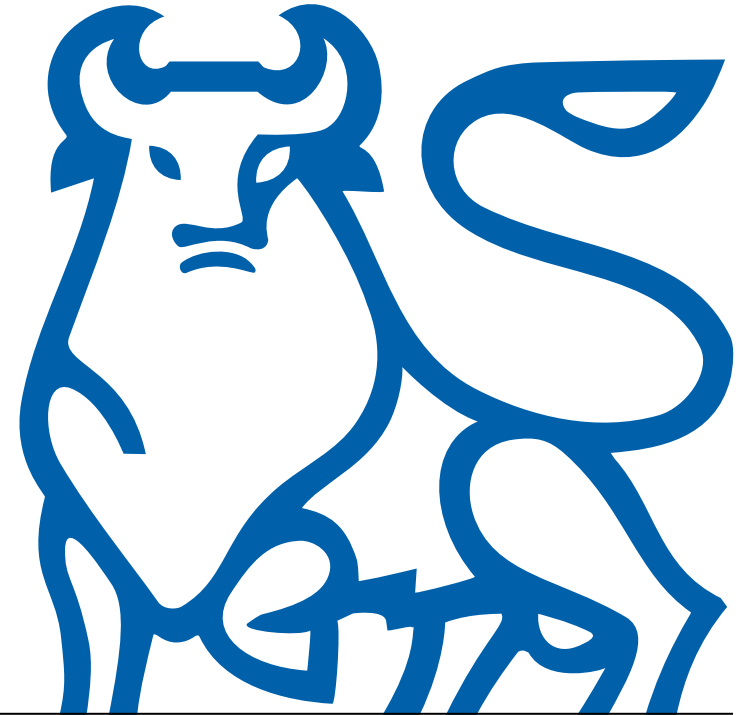


Wealth Management Analysis



Sarah Sample Update

Scott Mullins

Financial Advisor

April 04, 2019

Merrill Lynch Wealth Management

About This Report

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

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

Your Financial Advisor:

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405-752-5386

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Executive Summary: Key Findings

Your Net Worth Statement

A review of your net worth statement identifies the following key findings:

- You have a combined net worth of \$1,445,000.
- You have \$1,000,000 in investment assets. These are your working assets which represent 68.97% of your total assets.
- Your investment assets (not including other assets) are currently allocated as 62.50% equity, 30.00% fixed income, 7.50% cash, and 0.00% alternative investments.
- You have \$350,000 in personal assets. These are non-working assets which represent 24.14% of your total assets.
- Your total liabilities of \$5,000 represent 0.34% of your total asset base.

Your Asset Allocation Analysis

A review of your investments identifies the following key findings:

- **The risk associated with the asset allocation model is consistent with the risk corresponding to your investor profile.**
- You have a large cash position in your portfolio.

Your Education Analysis

The results of your analysis indicate that additional assets are necessary to meet the anticipated costs of education.

- If you wish to establish a systematic savings program, the additional monthly savings needed to fund the education goal(s) for:
 - ELIZABETH is approximately \$2,259. If you prefer to set aside a lump sum now for this purpose, the equivalent amount is approximately \$78,393.

Your Retirement Analysis

- Based on the information in this analysis, your income and investment assets may be sufficient to support your retirement goals.
- Based on the information in this analysis, a modified retirement lifestyle of \$100,048 may be attainable.

Key Factors: Goal Funding Status

GOALS

Overall Funding Ratio for Your Goals **86%**

| Goals | Priority | Time Period | Annual Goal Amount | Funding Ratio |
|-------------------------------------|------------------|--|--------------------|---------------|
| Retirement Goals | | | | |
| <i>Desired Retirement Lifestyle</i> | <i>Essential</i> | <i>Retirement through Rest of Life</i> | <i>\$100,000</i> | 88% |
| Education Goals | | | | |
| <i>Lizzie's college</i> | <i>Important</i> | <i>2021 through 2024</i> | <i>\$48,510</i> | 55% |

ESTIMATED FUTURE INCOME/SAVINGS

| Description | Time Period | Annual Amount |
|--|----------------------------------|----------------------------|
| Income | | |
| <i>Salary Income</i> | <i>2019 through 2024</i> | <i>\$130,000</i> |
| | <i>2025 until Retirement</i> | <i>\$80,000</i> |
| <i>Social Security Income</i> | <i>2032 through Rest of Life</i> | <i>\$37,250</i> |
| Taxable Savings | | |
| <i>Sarah's Investment Account</i> | | |
| <i>Taxable Saving</i> | <i>2019 until Retirement</i> | <i>\$10,000</i> |
| Tax-Deferred and Tax-Exempt Savings | | |
| <i>Sarah's 401(k)</i> | | |
| <i>Tax-Deferred Saving</i> | <i>2019 until Retirement</i> | <i>Maximize</i> |
| <i>Company Match</i> | | <i>5.00% up to 100.00%</i> |
| Education Savings | | |
| <i>Lizzie's 529</i> | | |
| <i>Education Savings - Funded by Client*</i> | <i>2019</i> | <i>\$2,000</i> |
| | <i>2020</i> | <i>\$2,000</i> |
| | <i>2021</i> | <i>\$2,000</i> |

Key Factors: Goal Funding Status

| TARGET ASSET ALLOCATION [†] | | | | | | | | | | | |
|--------------------------------------|-------------------------|------------|-------|------|------|------|------|---|------|------|--------------------|
| Year | Allocation Name | Allocation | | | | | | Geometric Returns by Confidence Level (%) | | | Standard Deviation |
| | | %EQ | %FI | %CA | %RA | %HFS | %PE | 95% | 75% | 55% | % |
| Current | Moderately Conservative | 41.00 | 56.00 | 3.00 | 0.00 | 0.00 | 0.00 | 3.15 | 4.57 | 5.39 | 7.50 |

| OTHER FACTORS | |
|----------------|----|
| Retirement Age | 66 |

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

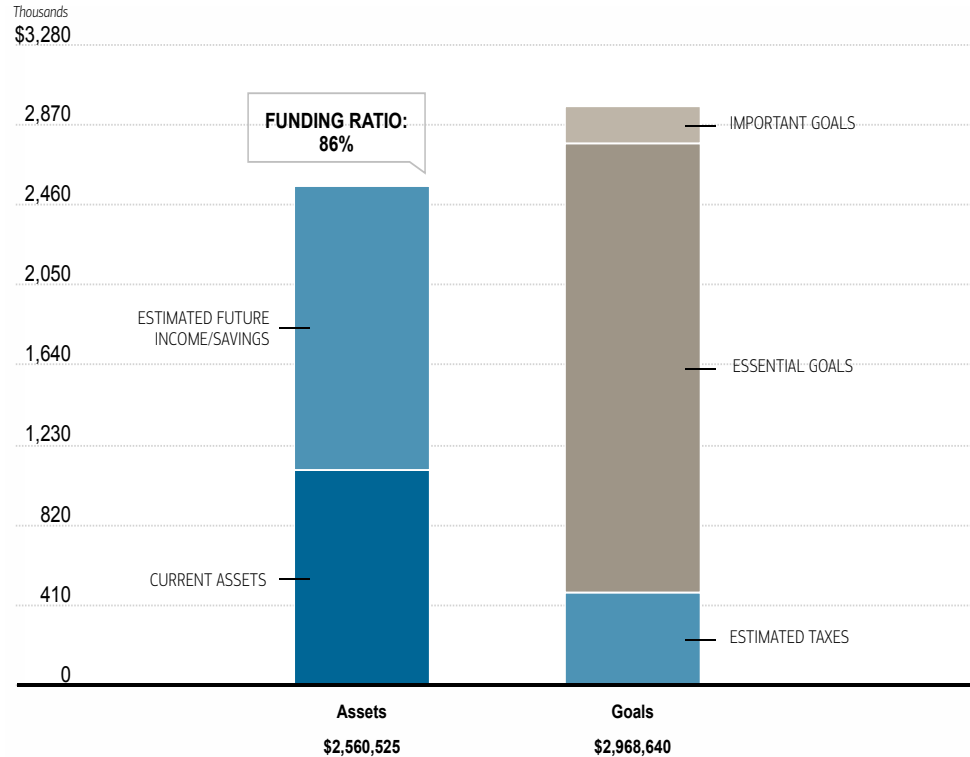
[†]Expected Geometric Returns by Likelihood/Confidence Level and Expected Standard Deviation are computed using the Allocation(s) indicated above, together with Merrill Lynch's Long-Term Capital Market Assumptions. These returns are not historical or actual investment returns, but rather long-term expectations.

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

Goal Funding Status: Overview

This overview helps you assess the feasibility of your goals.

ESTIMATED COST OF YOUR GOALS **\$2,968,640**



GOALS

| | |
|--|--------------------|
| ESSENTIAL: Desired Retirement Lifestyle | 88% FUNDED |
| Goal Amount | \$2,298,906 |
| Estimated Taxes | \$477,416 |
| Funding Sources | |
| Estimated Future Income/Savings | \$1,454,525 |
| Current Assets | 1,000,000 |
| Total Assets | \$2,454,525 |
| Shortfall | (\$321,797) |
| IMPORTANT: Lizzie's college | 55% FUNDED |
| Goal Amount | \$189,705 |
| Estimated Taxes | \$2,613 |
| Funding Sources | |
| Estimated Future Income/Savings | \$6,000 |
| Current Assets | 100,000 |
| Total Assets | \$106,000 |
| Shortfall | (\$86,318) |

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

Resource Allocation: Assets vs. Goals

Shortfall: (\$408,115)

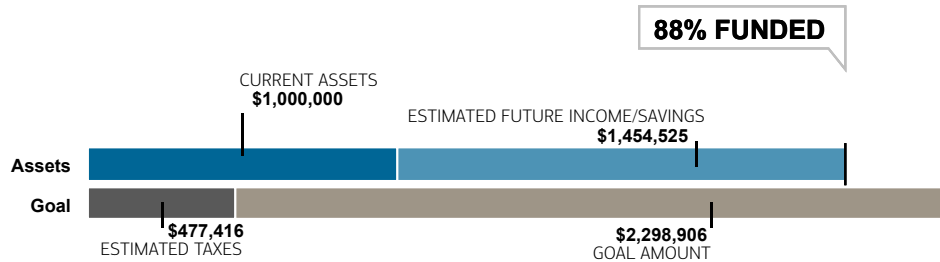
| ASSETS | | GOALS | |
|--|--------------------|------------------------------|--------------------|
| Estimated Future Income/Savings | | Essential Goals | |
| Sale of Home | \$350,000 | Desired Retirement Lifestyle | \$2,298,906 |
| Social Security Income | 782,250 | Total Essential Goals | \$2,298,906 |
| Employer Contribution to Sarah's 401(k) | 11,061 | Important Goals | |
| Tax-Deferred Saving | 221,214 | Lizzie's college | \$189,705 |
| Taxable Saving | 90,000 | Total Important Goals | \$189,705 |
| Education Savings - Funded by Client | 6,000 | Total Goal Amount | \$2,488,611 |
| Total Estimated Future Income/Savings | \$1,460,525 | Total Estimated Taxes | \$480,029 |
| Current Assets | | SURPLUS / (SHORTFALL) | |
| Lizzie's 529 | \$100,000 | Total Assets | \$2,560,525 |
| Sarah's 401(k) | 250,000 | Total Goal Amount | (2,488,611) |
| Sarah's Investment Account | 750,000 | Total Estimated Taxes | (480,029) |
| Total Current Assets | \$1,100,000 | Shortfall | (\$408,115) |
| Total Assets | \$2,560,525 | | |

