# Brochure Sample Text

You may use this sample text for your brochure or submit your own text. On the Brochure Order Form, please indicate the code numbers for the text you want, listing the code numbers in the order you want the text to appear.

Please be sure to keep your text within the following point values:

- 4″ x 9″ finished size — 6 panels — 175 points
- 8 1/2″ x 11″ finished size — 4 panels — 220 points

Each biography is 25 points and each photo is 10 points.

## Mission Statement

(**M-1, 11 points**) As (a) financial advisor(s), insert name/I/we help(s) clients set a clear and realistic path toward meeting their goals while optimizing their investments. He/She/I/We commit(s) to providing clients with solid investment advice and uncompromising service. All types of investors rely on him/her/me/us for investment management discipline and knowledge, and to help them achieve strategic investment goals.

**(M-2, 14 points**) Helping insert name's/my/our clients pursue their investment goals is not just a job to him/her/me/us. Rather, it is a purpose which inspires him/her/me/us to go to work every day. Through integrity, sound judgment, and discipline, he/she/I/we is/am/are able to build relationships with his/her/my/our clients that will hopefully last a lifetime. He/She/I/We ask(s) questions and listen(s) to your answers so he/she/I/we can take a long-term approach to helping his/her/my/our clients pursue their investment goals.

(**M-3, 14 points**) It is insert name's/my/our mission to provide outstanding service. What does it mean to offer outstanding service? It means that, as your financial advisor(s), he/she/I/we won't rest until he/she/I/we is/am/are certain that your financial plan is optimized for the efficient achievement of your goals, both short and long term. Whether you are saving for retirement, a child's college education, or working to reduce your debt load, insert name/I/we will do his/her/my/our utmost to see that your path to these goals is unobstructed.

(**M-4, 13 points**) Although the financial services industry is subject to constant change, the principles on which we were founded have remained steadfast. We have remained committed to the simple tenet that the best interests of our clients must take precedence in all decisions. From data gathering to analysis to recommendations, the guiding principle has been to make sure our clients have a clear picture about what is needed, why it is needed, and how their decisions will affect their financial picture.

**(M-5, 13 points**) Insert name/I/we believe(s) that his/her/my/our ability to provide you with quality financial planning advice and services is dependent upon developing strong, trusting relationships. That is why he/she/I/we focus(es) so much time on education:

educating himself/herself/myself/ourselves regarding your situation and then educating you on the various alternatives available for your situation. He/She/I/We is/am/are committed to providing you with up-to-date financial planning strategies and products.

(**M-6, 12 points**) Insert name/I/We find(s) tremendous personal satisfaction in helping his/her/my/our clients take a long-term perspective of their financial goals. Retirement, college funding, first homes, and other significant goals are achieved through carefully thought-out strategies, time frames, and patience. Although there are always challenges to our financial plans, we cannot lose sight of the control we can exercise in our lives to achieve a sense of security and well-being.

**(M-7, 19 points)** Insert name's/My/Our practice concentrates primarily on managing investment assets for individuals, families, small businesses, trusts, and pension plans.

Each of his/her/my/our client's portfolios is an individualized effort created to pursue the short- and long-term needs and goals of his/her/my/our clients. Some portfolios are designed to reduce taxes or maximize current income potential; others are more oriented for growth.

Insert name/I/We believe(s) that conservative asset management, asset allocation, and patience can help his/her/my/our clients pursue their financial goals. Portfolios should be managed with strict adherence to jointly established guidelines.

**(M-8, 19 points)** Many people have asked insert name/me/us, "What does a financial advisor do?" The answer to this question is linked to a common client concern: "How do I best use my financial resources?"

Cutting taxes, choosing investments or insurance, and allocating funds for retirement or college are, among others, major sources of concern for many people. They want to know how to make educated decisions or where to get objective advice without a salesperson trying to sell them insurance or stocks. What insert name/I/we does/do, he/she/I/we tell(s) them, is to inform clients of their available choices from a planned professional approach, then let them decide on their own which options they'd like to take advantage of.

# Insert Name/My/Our Outlook

(**O-1, 19 points**) Many people make more of an effort to plan their vacation than to plan their financial future. Today's actions are the keys to tomorrow's results. Insert name/I/We is/am/are here to help clients achieve their financial goals through effective planning and implementation.

Dedicated to assisting clients in identifying their financial goals and turning those goals into realities, he/she/I/we can guide clients in college funding, retirement planning, tax planning, insurance planning, estate planning, and investment strategies.

Sometimes people procrastinate when college expenses, a home purchase, or retirement goals seem so far away. However, time and consistency can be your greatest allies in financial planning.

(**O-2, 16 points**) Stock market volatility has made the past three years difficult for most investors. While most of us realize intellectually that we must assume more risk to achieve higher return potential, emotionally it is often difficult to continue investing when the future direction of the market is unclear.

In this environment, the guidance of a knowledgeable advisor can help you stay the course. This is an excellent time to reevaluate your investments and objectives. It is important now more than ever that your investment strategy match your goals and objectives.

(**O-3, 26 points**) A proper investment and financial plan is more than just an occasional consideration to be thought about once every couple of years. It is an ongoing process of cooperation and coordination between financial advisor and client based on honesty, accessibility, and education.

While investment selection is an important part of this relationship, short- and long-term goals, debt considerations, and lifestyle goals are all vital parts of the total plan.

Insert name/I/We is/am/are committed to providing the comprehensive service that his/her/my/our clients deserve to navigate today's increasingly complicated financial world. Whether it's a creative plan to handle estate or business continuation concerns, an investment strategy based on today's market situation, a detailed plan to fund your children's college educations, or action steps to accomplish your retirement goals, insert name/I/we is/am/are committed to properly consulting with and educating his/her/my/our clients.

(**O-4, 21 points**) Do you wish you had more time to manage your finances? Even if you read financial articles and use financial software, you will probably find you still can't manage your affairs the way a professional can. There is just too much information and too many other demands on your time.

That's why insert name/I/we is/am/are here. It is his/her/my/our job to keep up with the ever-changing financial services industry to help you manage your finances effectively. He/She/I/We will work with any other advisors you may have to help assure all parts of your financial picture fit together. His/Her/My/Our goal is to evaluate your total financial situation. By seeing the whole picture, insert name/I/we can help you make necessary adjustments to help keep you on the path to achieving your financial goals.

**(O-5, 25 points**) Which investment is the best choice for your portfolio? Should you contribute to a Roth IRA? Does your estate plan incorporate the changes enacted by the 2001 Tax Act? How do you know when to buy or sell a stock? Will you be able to retire when you want to? Do you have adequate insurance in the event of an untimely death? Will you be able to send your children to the college of their choice?

These are just a few of the questions you may be concerned about. Today's investment environment offers so many options that it can be confusing to figure out what is right for your situation. That's where insert name/I/we can help.

Insert name's/My/Our job as your financial advisor(s) is to educate you about financial matters and guide you in creating and maintaining a portfolio that will help you meet your financial goals. He/She/I/We is/am/are always available to talk if you have questions or concerns about the market or your portfolio.

(**O-6, 35 points)** Are you worried about the volatility in the stock market?

Are you confused by all of the investment vehicles now available?

Are you concerned your current income may not keep pace with inflation?

Are you worried you won't be able to finance a college education for your children or grandchildren?

Are you sure you're saving enough for a comfortable retirement?

Have you reviewed your estate plan recently to ensure your estate will be left to your choice of beneficiaries at a minimal estate tax cost?

Are you looking for ways to reduce your income taxes?

Would you be financially ruined if a disability occurred?

Are you confident your insurance coverage protects you from major potential losses?

If you are concerned about any of these financial matters, insert name/I/we can review your concerns and design a financial plan that will help you achieve your financial goals.

