Rates of Return)

The below table illustrates the projected rates of return of all asset classes and target allocations considered at various confidence levels. The confidence levels provide a measure of likelihood or confidence of success (i.e. ratio of "successful" occurrences to the total number of possible occurrences). They are used to illustrate a range of outcomes for various scenarios over a planning horizon of 25 years.

### GEOMETRIC AVERAGE RETURNS AT CONFIDENCE LEVELS BASED ON 25 YEAR INVESTMENT HORIZON

Asset Class	95%	80%	75%	55%	50%	30%
Equities	2.4%	5.1%	5.7%	7.6%	8.0%	9.9%
Large Cap Growth	1.6%	4.7%	5.4%	7.5%	8.0%	10.1%
Large Cap Values	2.8%	5.3%	5.8%	7.6%	8.0%	9.7%
Small Cap Growth	-0.7%	3.4%	4.3%	7.3%	8.0%	10.9%
Small Cap Value	1.6%	4.6%	5.3%	7.4%	8.0%	10.1%
International	1.4%	4.6%	5.3%	7.5%	8.0%	10.2%
Fixed Income	2.6%	3.8%	4.0%	4.8%	5.0%	5.8%
Long Term Bonds	1.7%	3.6%	4.0%	5.3%	5.6%	6.9%
Intermediate Term Bonds	3.0%	3.9%	4.1%	4.7%	4.8%	5.4%
Short Term Bonds	3.1%	3.5%	3.6%	4.0%	4.0%	4.4%
Cash	2.7%	2.8%	2.9%	3.0%	3.0%	3.1%
Real Assets	0.8%	3.0%	3.4%	4.9%	5.3%	6.8%
Hedge Fund Strategies	3.6%	5.2%	5.5%	6.5%	6.8%	7.8%
Private Equity	1.6%	5.0%	5.7%	8.1%	8.7%	11.1%

### TARGET ALLOCATION

Allocation Name	95%	80%	75%	55%	50%	30%
Target Allocation	3.8%	5.3%	5.6%	6.7%	6.9%	7.9%

For Probabilistic Modeling: A certain number of paths are generated (each step along each path is assumed to be independent from the previous one). The paths are then sorted from the highest to lowest growth rate at horizon and the percentile values identified (these are the growth rates shown in the table above). For example, the value of 5.1% for Equity under the "80%" column indicates that 80% of the paths have generated a growth rate of at least 5.1% over planning horizon of 25 years (this corresponds to the 20th percentile). For more information see *Important Disclosures Regarding Probabilistic Modeling* within *Appendix: Understanding Your Analysis*.



## Appendix: Important Information (Projected Rates of Return)

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For Deterministic Modeling: A single path is projected with a straight-line forecast using the rates of return above that correspond to the labels in the report: Conservative: 80%, Moderate: 50%, Aggressive: 30%. For more information see *Deterministic Modeling* within *Appendix: Understanding Your Analysis*.

It's important to note that these returns are geometric returns (aka Compound Annual Growth Rates – CAGR) over a 25 year planning horizon, not arithmetic averages over a 1-period horizon. These returns are not historical or actual investment returns, but rather long-term expectations.

The 50% rate of return corresponds to the Geometric Mean Return found in the Asset Class Rates of Return Table of *Appendix: Important Information*.

## Appendix: Important Information

Merrill Lynch is both a broker-dealer and a registered investment adviser, and it offers both brokerage and investment advisory services. Although, this analysis may take into consideration assets in both your brokerage and investment advisory accounts, this analysis is a brokerage report.

You are not required to transact business with Merrill Lynch or to implement any of the suggestions made by your Financial Advisor in connection with this brokerage report. If you choose to do so, Merrill Lynch will be acting solely as broker-dealer, not as an investment advisor (unless you are specifically enrolled in an investment advisory program or service). In our role as broker-dealer, we and may execute transactions for your account as agent or principal, which we will confirm to you. Further, Merrill Lynch and its Financial Advisors will receive compensation for transactions in your account(s).