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

Resource Allocation: Goal Detail

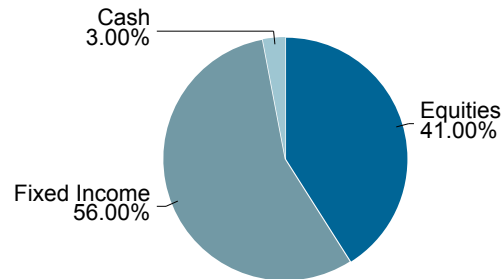
(Desired Retirement Lifestyle)

GOAL FUNDING STATUS



| | |
|--------------------|---------------------------------|
| Goal Amount | \$2,298,906 |
| Time Period | Retirement through Rest of Life |
| Priority | Essential |
| Owner | SARAH |

TARGET ASSET ALLOCATION



GOAL FUNDING SOURCES

Estimated Future Income/Savings

| | |
|--|--------------------|
| Income (excluding contributions) | \$1,132,250 |
| Taxable Contributions | 90,000 |
| Tax-Deferred Contributions | 232,275 |
| Tax-Free Contributions | 0 |
| Education Savings | 0 |
| Total Estimated Future Income/Savings | \$1,454,525 |

Current Assets

| | |
|-----------------------------|--------------------|
| Taxable Accounts | \$750,000 |
| Tax-Deferred Accounts | 250,000 |
| Tax-Free Accounts | 0 |
| Education Accounts | 0 |
| Total Current Assets | \$1,000,000 |

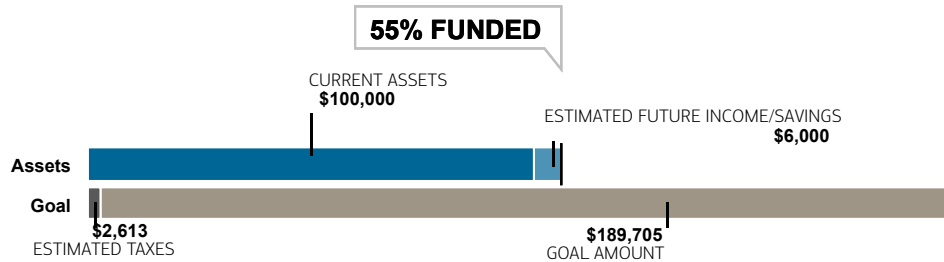
Total Assets **\$2,454,525**

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

Resource Allocation: Goal Detail

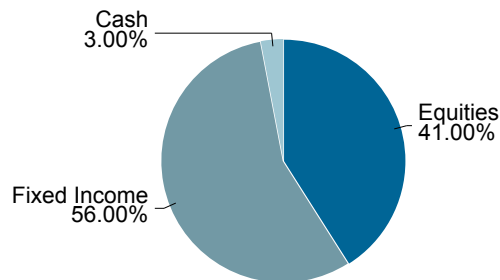
(Lizzie's college)

GOAL FUNDING STATUS



| | |
|-----------------------------------|-------------------|
| Goal Amount | \$189,705 |
| National Average - Private School | |
| Time Period | 2021 through 2024 |
| Priority | Important |
| Student | ELIZABETH |

TARGET ASSET ALLOCATION



GOAL FUNDING SOURCES

Estimated Future Income/Savings

| | |
|--|----------------|
| Income (excluding contributions) | \$0 |
| Taxable Contributions | 0 |
| Tax-Deferred Contributions | 0 |
| Tax-Free Contributions | 0 |
| Education Savings | 6,000 |
| Total Estimated Future Income/Savings | \$6,000 |

Current Assets

| | |
|-----------------------------|------------------|
| Taxable Accounts | \$0 |
| Tax-Deferred Accounts | 0 |
| Tax-Free Accounts | 0 |
| Education Accounts | 100,000 |
| Total Current Assets | \$100,000 |

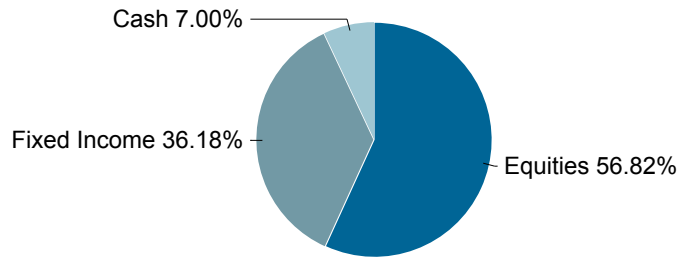
Total Assets \$106,000

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

Goals-Based Asset Allocation Summary

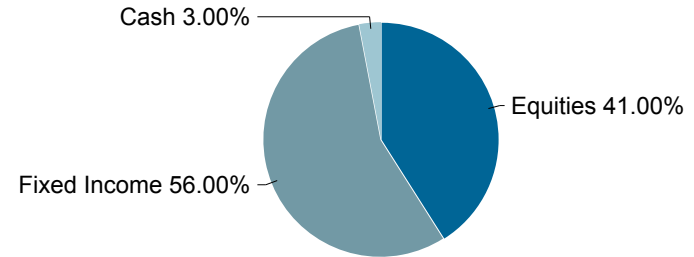
This page illustrates how your current investment assets have been allocated to fund each of your goals. Note that this view does not reflect any future income or savings considered in this analysis, only the allocation of your current investment assets within a target asset allocation strategy.

OVERALL CURRENT ASSET ALLOCATION



Total Assets **\$1,100,000**

OVERALL TARGET ASSET ALLOCATION



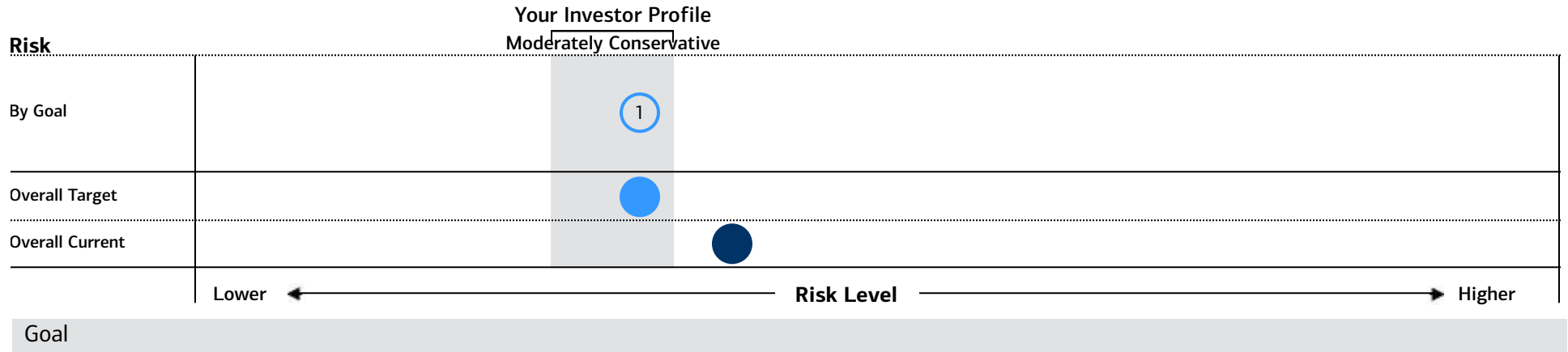
| Goals | Allocation | Amount (\$) |
|------------------------------|------------|--------------------|
| ESSENTIAL | | |
| Desired Retirement Lifestyle | | 1,000,000 |
| IMPORTANT | | |
| Lizzie's college | | 100,000 |
| Total Assets | | \$1,100,000 |

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

The outcomes shown are hypothetical, are not guaranteed and your actual results could differ significantly for many reasons. The analysis is based on information about your goals and resources, including external assets if you have chosen to include them. Because the analysis is only calculated based on funded goals (or portions of), if there is a shortfall, the amount may vary as fees and taxes are estimated based on funding the shortfall with a taxable account with 100% Cost Basis. Additional information about all of the assumptions, including tax rates, used in this analysis are provided in the Appendix: Understanding Your Analysis, Appendix: Important Information and Appendix: Client Profile at the end of this report.

The Risks of Your Goals-Based Asset Allocation

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

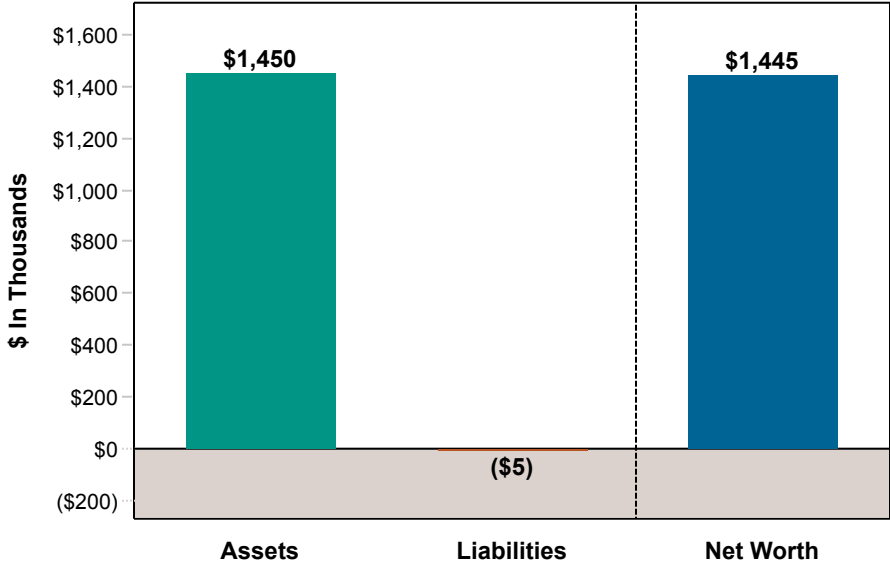


Goal

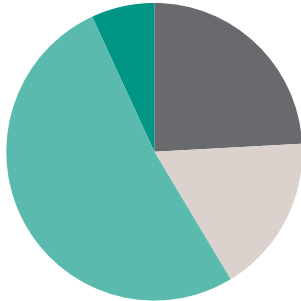
- 1 Desired Retirement Lifestyle, Lizzie's college