(**O-7, 23 points)** We offer a wide variety of financial products and services. However, the most important "product" we offer is service to our clients. It is the service we provide that helps our clients decide which financial products fit their unique financial situation. It is service that compels us to get to know our clients well, so we can make sure their investment program fits their financial situation. It is service that prompts us to schedule annual meetings with our clients so we may rethink past decisions to ensure we are on target to help achieve financial goals. It is service when we phone our clients to introduce an idea that may be of benefit. It is service that demands we enroll in continuing education to keep abreast of the ever-changing marketplace. And it is service — high-quality, responsive service — that helps us earn the trust and support of our clients. We realize our clients have many sources available for their business. It is with first-class service that we separate ourselves from the others.

**(O-8, 31 points)** As (a) financial advisor(s), insert name/I/we help(s) clients set a clear and realistic path toward meeting their goals while optimizing their investments. He/She/I/We commit( to providing clients with solid investment advice and uncompromising service. All types of investors rely on him/her/me/us for investment management discipline and knowledge, and to help them achieve strategic investment goals.

Insert name/I/We believe(s) his/her/myour approach is enhanced by his/her/my/our alliance with his/her/my/our broker/dealer. His/Her/My/Our broker/dealer's long-standing presence in research means they know the global investment management industry, money managers, strategies, and global markets. From this research, they develop an investment process that has valuable advantages for investors.

Insert name's/My/Our personalized service, combined with the extensive resources of his/her/my/our broker/dealer, provide you with a complete package to build a comprehensive investment plan. Through his/her/my/our broker/dealer, he/she/I/we offer(s) you access to institutional money management firms worldwide and additional risk control, both embedded within a well-diversified, sophisticated investment approach.

**(O-9, 28 points)** Insert name's/My/Our role is to serve as (a) financial consultant(s) for his/her/my/our clients. He/She/I/We does/do not attempt to replace any other advisors (e.g., attorneys or accountants), but try(ies) to coordinate his/her/my/our efforts with those other professionals. He/She/I/We can provide assistance in several areas, including:

- Overall financial consulting
- Tax strategies
- Investment counseling
- Retirement planning
- Insurance analysis
- Estate planning strategies

A proper financial plan takes into consideration all areas of your finances. Insert name's/My/Our recommendations are tailored to help you meet your goals and maintain a long-term outlook in a volatile market. He/She/I/We does/do this by reviewing numerous investment alternatives and recommending those he/she/I/we believe(s) to be suitable for his/her/my/our clients, given your time frame, risk tolerance, and current market conditions.

**(O-10, 20 points)** Insert name/I/we has/have geared his/her/my/our organization toward servicing you, his/her/my/our clients, efficiently. From bond purchases to specialized estate and retirement planning strategies, he/she/I/we pride(s) himself/herself/myself/ourselves on his/her/my/our full range of services. It is his/her/my/our responsibility to oversee the process of helping you achieve your financial goals.

Insert name/I/We use(s) specialized consultants, so he/she/I/we can access necessary resources and coordinate them cost efficiently for your benefit. He/She/I/We will keep your long-term interests at heart as he/she/I/we plan(s) and monitor(s) your investments, insurance, estate planning strategies, retirement planning, and other financial needs.

**(O-11, 44 points)** We are a team of highly motivated professionals dedicated to the design, implementation, and ongoing guidance of financial plans for executives, business owners, and professionals. We strive to serve all of our clients' financial needs. We have a strong commitment to our clients, our people, our industry, and our communities.

**Our clients**: We are committed to providing our clients with innovative, value-added financial planning, insurance, and investment management services. We endeavor to meet our clients' expectations while dedicating ourselves to providing financial independence. We value long-term relationships.

**Our people:** We are committed to recruiting and developing the best individuals in our industry. We provide our people with opportunities for growth. We maintain an open door policy at all levels, encouraging the flow of communication and an exchange of ideas. We recognize the importance of each individual's active role in the success of the firm. We expect our people to be known for their integrity, service, hospitality, competence, and professionalism.

**Our industry:** We are committed to leading the financial planning, insurance, and investment industry through our integrity, innovation, service, and client satisfaction. We will continue to maintain the trust of our clients through full disclosure of accurate information. We respect the accounting, legal, financial, insurance, securities, and other related industries that contribute to our success.

**Our communities:** We are committed to the enhancement of the communities of which we are a part, through education, leadership, and active participation in community affairs.

**(O-12, 27 points)** Although the financial services industry is subject to constant change, the principles on which we were founded have remained steadfast.

We remain committed to the simple tenet that the best interests of our clients must take precedence in all decisions. From data gathering, to analysis, to recommendations, the guiding principle has been to make sure that the client has a clear picture of what is needed, why it is needed, and how their decisions will affect their financial picture.

Giving the client choices and alternatives when providing strategies to help meet their financial needs is another important factor in our commitment to excellence. A commitment to provide ongoing quality service is the cornerstone in our business operations. Annual reviews, our newsletter, and frequent personal contact help our clients to know where they stand with their financial goals and objectives.
But the most important ingredient in our success is the confidence and loyalty of quality clients.

# Insert Name's/My/Our Services

**(S-1, 7 points) Asset Allocation**

Insert name/I/We will look at your current portfolio and analyze where your stocks are allocated and how this best fits with meeting your financial goals. He/She/I/We will then use this analysis to recommend any changes that should be made to help you better meet those goals.

**(S-2, 21 points) Bonds**

Whether you're attempting to shift funds out of the stock market into bonds to reduce risk, to rebalance your portfolio, or just setting up an investment strategy, you need to decide how much of your total portfolio to invest in bonds. How much you should allocate to the bond portion of your portfolio will depend on your situation, but over time, the percentage of bonds you own is likely to change. For instance, young investors are likely to be more concerned about growth, so that bonds may only make up a small percentage of their portfolio. Those who are retired or close to retirement, on the other hand, are likely to own a higher percentage of bonds as safety of principal and a steady income stream become more important. In general, the percentage of bonds you own should increase as you become more averse to putting your capital at risk. Insert name/I/We will help you decide how much of your portfolio to allocate to bonds.

**(S-3, 17 points) Bonds**

Many investors select bonds for a dependable income stream or as a way to protect their principal. These investors will typically buy and hold bonds until maturity. They are looking for the best yield for a given time frame with a level of risk they are comfortable with. Other investors prefer to use bonds as a way to reduce the risks in a portfolio heavily weighted with stocks or to actively trade bonds for capital gains. These investors need to assess the likely future direction of interest rates in conjunction with other factors. Each type of investor will use very different strategies for bond investments. Insert name/I/We will help you determine your objectives for your bond portfolio and then devise appropriate strategies to help achieve those objectives.

**(S-4, 8 points) Education Funding**

Examining things like how quickly college costs are rising and how much you currently have invested for college costs can help determine a savings plan to fund your children's college education. Insert name/I/We can then use this analysis to create a savings program with investments tailored to help meet your goals.

**(S-5, 23 points) Education Funding**

We all want our children or grandchildren to grow up to be healthy, wealthy, and wise. While a college education can provide a good start in that direction, many parents are intimidated by the potential costs involved. Instead of avoiding the issue, take time to plan, save, and enlist professional help in reaching college funding goals.

Insert name/I/We can help you assess your current situation to provide a unique solution to your needs, taking into account your individual situation. For example, families with young children may simply need to establish a routine savings plan with appropriate investment choices. On the other hand, people with children nearing college age and little in savings might need to save significant sums of money and conduct a thorough review of financial aid possibilities.

Whether your child is young or nearing college age, planning ahead will allow you to assess all available options, selecting those best for you.

**(S-6, 8 points) Education Planning**

If you have children or grandchildren for whom you would like to provide a college education, insert name/I/we can help you plan to make that possible. He/She/I/We can project what college expenses may be when your child enters college and work with you to create an investment plan to help you meet those expenses at that time.

