



HALTER FERGUSON
FINANCIAL

WELCOME GUIDE



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Welcome

TO THE HALTER FERGUSON FINANCIAL
FAMILY!

We help proactive savers who value fiduciary guidance commit to a strong financial future. We help them clarify their financial priorities and lifetime money goals and strive to help them stop worrying about money and enjoy their lives. We will know we are successful when we help our clients to dream again through deeply personal finances.





Contact Information

Halter Ferguson Financial, Inc.
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 Carmel, IN 46032

Hours of Operation

Monday - Friday
 from 8 AM to 5 PM EST

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INVESTMENT MANAGEMENT



BRADFORD FERGUSON, CFA

PRESIDENT & PORTFOLIO MANAGER

Brad is the chief investment strategist for Asset Management. He manages investments for individuals, families, small business owners, and 401(k) plans.

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MATT SMITH

VP OF EQUITY ANALYSIS & CHIEF COMPLIANCE OFFICER

Matt researches current and potential future equity holdings for clients, and also advises on their overall portfolio composition.

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FINANCIAL PLANNING



TIFFANY WHITE, CFP®

VICE PRESIDENT OF FINANCIAL PLANNING

Tiffany is responsible for Financial Planning. Tiffany enjoys working closely with the firm's clients and assisting them in achieving their personal financial goals.

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BEN WEBER

PERSONAL FINANCIAL PLANNER

Ben serves the firm's planning clientele. He enjoys helping clients obtain clarity, confidence, and organization around their finances.

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LISA ANGELO, ChFC®

FINANCIAL PLANNING CLIENT SERVICE & PLANNER IN TRAINING 

Lisa holds a Chartered Financial Consultant designation. She assists Ben in the financial planning process and is available for eMoney training and support sessions.

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YOUR SERVICE & SUPPORT TEAM

KELLY ENGLERT

INVESTMENT MANAGEMENT CLIENT SERVICES MANAGER



Kelly is responsible for investment management client accounting, reporting, servicing and assisting in compliance for the firm.

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STEPHANIE ALLAN

ADMINISTRATIVE ASSOCIATE



Stephanie is responsible for providing investment management client services, front office support and operations as well as special projects.

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ISAAC YOPS

FINANCIAL PLANNING CLIENT SERVICES & ORR FELLOW



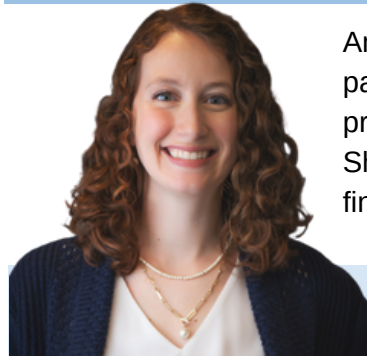
Isaac is our Orr Fellow until mid-2025. We hope he will become a permanent member of our team afterword. He assists Tiffany in financial planning.

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AMANDA LYONS, FPQP®

FINANCIAL PLANNING CLIENT SERVICES



Amanda holds a financial paraplanner qualified professional designation. She assists our team in the financial planning process.

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ANN-MARIE FERGUSON

CLIENT RELATIONSHIP SPECIALIST



Ann-Marie is responsible for assisting staff in client services, front office duties and serving our clients through meetings and special events.

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TERESA SANDIFER

EXECUTIVE ASSISTANT TO BRADFORD & OPERATIONS

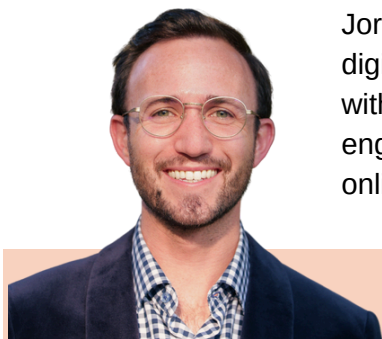


Teresa is the executive assistant to Bradford. She also oversees the operations of the firm.

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JORDAN GORZALSKI

DIGITAL ALCHEMIST & CODE ARCHITECT



Jordan is responsible for our digital presence. He works with Bradford to produce engaging content for our online platforms.