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

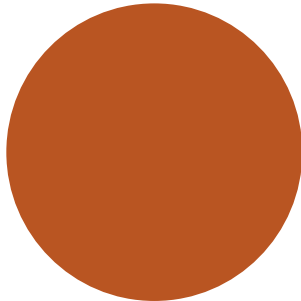
Net Worth Summary



| | |
|--------------------------|--------------------|
| Total Assets | \$1,450,000 |
| Total Liabilities | (\$5,000) |
| Net Worth | \$1,445,000 |



| Assets | Amount | % of Total |
|-------------------|-----------|------------|
| Personal Assets | \$350,000 | 24.14% |
| Retirement Assets | \$250,000 | 17.24% |
| Portfolio Assets | \$750,000 | 51.72% |
| Education Assets | \$100,000 | 6.90% |



| Liabilities | Amount | % of Total |
|----------------------|-----------|------------|
| Unsecured/Other Debt | (\$5,000) | 100.00% |

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

Net Worth Statement

Assets

Personal Assets

| | |
|--------------------|-----------|
| Primary Residences | \$350,000 |
|--------------------|-----------|

| | |
|------------------------------|------------------|
| Total Personal Assets | \$350,000 |
|------------------------------|------------------|

Investment Assets

Retirement Assets

| | |
|----------|-----------|
| Equities | \$175,000 |
|----------|-----------|

| | |
|--------------|----------|
| Fixed Income | \$75,000 |
|--------------|----------|

| | |
|--------------------------------|------------------|
| Total Retirement Assets | \$250,000 |
|--------------------------------|------------------|

Portfolio Assets

| | |
|----------|-----------|
| Equities | \$450,000 |
|----------|-----------|

| | |
|--------------|-----------|
| Fixed Income | \$225,000 |
|--------------|-----------|

| | |
|----------------------|----------|
| Cash/Cash Equivalent | \$75,000 |
|----------------------|----------|

| | |
|-------------------------------|------------------|
| Total Portfolio Assets | \$750,000 |
|-------------------------------|------------------|

| | |
|--------------------------------|--------------------|
| Total Investment Assets | \$1,000,000 |
|--------------------------------|--------------------|

| | |
|-------------------------|------------------|
| Education Assets | \$100,000 |
|-------------------------|------------------|

| | |
|---------------------|--------------------|
| Total Assets | \$1,450,000 |
|---------------------|--------------------|

Liabilities

| | |
|-----------------------------|-----------|
| Credit Card/Unsecured Loans | (\$5,000) |
|-----------------------------|-----------|

| | |
|--------------------------|------------------|
| Total Liabilities | (\$5,000) |
|--------------------------|------------------|

| | |
|--------------------------|------------------|
| Total Liabilities | (\$5,000) |
|--------------------------|------------------|

Net Worth: \$1,445,000

Net Worth Details

| Assets | | |
|--|------------------|--------------------|
| Personal Assets | | |
| Home | \$350,000 | |
| Total Personal Assets | | \$350,000 |
| Investment Assets | | |
| Retirement Assets | | |
| Sarah's 401(k) | \$250,000 | |
| Total Retirement Assets | \$250,000 | |
| Portfolio Assets | | |
| Sarah's Investment Account | \$750,000 | |
| Total Portfolio Assets | \$750,000 | |
| Total Investment Assets | | \$1,000,000 |
| Education Assets | | |
| Lizzie's 529 | \$100,000 | |
| Total Education Assets | | \$100,000 |
| Total Assets | | \$1,450,000 |
| Liabilities | | |
| Credit Card/Unsecured Loans | | |
| Credit card | (\$5,000) | |
| Total Credit Card/Unsecured Loans | | (\$5,000) |
| Total Liabilities | | (\$5,000) |
| Summary | | |
| Total Assets | | \$1,450,000 |
| Total Liabilities | | (\$5,000) |
| Net Worth | | \$1,445,000 |

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

Net Worth by Ownership: Overview

| | SARAH | Other |
|--------------------------------|--------------------|------------------|
| Assets | | |
| Personal Assets | | |
| Primary Residences | \$350,000 | \$0 |
| Total Personal Assets | \$350,000 | \$0 |
| Investment Assets | | |
| <i>Retirement Assets</i> | | |
| Equities | \$175,000 | \$0 |
| Fixed Income | \$75,000 | \$0 |
| Total Retirement Assets | \$250,000 | \$0 |
| <i>Portfolio Assets</i> | | |
| Equities | \$450,000 | \$0 |
| Fixed Income | \$225,000 | \$0 |
| Cash/Cash Equivalent | \$75,000 | \$0 |
| Total Portfolio Assets | \$750,000 | \$0 |
| Total Investment Assets | \$1,000,000 | \$0 |
| Education Assets | \$0 | \$100,000 |
| Total Assets | \$1,350,000 | \$100,000 |
| Liabilities | | |
| Credit Card/Unsecured Loans | (\$5,000) | \$0 |
| Total Liabilities | (\$5,000) | \$0 |

Net Worth by Ownership: Overview

| | SARAH | Other |
|------------------|--------------------|------------------|
| Net Worth | \$1,345,000 | \$100,000 |

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

Overview: Wealth Allocation Framework

The Merrill Lynch Wealth Allocation Framework is a goals-based framework to help determine an investor’s financial approach. It helps to compare an investor’s risk allocation to their goals and priorities, and illuminate how to connect the two.

The Risk Allocation Statement helps organize an investor’s assets and liabilities by risk-return characteristics, revealing their risk allocation. Below is an illustration of the wealth categories used in the Risk Allocation Statement and the assets and risk type belonging to each.

P PERSONAL ASSETS (PERSONAL RISK)

PRESERVE LIFESTYLE/CASH FLOW/PRINCIPAL

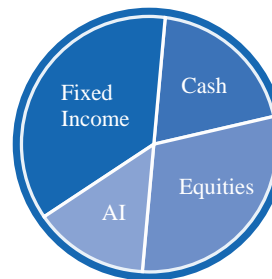
PRESERVATION/AIMED AT SAFETY
Assets in this category are directly related to protecting what you view as your minimum lifestyle objective. Examples of assets in this category include your residence, personal property and cash.



M MARKET ASSETS (MARKET RISK)

BALANCE RISK AND RETURN

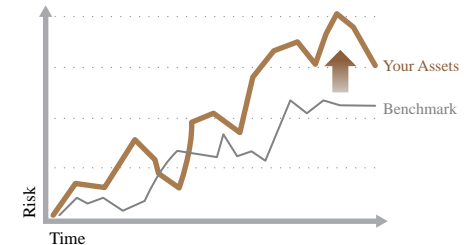
Assets in this category help to provide you with the potential means to maintain or improve your standard of living. Examples of assets in this category include equities, bonds, and alternative investment assets.



A ASPIRATIONAL ASSETS (IDIOSYNCRATIC RISK)

CAPITALIZING ON UNIQUE MARKET OPPORTUNITIES

Assets with which you are willing to take a calculated, idiosyncratic risk in order to substantially increase your standard of living fall into this category. Holding concentrated aspirational assets over time increases risk. Examples of assets in this category include concentrated stock and stock option positions.



Objective

Do Not Jeopardize Basic Standard of Living

- Reduce downside risk
- Potential safety
- Willing to accept below market returns for reduced risk.

Maintaining or Improve Lifestyle

- Balance risk and return to attain market level performance from a broadly diversified portfolio.

Enhance Lifestyle

- Increase upside
- Take measured, but significant risk to potentially enhanced return.

Benchmark

Inflation

Personal assets are expected to help reduce downside risk and provide potential safety.

Risk-adjusted Market Return

All traditional portfolio performance measures are applicable for market assets.

Absolute Return

Assets in the Aspirational category are intended to significantly outperform the market if and when they succeed.

Performance is not guaranteed and actual results may vary.

Overview: Risk Categories

Understanding the individual components of your total wealth, and the expected role each asset/liability plays in your overall strategy, is critical in helping to achieve your financial goals. Both the security type and its intended purpose in the portfolio help determine the most appropriate category for the asset or liability. This report will illustrate how your assets and liabilities are allocated to these categories and the risk type inherent to each, so you may evaluate your risk allocation in light of your investment objectives, risk tolerance, and lifestyle goals. Important considerations when categorizing assets and liabilities include:

- What are the characteristics and risks of the assets?
- How important are these assets to achieving your financial goals?

SAMPLE CLIENT PROFILE

Merrill Lynch is providing some general guidelines to assist you in categorizing your assets. While every situation is unique, the table to the right illustrates how a sample portfolio might be categorized.

The allocation of assets and liabilities among the categories within the Wealth Allocation Framework is dependent upon the completeness and accuracy of the information you provided. The failure to provide complete and accurate information will negate the usefulness of this report. Please note that you should advise us of any material changes in your assets and liabilities, or of any material change in your financial circumstances and needs that may impact your investment objectives, liquidity needs, time horizon, or risk tolerance as they may impact this analysis.

SAMPLE CLIENT PROFILE

PERSONAL ASSETS

| | |
|----------------------------|-------------|
| Primary Residence | \$1,000,000 |
| Primary Residence Mortgage | (\$250,000) |
| Emergency Cash Reserve | \$175,000 |

MARKET ASSETS

| | |
|------------------------------|-------------|
| Diversified Market Portfolio | \$2,500,000 |
|------------------------------|-------------|

ASPIRATIONAL ASSETS

| | |
|--------------------------|-------------|
| Small Business Ownership | \$1,250,000 |
| Concentrated Stock | \$3,000,000 |
| Real Estate Investments | \$1,500,000 |

Total Net Worth \$9,175,000

ASSET CATEGORIES

PERSONAL RISKS

- Primary Residence
- Cash and Cash Alternatives
 - Immediate Liquidity Needs
 - Emergency Reserves
- Personal Property
- Fixed or Deferred Annuities
- Insurance
- All Liabilities
 - Mortgage Loans
 - Secured Debts
 - Unsecured Loans
 - Credit balanced
- Other

MARKET RISKS

- Equities:
 - Broadly diversified size/style/sector exposure
- Fixed income:
 - Credit quality and duration diversification
- Cash (reserved for opportunistic investing)
- Alternative Investments in Hedge Funds/Private Equity/Managed Future Commodities/Real Estate/Diversified Alternative Investment / Fund of Funds
- Structured Products

IDIOSYNCRATIC RISKS

- Company/Single Stock
- Executive Stock Options
- Investment Real Estate
- Ownership Interest in Private Businesses
- Speculative Derivative Contracts
- Investments of Passion
 - Art/Antique Collections

RISK FEATURES

- Death
- Outliving your assets (longevity risk)
- Interest rates
- Loss of purchasing power (inflation risk)
- Loss of job
- Disability
- Catastrophic illness (medical expenses)
- Lawsuits or other legal liabilities
- Lack of liquidity
- Higher taxation or change in tax laws
- Portfolio volatility
- Sustained market downturn
- Market shocks
- Geopolitical conditions
- Sector conditions
- Interest rates
- Fluctuation in relative value of local currency
- Higher taxation or change in tax laws
- Asset concentration (concentrated stock/business ownership)
- Loss of principal
- Lack of liquidity
- Higher taxation or change in tax laws

