



THE ARC PROCESS™

ACHIEVING RETIREMENT CLARITY

Prepared For: Mr. & Mrs. Valued Client

Presented By: Valmark Adviser



Summary Information



Personal Information

First and Last Name	Date of Birth
Mr. Valued Client	11/14/1974
Mrs. Valued Client	9/16/1974

State	Total Investible Assets	Plan End
Ohio	\$350,000	Age 100 / 100

Blueprint Design

The ARC Blueprint showcases the Illustrated Design. Any deviations from the Requested Design are **highlighted in orange** below.

Design Type	Requested Design	Illustrated Design
RETIREMENT INCOME (REPLACEMENT %)	70%	70%
RETIREMENT AGE	67 / 67	67 / 67
CURRENT LIFESTYLE EXPENSES	\$164,600	\$164,600
INFLATION ON SPENDING	2.00%	2.00%
PRE RETIREMENT GROWTH RATE	8.00%	7.00%
RETIREMENT GROWTH RATE	5.00%	5.00%

Blueprint Details

- 1 Estimated Social Security benefits are included in this Blueprint (see page 10).
- 2 Additional insurance recommendations are based on the corresponding Survivor Needs Analysis.
- 3 Additional education savings are based on the corresponding Education Planning Analysis.

Current Year Cash Flow Analysis



The cash flow analysis below identifies the available free cash flow, or discretionary income, that could be reallocated to achieve goals that are consistent with the Blueprint Design from the previous page.



● Total Gross Income	\$385,000	100%
● - Estimated Taxes	\$99,339	26%
● - Retirement Savings	\$25,000	6%
● - Education Savings	\$2,000	1%
● - Budgeting Expenses	\$164,600	43%
● = Free Cash Flow	\$94,061	24%

Gross Income				
	Amount	Increase	Year Start	Year End
Mr.	\$300,000	2.00%	2019	2042
Mrs.	\$85,000	2.00%	2019	2042
Passive	\$0	2.00%	2019	2042
Total Gross Income	\$385,000			

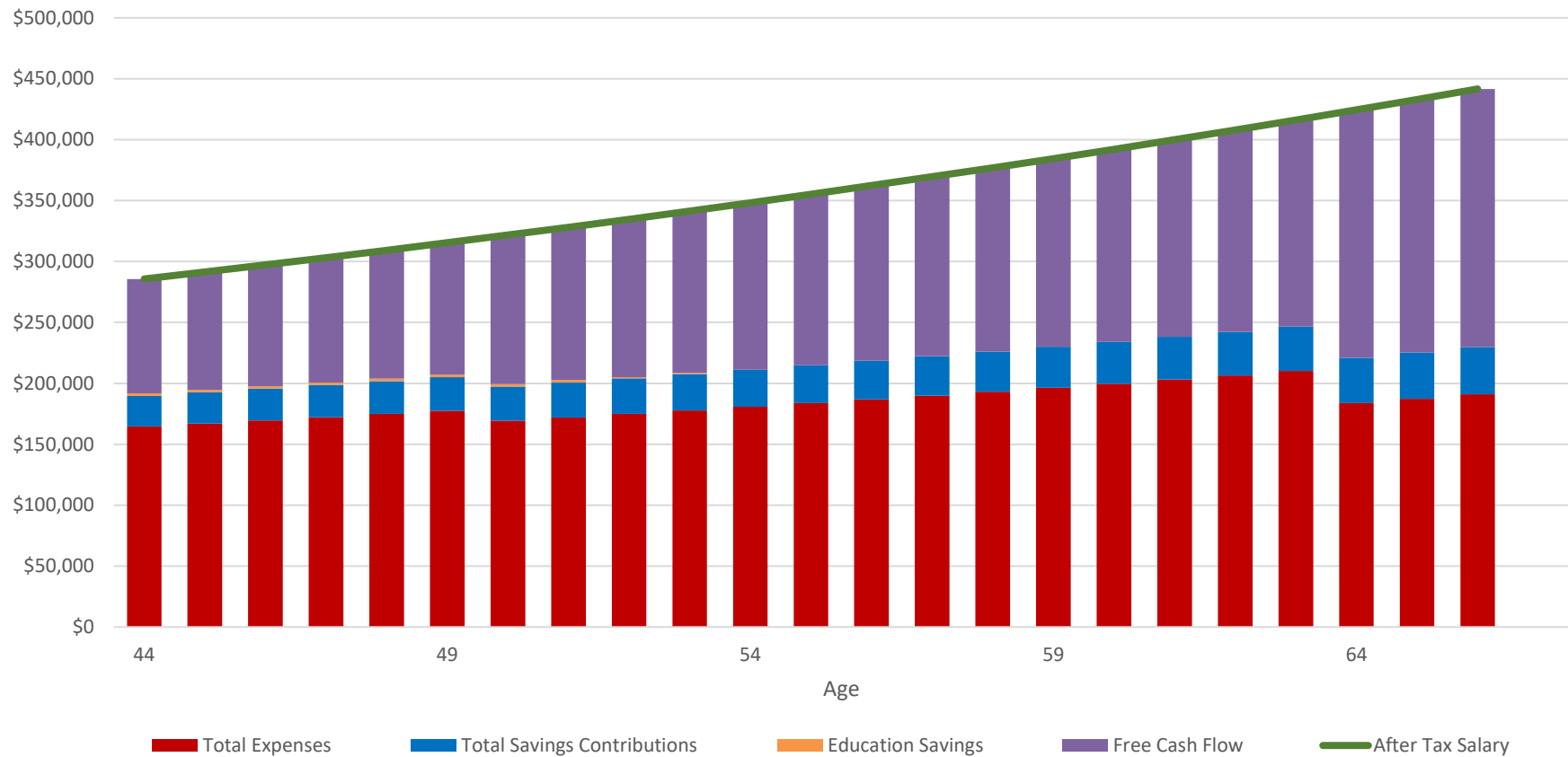
Estimated Taxes		
Estimated Taxes	\$99,339	Effective Tax Rate - 26%
After-Tax Income	\$285,661	(Federal, State, & FICA)