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*Those listed in **GREEN** specialize in Investment Management, those in **BLUE** specialize in Financial Planning, and those in **ORANGE** specialize in Operations and other areas.





CLIENT TIMELINE

NEW CLIENTS



GETTING STARTED

Review the contracts & understand expectation of relationship

30-60 MINUTES

ONCE ALL DOCUMENTS ARE RECEIVED



ALIGNMENT

Learn our approach & develop a mix of investments for you

30 or 90* MINUTES



DISCOVERY

Talk about your individual values and discover your goals

90 MINUTES

MINIMUM OF 1 WEEK



DESIGN

Take a deep dive into your finances while we plan for your dreams

90 MINUTES

MINIMUM OF 2 WEEKS



IMPLEMENTATION

Understand your Custom Financial Blueprint®

90 MINUTES

1 TO 2 WEEKS

FIRST QUARTERLY REPORT Jan, April, July, or Oct



FOLLOW THROUGH & SUPPORT

We'll call you to see if need support

15 MINUTES



TAILORING

Review your first quarterly report

30 MINUTES

6 MONTHS

BIANNUAL REVIEWS



ANNUAL INVESTMENT MANAGEMENT REVIEW

60 MINUTES

6 MONTHS



ANNUAL FINANCIAL PLANNING REVIEW

90 MINUTES

*Rebellionaires® Alignment runs 90 minutes. There may be additional meetings with Bradford.



GETTING STARTED

Getting Started is the beginning of your client journey.

In this meeting you will:

- Review and sign contracts
- Discuss the expectations of our relationship
- Review account statements
- Outline next steps for establishing management
- [Preview the Custom Financial Blueprint® process](#)

During this **30 to 60 minute meeting**, you will be guided through contracts, our onboarding process, and be provided with an overview of the Custom Financial Blueprint® journey.

Prior to this meeting you will need to:

- Complete the [Personal Data Sheet](#)
- [Provide](#) all asset statements

Soon after this meeting you will need to:

- Provide all applicable financial documents* from the [document checklist](#)
- Provide the completed [Annual Cashflow Analysis Worksheet](#)
- Sign contracts

When providing statements, please send **all pages.*



ALIGNMENT

Alignment introduces you to our approach to investing.

In this meeting you will:

- Talk with an investment adviser representative
- Learn about investing
- Prepare for the ups and downs of the stock market

During this **30 minute** (Blueprinting) or **90 minute** (Rebellionaire) meeting, an investment manager will get to know you better in order to develop a mix of investments appropriate for your comfort level and goals.

Prior to this meeting you will need to:

- Provide all applicable financial documents* from the [document checklist](#)
- Provide the completed [Annual Cashflow Analysis Worksheet](#)
- Sign all account opening and/or transfer paperwork, as applicable

**When providing statements, please send all pages.*



DISCOVERY

Discovery will bring greater clarity to your money “whys.”

In this meeting you will:

- Talk about your individual goals
- Discover your goals
- Determine your priorities

During this **90 minute** meeting, our financial planning team will guide you through a Goals, Values, and Priorities exercise designed to bring greater clarity to your individual goals, priorities, and values.

You will need the Goals and Values cards for this meeting. If your meeting is not in office and you did not receive them in the mail, you may use the following pages.

ACHIEVEMENT
(SUCCESS)

ADVENTURE
(FUN, HUMOR)

BALANCE
(INNER HARMONY)

COMMUNITY

COMPASSION
(KINDNESS)

CREATIVITY

FAITH
(SPIRITUALITY)

FAMILY

FREEDOM

FRIENDSHIPS

GROWTH
(LEARNING)

HEALTH

KNOWLEDGE

LOYALTY

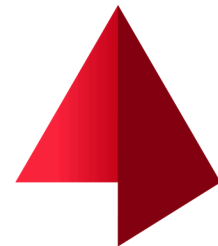
LOVE

PEACE

RESPECT
(STATUS)

VALUES

SECURITY
(STABILITY)



NEW or DREAM
C A R

GIVING TO
CHARITY

EDUCATION
COSTS

FUTURE
FAMILY

NEW, SECOND or IMPROVE
H O M E

LEAVE A
LEGACY

LONG-TERM
MEDICAL CARE
& COSTS

MAINTAINING
LIFESTYLE

NOT RUNNING
OUT OF MONEY

RETIRE
EARLY/SOON

T R A V E L

UNIQUE
COLLECTION

WEDDING
COSTS





DESIGN

Design is a guided deep dive into your finances.