**(S-7, 21 points) Estate Plan Review**

After the estate tax changes enacted by the 2001 Tax Act, you should thoroughly review your estate plan. Your estate planning strategies should now encompass the possibility that you may die during three periods — the phase-out period, the year of estate tax repeal, and after reinstatement in 2011. Take a fresh look at your estate planning documents and review them every couple of years during this transition period. Even if the increases in exemption amounts mean your estate won't be subject to estate taxes, there are still reasons to plan your estate. You probably still need a will to provide for the distribution of your estate and to name guardians for minor children. You should also consider a durable power of attorney, which designates someone to control your financial affairs if you become incapacitated, and a health care proxy, which delegates health care decisions to someone else when you are unable to make those decisions.

**(S-8, 28 points) Estate Planning**

You work hard to provide for your family, pay for your child's college tuition, and ensure your family lives a good life. Wouldn't you want to make sure that still happens when you're no longer here? A well-thought-out estate plan can help accomplish that goal.

Estate planning seems like a huge undertaking, but it's quite manageable if you seek the help of a professional who has experience in the area. When insert name/I/we provide(s) individuals with estate planning strategies, he/she/I/we first talk(s) about their existing plans, their desires for how they want their assets distributed, and any other concerns they have about putting their estate in order. Then he/she/I we work(s) through their financial situation to estimate what their estate will be worth and what will be owed in taxes and probate fees. He/She/I/We then discuss(es) specifics about how they want their estate distributed and ways to ensure heirs pay the least amount of estate tax possible.

Not only is estate planning a very important thing to do, it's also practical. You want to make sure your hard-earned assets go where you want them to, so you need to plan for that result.

**(S-9, 26 points) Financial Consulting**

Insert name/My/Our role is to serve as (a) financial advisor(s) to his/her/my/our clients. He/She/I/We do/does not attempt to replace other advisors, but try(ies) to coordinate his/her/my/our efforts with those other professionals. He/She/I/We can provide assistance in several areas, including:

- Overall financial consulting
- Tax strategies
- Investing counseling
- Retirement planning
- Insurance analysis
- Estate planning strategies

A financial plan should take into consideration all areas of your finances. Insert name's/My/Our recommendations are tailored to help you meet your goals and maintain a long-term outlook in a volatile market. He/She/I/We do/does this by reviewing numerous investment alternatives and recommending those he/she/I/we believe(s) to be suitable for his/her/my/our clients, given your time frame, risk tolerance, and current market conditions.

**(S-10, 38 points) Financial Planning for Women**

Whether they are executives, entrepreneurs, mothers, or teachers, many women are in need of solid financial planning advice. While each person's needs are unique, there are several common areas of concern.

Selecting investments appropriate for a woman's financial goals is key to creating a plan that will help her meet her needs. Consider your investment objectives and make sure your plan takes into account your financial resources, time horizon, future needs, and risk tolerance.

Another area of importance is estate planning. Whether a woman inherited her husband's estate or earned her own through work or investments, all women should review the estate planning options available. Things such as making lifetime gifts, using trusts for children or grandchildren, or making charitable contributions are all possibilities women should understand so they can determine the best option for their situation.

Planning for retirement is also a key concern for women. Whether they have their own retirement plan through an employer or inherit their husband's retirement plan, decisions need to be made about those retirement benefits. Questions such as, "What distribution option is best for me?" or "Will my retirement nest egg be enough to live on?" must be answered.

A variety of concerns and questions exist for women to consider when planning their financial lives. Seeking the advice of a trusted financial advisor is one way women can deal with these issues and work to achieve their financial goals.

**(S-11, 15 points) Insurance Review**

Do your insurance policies provide you with adequate protection in all major areas, including life, health, disability income, homeowners or renters, automobile, and personal liability? When was the last time you reviewed all of your insurance policies?

Your insurance needs do not remain stagnant and will change over time. You should assess your insurance coverage periodically, especially if a major life event occurs. Having another child, getting married, obtaining a large salary increase, moving to a new house — all of these events can drastically alter your insurance needs.

**(S-12, 33 points) Insurance Review**

You should review your insurance needs periodically because the types of coverage you require as well as the amount you need will change as you reach different stages in your life.

For example, if you're young and single, you might not need life insurance because you have no dependents. On the other hand, if you have children and your spouse doesn't work, you will probably need a significant amount of insurance. If you're older, have no children, and have a modest estate, you might not need life insurance, but you might benefit from long-term-care insurance in the event of a nursing home stay.

When assessing your insurance requirements — what types and how much you need — you must first identify and analyze all the possible risks you face. Then you must decide how much risk you are willing to take on yourself and how much insurance you need to cover risks you don't want to assume.

By working closely with insert name/me/us, he/she/I/we can ensure that each type of coverage you choose and how much of it you purchase will fit into the overall context of your financial situation. For example, you may want less coverage in one area because you have other assets that can cover that expense. Only a periodic review of your current situation will make sure you have the right type of coverage in the proper amounts.

**(S-13, 23 points) Insurance Review**

At least once a year, you should take a hard look at all of your insurance policies to ensure the coverage still fits your changing needs. Insert name/I/We would like to offer his/her/my/our services in the area of completing an analysis of your insurance coverage. The key areas in which such a review can assist you include:

- **Protection amounts** — Ensure your insurance coverage is keeping pace with your lifestyle changes, such as additions to the family, a new home, or a new career.
- **Premium rates** — Review your premiums to ensure they are competitive in today's market.
- **Company strength** — Verify your insurer's long-term stability is sound.
- **Product evaluation** — Evaluate the policies you have outstanding to ensure your coverage will best serve your needs.
- **Policy servicing** — Check beneficiary designations and other policy details to ensure changes are not necessary.

**(S-14, 27 points) Investment Consulting**

Insert name's/My/Our investment philosophy involves determining each client's risk tolerance and then selecting appropriate investments.

Determining the risk tolerance of clients involves spending time getting to know them. He/She/I/We find(s) out their goals, hesitations, and fears to help discover what their risk tolerance is. Insert name/I/We also take(s) into account factors such as age, income level, total net worth, and investment time horizons.

He/She/I/We then evaluate(s) investments that best fit the needs of his/her/my/our clients. He/She/I/We do(es) this through in-depth research and analysis of information from many sources.

Once an investment profile you feel comfortable with has been created, insert name/I/we will monitor your account on an ongoing basis. You will receive periodic statements and will be notified of any activity in your account. He/She/I/We will keep your investment goals in mind and monitor your asset mix, making recommendations for change when appropriate.

**(S-15, 32 points) Life Insurance**

There are many reasons for owning life insurance. While many people purchase life insurance solely to maintain their family's standard of living in the event of their death, life insurance can serve other important purposes. If a major portion of your estate is invested in illiquid assets, life insurance can provide a means for your heirs to pay estate taxes without selling those assets. Or you may want to leave a large inheritance to your heirs or a charitable organization in the form of life insurance proceeds. Business owners often use life insurance to ensure the business will not be sold to pay estate taxes or to provide a means for partners to buy out the heirs of the deceased partner.

Your insurance needs will change over time. When you are a young, single adult, you may not need life insurance. When you start a family, your insurance needs are likely to be greater since family members are depending on your income. As your children become independent, your insurance needs may decrease. The amount of insurance you need depends on your current net worth, the lifestyle you want to provide for your family, and your personal desires. Rather than relying on a rule of thumb, go through a detailed analysis to determine how much insurance you need. Insert name/I/We is/am/are available to help you make life insurance decisions.

**(S-16, 9 points) Retirement Planning**

Retirement planning is essentially the process of identifying your needs and wants, creating a plan to help you meet those goals, and committing to carrying out that plan. It is insert name's/my/our job to help you in this process by identifying the assets you currently have, assessing your tolerance for risk, and putting together a plan you are comfortable with and are willing to commit to.