Retirement Savings				
Retirement Account	Contributions	Increase	Year Start	Year End
401(k) - Mr.	\$15,000	2.0%	2019	2042
403(b) - Mrs.	\$10,000	2.0%	2019	2042
Roth IRA - Mr.	\$0	2.0%	2019	2042
Brokerage Account - Joint	\$0	2.0%	2019	2042
Total	\$25,000			

Budgeting Expenses				
Budgeted Item	Amount	Increase	Year Start	Year End
Primary Home Payments	\$30,000	0.0%	2019	2039
Travel	\$15,000	2.0%	2019	2042
Church/Charity	\$15,000	2.0%	2019	2042
Child Expenses	\$12,000	2.0%	2019	2042
Entertainment	\$12,000	2.0%	2019	2042
Car Loans	\$11,000	0.0%	2019	2025
Groceries	\$11,000	2.0%	2019	2042
Home Improvement	\$10,000	2.0%	2019	2042
Clothing	\$10,000	2.0%	2019	2042
Utilities	\$9,600	2.0%	2019	2042
Eating Out	\$9,000	2.0%	2019	2042
Medical Expenses	\$8,000	2.0%	2019	2042
Cable, Internet, Phone	\$6,000	2.0%	2019	2042
Transportation	\$6,000	2.0%	2019	2042
Total	\$164,600			

Education Savings				
Child Name	Contributions	Increase	Year Start	Year End
Child 1	\$1,000	0.0%	2019	2027
Child 2	\$1,000	0.0%	2019	2029
Total	\$2,000			

Annual Cash Flow Analysis



Age	Total Gross Income	Estimated Taxes	After Tax Salary	Total Savings Contributions	Education Savings	Total Expenses	Free Cash Flow
44 / 44	\$385,000	-\$99,339	\$285,661	\$25,000	\$2,000	\$164,600	\$94,061
49 / 49	\$425,071	-\$109,678	\$315,393	\$27,602	\$2,000	\$177,464	\$108,326
54 / 54	\$469,313	-\$121,094	\$348,219	\$30,475	\$0	\$180,668	\$137,077
59 / 59	\$518,159	-\$133,697	\$384,462	\$33,647	\$0	\$196,349	\$154,466
64 / 64	\$572,090	-\$147,613	\$424,477	\$37,149	\$0	\$183,663	\$203,665
66 / 66	\$595,202	-\$153,576	\$441,626	\$38,649	\$0	\$191,083	\$211,894

Goals Based Retirement Planning



The total retirement savings needed at age 67 to replace 70% of pre retirement income:

\$7,815,065

Based on total retirement savings today of \$350,000 with annual contributions of \$31,000 invested at 7% until retirement, our projected retirement balance at age 67 is:

\$3,512,092

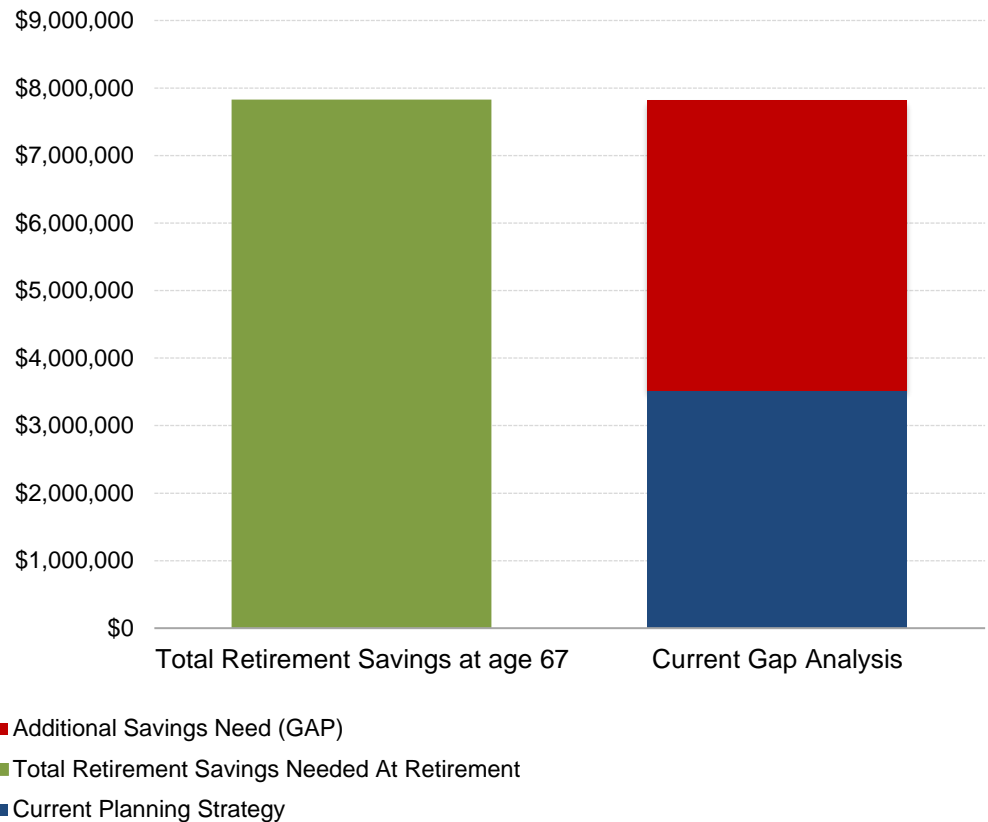
Between now and retirement we need to save an additional:

\$4,302,974

Based on the cash flow analysis, our free cash flow in year 1 is \$94,061. In order to reach our goal we will need to save 63% of free cash flow annually. The additional savings need in year one equals:

\$59,040

Gap Analysis



In order to reach our retirement goals the combination of:

Our Current Retirement Savings

\$350,000

+

Current annual contributions
(Including Employer Match)

\$31,000

+

Additional annual savings

\$59,040

=

Savings needed to reach
retirement goal at age 67

\$7,815,065

The following pages outline how we should invest our savings to target a 7% rate of return.



Goals Based Retirement Planning

Target Allocation			
Pre Retirement Growth Rate	Investment Time Horizon	Recommendation	Strategy
7%	23 Years	Growth	85 / 15
<p>Appropriate for investors seeking an investment to provide primarily growth of capital, at a level of risk expected to be lower than that of an investor fully invested in equity-based investment options. The portfolio allocates some investments to bonds and money market assets in order to diversify and reduce volatility</p>			

Growth 85 / 15



- Cash
- Short Term Corporate Bond
- TIPS
- Short Duration TIPS
- Intermediate Government Bond (3-7)
- High Yield
- Emerging Market Debt
- Large Cap Growth
- Small Cap Blend
- International Stock Small Cap
- Global Natural Resources
- International Real Estate
- Ultra-Short Duration
- Corporate Bond
- International TIPS
- Short Term Government Bond (1-3)
- Short Term High Yield Bond
- Floating Rate Debt
- Large Cap Value
- Mid Cap Blend
- International Stock Large/Mid Cap
- Emerging Equity
- Natural Resources (Timber)
- Real Estate

Goals Based Retirement Planning



CURRENT PLAN

	Investment Account Title	Account Value	Annual Contributions
TAX DEFERRED	401(k) - Mr.	\$150,000	\$15,000
	403(b) - Mrs.	\$50,000	\$10,000
	Employer Match	\$0	\$6,000
	Total Tax Deferred Savings	\$200,000	\$31,000
TAX FAVORED	Roth IRA - Mr.	\$25,000	\$0
	Total Tax Free Savings	\$25,000	\$0
TAXABLE	Brokerage Account - Joint	\$125,000	\$0
	Total Taxable Annual Savings	\$125,000	\$0

Total Current Annual Savings

\$31,000

Annual Savings (SHORT FALL) / SURPLUS

(\$59,040)

Cash Reserves

Existing Cash Reserves are: \$40,000.

PROPOSED PLAN

	Investment Account Title	Account Value	Annual Contributions
	401(k) - Mr.	\$150,000	\$19,000
	403(b) - Mrs.	\$50,000	\$19,000
	Employer Match	\$0	\$6,000
	Total Tax Deferred Savings	\$200,000	\$44,000
	Roth IRA - Mr.	\$25,000	\$0
	Accumulation VUL - Mr.	\$0	\$30,000
	Total Tax Free Savings	\$25,000	\$30,000
	TOPS 4 - Joint	\$125,000	\$16,040
	Total Taxable Annual Savings	\$125,000	\$16,040

Total Proposed Annual Savings

\$90,040

(SHORT FALL) / SURPLUS

\$0

Recommended Cash Reserves between 3 and 6 months of expenses are \$41,150 and \$82,300 respectively.