This meeting's goal is to plan for life's unexpected and expected moments. In this meeting you will:

- Look at the numbers
- Look at the facts
- Explore your options
- Entertain "what-if's"
- Plan for your dreams
- Connect your values, goals, and priorities with your numbers

During this **90 minute** meeting, our financial planning team will explore your finances in detail, looking at the numbers and your options.

You could have homework after this meeting if we identify items that need further clarity. [For example, if we learn of an employer Employee Stock Ownership Plan (ESOP), you will be asked to provide a statement and benefits guide or details about contributions.]

If there is homework, it must be provided prior to scheduling the Implementation meeting. You may securely upload [here](#).



IMPLEMENTATION

Implementation is the culmination of your hard work!

In this meeting you will:

- Understand your financial plan
- See how it works
- Explore alternatives
- Commit to a path
- Take action!

During this **90 minute** meeting, we will present your financial plan. You will be guided through the data, see how it works in different scenarios, commit to a path, and learn how to take action.

Soon after Implementation is complete, you will receive your financial plan in digital and paper. Our financial planner's recommendations will be included in the Observations as well as any other next steps required to implement your financial plan.

READING YOUR FINANCIAL PLAN

As you look through your completed financial plan, you may use this guide to better understand the data presented. Please do not hesitate to reach out with questions.



Important



Quick Tip

TABLE OF CONTENTS

A list of the sections of your plan and their pages.



If viewing on your computer, click on the section name to go to that page.

PROFILE

Your information as well as significant parties are listed here. These may include: children, grandchildren, siblings, estate attorney, accountant, etc.

The significant parties listed are informal and strictly informational.



OBSERVATIONS

The points on this page contain action items and specifics about your plan and situation.



If you are unsure what your next steps are, look here.

GOALS

Goals are expenses we've pulled out of your living expenses number for one of a few reasons. Goals might not go throughout the entire plan, may not occur every year, could be a one-time expense, or might receive a different tax treatment. Goals might be a new car, second home, college for the kids, charitable contributions, retirement, etc.

BALANCE SHEET

This page lists all assets and debts we are aware of. Schwab balances will be accurate of the day the report was created. However, other accounts balances may be stale.

Autos are not given a value as they depreciate rapidly.

INCOME AND SAVINGS SUMMARY

This page lists all current and projected future earnings: wages, bonuses, Social Security, etc. These amounts will be pre-tax, pre-deductions (a.k.a. gross figures).

The end of this section lists all contributions and savings to accounts such as: employer 401(k), 529, etc.

READING YOUR FINANCIAL PLAN



Important



Quick Tip

LIABILITIES AND EXPENSES SUMMARY

In this section you will find your debts such as your mortgage, auto loan, student loan, credit cards, etc.

INSURANCE SUMMARY

If you have non-health related insurance (life, umbrella, long-term care, etc) it will be listed here. Not all clients will have this section.



ASSET ALLOCATION

This section illustrates where your assets are held and their projected rate of return. Property is not reflected in this section.



CASH FLOW

This first cash flow illustrates what your finances might look like from today until the end of life if nothing major changed from now until then.



The cashflows available in your eMoney portal's reports section will allow you to drill down and see more detail.