Among its many obligations as a broker-dealer, Merrill Lynch will execute transactions upon your instruction, deal fairly with you, and its Financial Advisors will make recommendations that are suitable in light of your stated risk tolerance, liquidity needs, time horizon, financial circumstances and needs, investment experience, other investments, and investment objectives. As an registered investment adviser, Merrill Lynch must act solely in your best interest, provide certain specific disclosures and generally act in accordance with the standards of a fiduciary as that term is interpreted under applicable law.

There are important differences between brokerage and investment advisory services, including the type of advice and assistance provided, the type of fees charged and how you pay for those fees (i.e., commissions for brokerage and an asset based fee for investment advisory), and the rights and obligations of the parties, including the role and legal duties and obligations of your Financial Advisor. Brokerage services are also regulated under different laws, regulations and rules than investment advisory services and, for example, do not include ongoing investment advice or ongoing monitoring.

Of course, the above is an exceedingly brief summary, and numerous laws, rules and regulations apply to each capacity and will differ based on specific products or services being provided. It is important for you to understand these differences, particularly when determining which service or services you might select or have selected. Your Financial Advisor can provide you with additional information on the various products and services we offer.

It is important for you to understand that this report is not a comprehensive financial plan. If you are interested in a formal analysis of your entire financial situation, ask your Financial Advisor about Merrill Lynch's financial planning services, including the fees that may be applicable.

Merrill Lynch is the marketing name for Merrill Edge™ and The Private Banking and Investment Group, all of which are made available through Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). Merrill Edge is the marketing name for two businesses: Merrill Edge Advisory center, which offers team-based advice and guidance brokerage services; and a self-directed online investing platform. Both are made available through MLPF&S.

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<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
<b>Are Not Deposits</b>	<b>Are Not Insured by Any Federal Government Agency</b>	<b>Are Not a Condition to Any Banking Service or Activity</b>

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## Appendix: Client Profile

## Personal Information

Certain sections are applicable for Goals-Based analysis only. These sections have been marked with 'For Goals-Based analysis'.

Name	Birthdate	Age / Year	Marital Status / Gender	State of Residence
MR SAMPLE	04/19/1961	<b>Desired Retirement :</b> 67 / 2028  <b>End Analysis :</b> 85 / 2046	Married / Male	NJ
MRS SAMPLE	08/20/1963	<b>Desired Retirement :</b> 67 / 2030  <b>End Analysis :</b> 89 / 2052	Married / Female	

## Dependents

Dependents	Birthdate	Gender	Relationship
CHILD SAMPLE	11/30/2002	Male	Son

## Goals and Expenses

Description / Goal Type	Owner / Priority / Growth Rate	Amount (\$)	Duration
Sample Joint Retirement Goal	MR; MRS Essential	115,000	Retirement through Rest of Life
Desired Retirement Lifestyle	Inflation (2.500%)		
Education Goal for Child	CHILD Important	19,548	2020 through 2023
Education Goal	Inflation (2.500%)	(National Average - Public School)	

**Appendix: Client Profile**

Description / Goal Type	Owner / Priority / Growth Rate	Amount (\$)	Duration
Annual Vacation Travel and Leisure	MRS; MR Aspirational Inflation (2.500%)	5,000	2016 through Rest of Life

**For Goals-Based analysis, the goals were funded in the following order:**

Description / Goal Type
Sample Joint Retirement Goal
Desired Retirement Lifestyle
Education Goal for Child
Education Goal
Annual Vacation
Travel and Leisure

**Income**

Description / Income Type	Owner / Growth Rate	Amount (\$)	Duration
Mr Salary Salary & Bonus	MR Inflation (2.500%)	125,000	2016 until Retirement
Mrs Salary Salary & Bonus	MRS Inflation (2.500%)	75,000	2016 until Retirement

## Appendix: Client Profile

Description / Income Type	Owner / Growth Rate	Amount (\$)	Duration
Mr Social Security Social Security	MR Inflation (2.500%)	Earnings Based (Included: 100.00%)	2026 through Rest of Life
Mrs Social Security Social Security	MRS Inflation (2.500%)	Earnings Based (Included: 100.00%)	2028 through Rest of Life