Risk Allocation Summary

GOALS

The following is a summary of the priorities of your goals and time horizon that you provided:

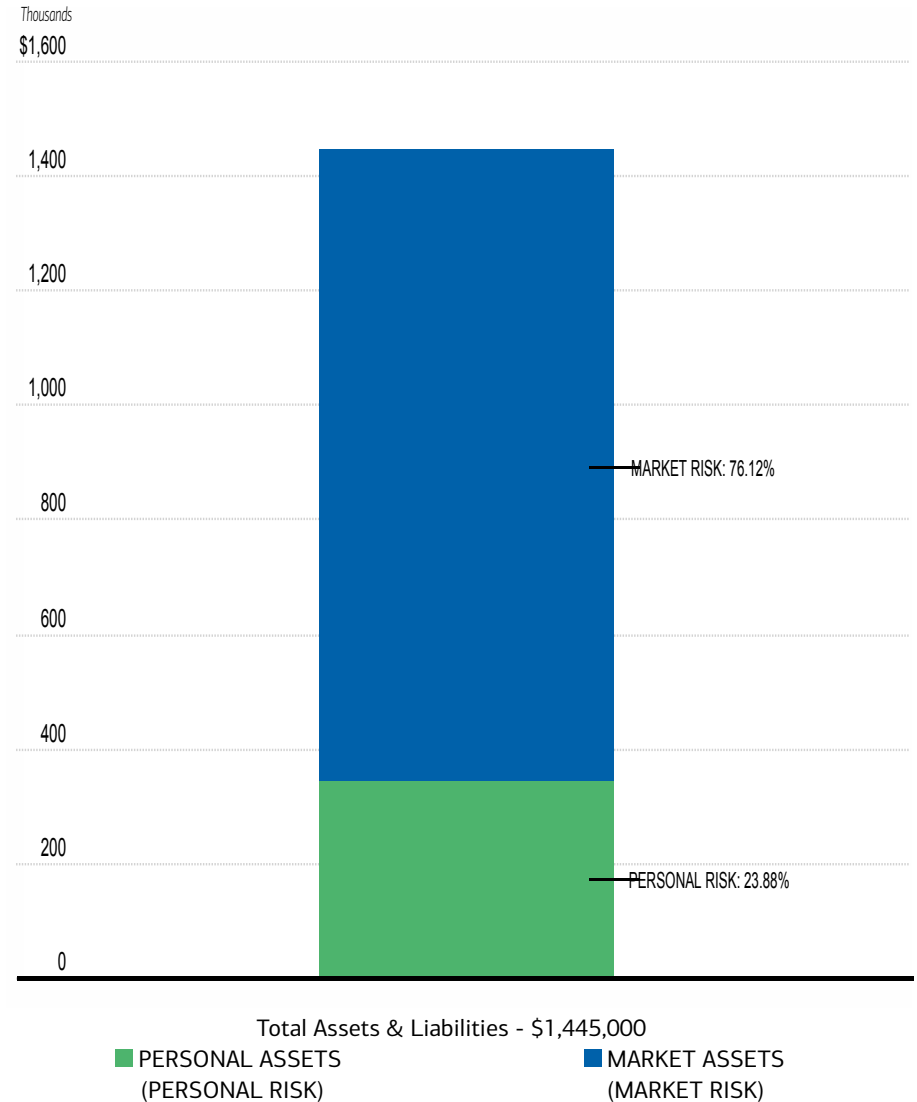
ESSENTIAL : Desired Retirement Lifestyle

| Time Horizon | Goal Amount |
|---------------------------------|-------------|
| Retirement through Rest of Life | \$100,000 |

IMPORTANT : Lizzie's college

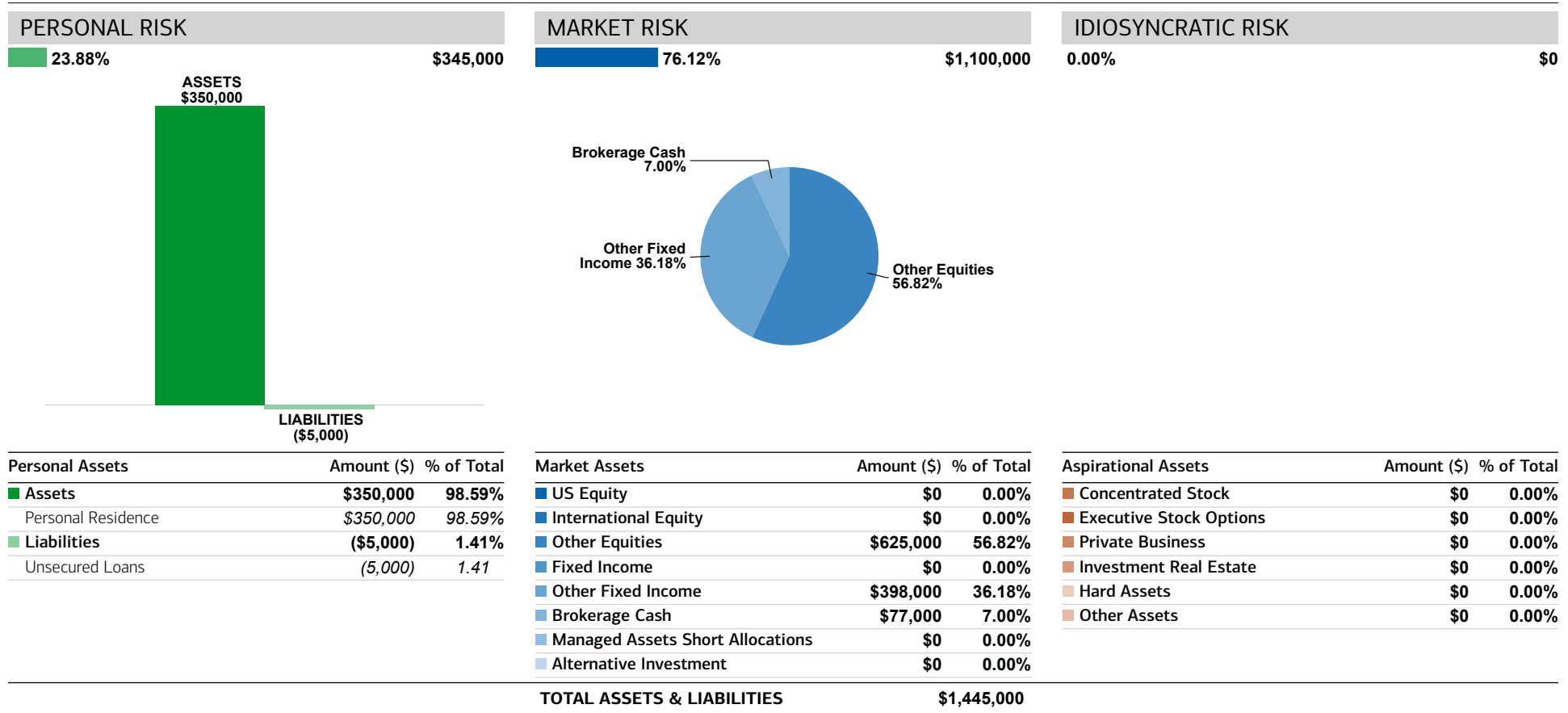
| Time Horizon | Goal Amount |
|-------------------|-------------|
| 2021 through 2024 | \$48,510 |

YOUR CURRENT RISK ALLOCATION



For informational purposes only. Please refer to the "Risk Allocation: Your Current Status" section of this report for specific details regarding assets and liabilities. Diversification does not ensure a profit or protect against loss in declining markets.

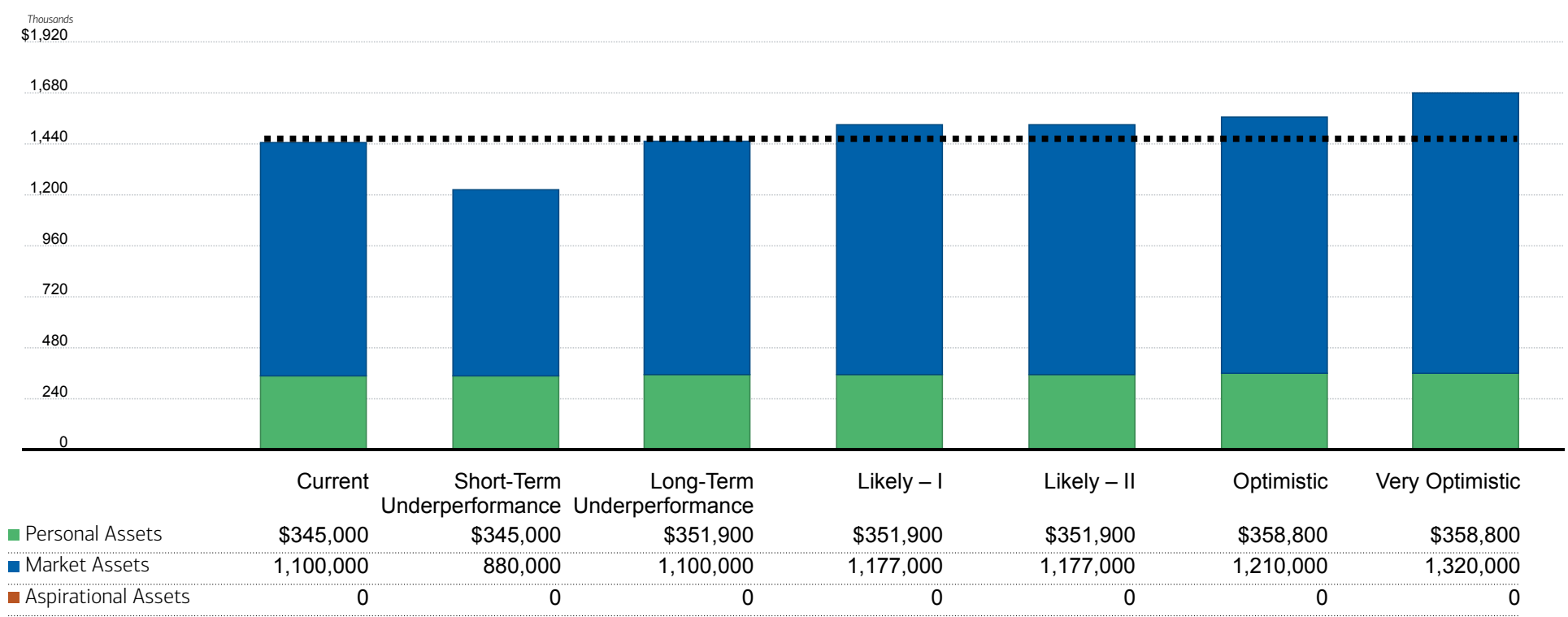
Wealth and Risk Allocation: Your Current Status



If selected for inclusion, the assets reflected above may include External Assets. Please see *Appendix: Important Information* for important information relating to External Assets.