Goals Based Retirement Planning



Age	Tax Deferred	Contributions	Tax Favored	Contributions	Taxable	Contributions
44 / 44	\$244,000	\$44,000	\$55,000	\$30,000	\$141,040	\$16,040
45 / 45	\$306,224	\$45,144	\$88,850	\$30,000	\$168,149	\$17,237
46 / 46	\$373,970	\$46,310	\$125,070	\$30,000	\$198,377	\$18,457
47 / 47	\$447,648	\$47,500	\$163,824	\$30,000	\$231,966	\$19,702
48 / 48	\$527,698	\$48,714	\$205,292	\$30,000	\$269,176	\$20,973
49 / 49	\$614,589	\$49,952	\$249,663	\$30,000	\$310,286	\$22,268
50 / 50	\$712,199	\$54,589	\$297,139	\$30,000	\$359,126	\$27,120
51 / 51	\$817,931	\$55,877	\$347,939	\$30,000	\$412,733	\$28,468
52 / 52	\$932,684	\$57,498	\$402,294	\$30,000	\$471,787	\$30,163
53 / 53	\$1,056,809	\$58,838	\$460,455	\$30,000	\$536,378	\$31,566
54 / 54	\$1,191,298	\$60,512	\$522,687	\$30,000	\$607,241	\$33,317
55 / 55	\$1,336,594	\$61,906	\$589,275	\$30,000	\$684,524	\$34,776
56 / 56	\$1,493,484	\$63,328	\$660,524	\$30,000	\$768,704	\$36,264
57 / 57	\$1,662,806	\$64,779	\$736,761	\$30,000	\$860,295	\$37,782
58 / 58	\$1,845,461	\$66,258	\$818,334	\$30,000	\$959,846	\$39,330
59 / 59	\$2,042,411	\$67,767	\$905,617	\$30,000	\$1,067,944	\$40,909
60 / 60	\$2,254,686	\$69,307	\$999,011	\$30,000	\$1,185,220	\$42,520
61 / 61	\$2,483,391	\$70,877	\$1,098,941	\$30,000	\$1,312,348	\$44,163
62 / 62	\$2,729,707	\$72,479	\$1,205,867	\$30,000	\$1,450,051	\$45,839
63 / 63	\$2,994,899	\$74,112	\$1,320,278	\$30,000	\$1,599,102	\$47,548
64 / 64	\$3,289,522	\$84,980	\$1,442,697	\$30,000	\$1,769,959	\$58,920
65 / 65	\$3,606,469	\$86,680	\$1,573,686	\$30,000	\$1,954,555	\$60,698
66 / 66	\$3,947,335	\$88,413	\$1,713,844	\$30,000	\$2,153,886	\$62,512

Hypothetical Diversification 2.0 at Retirement (Age 67)



TAX DEFERRED	\$3,947,335
TAX FAVORED	\$1,713,844
TAXABLE	\$2,153,886
RETIREMENT GOAL	\$7,815,065
PROJECTED SAVINGS	\$7,815,065