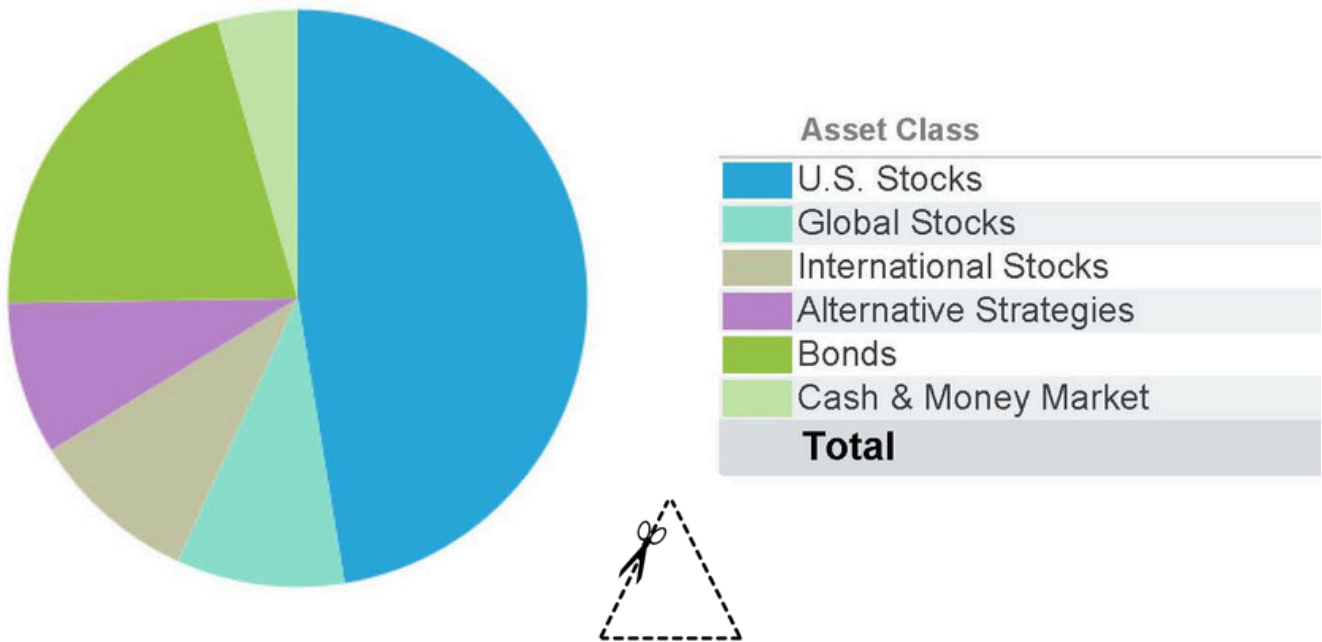
CASH FLOW FOR DECISION CENTER

The cash flow for decision center shows the changed picture in your finances from today until the end of life in one possible scenario, which you decided on during Implementation.

PLAN CHANGES

This section shows any changes made between your “base facts” plan and the “decision center” plan.

Additional sections or pages may be added to your financial plan as determined by your financial planner. If you have questions please let us know.



TAILORING

Halter Ferguson Financial produces quarterly investment management reports in:

- April - Quarter 1
- July - Quarter 2
- October - Quarter 3
- January - Quarter 4 & Year End Summary

When you receive your first quarterly report depends on when you became a client and when we began actively managing your assets. Our team will reach out to schedule Tailoring with you after your first report is delivered.

During this **30 minute** meeting, our investment management team will meet with you to explain the format of our reports and ensure you understand how to read it.

You will be able to ask questions about your current accounts, contributions, and any other concerns you have about investing and growing your hard-earned money. This meeting will help to connect your financial plan with your investments, so you understand how they work together to help achieve your goals.



FOLLOW THROUGH & SUPPORT

After you receive your financial plan you may feel overwhelmed. There is a lot of information contained in its pages. We expect you will have questions as you examine and put your plan in place. This is why we automatically reach out shortly afterward for Follow Through & Support.

A planning team member will call you to ensure you've received your plan, understand how to read it, and to answer your questions.

In this meeting you will:

- Get help when, where, and if you need it
- Ask follow-up questions
- And anything else...

And, as always, as your financial advisory team and fiduciary, we are available to address your questions and concerns whenever you need. Reach out at any time.



ANNUAL INVESTMENT MANAGEMENT REVIEW

About six months after you've received your financial plan, you will meet with our investment management team to review your investments. Your advisor will talk to you about the market and your feelings around it, review your investments and performance, and talk about any upcoming cash needs.

Emotions drive decisions, even though we are not always aware of it. One of the most valuable services we provide is behavioral coaching. Our team will listen, be candid, and coach you through the market ups and downs. The goal of our relationship is for you to feel supported and cared for. These annual reviews are a vital piece of that relationship.

“

"Wealth is not determined by investment performance, but by investor behavior."