Performance Under Hypothetical Scenarios

AMOUNT IN TODAY'S DOLLAR

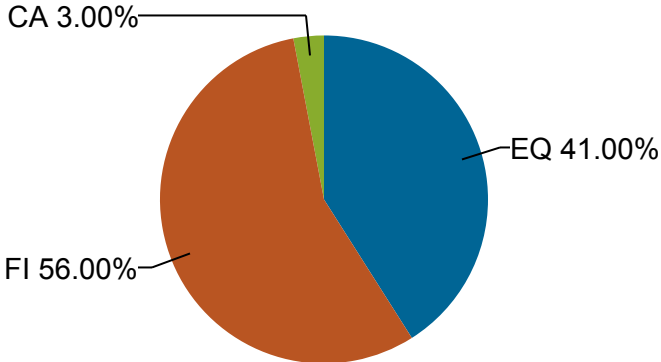


| Description | Expected Return | | | Current | |
|-----------------------------|-----------------------|---------------------|---------------------------|---------------|---------------|
| | Personal Portfolio(%) | Market Portfolio(%) | Aspirational Portfolio(%) | Net Worth(\$) | Net Return(%) |
| Short-Term Underperformance | 0.00% | (20.00)% | (100.00)% | \$1,225,000 | (15.22)% |
| Long-Term Underperformance | 2.00 | 0.00 | (50.00) | 1,451,900 | 0.48 |
| Likely – I | 2.00 | 7.00 | (20.00) | 1,528,900 | 5.81 |
| Likely – II | 2.00 | 7.00 | 20.00 | 1,528,900 | 5.81 |
| Optimistic | 4.00 | 10.00 | 50.00 | 1,568,800 | 8.57 |
| Very Optimistic | 4.00 | 20.00 | 100.00 | 1,678,800 | 16.18 |

The following represents potential expected returns under several different scenarios. These assumptions may be changed overtime as determined by Merrill Lynch. For additional information on how these scenarios may be applied, and for a descriptive illustration of the Wealth Allocation Framework refer to: "Beyond Markowitz: A Comprehensive Wealth Allocation Framework for Individual Investors", Wealth Management Institute, Fall 2007.

A View of Your Total Portfolio

**Target Asset Allocation
(Moderately Conservative)**

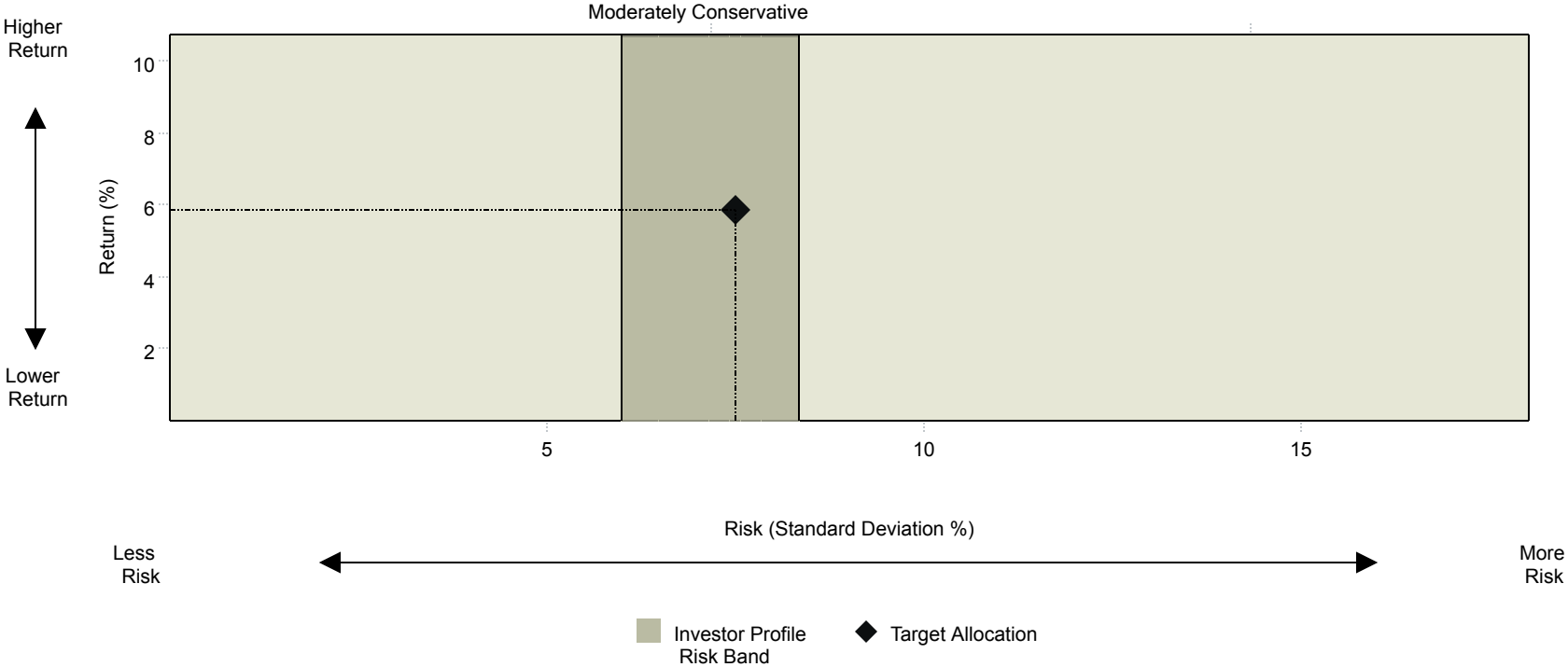


Totals

| | Target Asset Allocation |
|-------------------------------|--------------------------------|
| ■ Equities (EQ) | \$410,000 |
| ■ Fixed Income (FI) | \$560,000 |
| ■ Cash (CA)* | \$30,000 |
| ■ Real Assets (RA) | \$0 |
| ■ Hedge Fund Strategies (HFS) | \$0 |
| ■ Private Equity (PE) | \$0 |
| Total | \$1,000,000 |

*Balance represents the sum of all cash and cash equivalents including short positions with associated credit balances.

Evaluating the Efficiency of Your Portfolio

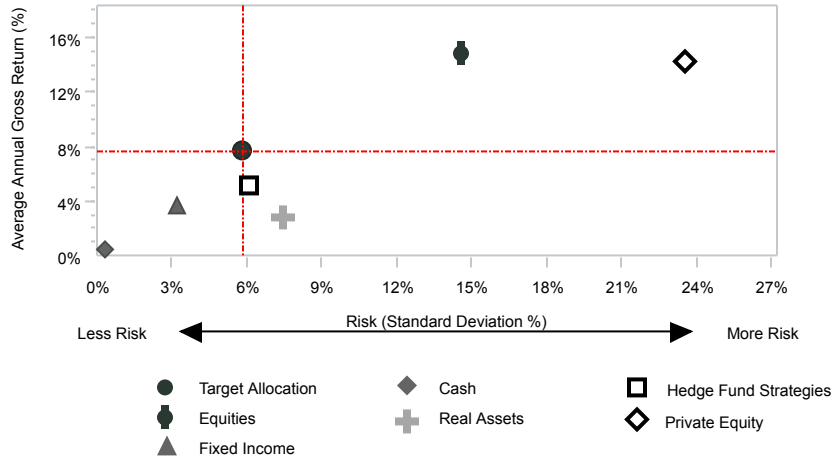


Note: The shaded region of the graph represents the risk band associated with your investor profile. Additional information about this analysis is provided in *Appendix: Important Information*.

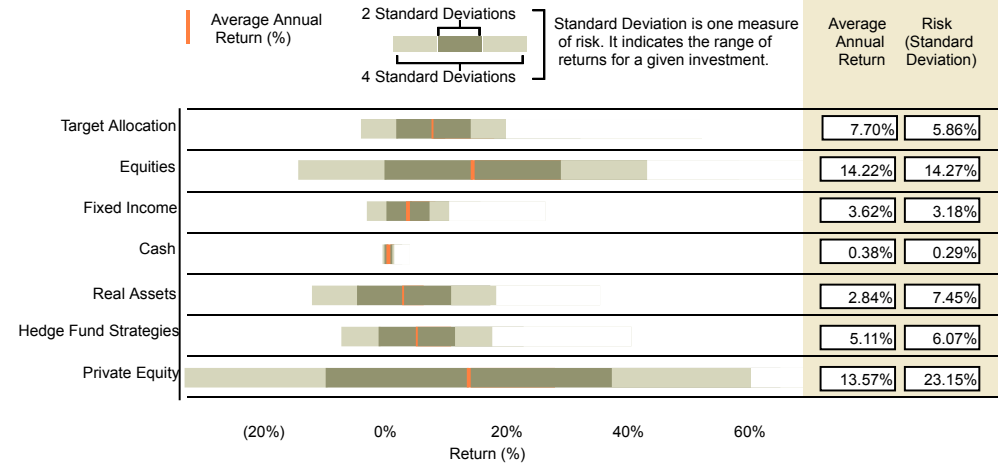
Measuring Historical Risk and Return

Performance Period: January 2009 - December 2018

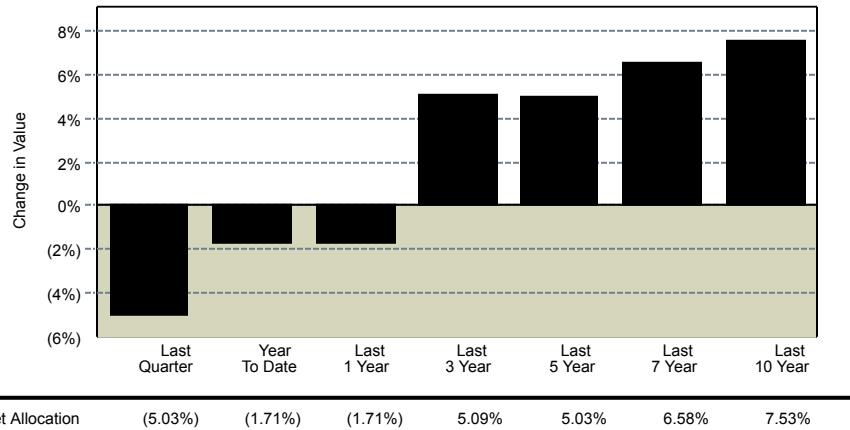
Risk vs. Return: Scatterplot



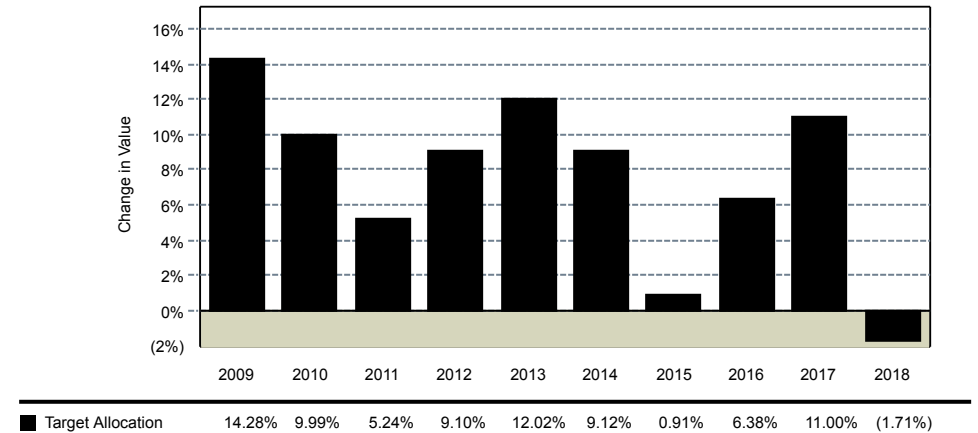
Risk vs. Return: Understanding Standard Deviation



