

Charting Your Course



# Identifying Key Financial Interests

Use the table below to indicate those financial interests you have in light of the dreams you've defined. These will further identify where you want to go.

CURRENT FINANCIAL POSITION	INVESTMENT PLANNING	DEBT MANAGEMENT	PROTECTION PLANNING
<p><b>I would like to build on my current financial position by:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Balancing my assets and liabilities</li> <li><input type="radio"/> Understanding my cash flow</li> <li><input type="radio"/> Building cash reserves for unanticipated events</li> <li><input type="radio"/> Other _____</li> </ul> <p><b>I want to provide for my children:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> School/college</li> <li><input type="radio"/> UGMA/UTMA gifts</li> </ul> <p><b>I want to manage my existing capital by:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Balancing my investments</li> <li><input type="radio"/> Maximizing the return on my investments</li> <li><input type="radio"/> Minimizing the impact of inflation</li> <li><input type="radio"/> Other _____</li> </ul>	<p><b>I am investing for a specific purpose:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Buying a house or second home</li> <li><input type="radio"/> Starting a business</li> <li><input type="radio"/> Building an investment portfolio</li> <li><input type="radio"/> Other _____</li> </ul>	<p><b>I would like to reduce my costs by:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Consolidating loans</li> <li><input type="radio"/> Evaluating mortgage options</li> <li><input type="radio"/> Considering leasing vs. buying</li> <li><input type="radio"/> Other _____</li> </ul>	<p><b>I want to ensure I have the right amount and type of coverage for:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Disability or illness</li> <li><input type="radio"/> Premature death</li> <li><input type="radio"/> Meeting my financial goals</li> <li><input type="radio"/> Planning for business continuation</li> <li><input type="radio"/> Protecting my personal assets (property)</li> <li><input type="radio"/> Understanding current coverage and Social Security</li> <li><input type="radio"/> Health and nursing care</li> <li><input type="radio"/> Other _____</li> </ul>
TAX PLANNING*	RETIREMENT PLANNING	HELPING LOVED ONES*	FACTORS TO CONSIDER
<p><b>I would like assistance:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Minimizing income taxes</li> <li><input type="radio"/> Minimizing capital gains taxes</li> <li><input type="radio"/> Using tax efficient investments</li> <li><input type="radio"/> Analyzing alternative taxation strategies</li> <li><input type="radio"/> Analyzing business owners' tax strategies</li> <li><input type="radio"/> Partnering with a CPA</li> <li><input type="radio"/> Other _____</li> </ul>	<p><b>I would like to ensure my retirement plan will help me:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Project the impact of earlier or later retirement</li> <li><input type="radio"/> Build an investment portfolio</li> <li><input type="radio"/> Pursue hobbies, interests, and travel</li> <li><input type="radio"/> Buy a retirement home</li> </ul> <p><b>I would like to better understand:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> IRAs/SEPs/401(k)s</li> <li><input type="radio"/> Private pensions</li> <li><input type="radio"/> Personal investments</li> <li><input type="radio"/> Accessing the capital in my home</li> </ul> <p><b>I will need to manage future capital from:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Pension lump sums</li> <li><input type="radio"/> Inheritances</li> <li><input type="radio"/> Business assets</li> <li><input type="radio"/> Income distribution strategies</li> <li><input type="radio"/> Other _____</li> </ul>	<p><b>I would like help expanding my legacy through:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Reducing inheritance taxes</li> <li><input type="radio"/> Lifetime giving</li> <li><input type="radio"/> Trusts</li> <li><input type="radio"/> Charitable giving</li> <li><input type="radio"/> Partnering with an attorney</li> <li><input type="radio"/> Planning for the smooth transfer of: <ul style="list-style-type: none"> <li><input type="radio"/> Personal assets</li> <li><input type="radio"/> Business assets</li> <li><input type="radio"/> Other _____</li> </ul> </li> </ul>	<p><b>The following factors concern me most about my investments:</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Stability of capital and/or income</li> <li><input type="radio"/> Rate of return</li> <li><input type="radio"/> Diversification</li> <li><input type="radio"/> Accessibility</li> <li><input type="radio"/> Tax efficiency</li> <li><input type="radio"/> Growth potential (hedging inflation)</li> <li><input type="radio"/> Flexibility</li> <li><input type="radio"/> Freedom from care</li> <li><input type="radio"/> Professional review</li> <li><input type="radio"/> Stress testing my portfolio (bad timing, asset class sensitivity, etc.)</li> <li><input type="radio"/> Other _____</li> </ul>