(**S-17, 12 points) Retirement Planning**

By reviewing your current assets, retirement plans, and rate of savings, insert name/I/we can give approximate answers to questions like "Based on my savings, when is the earliest I can retire?" and "With what I have saved so far, what will my retirement income be?" This analysis helps insert name/me/us see how your current situation measures up against the lifestyle you want for the future and guides him/her/me/us in making any adjustments necessary to provide the funds needed to carry out your wishes for retirement.

**(S-18, 7 points) Retirement Planning**

If you are close to retirement or just want to plan ahead, insert name/I/we can help you create a retirement plan. He/She/I/We look(s) at your current assets and desires for retirement, then develop(s) an investment program to help you attain the retirement goals you have set.

**(S-19, 34 points) Retirement Planning**

Are you positive you have enough money to live comfortably during retirement? If you can't answer that question with a resounding "yes," then a retirement planning review may be in order. In this review, insert name/I/we will discuss your current retirement savings, your future needs, and ways to help you get there.

First, insert name/I/we will determine the value of your current retirement nest egg, which may include savings, insurance, and employer retirement plans.

Then, he/she/I/we will look at how much money you'll need for retirement. He/She/I/We will explore factors such as life expectancies, long-term-care costs, medical expenses, and inflation. He/She/I/We will also discuss your particular goals for retirement. Whether you want to travel, enjoy hobbies, work, or volunteer part time, your style of living will determine your living costs during retirement.

Last, insert name/I/we will work to create a financial plan that will help you meet your retirement requirements. He/She/I/We will choose investments that will help you obtain the growth you need, based on your risk tolerance and time frame for investing.

Together, we can implement a strategy that will help you plan for retirement.

**(S-20, 36 points) Services**

Insert name's/My/Our goal is to aid his/her/my/our clients in managing their personal finances to help achieve their long-term goals. Some areas he/she/I/we can best be of service include:

**Financial Planning** — Through meticulous fact-finding, he/she/I/we analyze(s) your current planning and develop(s) strategies to help you achieve your long-term goals.

**Retirement Planning —** Insert name/I/We can either design a retirement plan for your company or help you maximize a plan you participate in.

**Estate Planning** — Through the use of the latest estate planning techniques, he/she/I/we can help you develop an effective estate plan, which considers wills, trusts, insurance, and other vehicles to help minimize your estate taxation.

**Personal Insurance** — Insert name/I/We provide(s) a full range of insurance products, including life, health, disability, home owners, and automobile.

**Tax Planning —** He/She/I/We can help you develop strategies designed to reduce your tax burden.

Insert name/I/We find(s) out your goals first, then decide(s) the appropriate course to accomplish those goals.

**(S-21, 43 points) Services**

To give you a better idea of how insert name/I/we can help you, here is a summary of his/her/my/our financial services:

- **Retirement planning.** If you are close to retirement or just want to plan ahead, he/she/I/we can help you create a retirement plan. Insert name/I/We look(s) at your current assets and desires for retirement, then develop(s) an investment program to help you attain the retirement goal you have set.

- **College education planning.** If you have children or grandchildren for whom you would like to provide a college education, he/she/I/we can help you plan to make that possible. Insert name/I/We can project what college expenses will be when your child is entering college, and then work with you to create an investment plan to help you meet those expenses at that time.

- **Asset allocation assistance.** He/She/I/We can help you determine the appropriate asset allocation for your portfolio, given your risk tolerance, goals, and investment time frame.

- **Investment portfolio review.** Insert name/I/We will meet with you at least annually to review your portfolio's performance, discuss necessary changes, and answer any questions you may have. Although he/she/I/we does/do this at least once a year, clients are welcome to make an appointment any time they have issues they would like to discuss.

- **Financial education.** He/She/I/We feel(s) that part of his/her/my/our job is to educate you on financial topics of importance to you. That's why he/she/I/we send(s) out newsletters, conduct(s) seminars, call(s) you occasionally, or send(s) out e-mails.

**(S-22, 28 points) Services**

You may not be aware of all insert name's/my/our services, so here is a basic list:

**Investing:**
Fee-based money management
Investment review
Asset allocation models
**Insurance:**
Screening and selection of life, disability, and long-term-health care
Insurance needs modeling and projections
**Estate Planning:**
Helping coordinate trusts, strategies, and insurance
**Retirement Planning:**
Retirement modeling and projections
Comprehensive financial planning
**Business:**
Pension plan asset management
Employee benefits coordination
Buy-sell and other owner issues

He/She/I/We offer(s) knowledge and experience with the services listed above. In addition, he/she/I/we would be happy to meet with any of your family, friends, or colleagues who need help in any of these areas.

**(S-23, 34 points) Services**

It seems that everywhere you look today, someone is offering to provide you financial advice. Whether it's a bank, insurance agency, or stock brokerage firm, everyone has a different perspective on what kind of "advice" you need. This wide variety can be confusing to you if you are looking for professional, unbiased financial advice.

Insert name's/My/Our firm offers a unique approach to financial planning. He/She/I/We is/am/are a fee-only independent advisor. That means he/she/I/we is/am/are not financially obligated to any firm. Because of this, he/she/I/we is/am/are able to offer you completely objective advice. You don't have to worry that he/she/I/we is/am/are advising a certain purchase just to receive a commission. Insert name/I/We work(s) with your best interests in mind, and to ensure you receive the analysis and recommendations that are best for you, he/she/I/we operate(s) on a fee-only basis.

As (an) independent advisor(s), his/her/my/our goal is to meet your financial objectives. Insert name/I/We has/have a broad variety of financial products available to him/her/me/us and he/she/I/we use(s) solid techniques and strategies in managing your finances. His/Her/My/Our commitment is to you, his/her/my/our client. Insert name/I/We believe(s) this approach to financial advice benefits you and he/she/I/we want(s) his/her/my/our firm to be one you trust.

**(S-24, 13 points) Stocks**

When stock prices just seemed to keep on rising, many investors did little more than select stocks whose prices were increasing dramatically. This strategy worked well for a while. But now that the market has declined substantially, investors are again talking about the reasonableness of price/earnings ratios, earnings estimates, and sales and growth estimates. There has been a return to a fundamental approach — researching and examining a stock's financial situation before purchasing it. Insert name/I/We can assist you in evaluating stocks for your portfolio.

**(S-25, 37 points) Stocks**

Don't make the mistake of just picking up stocks over the years without a stock selection methodology. Insert name/I/We can help you select stocks following a systematic approach:

**1. Identify your investment goals.** Before selecting individual stocks, you should decide what role stocks will have in your total portfolio.

**2. Decide which types of stocks are appropriate for your situation.** Common stocks can be classified in many categories, including blue chip, growth, income, defensive, cyclical, and speculative.

**3. Decide on an overall stock investing strategy.** Your strategy will help determine the types of stocks appropriate for your situation as well as how much time you'll need to devote to the investment process. A buy-and-hold strategy involves selecting a core group of stocks to be held for the long term. A stock timing strategy requires changes in your stock investments when market conditions change. Broad diversification involves investing in stocks from a variety of industries. Some investors prefer investing in one industry that may outperform the market, while others look for stocks that may increase substantially in a short time.

**4. Analyze individual stocks.** Research individual stocks that may fit your overall strategy. While the wealth of information available about individual stocks can seem overwhelming, take time to evaluate annual reports, research reports, and other pertinent information.

**(S-26, 33 points) Tax Planning**

Tax planning is often confused with tax preparation, with thought given to the subject only when preparing your annual tax return. However, little can be done to actually lower your tax bill at that point. If your goal is to reduce taxes, you need to be aware of tax planning opportunities throughout the year.

Take time early in the year, perhaps as part of the tax preparation process, to assess your tax situation, looking for ways to reduce your tax bill. Consider a host of items, such as what kinds of debt you owe, how you're saving for retirement and education expenses, which investments you own, and what tax-deductible expenses you incur. It often helps to discuss these items with a professional who can review strategies you might not have considered.