## Accounts

*Investment Assets Not Held at Merrill Lynch or Bank of America\**

Description / Type / As Of Date	Value (\$)	Owner / Student Tax Status	Excluded Holdings**	Allocation Details
Sample Brokerage Acct Brokerage 11/07/2016	300,000	MR Taxable	0	EQ: 60.00% FI: 40.00% CA: 0.00% AI: 0.00%
Sample Checking Acct Checking 11/07/2016	100,000	MR Taxable	0	EQ: 0.00% FI: 0.00% CA: 100.00% AI: 0.00%
Sample IRA Trad Acct IRA Trad 11/07/2016	450,000	MRS Tax-Deferred	0	EQ: 60.00% FI: 40.00% CA: 0.00% AI: 0.00%
Sample 401k Acct 401K PreTx 11/07/2016	400,000	MR Tax-Deferred	0	EQ: 70.00% FI: 25.00% CA: 5.00% AI: 0.00%

## Appendix: Client Profile

**Investment Assets Not Held at Merrill Lynch or Bank of America\***

Description / Type / As Of Date	Value (\$)	Owner / Student Tax Status	Excluded Holdings**	Allocation Details
Sample 529 Acct for Child 529 Plan 11/07/2016	100,000	CHILD Tax Exempt	0	Moderate

\*Investment Assets Not Held at Merrill Lynch or Bank of America (referred to throughout this report generally as "External Assets") may include holdings, values and other information that have been supplied: (1) by you to your Advisor; (2) by you through My Financial Picture; (or) through My Financial Picture by a third party service which combines your External Assets and provides that information to Merrill Lynch. The "As of Dates" reflected above indicate the most recent date that you or a third party provided the holdings, values or other information (or an update to that information) to be included in this Report. Please refer to the "External Assets" section in Appendix: Important Information for important information relating to External Assets generally, and actions you may need to take by periodically reviewing those assets.

\*\*Your Financial Advisor can provide further details for the excluded positions noted above.

**Other Assets & Liabilities Not Held at Merrill Lynch or Bank of America\***

Description / Asset Type	Value (\$)	Owner / Student
Primary Home Primary Residences	400,000	MR

Description / Liability Type	Balance (\$)	Owner	Interest Rate / Loan Type / Adj. Period Begin Date	Monthly Payment (\$) / Payments Remaining (Mo) / Holding Period (Yr)
Primary Home Mortgage Primary Residence Mortgage	75,000	MR	4.85% Fixed	2,200

\*You have identified the values for all of these assets and liabilities. Be sure to periodically review these holdings with your Financial Advisor, and advise if there have been any changes to their value, outstanding balance or other details.

**Savings**

Description / Savings Type / Contribution Account	Owner / Student Growth Rate	Company Details/ Amount (\$ or % of Salary)	Duration
IRA Tax-Deferred Saving Tax-Deferred (Client Contribution) Sample IRA Trad Acct	MRS Inflation (2.500%)	Maximize	2016 until Retirement

## Appendix: Client Profile

Description / Savings Type / Contribution Account	Owner / Student Growth Rate	Company Details/ Amount (\$ or % of Salary)	Duration
401K Tax-Deferred Saving Tax-Deferred (Client Contribution) Sample 401k Acct	MR Inflation (2.500%)	Maximize Company Match 100.00% up to 10.00%	2016 until Retirement
Education Savings - Funded by Client Education Savings* Sample 529 Acct for Child	MR Inflation (2.500%)	\$15,000	2016

\*You indicated this education savings will be funded by you.