\*For a comprehensive review of your personal situation, always consult with a legal or tax advisor. Neither Financial Network nor any of its representatives may give legal or tax advice.

# Determining Your Current Financial Picture

The information requested below will help identify where you are today.

## ESTIMATED NET WORTH

## ESTIMATED CASH FLOW

Assets	Balance	Income	Monthly Amount	Expenses (continued)	Monthly Amount
Checking		Wages, salary, tips		Food	
Savings & credit union		Cash dividends & interest		Clothing	
Certificates of deposit		Social Security		Laundry/dry cleaning	
Money markets		Pension		Personal grooming, haircuts, etc.	
Other cash reserve assets		Rents/royalties		Child care	
<b>Total cash reserves:</b>		Other income		Child education, tutoring	
Government and treasury bonds		<b>Total income:</b>	<b>Monthly Amount</b>	Child allowance	
Municipal bonds		<b>Expenses</b>	<b>Monthly Amount</b>	<b>Total personal care expenses:</b>	
Corporate bonds		Mortgage or rent		Unreimbursed medical	
Fixed annuities / life insurance		Other mortgage(s)		Unreimbursed dental	
Other fixed assets		Bank loans		Unreimbursed prescription drug	
<b>Total fixed assets:</b>		Auto loans/leases		<b>Total medical/dental expenses:</b>	
Investment real estate		Credit cards		Entertainment & dining	
Stocks		Other debts		Recreation	
Mutual funds		<b>Total liability expenses:</b>		Travel	
Variable annuities / life insurance		Life insurance		Home decoration / improvement	
Business interests		Disability/long-term care insurance		Hobbies, clubs & dues	
Other equity assets		Medical/dental insurance		Gifts	
<b>Total equity assets:</b>		Homeowner's insurance		Donations	
Residence		Auto insurance		Child music & sports activities	
Vacation home		Umbrella liability		Pets	
Furnishings		Other insurance		<b>Total discretionary expenses:</b>	
Jewelry & art		<b>Total insurance premiums:</b>		Federal & state income tax	
Vehicles		Auto fuel		FICA/OASDI tax	
Other property assets		Auto maintenance		Real estate tax	
<b>Total personal assets:</b>		Parking		Other tax	
<b>ASSETS GRAND TOTAL:</b>		Other transportation		<b>Total taxes:</b>	
<b>Liabilities</b>	<b>Balance</b>	<b>Total transportation:</b>			
Home mortgage		Electricity, gas, water		Cash reserve savings	
Other mortgage(s)		Cable or satellite TV		Investment contributions	
Bank loans		Trash		Retirement plan contributions	
Auto loans/leases		Home phone		<b>Total savings and investments:</b>	
Credit cards		Cell phone			
Other debts		Internet		<b>GRAND TOTAL EXPENSES &amp; INVESTING</b>	
<b>Total liabilities:</b>		Home maintenance			
<b>Net worth (assets minus liabilities):</b>		<b>Total household expenses:</b>		<b>Net cash flow (income minus expenses):</b>	

# Staying on Course

Now that we've explored where you are today, and where you want to go, I want to show you the steps in the process we can use to help chart your course—and stay on it.

1-3

We've already begun to look at your overall picture in light of your financial objectives and dreams. Coupled with your needs for maintaining cash reserves as well as managing risk and debt, we'll gather and analyze additional information to further clarify your needs.

4-5

To help you achieve your goals, we'll need to define a strategy and implement it.