During the year, consider the tax consequences before making important financial decisions. This will prevent you from finding out later that there was a better way to handle the transaction.

Look at your tax situation again in the fall, which gives you plenty of time before year end to implement any additional tax planning strategies. At that point, you'll also have a better idea of your expected income and expenses for the year. You may then want to use strategies you hadn't considered earlier in the year, such as selling investments at a loss to offset capital gains.

# Asset Allocation

**(AA-1, 44 points)** Recent market volatility brings home the importance of asset allocation and its impact on short- and long-term portfolio performance.

Many investors build portfolios with whatever is handy, such as stock in the company you work for, hot tips from friends, or a bond with an irresistible interest rate. Unfortunately, this often results in an unbalanced portfolio that does not maximize value and possibly exposes an investor to excess risk.

What most investors want and need is a portfolio in which the assets are allocated among a range of investments carefully selected to help them meet financial goals.

One easy way to understand asset allocation is to visualize a pyramid divided into four different layers: income on the bottom, moving up to growth and income, then to growth, and aggressive growth at the peak of the pyramid. Remember, what the mind desires in terms of returns is not always consistent with what the stomach can handle.

Building the base of the pyramid is the first place to begin to ensure a solid foundation for your more intermediate needs. After you firmly establish your foundation, you can move up each layer of the pyramid, depending on things such as your investment time horizon and tolerance for risk or volatility.

The pyramid described above is only a basic model of asset allocation. Sophisticated allocation models are constantly updated to changing market conditions. These models provide guidelines for how much money you should keep in cash, stocks, bonds, and other investment alternatives within each category to help build the correct portfolio for you.

**(AA-2, 29 points)** While everyone can agree that asset allocation is an important part of an investment strategy, not everyone is willing to employ it. Many investors would rather spend the bulk of their time searching for the latest hot investment. Why?

Asset allocation can be boring. It does not provide extravagant returns quickly. Also, the process itself can be quite daunting. There are more investment choices now than ever before and factors such as world economics, currency fluctuations, and income taxes need to be considered before making your selections. In addition, most individuals have their assets spread out among various accounts in different locations, making asset allocation even more complex.

To further complicate matters, once a portfolio is finally assembled to your satisfaction, it is usually recommended that the allocation mix be reviewed and rebalanced at least once a year.

Despite all this, asset allocation is worth the effort. It provides a disciplined approach to diversification and eliminates the need to time investment decisions.

**(AA-3, 46 points)** Many times investors have strong ideas about what investments should be in their portfolios. Some favor more aggressive investments with greater return potential, whereas others prefer bonds and income-oriented investments with less risk. Although both types of investments have their merits, a balanced portfolio will contain more than one kind of asset. The key to a balanced portfolio is finding an asset mix that will help you meet your needs.

Your assets should be allocated among stocks, bonds, and cash. Stocks offer growth potential, albeit the risk of market fluctuations, that is needed in a long-term portfolio and some protection against the effects of inflation. Bonds, on the other hand, can help provide preservation of your principal and predictable returns if held to maturity. To determine how much of each asset type belongs in your portfolio, first consider three factors:

1. **Your age.** As a general rule, investors in their 20s and 30s will want more of their portfolio allocated to stocks than investors in their 60s. Since they have a longer time before retirement, they have time to weather ups and downs in the market.

2. **Your financial goals.** If you are retired and living off investment income, for example, you will want to preserve your principal and will likely prefer more bonds and other debt obligations than someone with 20 years until retirement.

3. **Your ability and willingness to assume risk.** Some people may feel uncomfortable investing in stocks because of the unpredictability of the market. If that's the case, your portfolio should not be allocated primarily to stocks or you will probably be uncomfortable with your investments.

In balancing your portfolio, it's necessary to think about these issues and assess your own goals and feelings about investing.

**(AA-4, 40 points)** You may have heard the term asset allocation, but not given it much thought. After all, is it really something everyone needs to think about? Insert name/I/We believe(s) that it is and here's why.

In setting up your investment portfolio, you first need to pinpoint your objectives. Do you want high returns, long-term growth, or do you need current cash flow? You also need to determine your risk tolerance. Will you be comfortable with investments that carry high risk or do you need low-risk vehicles? Answering these questions will give you a good start on figuring out what asset allocation is best for your portfolio.

Asset allocation refers to how much money you have in the various asset classes (cash, stocks, and bonds). Determining what amount to put in each class can prove very important. To determine the allocation that's best for you, insert name/I/we need(s) to look at your age, income level, and tax bracket. If you are in your 60s and nearing retirement, for example, you may not want to have most of your money in stocks. However, if you are in your early 20s, you may favor an allocation heavier in stocks and light on bonds. Your goal is to create an asset allocation that gives you an appropriate balance of risk and reward, while allowing you to feel comfortable with the investments you've chosen.

Your asset allocation is an essential component of your portfolio and as your life changes, you need to make sure your allocation stays in line with your goals and risk tolerance. That's why it is important to have a well-defined plan that can be reviewed periodically and adjusted as needed.

**(AA-5, 45 points)** Although the number of decisions required to start an investment program seem overwhelming, the most important decision may well be determining your personal asset allocation plan. Determining your asset allocation mix is a five-step process:

**1. Identify your financial goals.** This will determine how much money you need to accumulate and how long you have to do so, which is a dominant factor in establishing which vehicles are appropriate for a particular financial goal. Funds that will be needed in a couple of years should be invested in vehicles less risky than funds that won't be needed for 20 or 30 years.

**2. Review your investment profile.** Your risk tolerance will play an important role in your asset allocation plan. Some people cannot stand the thought of losing even a minimal amount of principal, while others are very comfortable with this as long as they have the possibility of significantly increasing their total return. Other personal factors will also affect your decision, including your age, net worth, income needs, tax situation, expected return, and personal beliefs about various investments.

**3. Decide how much you will place in each asset class — stocks, bonds, and cash.** Not only will each individual's asset allocation strategy vary, but your strategy will vary over time. Within the broad categories of stocks, bonds, and cash, you will need to make allocation decisions for each category.

**4. Compare your desired asset allocation plan to your current asset allocation.** You will then have to make adjustments to your portfolio to achieve your desired mix.

**5. Monitor your investment portfolio on a periodic basis, making adjustments as needed.**

# College Planning

**(CP-1, 35 points)** When it comes to funding a child's college education, most parents need a helping hand. With all the forms to fill out, scholarships to apply for, and loans to research, it can be difficult to figure out how to secure the best overall financial aid package. Common mistakes often made during this process are:

- Assuming you are not eligible for financial aid
- Failing to file forms before the deadlines
- Not allowing enough time to complete all required paperwork
- Expecting the college to help you get financial assistance

All of these mistakes are avoidable — if you have someone working with you who understands the financial aid process. Insert name/I/We has/have a great deal of experience helping parents through this confusing time. Besides educating you about the financial aid process in general, he/she/I/we also:

- Help(s) you select colleges that offer a good education with opportunities for financial assistance.
- Review(s) your financial aid documents to make sure they are accurate and that you are applying for all of the federal assistance programs for which you are eligible.
- Negotiate(s) with specific schools for a financial assistance package.

**(CP-2, 25 points)** We all want our children or grandchildren to grow up to be healthy, wealthy, and wise. While a good college education generally provides a good start in that direction, many parents are intimidated by the potential costs involved. Instead of avoiding the issue, take time to plan, save, and enlist professional help in reaching these college funding goals.

Insert name/I/We can help you assess your situation to provide a unique solution to your needs, taking into account your individual situation. For example, families with young children may simply need to establish a routine savings plan with the appropriate investment choices. On the other hand, people with children nearing college age with little in savings might need to save significant sums of money as well as conduct a thorough review of financial aid possibilities.