Annualized Returns*



Annual Returns



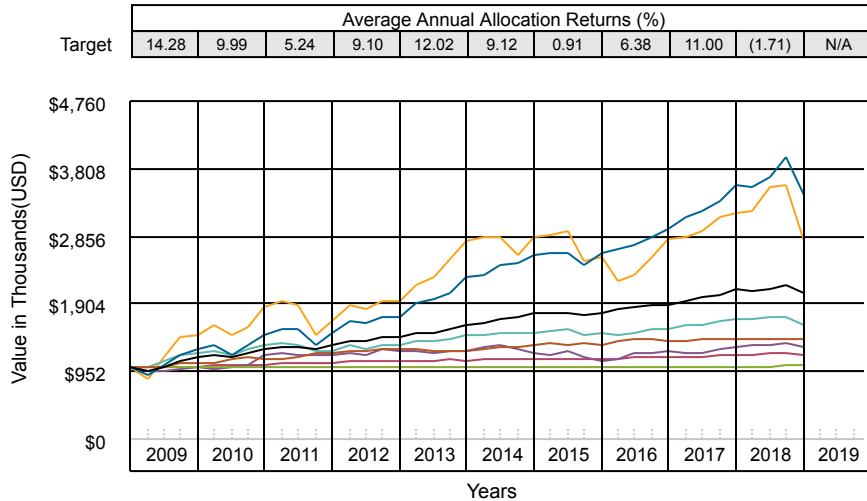
* Last Quarter and Year to Date returns are not annualized

Results shown are illustrative and are based on the return and risk (as measured by standard deviation) of the indices shown on the following pages. Note that the results for the allocation(s) illustrated are hypothetical and do not reflect the performance of an actual portfolio or any specific investments. To create the allocation's hypothetical results, index returns have been combined in the same proportion as the asset allocation(s) illustrated (e.g. if the asset allocation indicates 40% equities, then 40% of the asset allocation's risk and return results from the risk and return of the associated equity index). All results shown above assume the reinvestment of income, no transaction costs or taxes, and, for the allocation results, that the asset allocation(s) remained consistent throughout the time period indicated. **Past performance does not guarantee future results.** Direct investment cannot be made in an index.

Measuring Performance of Certain Asset Classes and Allocations

Performance Period: January 2009 - December 2018

Hypothetical Growth of Allocation (Initial Value: \$1,000,000)



Summary of Results

| | Volatility (%) | Average Annual Return (%) | Simulated Growth Of Portfolio |
|---|----------------|---------------------------|-------------------------------|
| Target Allocation | 5.86% | 7.70% | \$2,066,014 |
| S&P 500 TR | 14.27% | 14.22% | \$3,430,335 |
| ICE BofAML US Broad Market Bond | 3.18% | 3.62% | \$1,419,751 |
| ICE BofAML 3-Month US Treasury Bill | 0.29% | 0.38% | \$1,038,132 |
| HFRI Fund Weighted Composite | 6.07% | 5.11% | \$1,617,915 |
| BofAML SC Rsrch PE/Microcap & Russell Microcap TR | 23.15% | 13.57% | \$2,777,470 |
| 50% BB Cmdty / 25% NCREIF Prop / 25% NCREIF TBI | 7.45% | 2.84% | \$1,288,966 |
| Consumer Price Index (All Urban NSA) | 1.46% | 1.81% | \$1,195,051 |

Single Quarter Results

| | Best | | Worst | | Quarters to Recover from Worst |
|---|------------|---------|------------|---------|--------------------------------|
| | Percentage | Period | Percentage | Period | |
| Target Allocation | 8.65% | Q3 2009 | (5.03%) | Q4 2018 | N/A |
| S&P 500 TR | 15.93% | Q2 2009 | (13.87%) | Q3 2011 | 2 |
| ICE BofAML US Broad Market Bond | 3.95% | Q3 2009 | (3.08%) | Q4 2016 | 3 |
| ICE BofAML 3-Month US Treasury Bill | 0.56% | Q4 2018 | 0.00% | Q4 2011 | N/A |
| 50% BB Cmdty / 25% NCREIF Prop / 25% NCREIF TBI | 12.35% | Q4 2010 | (6.30%) | Q3 2015 | 8 |
| HFRI Fund Weighted Composite | 9.20% | Q2 2009 | (6.77%) | Q3 2011 | 5 |
| BofAML SC Rsrch PE/Microcap & Russell Microcap TR | 37.70% | Q2 2009 | (23.06%) | Q3 2011 | 4 |

Consecutive Quarter Results

| | Best | | Worst | | Quarters to Recover from Worst |
|---|------------|-----------|------------|-----------|--------------------------------|
| | Percentage | Period | Percentage | Period | |
| Target Allocation | 23.53% | 2Q09-1Q10 | (1.71%) | 1Q18-4Q18 | N/A |
| S&P 500 TR | 49.77% | 2Q09-1Q10 | (4.38%) | 1Q18-4Q18 | N/A |
| ICE BofAML US Broad Market Bond | 9.80% | 3Q09-2Q10 | (2.25%) | 1Q13-4Q13 | 2 |
| ICE BofAML 3-Month US Treasury Bill | 1.87% | 1Q18-4Q18 | 0.02% | 3Q14-2Q15 | N/A |
| 50% BB Cmdty / 25% NCREIF Prop / 25% NCREIF TBI | 23.40% | 2Q10-1Q11 | (8.37%) | 2Q14-1Q15 | 11 |
| HFRI Fund Weighted Composite | 22.44% | 2Q09-1Q10 | (5.25%) | 1Q11-4Q11 | 4 |
| BofAML SC Rsrch PE/Microcap & Russell Microcap TR | 90.19% | 2Q09-1Q10 | (22.62%) | 2Q15-1Q16 | 5 |

Up / Down Periods

| | Quarters | | Calendar Years | |
|---|----------|------|----------------|------|
| | Up | Down | Up | Down |
| Target Allocation | 29 | 11 | 9 | 1 |
| S&P 500 TR | 32 | 8 | 9 | 1 |
| ICE BofAML US Broad Market Bond | 31 | 9 | 9 | 1 |
| ICE BofAML 3-Month US Treasury Bill | 40 | 0 | 10 | 0 |
| 50% BB Cmdty / 25% NCREIF Prop / 25% NCREIF TBI | 23 | 17 | 6 | 4 |
| HFRI Fund Weighted Composite | 30 | 10 | 7 | 3 |
| BofAML SC Rsrch PE/Microcap & Russell Microcap TR | 30 | 10 | 7 | 3 |

Results shown are illustrative and are based on the return and risk (as measured by standard deviation) of the indices shown on the following pages. Note that the results for the allocation(s) illustrated are hypothetical and do not reflect the performance of an actual portfolio or any specific investments. To create the allocation's hypothetical results, index returns have been combined in the same proportion as the asset allocation(s) illustrated (e.g. if the asset allocation indicates 40% equities, then 40% of the asset allocation's risk and return results from the risk and return of the associated equity index). All results shown above assume the reinvestment of income, no transaction costs or taxes, and, for the allocation results, that the asset allocation(s) remained consistent throughout the time period indicated. **Past performance does not guarantee future results.** Direct investment cannot be made in an index.

Historical Index Performance

Performance Period: January 2009 - December 2018

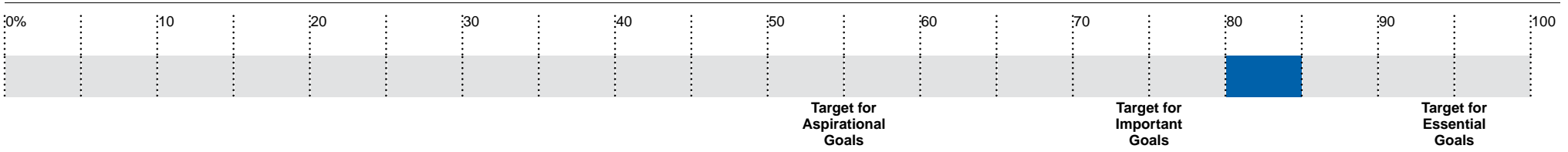
| | LastQtr | Annualized Returns* | | | | | Annual Returns | | | | | Standard Deviation |
|---|----------|---------------------|----------|-------|---------|--------|----------------|--------|--------|----------|---------|--------------------|
| | | YTD | 1 YR. | 3 YR. | 5 YR. | 10 YR. | 2018 | 2017 | 2016 | 2015 | 2014 | |
| Target Allocation | (5.03%) | (1.71%) | (1.71%) | 5.09% | 5.03% | 7.53% | (1.71%) | 11.00% | 6.38% | 0.91% | 9.12% | 5.86% |
| Asset Class Indices | | | | | | | | | | | | |
| S&P 500 TR Equities (EQ) | (13.52%) | (4.38%) | (4.38%) | 9.26% | 8.49% | 13.12% | (4.38%) | 21.83% | 11.96% | 1.38% | 13.69% | 14.27% |
| ICE BofAML US Broad Market Bond Fixed Income (FI) | 1.64% | 0.05% | 0.05% | 2.08% | 2.61% | 3.57% | 0.05% | 3.61% | 2.62% | 0.60% | 6.27% | 3.18% |
| ICE BofAML 3-Month US Treasury Bill Cash (CA) | 0.56% | 1.87% | 1.87% | 1.02% | 0.63% | 0.37% | 1.87% | 0.86% | 0.33% | 0.05% | 0.03% | 0.29% |
| AI Composite Index Alternative Investments (AI) | (14.40%) | (8.52%) | (8.52%) | 3.16% | (0.79%) | 6.02% | (8.52%) | 9.38% | 9.72% | (10.59%) | (2.08%) | 15.00% |
| 50% BB Cmdbt / 25% NCREIF Prop / 25% NCREIF TBI Real Assets (RA) | (3.67%) | (0.49%) | (0.49%) | 5.14% | 0.77% | 2.57% | (0.49%) | 5.32% | 10.91% | (8.10%) | (2.73%) | 7.45% |
| HFR1 Fund Weighted Composite Hedge Fund Strategies (HFS) | (5.86%) | (4.60%) | (4.60%) | 2.99% | 2.15% | 4.93% | (4.60%) | 8.59% | 5.44% | (1.12%) | 2.98% | 6.07% |
| BofAML SC Rsrch PE/Microcap & Russell Microcap TR Private Equity (PE) | (22.14%) | (13.08%) | (13.08%) | 2.62% | (0.09%) | 10.76% | (13.08%) | 13.17% | 9.87% | (9.42%) | 1.71% | 23.15% |

Each of the indices shown above is used in the preceding analysis to represent the associated asset classes. Results shown for the allocation(s), which are hypothetical illustrations and do not reflect the performance of an actual portfolio or specific investments, are constructed by combining respective index returns in the same proportion as the asset allocation. All results reflect the reinvestment of income, no transactions costs or taxes, and, for the asset allocation results, that the asset allocation(s) remain consistent throughout the time period indicated. **Past performance does not guarantee future results.** Direct investment cannot be made in an index.