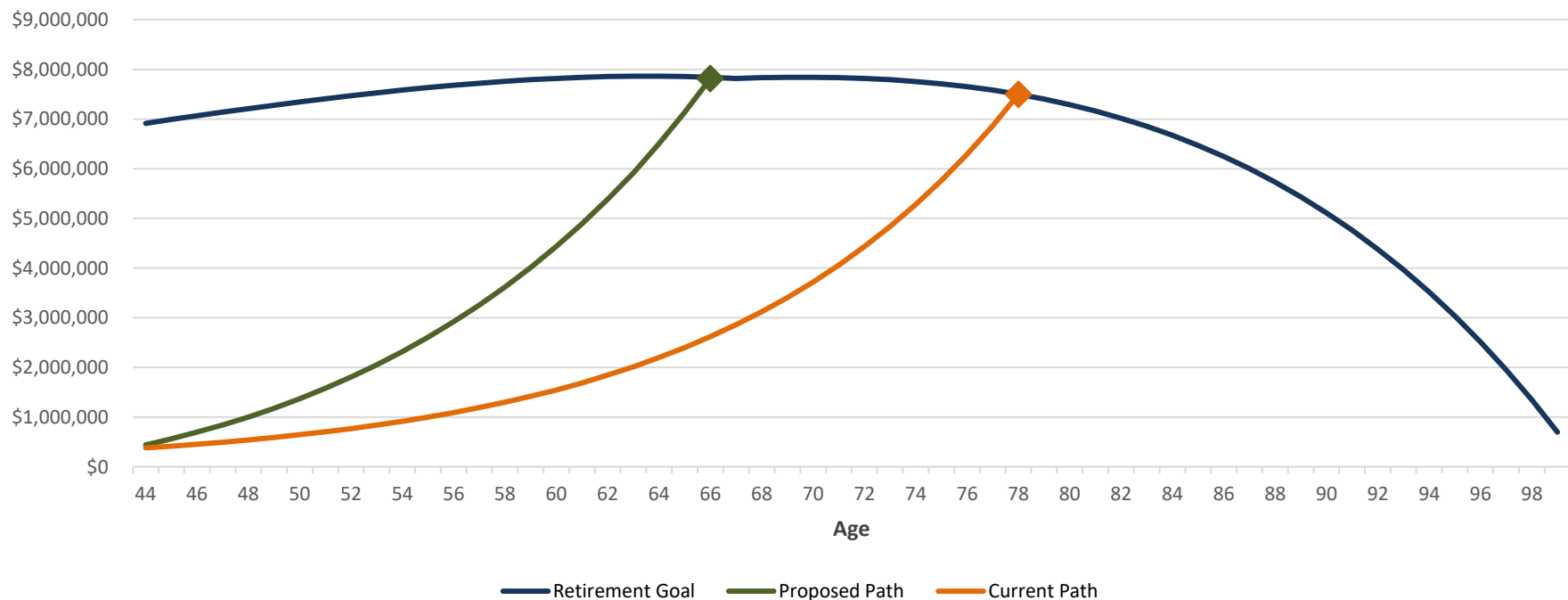


Goals Based Retirement Planning

Based on the 70% replacement ratio of current income in retirement, your current annual savings could allow you to retire at age 79. With the proposed additional annual savings of \$59,040 you may reach your preferred retirement goal at age 67 (Assuming a pre retirement average growth rate of 7% and post retirement average growth rate of 5%).

Current		Proposed	
Current Annual Savings	\$31,000	Proposed Annual Savings	\$90,040
Expected Retirement Age	79	Expected Retirement Age	67
Retirement Goal	\$7,499,073	Retirement Goal	\$7,815,065

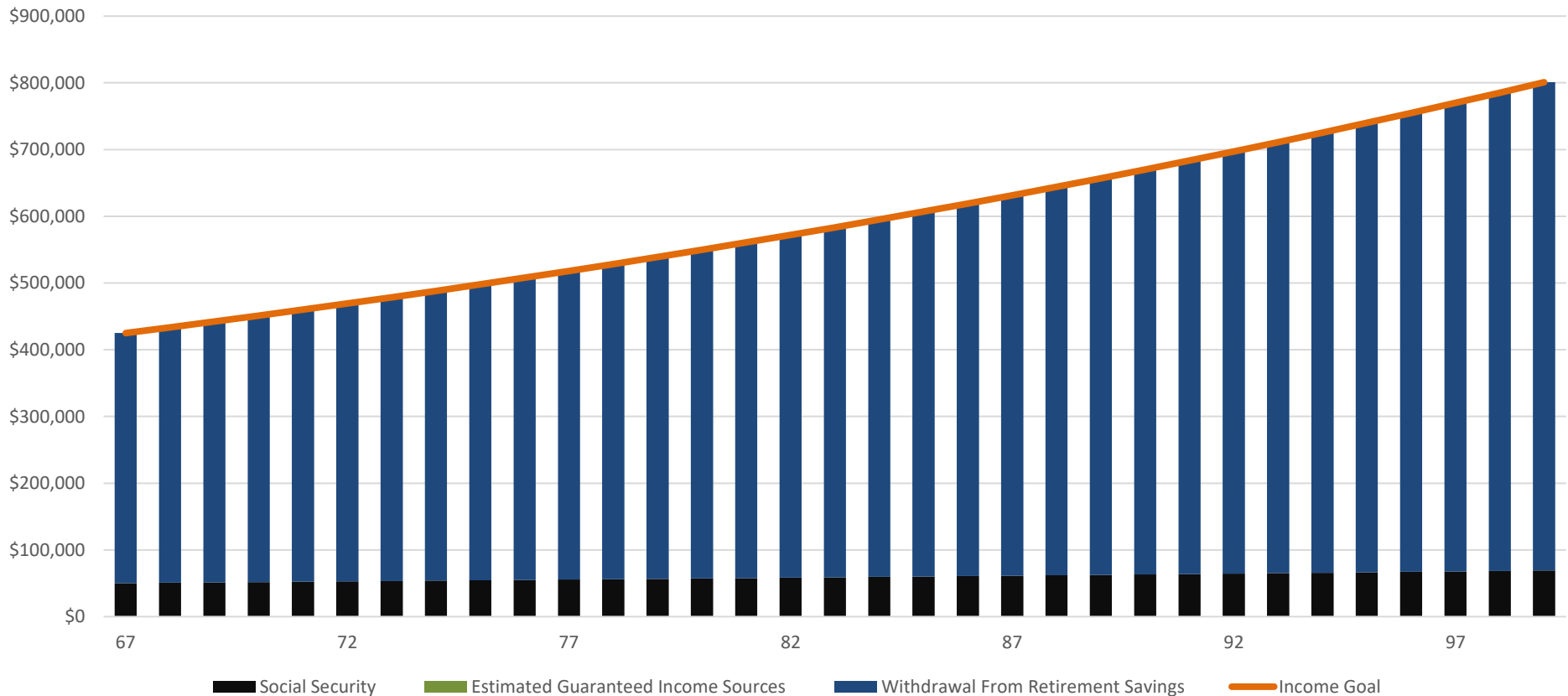
$$\begin{array}{ccccccc} \text{Our Current Retirement Savings} & & \text{Current annual contributions} & & \text{Additional annual savings} & & \text{Savings needed to reach} \\ & & & & & & \text{retirement goal at age 67} \\ \$350,000 & + & \$31,000 & + & \$59,040 & = & \$7,815,065 \end{array}$$