Whether your child is young or nearing college age, planning ahead will allow you to assess all available options, selecting those best for you.

**(CP-3, 25 points)** Providing for your child's college education will probably be one of the most significant investments you make. While a college degree is widely recognized as the basic foundation for a successful career, the cost of that degree is staggering. Don't let the significance of the amount you need to save prevent you from attempting to achieve this goal. With a definite plan and an early start, you will increase the odds that you will be able to meet this goal.

To help you in this process, insert name/I/we offer(s) an education planning service. He/She/I/We will:

- Review your objectives for your children's college education.
- Analyze available resources for this goal.
- Forecast future costs for the college you want to send your child to.
- Estimate how much you need to invest annually to meet that goal.

• Help you select investments appropriate for this goal.

# Estate Planning

(**EP-1, 31 points)** If you're like most people, you've probably delegated estate planning to the realm of things to be done "someday." Most people dislike confronting their own mortality, but proper estate planning accomplishes two major objectives — it ensures your wealth is distributed based on your wishes and minimizes the payment of federal and state estate taxes.

By formally planning your estate, you will review many different areas, including:

- Does your estate plan incorporate all of the provisions enacted in the 2001 Tax Act?

- Is your will up-to-date and does it dispose of your assets in the most efficient manner?

- Have you made proper provisions for minor children, including naming guardians and providing for their support?

- Are you distributing your assets in the most tax-efficient manner? Should all of your assets be distributed to your spouse?

- Are there any trusts appropriate for your situation?

- Should you establish a formal gift-giving program?

**(EP-2, 31 points)** Insert name/I/We is/am/are available to provide advice regarding your estate plan. Together, we will formulate an estate plan designed to help:

- Minimize estate taxes and associated costs.
- Determine the best way to dispose of and manage assets.
- Ensure your heirs will be able to satisfy estate obligations.
- Achieve your personal goals and objectives for disposition of your assets.

Some of the issues he/she/I/we will cover in developing this plan include:

- What assets do you currently own, where are they located, and how are they owned?
- How do you want to dispose of your assets?
- What current estate plans do you have?
- Do you have any unique family circumstances that will affect your estate plan?
- What is your projected estate tax and are there steps you can take to minimize the tax?
- Will your heirs have the financial ability to manage your assets?
- Will your estate have sufficient liquidity to meet your heirs' immediate needs?

**(EP-3, 23 points)** The ultimate goal of estate planning is to provide for the management and transfer of your property in the event of your death or incapacity, at the smallest financial and emotional cost to your family. A properly structured estate plan allows you to choose your beneficiaries, provide for the management of your assets, and eliminate or reduce taxes. Without careful planning, your property may pass to unintended beneficiaries, may be reduced in value by unnecessary taxes or unsound investments, may be left without adequate investment oversight, or may be unavailable to you and your family in the event of your illness or incapacity.

In addition, estate planning will address such questions as who should own property and what property to own, whether it should be owned jointly or separately, whether trusts are needed for management, control, or tax savings, and whether lifetime gifts should be made.

# Financial Planning

**(FP-1, 28 points)** Every day insert name/I/we meet(s) people who need help reaching their financial goals. People use several excuses to avoid planning for the future:

- They do not have the time to plan.
- They need to earn more money to save money.
- They can do the planning themselves.
- They are intimidated by the thought of handling and making their own investment decisions.

To help you achieve your goals, he/she/I/we offer(s) an eight-point service plan:

1. General financial planning
2. Budgeting and cash-flow analysis
3. Education planning
4. Asset allocation strategies
5. Retirement planning
6. Tax planning strategies
7. Review of auto, health, liability, and life insurance coverage
8. Examination of your estate planning strategy

**(FP-2, 37 points)** Pick a topic and you will find almost everyone has a different opinion on the subject. There are few things we all agree on, but, in general, insert name/I/we think(s) many of us agree that budgeting personal finances and creating a financial plan are great ideas. As we are all aware, saving money is essential to achieving your financial goals. Why, then, doesn't everyone have a financial plan?

He/She/I/We has/have found there are three main excuses when it comes to financial planning:

- I don't know how to get started.
- I don't have the time to come up with a financial plan.
- If I make a budget, I will have to change my lifestyle.

Insert name/I/we will help get you started in the right direction. He/She/I/We can provide you with enough information to help you create your own financial plan or he/she/I/we can do the bulk of the work for you. Whatever the level of involvement, he/she/I/we is/am/are happy to offer any of his/her/my/our services or knowledge.

If you are concerned about designing an effective budget, insert name/I/we can help with that as well. He/She/I/We has/have many ideas you can implement without sacrificing the things that matter most to you. If your hectic lifestyle drains all your free time, he/she/I/we can monitor your overall financial plan for you and suggest any revisions or adjustments.

**(FP-3, 29 points)** Financial planning means something different to almost everyone. For some, it's accumulating enough money to enjoy a comfortable retirement. For others, the most important goal may be to ensure their family is provided the income which would be lost if the breadwinner in the family unexpectedly died. You may desire to accumulate funds to enable your child to attend the college of his/her choice. And many people feel the need to pay less of their hard-earned income to the government.

In reality, a complete and comprehensive financial analysis should not only address what you have identified as your primary financial goal, but should also review your entire financial picture. For example, will the life insurance you currently own be subject to federal estate taxes? What are tax-deferred and tax-free investments and when should they be used? What are the advantages and disadvantages of your children owning the assets designated for their college education?

To develop a financial plan requires a great deal of thought, time (initially), and most importantly, the discipline to carry through with your plan over time.

**(FP-4, 27 points)** In this fast-paced world, we often wonder how we will get everything done. One strategy is to delegate tasks to others who have the knowledge and experience to help you get the job done.

That's why insert name/I/we is/am/are here. When it comes to financial matters, he/she/I/we has/have the training and experience required to help you develop a financial plan tailored to your individual situation. He/She/I/We will first take the time to explore your lifestyle, goals for the future, and comfort level to create a plan tailored to you. After working with you to establish realistic investment objectives and asset allocation guidelines, insert name/I/we will help select investments and/or find money managers. He/She/I/We will then monitor your portfolio to help ensure all parts are working together in the way designed. If there are changes you need to be aware of, insert name/I/we will notify you so a plan of action can be discussed. He/She/I/We will also stay in touch to see if there are any changes in your life or goals that would necessitate changing your financial plan.

**(FP-5, 42 points)** If you are working toward your financial goals, you need to develop a plan now for how you expect to accomplish that. These five steps will give you a good start:

**Step 1** — Review your current financial situation. You need to have a realistic understanding of where you stand as far as assets, liabilities, savings, etc. Once you know your current situation, you can plan for the future.

**Step 2** — Set goals. Think about what you want and need to do in the future. Financial goals can be very diverse — anything from traveling six months out of the year to paying for grandchildren to go to college. Also think about when you will need this money.

**Step 3** — Develop a plan of action. Once you know how much you need, you need to develop a plan to help you get there. Selecting investments that fit your goals and risk tolerance is essential to forming a plan you will stick with over the long term.

**Step 4** — Be consistent. Whether it's a dollar cost averaging program or weekly savings goals, you must do what you committed to in your financial plan.*

**Step 5** — Review your progress. Now that you've started implementing your plan, you will want to see how you are progressing. Look at your quarterly statements and make sure you understand what's going on. You want your plan to help you meet your goals and in order to do that, you need to review it regularly.

* Keep in mind this does not guarantee a profit or protect against a loss in declining markets.

**(FP-6, 22 points)** The financial planning process starts by figuring out where you are now. This includes determining your net worth, your cash flow, and your goals. Then insert name/I/we develop(s) strategies to help you reach those goals.