6-1

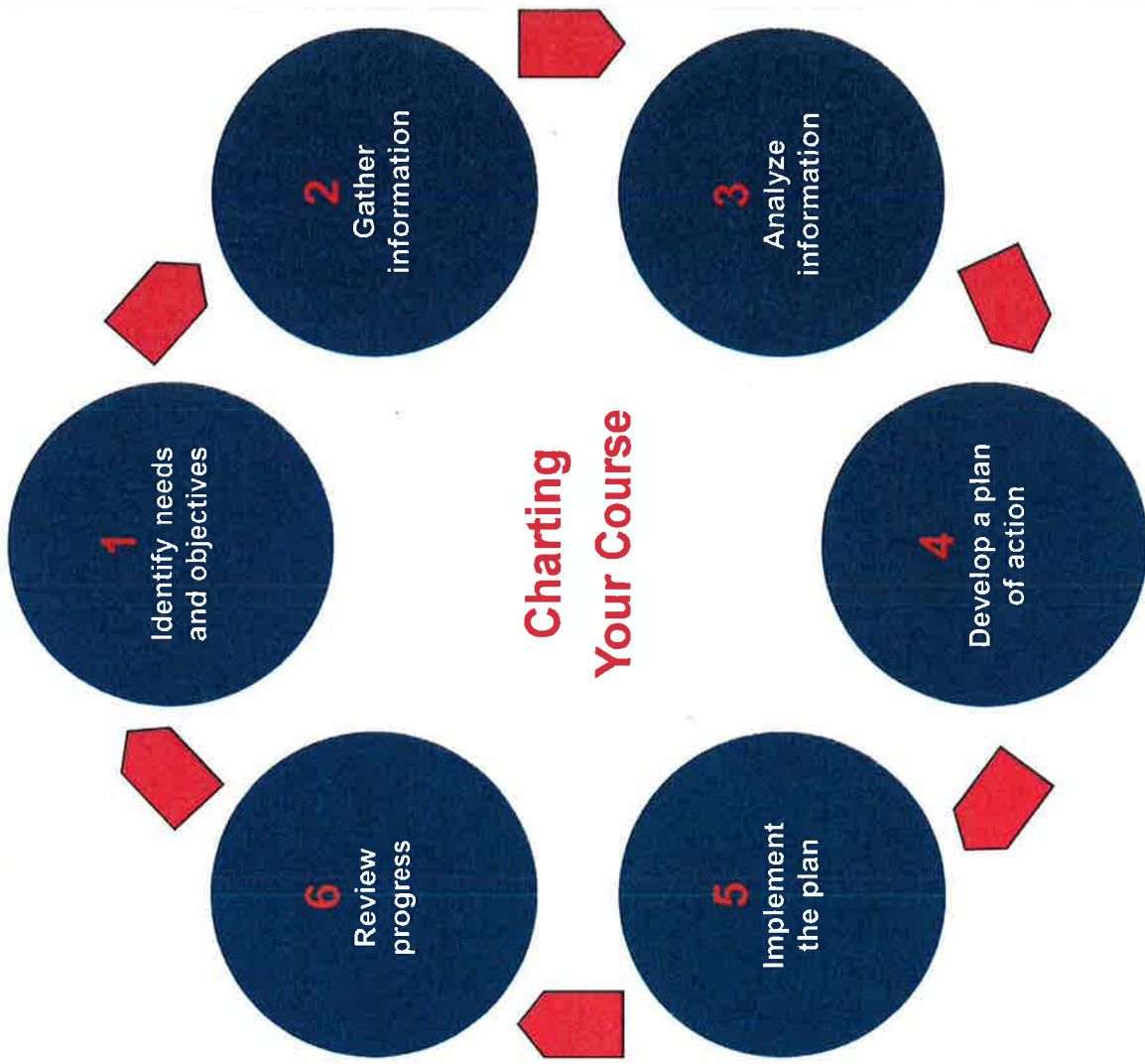
Critical to our success is determining if our strategy is keeping us on the course we wish to follow, and ensuring your needs and life events have not favored a change in strategy. After reviewing our progress and identifying any new needs or objectives, we will begin the process again to keep you on course to pursue your objectives.