Projected Retirement Income Plan

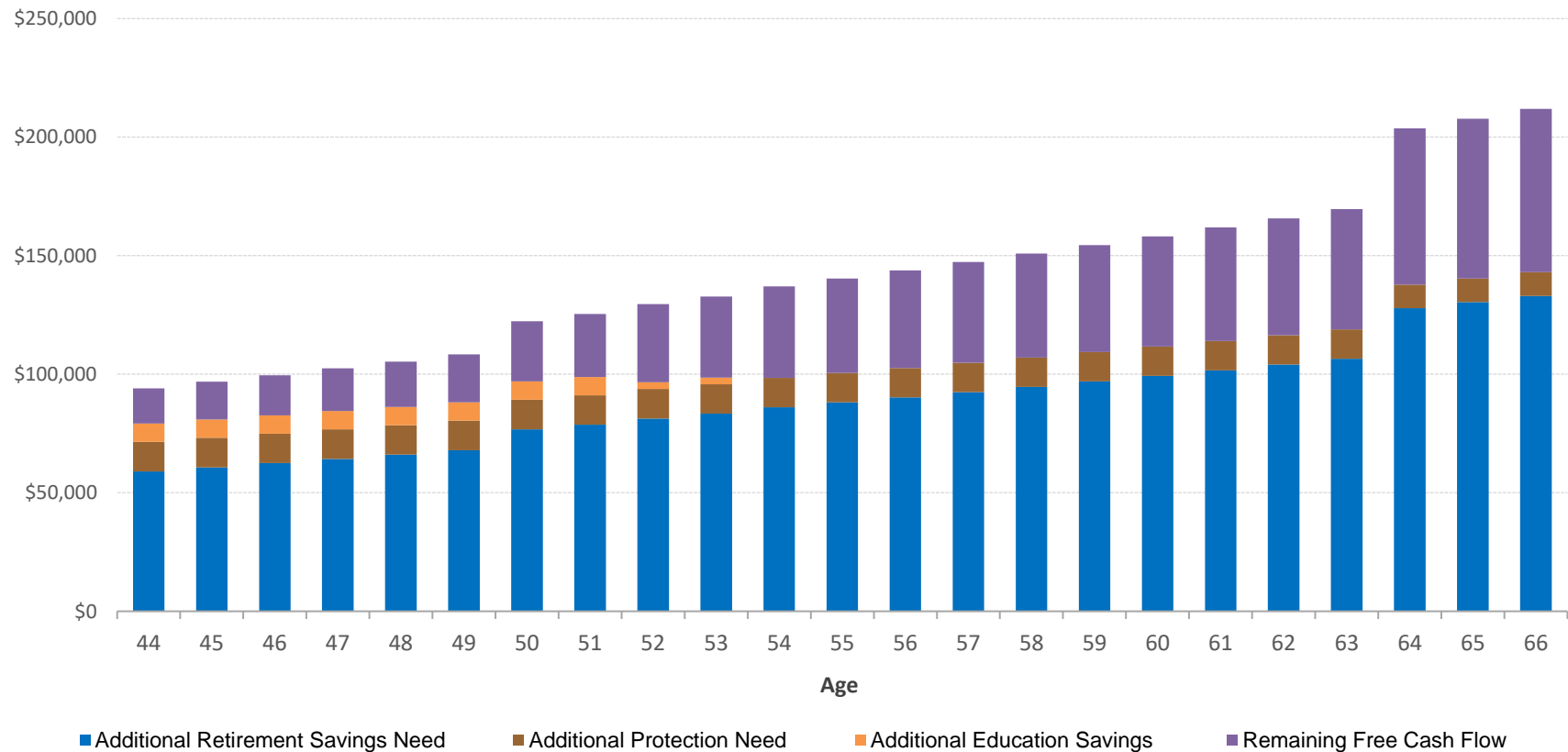
Retirement Age	Estimated Social Security Benefits	Other Income Sources (Pension, Rental, Part Time Work)	Withdrawal From Retirement Savings	Gross Income Goal	Remaining Retirement Savings
67 / 67	\$50,287	\$0	\$374,688	\$424,974	\$7,815,065
72 / 72	\$52,852	\$0	\$416,354	\$469,206	\$8,208,966
77 / 77	\$55,548	\$0	\$462,494	\$518,041	\$7,961,567
82 / 82	\$58,381	\$0	\$513,578	\$571,960	\$7,367,426
87 / 87	\$61,359	\$0	\$570,130	\$631,490	\$6,300,924
92 / 92	\$64,489	\$0	\$632,726	\$697,215	\$4,598,588
97 / 97	\$67,779	\$0	\$702,004	\$769,782	\$2,048,306
99 / 99	\$69,141	\$0	\$731,740	\$800,881	\$731,740