A comprehensive financial plan will review:

- Your cash flow.
- Your investments.
- Your income tax situation, including income and deductions.
- Your retirement plans.
- Your need for education funding.
- Your insurance coverage, to determine you have an appropriate amount (not too much or too little) and that you protect yourself against the proper risks.
- Your need for estate planning.
- How your business (if you own one) impacts your personal situation.

**(FP-7, 34 points)** • Do you feel that your income just slips away and you're left with nothing to show for it?
- Does trying to choose from among the vast number of investment alternatives leave you confused?
- Do you become frustrated trying to figure out how well your investments are performing?
- Have you been avoiding establishing a college fund for your child because the amount you need to save seems overwhelming?
- Do you worry that your insurance policies won't provide sufficient coverage in the event of a catastrophe?
- Have you been avoiding setting up an estate plan?
- Do you feel you are paying too much in taxes, but aren't aware of ways to reduce your tax bill?
- Are you concerned you won't have an adequate nest egg for retirement?

If you answered yes to any of these questions, the financial planning process can assist in overcoming these problems.

A financial planner can help you sort through your current financial situation, develop long-term goals, and set strategies to assist in meeting those goals. The financial planning process can encompass your entire financial life or can focus on one area of particular concern to you.

**(FP-8, 66 points)** The sheer number of financial decisions required to manage our finances can be overwhelming. But often it seems like we spend an inordinate amount of time on small stuff — getting bills paid on time, reconciling bank accounts, getting a late charge waived. While those things need to be done, how do we judge whether we're headed on the right course? There are six basic financial decisions that can determine the course of your financial life:

**1. How you earn a living.** Sure, we all want to enjoy our work. But within those parameters, why not choose a job that will pay more than another? Your income is going to drive all your other financial decisions, so investigate your options.

**2. How you spend your income.** The amount of money left over for saving is a direct result of your lifestyle choices, so learn to live within your means. To get a grip on your spending, analyze your expenditures and set a budget.

**3. How much you save.** You should be saving a minimum of 10% of your gross income. But don't just rely on that rule of thumb. Calculate how much you need to meet your financial goals and then determine how much you should be saving on an annual basis.

**4. How you invest.** Most people's thoughts about investing have changed because of this bear market. But the ultimate size of your investment portfolio is basically a function of two factors — how much you save and how much you earn on those savings. Even small differences in return can significantly impact your investment portfolio. Typically, investments with potentially higher rates of return have more volatility than investments with lower rates of return. While you don't want to take on excessive risk, you also don't want to leave all your savings in investments with little growth potential. Your portfolio should contain a diversified balance of investment categories, based on your return expectations, risk tolerance, and time horizon for investing.

**5. How you manage debt.** Before you take on debt, think about what effect it will have on your long-term goals. If you are already having trouble finding money to save, how will it get any easier with more debt and interest to pay?

**6. How you prepare for financial emergencies.** Making arrangements to handle financial emergencies will prevent them from adversely affecting your financial goals. Make sure to have an emergency fund, insurance to cover catastrophes, and a power of attorney.

Making the right choices for these six basic financial decisions will help put you on the right financial course. Insert name/I/We is/am/are available to help you with these financial decisions.

# Investment Planning

**(IP-1, 25 points)** When the markets perform poorly, it is quite common for investors to rethink their investment strategy and want to make changes to help them improve results. But changes to their investment strategies would be based on yesterday's results. It is best to keep your emotions out of your investment decisions and stick to the long-term plan you have already established.

One of the primary concerns for today's investor may not be losing money, but outliving it. In the past, retirees spent their savings, including all of their principal. Future retirees may want to live on their income from investments, trying to preserve their principal for heirs.

Many investors may fail if they continue to worry about investment risk and totally stay out of the market. Those investors who identify the real risk, loss of purchasing power, and have a proper plan in place are likely to increase their chances of achieving financial independence throughout their retirements.

**(IP-2, 50 points)** People often feel they have the knowledge and skill to take the place of a professional in assisting the management of their investment portfolios. While it may look easy, keep in mind the financial advisor's role is broad. First, the advisor is backed by a large firm's team of analysts, researchers, and traders. Each member adds value to that of the financial advisor.

Although investors may spend a short amount of time with their financial advisor, the financial advisor spends considerable time on each client's account. The investment process normally begins with the financial advisor and client determining objectives, risk tolerance, time horizon, and future needs such as retirement, college expenses for children, and more.

Next, depending on the client's experience, the financial advisor may educate the client about the investment process — for example, how securities are bought and sold or the structure and management of a mutual fund or managed account. At this point, the investor would learn about the inherent risks of each investment alternative and the associated costs of the transaction or portfolio management.

Third, an asset allocation model for the client's portfolio is determined. While every investor has distinct needs, no investor should place all eggs in one basket.

Every portfolio needs to be monitored. In many cases, investors may need additional planning services such as tax, retirement, and estate planning. A financial advisor may work alone or with the investor's tax advisor to help you reduce a heavy tax burden. Or, as retirement approaches, the financial advisor can assist the investor in developing a retirement plan with the objective of providing the income to maintain a desired lifestyle.

While some services involve fees, they are generally low in comparison to the possible tax savings gained and the comfort of knowing a financial plan, monitored by a professional, is in place.

**(IP-3, 40 points)** Investing for your future is similar to maintaining a car for maximum mileage. Just as a car requires regular oil changes and tune-ups, your portfolio needs regular maintenance as well.

A long-term investment strategy does not imply a passive approach. Once your asset allocation is set, you should periodically review it. Your portfolio will need rebalancing over time because:

- **Your investment objectives or personal circumstances can change.** A change in your household's income may lead to an adjustment in the amount you earmark for investing. If you receive a raise or bonus, you might consider implementing a more aggressive asset allocation approach, or, if you retire or leave your job, you might have less income to invest. Family circumstances can also change; the birth of a child, for example, might encourage you to consider a long-term educational savings program, something that may not currently be included in your asset allocation.

- **Your investments may grow at variable rates, changing the balance of the asset allocation.** As the economy moves through its cycle, some investments will perform better than others. As this occurs, your asset allocation may be affected in different ways. If your stock holdings rise above your original allocation, your risk exposure increases, and, if your stock holdings fall below their target, their growth potential may be lower.

Over time, then, the very nature of the market can throw your allocation out of balance. A regular review of the current state of your asset allocation will allow you to reassess the strategy required to help you achieve your long-term goals.

**(IP-4, 45 points)** Taking the time to develop an investment philosophy will ensure you acquire investments with which you are comfortable. To do this, you need to take several steps:

**1. Identify your investment goals.** It is important to consider a host of factors, including your need for liquidity, your desired rate of growth, your current income needs, your tax situation, and how long you are willing to hold your investments.

**2. Determine your risk tolerance level.** Everyone has a different tolerance for risk — some people cannot stand the thought of losing even a minimal amount of their principal, while others are very comfortable with the thought of losing some principal in exchange for the possibility of significantly increasing their total return.

**3. Review investment alternatives.** You should review the various investment alternatives available, examining the types of risk they are subject to as well as their historical rates of return. This will help you decide whether you would feel comfortable investing in that vehicle.

**4. Analyze your current investment portfolio.** Calculate how much of your current investment portfolio is invested in each investment category.

**5. Determine an appropriate asset allocation mix.** You can now decide how much of your portfolio should be allocated to various investment categories. Not only will each individual's asset allocation strategy vary, but each strategy will vary over time.

Developing an investing philosophy is a difficult process that requires evaluating many factors. But the process is well worth the effort — your strategy will give you a means to achieve your long-term goals in a manner that you are comfortable with.

# Retirement Planning

**(RP-1, 34 points)** Insert name/I/We is/am/are (a) retirement planning advisor(s) who concentrate(s) on investing for a secure retirement. He/She/I/We provide(s) individualized, personalized service. He/She/I/We offer(s) objective, independent advice in selecting top-quality investments best suited to meet his/her/my/our clients' needs.