## One more thing to consider...

In order to ensure you get the most out of our working together, it will help to imagine us sitting down three years from now. What will have to have happened in those three years for you to feel we have had a successful working relationship?

## Taking the next steps

If you feel I can help you chart your course, and would like to work with me, we can schedule a meeting to review any additional documents we may need to further complete steps two and three (such as pay stubs, brokerage account statements, and retirement account information). Then we can begin the exciting process of developing strategies to chart your course toward the future you envision.



# Client Service Options

	PRODUCT BASED	BROKERAGE BASED	ADVISORY BASED (IARS ONLY)
<b>SERVICE</b>	<p><b>Account Information Form – Suitability Analysis</b></p> <p><b>Services Provided:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Research competitive product(s)</li> <li><input type="checkbox"/> Describe alternative(s)</li> <li><input type="checkbox"/> Recommend product(s)</li> <li><input type="checkbox"/> Facilitate transaction(s)</li> <li><input type="checkbox"/> Review account performance</li> <li><input type="checkbox"/> Contact related to account issues</li> <li><input type="checkbox"/> Product statements</li> </ul> <p><b>Service Frequency:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Ongoing: recommend one service contact/year by phone or in person</li> <li><input type="checkbox"/> Update suitability per SEC requirements</li> </ul>	<p><b>Financial Plan/Needs Analysis based on– Suitability Analysis</b></p> <p><b>Services Provided:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> In-depth analysis of some or all of the following:                             <ul style="list-style-type: none"> <li>• Net Worth and Cash Flow</li> <li>• Investment Objective Analysis/Asset Allocation Analysis</li> <li>• Risk Management Analysis</li> <li>• Income Tax Analysis</li> <li>• Retirement Objective Analysis</li> <li>• Estate Analysis</li> <li>• Education Objective Analysis</li> </ul> </li> <li><input type="checkbox"/> Product/financial research, alternatives and recommendations based on analysis</li> <li><input type="checkbox"/> Consolidated statements, client web access</li> <li><input type="checkbox"/> Recommend annual progress review</li> </ul> <p><b>Service Frequency:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Initial: data gathering and solution contacts with client</li> <li><input type="checkbox"/> Recommend two service contacts/year</li> <li><input type="checkbox"/> Investment Objective analysis update generally every two to five years</li> <li><input type="checkbox"/> Update suitability per SEC requirements</li> </ul>	<p><b>Financial Planning</b></p> <p><b>Services Provided:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> In-depth analysis of some or all of the following:                             <ul style="list-style-type: none"> <li>• Net Worth and Cash Flow (Budget)</li> <li>• Investment Planning/Asset Allocation Analysis</li> <li>• Risk Management Analysis</li> <li>• Income Tax Planning</li> <li>• Retirement Planning</li> <li>• Estate Planning</li> <li>• Education Planning</li> </ul> </li> <li><input type="checkbox"/> In-depth product/financial research, alternatives and recommendation based on analysis.</li> <li><input type="checkbox"/> Work with your team of family members and professionals (i.e. attorney and CPA) as needed and requested.</li> <li><input type="checkbox"/> Consolidated statements, client web access.</li> <li><input type="checkbox"/> Investment portfolio management.</li> <li><input type="checkbox"/> Progress review as needed.</li> </ul> <p><b>Service Frequency:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Initial: data gathering, strategy and solution meetings with client and team members</li> <li><input type="checkbox"/> Ongoing: recommend two to four service contacts/year</li> <li><input type="checkbox"/> Plan update as needed</li> <li><input type="checkbox"/> Update suitability per SEC requirements</li> </ul>
<b>COMPENSATION</b>	<p><b>Commissions:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Contingent upon product</li> <li><input type="checkbox"/> Refer to investment prospectus, offering circular and/or insurance contracts for detailed information on Financial Professional compensation</li> </ul>	<p><b>Commissions:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Contingent upon product</li> <li><input type="checkbox"/> Refer to investment prospectus, offering circular and/or insurance contracts for detailed information on Financial Professional compensation</li> </ul> <p><i>Note: Best suited for those clients with \$100,000 or less in investable assets</i></p>	<p><b>Advisory Fees:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> See ADV part II</li> </ul> <p><b>Commissions</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Commissions on potential life product sales, not investment sales</li> </ul> <p><b>Required Disclosure:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Refer to ADV, investment prospectus, offering circular and/or insurance contracts</li> </ul> <p><i>Note: This service is for clients who qualify for professional Asset Management accounts. Best suited for those with \$100,000 or more in investable assets</i></p>