Goals Based Reallocation of Cash Flow

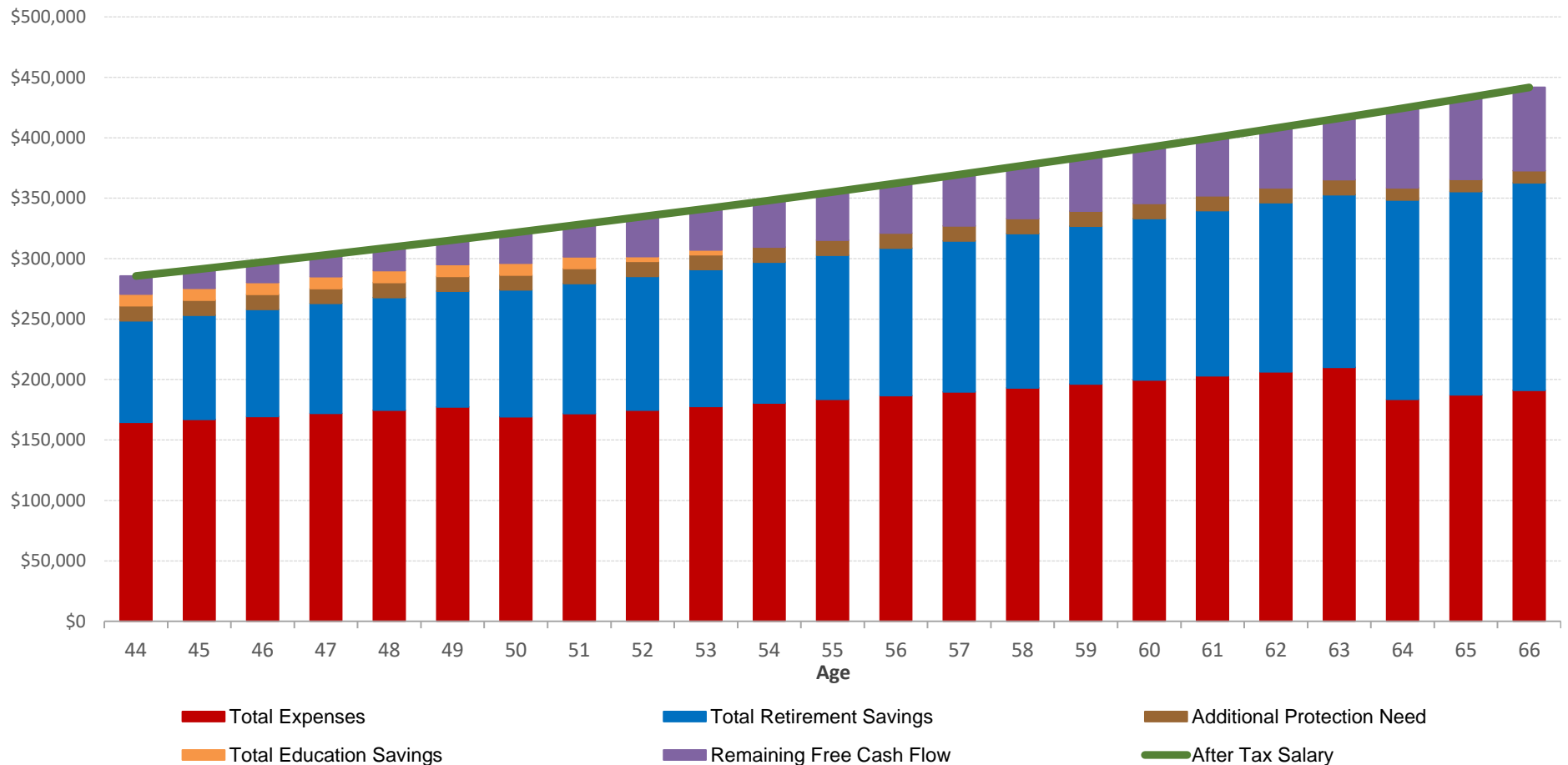
Age	Beginning Free Cash Flow	-	Additional Retirement Savings	-	Additional Protection Need	-	Additional Education Savings	=	Remaining Free Cash Flow
44 / 44	\$94,061		\$59,040		\$12,400		\$7,723		\$14,898
49 / 49	\$108,326		\$67,994		\$12,400		\$7,723		\$20,210
54 / 54	\$137,077		\$86,040		\$12,400		\$0		\$38,637
59 / 59	\$154,466		\$96,955		\$12,400		\$0		\$45,112
64 / 64	\$203,665		\$127,836		\$10,000		\$0		\$65,830
66 / 66	\$211,894		\$133,000		\$10,000		\$0		\$68,893