By using a variety of financial products, insert name/I/we work(s) with his/her/my/our clients to analyze, evaluate, and plan for long-term capital accumulation and appreciation of assets.

All his/her/my/our clients benefit from his/her/my/our commitment to quality advice based upon constant interaction with other local, community-based financial experts such as:

- Certified Public Accountants
- Estate Planning Attorneys
- Chartered Financial Consultants
- Long-Term-Care Advisors
- Survivor Benefits Advisors
- Registered Investment Advisors

Insert name/I/We provide(s) information specific to your circumstances on a complimentary basis. He/She/I/We invite(s) you to take advantage of these services which will assist you in making a more informed decision about your retirement objectives.

**(RP-2, 21 points)** Are you or is a member of your family considering retiring soon? If so, now is the time to prepare and take the worry out of retirement planning. Creating a solid foundation for your future financial security does not need to be complicated. However, it does require someone with the knowledge and experience to help you bring all your needs and desires together.

Insert name/I/We strive(s) to provide thoughtful and knowledgeable help and service to his/her/my/our clients, so they can make reasonable and satisfying decisions about very important retirement considerations.

He/She/I/We has/have been helping residents in this area for many years. His/Her/My/Our clients are people like you, people who are looking to make their dollars last longer and go further.

**(RP-3, 30 points)** Most people are uncertain about their retirement outlook, but they don't know where to turn for information. There are plenty of professionals offering retirement planning services, but many people avoid these professionals because they do not feel they will receive objective information. Instead, they put trust in their employer's pension plan and Social Security, hoping for the best. Unfortunately, when retirement occurs, these people are often disappointed.

As your financial advisor(s), insert name/I/we feel(s) it is important for you to know he/she/I/we has/have the skills and tools required to help you develop an objective and comprehensive plan that you will need to make sensible decisions regarding your retirement plans.

Insert name/I/We is/am/are not talking about providing investment advice — buy and sell decisions on individual stocks and bonds. He/She/I/We is/am/are talking about the overriding factors that will determine whether you can retire without worrying about finances.

This is an important matter. The sooner you tackle it, the greater your odds of reaching your financial goals.

**(RP-4, 55 points)** The complexity of issues surrounding retirement suggests you should begin your planning years before your projected retirement date. A realistic look at your current and future finances may cause you to rethink your retirement plans.

The key to retirement planning is to set realistic objectives. Ask yourself these critical questions:

- Where do you plan to live?
- What kind of lifestyle will you choose?
- How is your health and that of your spouse? Any long-term illness or special medical needs could place severe limitations on your retirement plans.

Make a thorough analysis of your current financial situation. Begin with a review of assets, which includes your home, bank account balances, investments, pension/profit-sharing benefits, and personal property.

Go through the same process with your liabilities. Include any amounts you owe (mortgages, car loans, credit card balances, etc.). Deduct the liabilities from your assets to calculate the funds you can use to finance your retirement.

This is where the financial planning process becomes complicated. You must match the income and growth potential of your assets against your retirement objectives to see if you prudently will be able to afford your desired lifestyle. If not, you may need to change your retirement choices or consider postponing your retirement.

If ample assets are available, the next major issue is how you will invest those assets for retirement. There is no single investment strategy that is right for early retirement. Your portfolio will probably include current income, growth of principal, and tax advantages to help ensure you do not outlive your assets.

This is a simplified look at early retirement planning. In reality, few individuals are in a position to accurately assess such variables as retirement costs, tax consequences, health costs and insurance, the impact of inflation, and yield from assets. Therefore, it is always a good idea to consult with a qualified financial advisor early in the planning process.

**(RP-5, 38 points)** What are your retirement plans? Warm, sandy beaches? Year-round golf? Travel to exotic places? Unlimited time spent with loved ones? There are an infinite number of possibilities, but they all have one thing in common: they require planning to achieve.

If you're like a lot of Americans, you may not have started planning for retirement. Why do so many people procrastinate when it comes to retirement planning?

- **Large, immediate demands on income.** Tuition, child care, mortgages, and other expenses take up a large proportion of income, often through a person's late 40s and early 50s. The amount of money available to save for your own retirement is correspondingly reduced.

- **Retirement planning is complicated and takes expertise.** Taking into account external factors like inflation, taxes, and Social Security is difficult for many reasons, especially due to the uncertainty involved with many of these factors. Not only that, investment savings decisions are much more complex than they used to be. Knowing how to deal with factors likely to affect your retirement — increased life expectancies, changes to Social Security, health care costs, the effect taxes will have on your ultimate retirement income — is not easy.

Fortunately, despite the difficulties you'll face in planning your retirement, it's not an insurmountable task. There are many good resources available to you.

**(RP-6, 39 points)** If you haven't taken the time yet to begin planning for your retirement, insert name/I/we urge(s) you to do so now. Before you know it, you'll be ready to retire and you don't want to find out then that you don't have enough money.

When insert name/I/we begin(s) to help clients with their financial plans, he/she/I/we work(s) with them to find the answers to these three questions:

1. How much income will you need during retirement?
2. What resources will you have available (assets and income) to use during retirement?
3. How much do you need to save now to make up the difference between what you currently have available and what you will need?

To answer these questions, you first need to think about your expectations for retirement. Individuals vary drastically in their dreams and, thus, financial needs — for example, if you plan to travel extensively, you will need more money than someone who wants to stay at home and tend to a garden. You also need to think about what's important to you. If you want to provide a college education for all of your grandchildren, you will need to have money set aside for that purpose.

Once you have decided what you want for your retirement, insert name/I/we can help you with the other questions. He/She/I/We will work with you to take inventory of what assets you currently have for retirement and what income you can plan on. Insert name/I/We will then come up with a plan for investing to help you "fill the gaps."

**(RP-7, 46 points)** You should take responsibility for your retirement now — no matter how many years away it may be. Whether it is in 25 or five years, or even if you are already retired, insert name/I/we cannot emphasize strongly enough the importance of taking time now to plan for tomorrow.

If your retirement is many years away, you may have other immediate needs that seem more pressing than saving for the future. Even if you don't have much extra cash, you have the benefit of time on your side. Time has a dramatic impact on the compounding of your investments — even if you can only save small amounts. If you are already saving for retirement by participating in a retirement savings program such as a 401(k) plan through your employer or an individual retirement account (IRA), you should consider other ways to put aside even a small amount of income on a monthly basis.

If your retirement is within sight, you are probably already feeling the pressure to focus on your future and the issues you need to consider. Among the things to think about are financial considerations, such as evaluating your needs and resources and getting out of debt; pension plan considerations involving choices for investing lump-sum payouts and health insurance coverage; and Social Security considerations, such as applying for benefits and evaluation of benefits.

Insert name/I/We is/am/are anxious to work closely with you to evaluate these issues and help you plan for your retirement. If you have already retired, hopefully you have been well advised by a financial professional and have planned accordingly. Even in retirement, though, you will have things to consider, such as long-term-care insurance and estate planning issues. No matter what stage of life you are in, insert name/I/we can provide you with valuable assistance in taking responsibility for your retirement.

**(RP-8, 24 points)** If you are serious about retirement, you need to start planning now. Do you have a retirement plan? Have you been putting it off? Have you reviewed your 401(k) plan with an investment professional? Will Social Security provide you with a comfortable retirement? Will your current investments be sufficient for your retirement?

Take some time now and let insert name/me/us review your current plan or assist you in setting up a plan. Together, we can:

- Assess your current financial situation.
- Define your retirement goals.
- Evaluate your current and future income needs.
- Identify and estimate all potential income sources.
- Understand your pension plan.
- Determine if you're eligible for various retirement savings plans.
- Identify gaps between income and expenses at different stages of retirement.
- Develop a retirement savings plan.