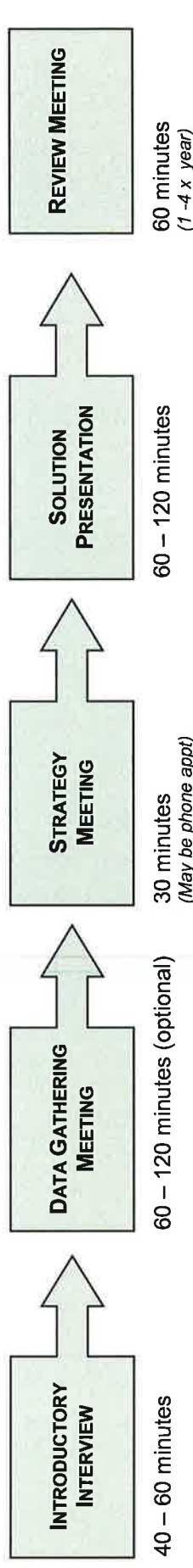


# Non-IAR Client Service Options

	PRODUCT BASED	BROKERAGE BASED
SERVICE	<p><b>Account Information Form – Suitability Analysis</b></p> <p><b>Services Provided:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Research competitive product(s)</li> <li><input type="checkbox"/> Describe alternative(s)</li> <li><input type="checkbox"/> Recommend product(s)</li> <li><input type="checkbox"/> Facilitate transaction(s)</li> <li><input type="checkbox"/> Review account performance</li> <li><input type="checkbox"/> Contact related to account issues</li> <li><input type="checkbox"/> Product statements</li> </ul> <p><b>Service Frequency:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Recommend one service contact/year (by phone or in person)</li> <li><input type="checkbox"/> Update suitability per SEC requirements</li> </ul>	<p><b>Financial Plan/Needs Analysis based on – Suitability Analysis</b></p> <p><b>Services Provided:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Analysis of some or all of the following:               <ul style="list-style-type: none"> <li>• Net Worth and Cash Flow</li> <li>• Investment Objective Analysis/Asset Allocation Analysis</li> <li>• Risk Management Analysis</li> <li>• Income Tax Analysis</li> <li>• Retirement Objective Analysis</li> <li>• Estate Analysis</li> <li>• Education Objective Analysis</li> </ul> </li> <li><input type="checkbox"/> Product/financial research, alternatives and recommendations based on analysis</li> <li><input type="checkbox"/> Consolidated statements, client web access</li> <li><input type="checkbox"/> Recommend annual progress review</li> </ul> <p><b>Service Frequency:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Initial: data gathering and solution contacts with client</li> <li><input type="checkbox"/> Recommend two service contacts/year e.g one in person and one by phone</li> <li><input type="checkbox"/> Investment Objective analysis update generally every two to five years</li> <li><input type="checkbox"/> Update suitability per SEC requirements</li> </ul>
COMPENSATION	<p><b>Commissions:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Contingent upon product</li> </ul> <p><b>Required Disclosure:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Refer to investment prospectus, offering circular and/or insurance contracts for detailed information on Financial Professional compensation</li> </ul> <p><i>Note: Best suited for those clients with \$100,000 or less in investable assets</i></p>	<p><b>Commissions:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Contingent upon product</li> </ul> <p><b>Required Disclosure:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Refer to investment prospectus, offering circular and/or insurance contracts for detailed information on Financial Professional compensation</li> </ul> <p><i>Note: Best suited for those clients with \$100,000 or less in investable assets</i></p>