* Last Quarter and Year-to-Date returns are not annualized.

† Source: Hedge Funds Research, Inc. Alternative investment indices tend to overstate the beneficial aspects, and understate the associated risks, of this asset class. See *Appendix: Important Information* for additional information.

Key Factors



GOALS

Overall Likelihood of Success 80% - 85%

| Goals | Time Period | Annual Goal Amount | Likelihood of Success |
|------------------------------|---------------------------------|--------------------|-----------------------|
| Retirement Goals | | | |
| Desired Retirement Lifestyle | Retirement through Rest of Life | \$100,000 | 80% - 85% |
| Education Goals | | | |
| Lizzie's college | 2021 through 2024 | \$48,510 | >90% |

ESTIMATED FUTURE INCOME/SAVINGS

| Description | Time Period | Annual Amount |
|--|---------------------------|---------------------|
| Income | | |
| Salary Income | 2019 through 2024 | \$130,000 |
| | 2025 until Retirement | \$80,000 |
| Social Security Income | 2032 through Rest of Life | \$37,250 |
| Taxable Savings | | |
| Sarah's Investment Account | | |
| Taxable Saving | 2019 until Retirement | \$10,000 |
| Tax-Deferred and Tax-Exempt Savings | | |
| Sarah's 401(k) | | |
| Tax-Deferred Saving | 2019 until Retirement | Maximize |
| Company Match | | 5.00% up to 100.00% |
| Education Savings | | |
| Lizzie's 529 | | |
| Education Savings - Funded by Client* | 2019 | \$2,000 |

Key Factors

ESTIMATED FUTURE INCOME/SAVINGS

| Description | Time Period | Annual Amount |
|-------------|-------------|---------------|
| | 2020 | \$2,000 |
| | 2021 | \$2,000 |

TARGET ASSET ALLOCATION[†]

| Year | Allocation Name | Allocation | | | | | | Geometric Returns by Confidence Level (%) | | | | Standard Deviation % |
|---------|-------------------------|------------|-------|------|------|------|------|---|------|------|------|----------------------|
| | | %EQ | %FI | %CA | %RA | %HFS | %PE | 95% | 80% | 50% | 30% | |
| Current | Moderately Conservative | 41.00 | 56.00 | 3.00 | 0.00 | 0.00 | 0.00 | 3.15 | 4.33 | 5.58 | 6.36 | 7.50 |

OTHER FACTORS

| | |
|----------------|----|
| Retirement Age | 66 |
|----------------|----|

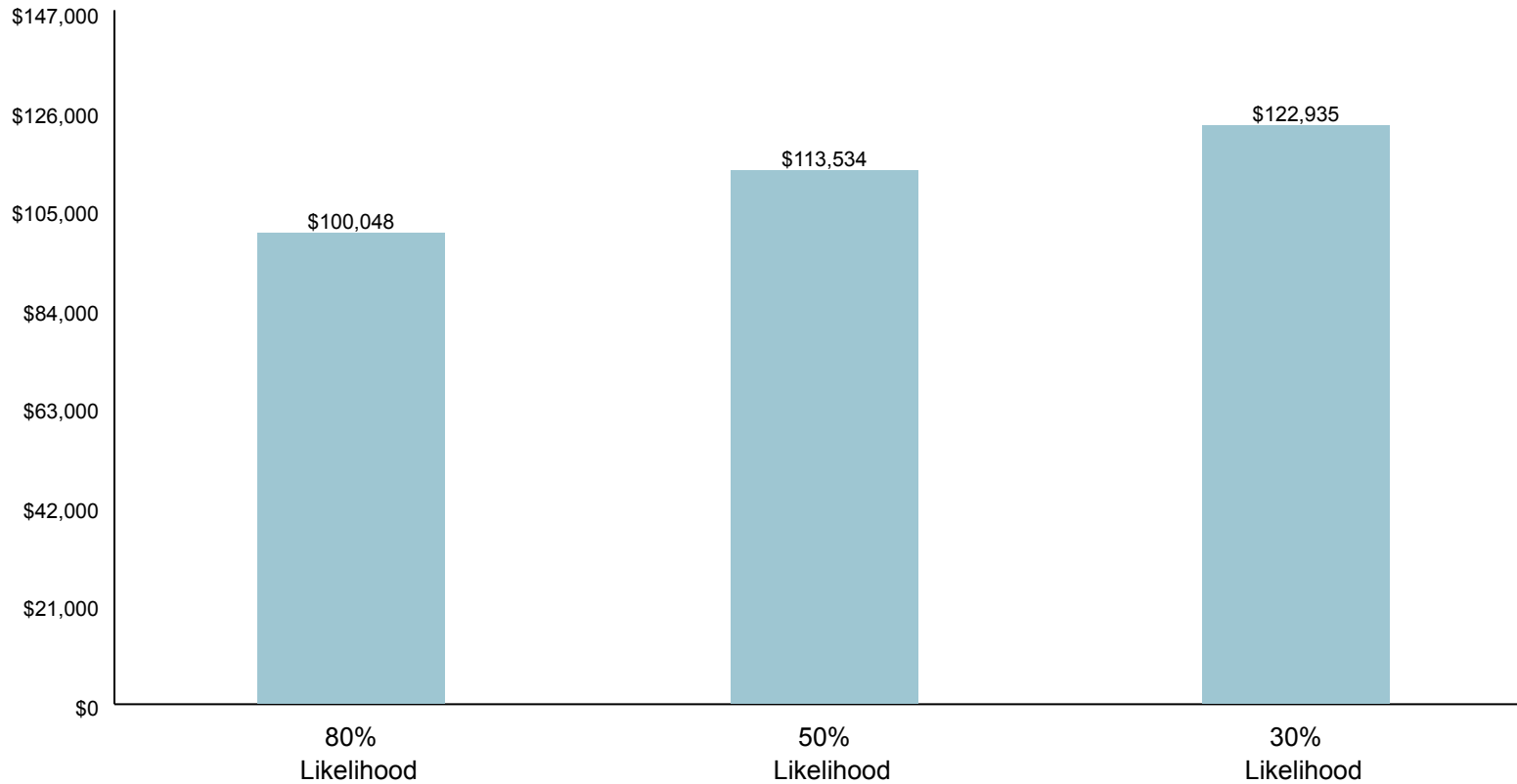
*You indicated this education savings will be funded by you.

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

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

Potentially Achievable Annual Lifestyle

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

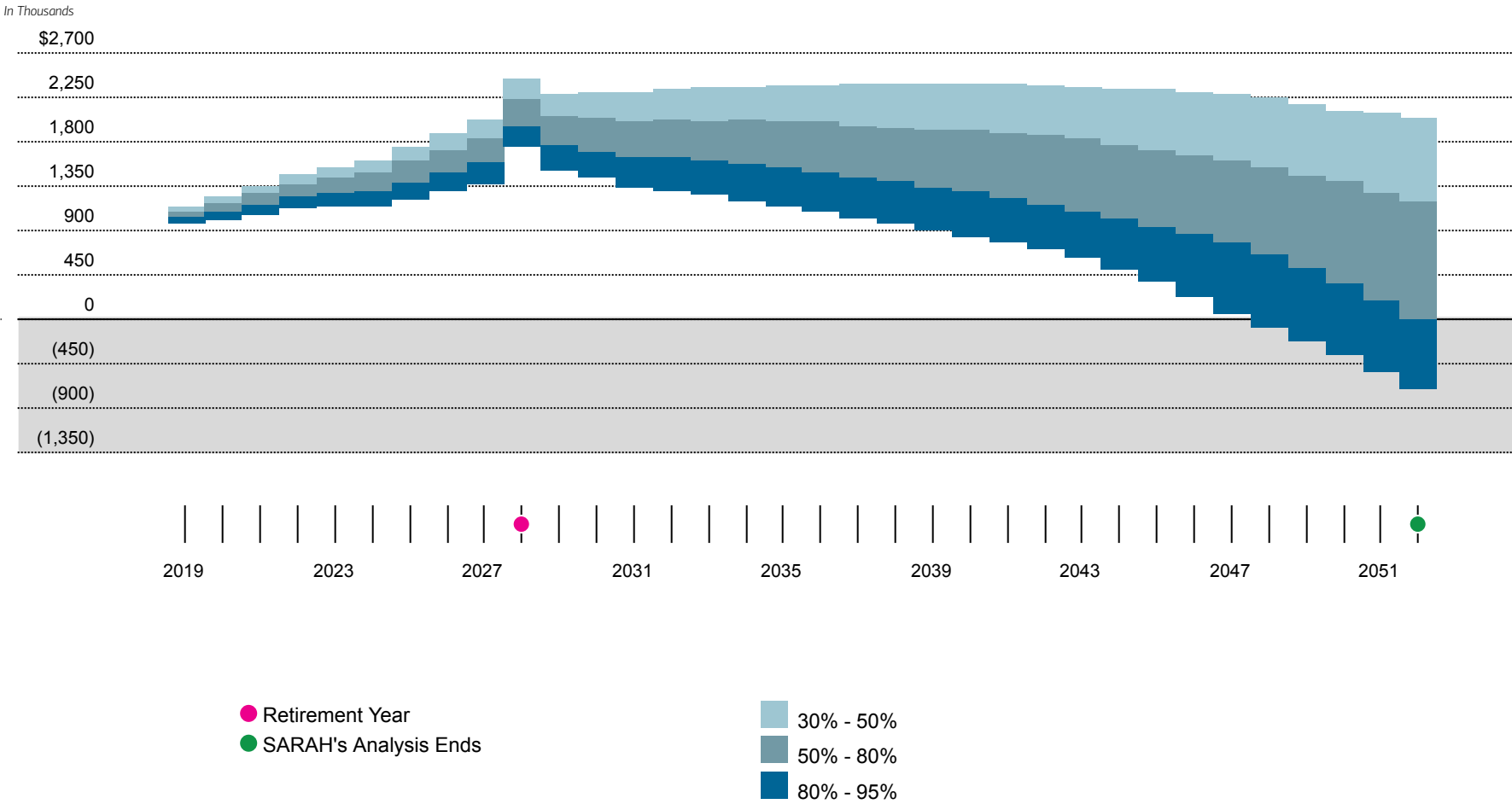


The chart does not include any expenses occurring in retirement. A "likelihood" scenario indicates the estimated annual spending that can be sustained throughout retirement before running out of money, and is based on the confidence rate indicated. Any scenario with a likelihood lower than 50% would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