Goals Based Reallocation of Cash Flow

Age	After Tax Salary	- Total Expenses	- Total Retirement Savings	- Additional Protection Need	- Total Education Savings	= Remaining Free Cash Flow
44 / 44	\$285,661	\$164,600	\$84,040	\$12,400	\$9,723	\$14,898
49 / 49	\$315,393	\$177,464	\$95,596	\$12,400	\$9,723	\$20,210
54 / 54	\$348,219	\$180,668	\$116,514	\$12,400	\$0	\$38,637
59 / 59	\$384,462	\$196,349	\$130,601	\$12,400	\$0	\$45,112
64 / 64	\$424,477	\$183,663	\$164,984	\$10,000	\$0	\$65,830
66 / 66	\$441,626	\$191,083	\$171,650	\$10,000	\$0	\$68,893



Important Disclosures



Information Provided by You

Information that you provided to your advisor on the ARC™ questionnaire about your assets, financial goals and personal situation are key assumptions for the calculations and projections in this report. Please review the questionnaire to verify the accuracy of these assumptions. If any of the assumptions are incorrect, you should notify your financial advisor. Even small changes in assumptions can have a substantial impact on the results shown in this report. The information provided by you should be reviewed periodically and updated when either the information or your circumstances change.

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

This report provides a snapshot of your current financial position and can help you to focus on your financial resources, goals and to help create a plan of action. Because the results are calculated over many years, small changes can create large differences in future results. You should use this report to help you focus on the factors that are most important to you. This report does not provide legal, tax or accounting advice. Before making decisions with legal, tax or accounting ramifications you should consult appropriate professionals for advice that is specific to your situation.

Projections and Returns

The investment projections or other information generated by The ARC Process™ are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. They represent mathematical calculations based on an assumed and consistent year over year rate of return. The actual returns of a specific product or accounts may be more or less than the returns used in The ARC Process™. Financial forecasts, rates of return, risk, inflation and other assumptions may be used as the basis for illustrations. They should not be considered a guarantee of future performance or a guarantee of achieving overall financial objectives. Past performance is not a guarantee or a predictor of future results of either the indices or any particular investment. No plan or report has the ability to accurately predict the future. As investment returns, inflation, taxes and other economic conditions vary from The ARC Process™ assumptions, your actual results will vary (perhaps significantly) from those presented in this report.

Risks Inherent in Investing

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

Investing in stock securities involves volatility risk, market risk, business risk and industry risk. The prices and values of most stocks fluctuate. Volatility risk is the chance that the value of a stock will fall. Market risk is the chance that the prices of all stocks will fall due to conditions in the economic environment. Business risk is the chance that a specific company's stock will fall because of issues affecting it. Industry risk is the chance that a set of factors particular to an industry group will adversely affect stock prices within the industry. Diversification does not ensure a profit or protect against a loss in a declining market.

Accompanying Documents

This material must be preceded or accompanied by a prospectus for each investment product being recommended. Prospectuses are available from your financial professional. The prospectus contains information about the product's features, risks, charges and expenses. Please read the prospectuses and consider this information carefully before investing. Product availability and features may vary by state. Estimated fees on accounts are estimates only and should not be considered nor relied upon as a guarantee. For actual fee schedules of solutions proposed in this report, please reference prospectuses and any other disclosure provided to you.

Guarantees are based on the claims-paying ability of the issuing company.

All returns are shown net of fees or loads. Returns in The ARC Process™ illustration only use straight line investment returns for all projected years.

Unless otherwise stated, the client(s) for whom this report is created are assumed to be living for all projections.

General Definitions of Terms Used:

Discretionary Income - The amount of an individual's income that is left for spending, investing or saving after taxes and personal necessities (such as food, shelter, and clothing) have been paid.

Free Cash Flow - The amount of income remaining after all budgeted expenses have been paid.

Blueprint Design (Requested Design vs Illustrated Design) - The Requested Design are the assumptions that were initially submitted via the ARC™ questionnaire. If the initial Blueprint was not achievable based on those assumptions, a modification will be represented in the Illustrated Design. Illustrated Design may also be modified to make the Blueprint more conservative (such as reducing the Retirement Growth Rate from 6.00% to 5.00%) or to show an alternate scenario (such as changing your retirement age from age 65 to age 62).

Retirement Income (Pre-Tax, After-Tax, or Replacement %) - The amount of income needed on an annual basis from the stated Retirement Age until the end of the plan. This amount is assumed to be increased annually by the "Inflation On Spending" assumption defined on page 2.

Legacy goals - The total investment amount that would be required today in order to fully fund the amount of money you wish to gift to someone after your death. This amount is assumed to be invested at the illustrated pre-retirement growth rate until retirement and the post-retirement growth rate after retirement.

Current Long Term Care Costs - Information sourced from <https://www.genworth.com/corporate/about-genworth/industry-expertise/cost-of-care.html> based on client's state.

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