## Asset Allocation

**Client:** MR SAMPLE  
**Investor Profile:** Moderate  
**Last Updated:** 11/07/2016

Asset Class	Current (\$)	Current (%)	Target (\$)	Target (%)	Change (\$)	Change (%)
Equity	730,000	58.40%	476,125	38.09%	(253,875)	(20.31%)
Fixed Income	400,000	32.00%	355,125	28.41%	(44,875)	(3.59%)
Cash	120,000	9.60%	111,875	8.95%	(8,125)	(0.65%)
Real Assets	0	0.00%	83,500	6.68%	83,500	6.68%
Hedge Fund Strategies	0	0.00%	145,625	11.65%	145,625	11.65%
Private Equity	0	0.00%	77,750	6.22%	77,750	6.22%
<b>Total</b>	<b>1,250,000</b>		<b>1,250,000</b>			

## For Goals-Based Analysis

Description/Goal Type	Asset Class						
	Equity	Fixed Income	Cash	Real Assets	Hedge Funds Strategies	Private Equity	Total
Sample Joint Retirement Goal	35.20%	29.73%	9.00%	7.21%	12.73%	6.14%	100.00%
Desired Retirement Lifestyle							

Description/Goal Type	Asset Class						Total
	Equity	Fixed Income	Cash	Real Assets	Hedge Funds Strategies	Private Equity	
Education Goal for Child	49.21%	35.79%	6.93%	1.61%	6.46%	0.00%	100.00%
Education Goal							
Annual Vacation	51.41%	11.12%	10.80%	6.52%	8.30%	11.85%	100.00%
Travel and Leisure							
Surplus from Current Assets	60.00%	35.00%	5.00%	0.00%	0.00%	0.00%	100.00%

### Main / Scenario Settings

Scenario Selection:	Base Case
Education Funds Surplus Allocate Towards Retirement Needs:	No
Allocation View Settings:	Equity View: Equity
	Fixed Income View: Fixed Income
Managed Account Classification:	By Mandate
Pooled Investment Vehicle Classification:	By Holdings
Cash Flow Mode:	Define Taxable Savings
Goals-Based analysis only:	
Allow Withdrawal from Qualified Accounts before Age 59 ½:	Yes

### Tax Information

For the Retirement Analysis you have requested an estimation of your future tax liability. The following assumptions were applied:

- Tax Filing Status: Married Filing Jointly / Single
- Deductions: Standard Deduction Amount
- Exemption: Standard Personal Exemption

Please see the Income Tax Estimation section of the *Appendix: Important Information* for more assumptions in the systemic estimation of tax rates.

You have provided the following estimated tax rates for use in the Goal Funding Status analysis:



	Effective Income Tax Rate (%)	Capital Gains Tax Rate (%)
Pre-Retirement:	25.00%	20.00%
Post-Retirement:	25.00%	15.00%

### Assumptions Regarding Fees

The following describes the methodology for estimated fees that have been factored into certain analyses that may be contained in this Report. These estimated fees are meant to represent portfolio management or other advisory-related fees that you may incur for accounts that are part of your portfolio as included in this Report. Commissions and other fees that may apply are not included in these fee assumptions.

Fee assumptions are included in the following analyses: Retirement; Goal Funding Status; Education; Stock Options; Estate; and Insurance. For purposes of these analyses, fees are calculated based on a percentage of your assets and are deducted once a year based on the year-end values reflected in the particular analysis. Specific fee assumptions used can be found below. This Report does not reflect or represent any actual fees that may apply to your account(s) currently or in the future. Additionally, annual portfolio management or other advisory-related fees are typically deducted on a quarterly or monthly basis, which could further impact this analysis by potentially underestimating the actual fees you may pay.

Fee assumptions are only considered within a hypothetical forward-looking projected analysis to simulate the lower return on investments that may apply when fees are included for planning purposes. Fees have been assumed on all assets as indicated in below. If specific accounts are not subject to portfolio management or advisory-related fees, returns for those accounts may be higher than reflected in the analysis. **Fee assumptions have been included for estimated projection purposes only. Your fees may vary significantly and you should refer to the client agreement for the particular service for specific fees that may apply to your account(s).**

Deferred Compensation accounts are not included in these fee assumptions.

If you have any questions regarding how these fees have been factored in your analysis, please speak with your Financial Advisor. The following are the estimate fees that have been used:

Retirement Assets:	0.00%
Taxable Assets:	0.00%
Education Assets:	0.00%