- Nick Murray

”



ANNUAL FINANCIAL PLANNING REVIEW

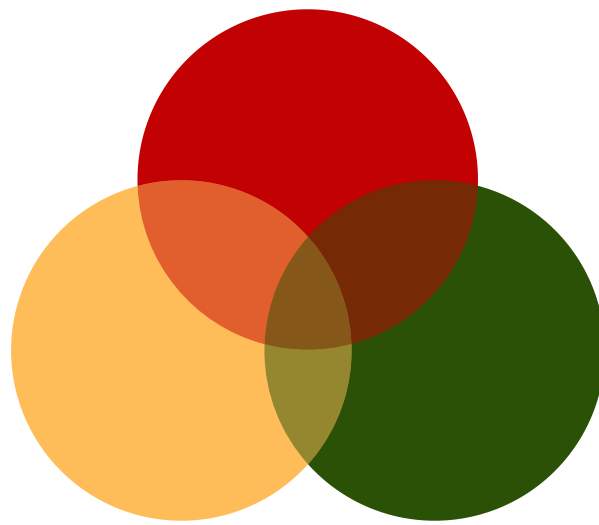
About six months after your Investment Management review, you'll be prompted to meet with your Financial Planner to review your plan. You may not always need an update, but in our experience reviewing your plan can provide confidence.

In preparation for this meeting you will be asked to complete a survey that will guide you through any possible changes of which we will need to be aware. You will be prompted to provide updated documentation in some cases.

The Client Update Form will ask you about:

- Any upcoming known, large expenses
- Situation changes such as:
 - Change in marital status (married, divorced, widowed, etc.)
 - Change in employment (new job, promotion, retirement, etc.)
 - New accounts (checking, savings, retirement, etc.)
 - New debts (auto loan, mortgage, lines of credit, etc.)
 - Purchased insurance (life, disability, long-term care, etc.)
 - New or updated estate documents
- Income sources and amounts
- Debts and their current balances and terms

**Whenever possible, provide documentation in the form of statements or screen captures.*



ANNUAL MODEL REVIEW

Once a year we will walk you through our model to see how you feel and what areas we, as a team, need to work on. This is a great check point to see where you are now, verses where you felt you were in previous years.

Our Annual Model Review asks a series of nine questions with multiple choice answers. These answers are based on a traffic light - red, yellow, and green. Specifics about what each color represents will be given with the question.

This review is often coordinated with your investment management review meeting or your financial planning review meeting. However, sometimes there isn't time and a team member may reach out by phone or email to complete this **15 minute** check point.



Frequently Asked Questions



Topic: Billing

How does the billing process work?

Our investment management and financial planning advisory services are offered for an annual fee based upon assets under management and outlined in your Investment Management Agreement (IMA). Fees are prorated and charged quarterly, in arrears, and deducted from your investment and retirement accounts with procedures for tax efficiency. A billing summary page is included in each quarterly report from Halter Ferguson Financial.



Topic: Cashflow

What are you looking for with the cashflow worksheet?

Your Custom Financial Blueprint is not a budget or a crystal ball. To plan for your future, we need to look at all aspects of your finances. A big part of that is spending. We need to take an educated guess at what you might spend on everything from new cars to groceries to vacations in the years and decades ahead. Because we can't see the future, the best predictor is a combination of the cashflow worksheet and our planners' experience.

We are not asking for your spending to criticize or "fix" your spending habits. The cashflow is a judgment free zone. It does not need to be perfect!

This worksheet is a starting point to a larger conversation. It is divided into smaller, bite-sized sections which will likely cover all aspects of possible spending. There are tips and other helpful information found on the form itself. We will review this with you in depth in the Design Meeting.



Topic: Documents

Do I need to provide all of these documents?

The short answer is yes.

To provide you with the most complete picture of your financial future, and plan for all of life's expected and unexpected moments, we need to gather as much comprehensive data as possible. While we could complete a plan without all this data, it will be less detailed and specific.



Topic: Employer Retirement Accounts

How are you able to manage my active employer retirement account?

Although the assets cannot be transferred to our custodian, Charles Schwab, while you are employed and contributing, we are able to manage assets in the account to balance your entire portfolio.