## THE INVESTMENT ANALYSIS PROCESS



Step	Duration	Notes
INTRODUCTORY INTERVIEW	40 – 60 minutes	<ul style="list-style-type: none"> <li>• Determine objectives and current financial position</li> <li>• Determine if/how to work together</li> <li>• Identify data needs to complete a needs analysis or comprehensive plan or Advisory Platform</li> </ul>
DATA GATHERING MEETING	60 – 120 minutes (optional)	<ul style="list-style-type: none"> <li>• Clarify/confirm client's short and long-term objectives</li> <li>• Review assets, liabilities, tax, estate, insurance documents</li> <li>• Reassess planning/analysis services and adjust agreement as needed</li> </ul>
STRATEGY MEETING	30 minutes <i>(May be phone appt)</i>	<ul style="list-style-type: none"> <li>• Analysis of current financial strengths and weaknesses</li> <li>• Determine fit of investment, business, credit, retirement, insurance and estate instruments with client's objectives</li> <li>• Agree on strategy</li> </ul>
SOLUTION PRESENTATION	60 – 120 minutes	<ul style="list-style-type: none"> <li>• Reconfirm objectives and strategies agreed to in Investment Policy Statement</li> <li>• Review financial plan</li> <li>• Review Advisory services alternatives, and recommendation and rationale</li> <li>• Explain recommended products/service (ex. Prospectus, hypothetical)</li> <li>• Complete paperwork</li> <li>• Set up review meeting</li> </ul>
REVIEW MEETING	60 minutes <i>(1 - 4 x year)</i>	<ul style="list-style-type: none"> <li>• Determine if/what changes to client financial position or objectives</li> <li>• Review current accounts vs. objectives</li> <li>• Identify issues</li> <li>• Ask for recommendations</li> </ul>

## OBJECTIVE





# DEFINING DREAMS

Dreams without action will never be more than dreams

When you think of the things you want to accomplish in your future, you probably notice there are a few recurring scenes in which you depict yourself. Whether it's sending your children to college, buying a vacation home, retiring early, or all three, your financial objectives are the objects of dreams.

But without careful action, they may stay that way.

## FOCUS

As the saying goes, you can't get there from here if you don't know where "there" is. We can work together to bring clarity and direction to your dreams.

## THE FIRST STEP

Use the form below to help you define and prioritize your dreams. The clearer your vision of where you want to go, the easier it will be to determine what steps to take to get there. Afterwards, we'll collect your asset and liability information to help assess how achievable your dreams are, and devise and test alternative options to give you the best chance of making them happen.

## LET'S BEGIN

- ◆ How would you describe your dream or objective?
- ◆ When—specifically—do you want to achieve this dream?
- ◆ How much, in today's dollars, will you need?
- ◆ What are the steps you are currently taking towards achieving this dream?
- ◆ Are you satisfied or dissatisfied with your progress to date?
- ◆ What changes do you want to see?
- ◆ Is there anything else I need to know about this dream?
- ◆ Visualize achieving this dream. How do you feel?

**DREAM #1:** \_\_\_\_\_ **DATE:** \_\_\_\_/\_\_\_\_/\_\_\_\_ **AMOUNT:** \_\_\_\_\_

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**DREAM #2:** \_\_\_\_\_ **DATE:** \_\_\_\_/\_\_\_\_/\_\_\_\_ **AMOUNT:** \_\_\_\_\_

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**DREAM #3:** \_\_\_\_\_ **DATE:** \_\_\_\_/\_\_\_\_/\_\_\_\_ **AMOUNT:** \_\_\_\_\_

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## Prioritize

- Save more    Reduce Amount Needed    Lengthen Time    More Risk

## Shortfall Option