Frequently Asked Questions



Topic: Fiduciary

What does it mean when you say you're a fiduciary?

As a fiduciary, defined under Employee Retirement Income Security Act of 1974 (“ERISA”), Halter Ferguson Financial is legally obligated to put client’s best interests first, with a duty to preserve good faith and trust. We do not work for commissions.



Topic: Missing Something

What if I miss something important?

This is a common fear and a big reason to choose an experienced financial planner. Our team has completed hundreds of plans. We've seen a vast assortment of situations. This makes it unlikely for anything to be missed. What is more likely to happen is new information becomes available that wasn't present when your plan was completed.

In these situations, we can add the information into your plan. In the unlikely event these changes have far reaching consequences, additional planning and meeting time may be required.



Topic: Partner/Spouse

Does my partner/spouse need to be involved in the meetings?

Your spouse or partner may not be actively involved or interested in managing your finances. However, having them involved in the planning process is vital to its success. The better you both understand the plan the more secure you will feel and the easier it will be to stick to the path you choose. The only exception to this would be if you and your significant other have your finances completely separate.



Topic: Pension Statement

What if I don't have a pension statement, just the 1099-R I received to file my taxes?

The 1099-R you received to file your taxes is a great starting point when talking about your pension, but it doesn't tell the whole story. To provide the most detailed and complete plan possible, we need to know beneficiary information, survivorship, and cost of living adjustments (COLA). If you are not able to provide more plan documents/information to fill in these pieces that are not included in tax documentation, we may require additional years of tax returns.



Frequently Asked Questions



Topic: ShareFile Security

Are my files secure when I send them through your ShareFile link?

Yes, when you use a ShareFile link from one of our team members your file(s) will be encrypted and available for secure download by an HFF staff member. We also use this method for uploading secure files (such as Quarterly Reports and Financial Plans) back to our clients. When sending documents to you, the download link expires after 7 days for an additional layer of security.

You can learn more about ShareFile's security here:

www.sharefile.com/content/dam/sf/pdf/en/resources/citrix-sharefile-security-and-compliance.pdf

www.sharefile.com/content/dam/sf/pdf/en/resources/citrix-sharefile-security-and-compliance-faq.pdf



Topic: Statements

Why do you need full statements for accounts, debts, and insurance?

While it may be easier to send the details or a screen shot of a bank account, credit card statement, mortgage or auto loan, or life insurance policy, the balance is not the only piece of information we need. A full statement will give us vital pieces of your financial picture. For instance, the interest rate and escrow amount on a mortgage.

Statement copies are preferred over verbal or handwritten information as there might be information included in a statement that we may not know to ask about. If you are unable to obtain a statement, please contact us and we can work together to piece together the required information.



Topic: Tax Return

Why do I need to provide my entire tax return?

We request your most recent, complete tax return, both federal and state, for several reasons. It may help us to identify any items we may require that have not been provided, like a pension, an income source, or 529 plan. It also allows us to do the most thorough tax analysis. This helps us ensure nothing was missed when preparing and filing your taxes as well as verifying that you are taking the most efficient deductions for your situation.



TERMINOLOGY

Money might not actually talk, but the financial world sure seems to have a language of its own. Here are some terms you may come across.

✓ Asset Allocation

Asset allocation is the division of your investments among different assets, such as stocks, bonds, and cash. Mutual funds hold many categories of assets. The allocation that works best for you may change at different times in your life, depending on how long you have to invest and your ability to tolerate risk.

✓ COLA

Cost of Living Adjustment (COLA) is an increase that may be made to Social Security, pensions, and some insurance products to counteract rising prices.

✓ Cost Basis

For stocks or bonds, the cost basis is generally the price paid to purchase the asset. Cost basis is used for tax purposes to determine the capital gain or loss by calculating the difference between the basis and current market value.

✓ DAF

Donor-advised funds (DAF) are investment accounts created for charitable giving. You may contribute to the account and grant to charities at any time. Once funds are put into the account, you surrender ownership but retain advisory control of how the account is invested and distributed to charities. There are often tax benefits and successors can be named.

✓ FRA

Full retirement age (FRA), also called normal retirement age, is when you become eligible for unreduced Social Security retirement benefits.

✓ HELOC

HELOC stands for Home Equity Line of Credit. A HELOC is a revolving type of secured loan. The lender agrees you may borrow up to a maximum amount (generally 85% of the equity in your home) within an agreed period, where the collateral is your property.

You can establish a HELOC without borrowing money, then take the funds if/when you need. Then, as you repay the balance, the amount of available credit is replenished. Terms vary, but you typically have ten years to withdraw cash while only being required to pay interest followed by twenty years to pay back the principal with interest.

HELOCs often have variable interest rates, but because it is secured by the property, they are typically closer to mortgage rates. HELOCs can be wonderful options for home improvement costs or as an emergency fund backstop. A HELOC is not the same as a reverse mortgage (a Home Equity Conversion Mortgage or HECM).



TERMINOLOGY

✓ Inflation

Inflation is an increase in the general price level of goods and services in an economy. When the general price level rises, each unit of currency buys fewer goods and services; consequently, inflation corresponds to a reduction in the purchasing power of money. (Source: Wikipedia)

✓ Estate Documents & Terms

Last Will and Testament is the legal document that expresses a person's wishes as to how their property should be distributed after their death.

A **Testamentary Trust** is a specific type of trust in the last will and testament, created on death with distribution instructions for assets. Testamentary Trusts are often used when there are minor or young adult children listed as beneficiaries, often with distribution schedules.

An **Executor**, or **Personal Representative**, is the person or people or professional assigned to carry out the wishes of the deceased. They also handle debts and expenses of the estate.

A **Guardian** is the person or people assigned to take care of any minor children.

A **Trustee** assumes responsibility for money that has been put in a trust for someone else.

A **Power of Attorney (POA)** appoints someone to act as an agent to act for someone else. There are many types including:

- Medical or Health Care Power of Attorney - appoints a health care proxy to deal with medical issues
- Financial Power of Attorney - a special type of POA that allows you to choose what financial authorities to grant such as bill pay, banking, taxes, etc.
- General Power of Attorney - appoints an agent to act for you in all situations allowed by local/state law, which may include health, financial, and business matters
- Limited Power of Attorney (LPOA) - appoints an agent to act on your behalf for specific functions or purposes. Schwab utilizes LPOAs to permit a portfolio manager to perform specific functions (buy, sell, trade, pay fees, move money, etc) on behalf of the account holder

These can be either:

- Conventional or Non-Durable - effective immediately with powers ending on incapacitation
- Durable - effective immediately and continues into incapacitation
- Springing - effective when incapacitated with a definition of what constitutes "incapacity"

*All POAs end at death, at which time the personal representative or executor is granted legal power.

Advanced Care Planning is a document, or a series of documents such as: Five Wishes, Advance Directives, Living Wills, Do-Not-Resuscitate (DNR), Physician Order for Life-Sustaining Treatment (POLST), etc. These provide end of life directions. Not all of these are required and not all are recognized in all states.

✓ MoneyLink® and Journals

Schwab's MoneyLink is a standing authorization to electronically transfer funds between your Schwab account and an outside account, like your checking or savings. MoneyLinks can be "on-request" or "recurring".

A journal is an electronic transfer between Schwab accounts, such as moving money from an IRA to your Schwab One account.



TERMINOLOGY

✓ Mortgage Terms: P&I, PMI, and Escrow

P & I: Every mortgage payment includes at least two parts: principal and interest. The principal is the amount of money borrowed for your home loan. The interest is essentially the fee you paid for your loan.

PMI: Private mortgage insurance (PMI) is a type of mortgage insurance you may be required to pay. PMI is usually required when you have a conventional loan and make a down payment of less than 20% of the purchase price. PMI is often canceled automatically once you've reached 22% equity in your home.

Escrow: Escrow in terms of your mortgage refers to a combination of your homeowners insurance and property taxes. Escrow can and will change throughout the life of your mortgage.

✓ Net vs Gross

Whether you receive a paycheck, pension, or some other form of income, chances are there are withholdings. Gross income is the amount paid before any deductions. Net is the amount after deductions that ends up in your pocket (or bank account.)

For someone still working, the gross amount is your salary or wages. Then federal, state, local taxes, Social Security, and Medicare taxes are all taken. Retirement account contributions, premiums for medical, dental, vision, and insurance(s) are withheld, as well as anything else. What is left is your net pay.

We ask for GROSS numbers as our software accounts for taxes, and we plan for the growth, addition, and/or halting of other deductions.

✓ Out of Pocket (OOP)

Out-of-pocket is an expense you pay with your own money, whether or not it is reimbursed.

In health insurance, an out of pocket maximum is the limit on what you pay out on top of your premiums during a policy period for deductibles, coinsurance and copays. Once you reach your out-of-pocket maximum, most covered benefits will be covered 100% by insurance for the rest of that policy period.

✓ QCD

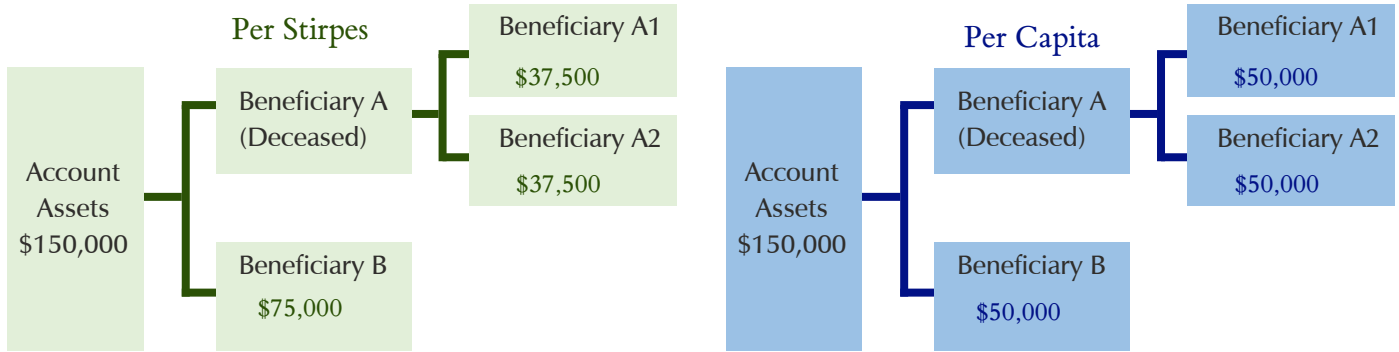
A qualified charitable distribution (QCD) allows individuals at least 70 1/2 years old* to donate up to \$100,000 total to one or more charities directly from a taxable IRA in place of their RMD. This donation would not be taxed or included in your taxable income for the year.



TERMINOLOGY

✓ Per Stirpes vs Per Capita

Per Stirpes and **Per Capita** are used in beneficiary designations in a last will and testament or an IRA. Both terms only apply if your beneficiary dies before you. Per stirpes means that the deceased beneficiary's portion of the inheritance will be passed on to their heir(s). Per capita means the deceased's portion on the inheritance will be divided evenly among surviving beneficiaries. Please see the example below.



✓ Required Minimum Distribution (RMD)

The amount of money that must be withdrawn from an employer-sponsored retirement plan, traditional IRA, SEP, or SIMPLE individual retirement account (IRA) by owners and qualified retirement plan participants of retirement age. This amount is determined by the custodian (Charles Schwab) using a formula that divides the account balance as of Dec. 31 of the previous year by a distribution factor tied to your date of birth. As you get older, the factor gets smaller.

RMD age depends on when you were born. See the table to the right.

Inherited IRA RMDs work a bit different. Please ask us if you have an Inherited IRA and would like to understand RMDs for this account.

BIRTH YEAR	RMD AGE
1950 OR EARLIER	72
1951 TO 1959	73
1960 OR LATER	75

✓ Rate of Return

Rate of return is the percentage gain or loss of an investment over a period of time. The rate of return used in your financial plan is based on your individual portfolio allocation and is determined in the Alignment meeting.

For example, our team might determine, based on your investment history, comfort level with market fluctuations, and other factors, that you should be allocated to a portfolio with a 6.85% rate of return. This rate of return, or ROR, will likely never occur in any one year, but should be the long-term average gain of your investments.

✓ Schwab One®

Schwab's trademark name for their after-tax, non-retirement brokerage account. Often referred to as a taxable account.