Results Of Your Analysis: Potential Wealth

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

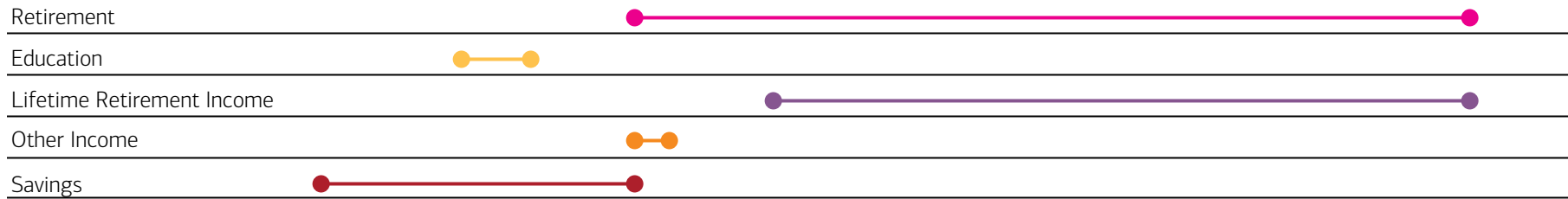
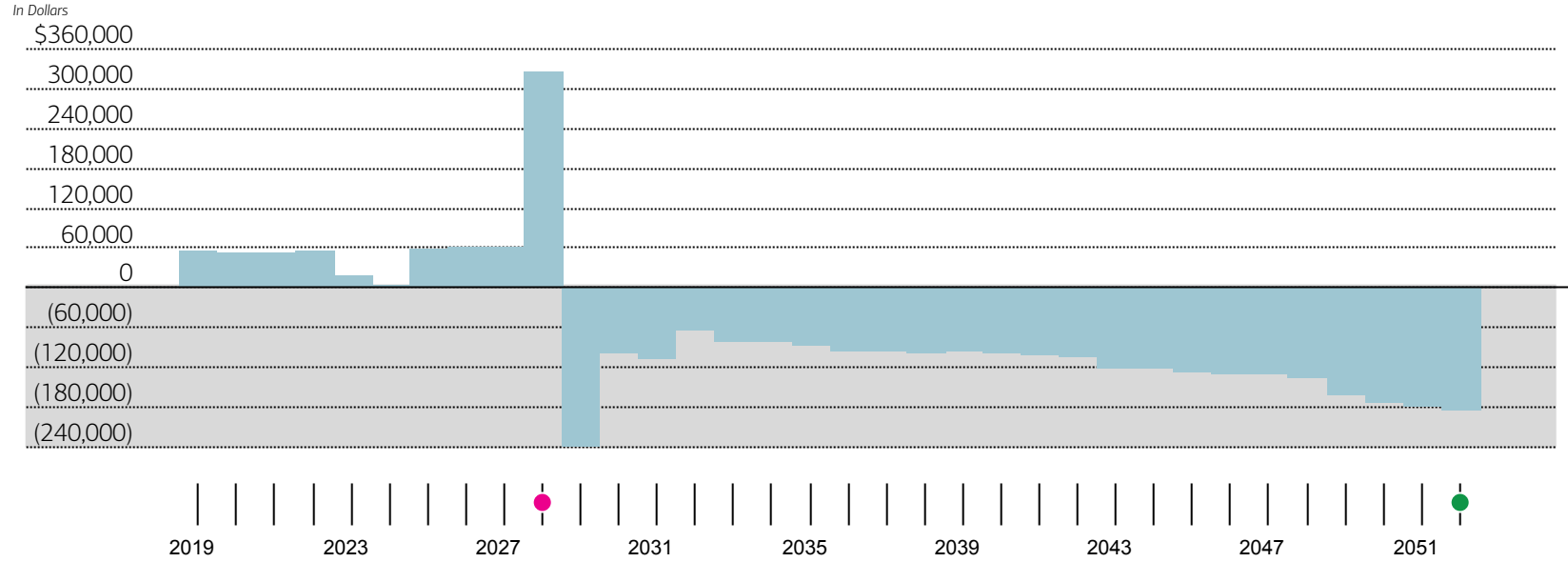
POTENTIAL WEALTH



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

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

NET CASH FLOW



● SARAH Retires

● SARAH's Analysis Ends

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

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

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

Estimated Cash Flow Summary (80% Likelihood)

| Potential Wealth (Current Value: \$1,000,000) | | | | | | | | | | | |
|---|-----|---------------------|--------------------|----------------------------|--------------|------------------------|----------------|----------------------------|--------------|----------------------|-----------------------------------|
| Year | Age | | | | | | | Tax-Deferred Contributions | | Net Cash Flow*** (=) | Potential Wealth (80% Likelihood) |
| | | Taxable Savings (+) | Income Sources (+) | Gross Portfolio Income (+) | Taxes* (+/-) | Goals / Expenses** (-) | Net Amount (=) | Individual(s) (+) | Employer (+) | | |
| 2019 | 57 | \$10,000 | \$0 | \$20,232 | \$0 | \$0 | \$30,232 | \$25,000 | \$1,250 | \$56,482 | \$1,032,017 |
| 2020 | 58 | \$10,228 | \$0 | \$20,668 | (\$4,464) | \$0 | \$26,432 | \$25,570 | \$1,279 | \$53,281 | \$1,092,345 |
| 2021 | 59 | \$10,461 | \$0 | \$20,175 | (\$4,118) | \$0 | \$26,518 | \$26,153 | \$1,308 | \$53,979 | \$1,159,478 |
| 2022 | 60 | \$10,700 | \$0 | \$21,178 | (\$4,103) | \$0 | \$27,775 | \$26,749 | \$1,337 | \$55,861 | \$1,239,628 |
| 2023 | 61 | \$10,944 | \$0 | \$21,430 | (\$4,828) | (\$38,692) | (\$11,146) | \$27,359 | \$1,368 | \$17,581 | \$1,280,684 |
| 2024 | 62 | \$11,193 | \$0 | \$20,821 | (\$4,058) | (\$54,298) | (\$26,342) | \$27,983 | \$1,399 | \$3,040 | \$1,302,783 |
| 2025 | 63 | \$11,448 | \$0 | \$21,469 | (\$4,480) | \$0 | \$28,437 | \$28,621 | \$1,431 | \$58,489 | \$1,391,526 |
| 2026 | 64 | \$11,709 | \$0 | \$24,407 | (\$6,094) | \$0 | \$30,022 | \$29,274 | \$1,464 | \$60,760 | \$1,489,473 |
| 2027 | 65 | \$11,976 | \$0 | \$23,063 | (\$4,726) | \$0 | \$30,313 | \$29,941 | \$1,497 | \$61,751 | \$1,589,749 |

| Year | Age | | | | | | Tax-Deferred Contributions | | Net Cash Flow*** (=) | Potential Wealth (80% Likelihood) |
|------|-----|--------------------|----------------------------|--------------|------------------------|----------------|----------------------------|--------------|----------------------|-----------------------------------|
| | | Income Sources (+) | Gross Portfolio Income (+) | Taxes* (+/-) | Goals / Expenses** (-) | Net Amount (=) | Individual(s) (+) | Employer (+) | | |
| 2028 | 66 | \$428,731 | \$27,348 | (\$9,274) | (\$122,494) | \$324,311 | \$0 | \$0 | \$324,311 | \$1,958,883 |
| 2029 | 67 | \$0 | \$29,533 | (\$143,485) | (\$125,287) | (\$239,239) | \$0 | \$0 | (\$239,239) | \$1,757,986 |
| 2030 | 68 | \$0 | \$29,598 | (\$1,452) | (\$128,144) | (\$99,998) | \$0 | \$0 | (\$99,998) | \$1,700,397 |
| 2031 | 69 | \$0 | \$22,369 | (\$86) | (\$131,066) | (\$108,783) | \$0 | \$0 | (\$108,783) | \$1,637,846 |
| 2032 | 70 | \$49,935 | \$24,355 | (\$6,021) | (\$134,054) | (\$65,785) | \$0 | \$0 | (\$65,785) | \$1,640,041 |
| 2033 | 71 | \$51,074 | \$26,498 | (\$22,918) | (\$137,110) | (\$82,456) | \$0 | \$0 | (\$82,456) | \$1,604,007 |
| 2034 | 72 | \$52,238 | \$21,513 | (\$14,218) | (\$140,236) | (\$80,703) | \$0 | \$0 | (\$80,703) | \$1,569,756 |
| 2035 | 73 | \$53,429 | \$17,905 | (\$14,842) | (\$143,434) | (\$86,942) | \$0 | \$0 | (\$86,942) | \$1,533,365 |
| 2036 | 74 | \$54,647 | \$18,330 | (\$22,389) | (\$146,704) | (\$96,116) | \$0 | \$0 | (\$96,116) | \$1,486,761 |
| 2037 | 75 | \$55,893 | \$13,915 | (\$16,278) | (\$150,049) | (\$96,519) | \$0 | \$0 | (\$96,519) | \$1,444,505 |
| 2038 | 76 | \$57,168 | \$16,129 | (\$18,546) | (\$153,470) | (\$98,719) | \$0 | \$0 | (\$98,719) | \$1,398,103 |
| 2039 | 77 | \$58,471 | \$16,180 | (\$12,878) | (\$156,969) | (\$95,196) | \$0 | \$0 | (\$95,196) | \$1,339,779 |
| 2040 | 78 | \$59,804 | \$18,238 | (\$17,280) | (\$160,548) | (\$99,786) | \$0 | \$0 | (\$99,786) | \$1,297,135 |
| 2041 | 79 | \$61,168 | \$15,240 | (\$15,010) | (\$164,209) | (\$102,811) | \$0 | \$0 | (\$102,811) | \$1,229,783 |
| 2042 | 80 | \$62,562 | \$11,612 | (\$11,900) | (\$167,953) | (\$105,679) | \$0 | \$0 | (\$105,679) | \$1,165,309 |
| 2043 | 81 | \$63,989 | \$8,411 | (\$22,795) | (\$171,782) | (\$122,177) | \$0 | \$0 | (\$122,177) | \$1,096,427 |
| 2044 | 82 | \$65,448 | \$6,687 | (\$18,895) | (\$175,698) | (\$122,458) | \$0 | \$0 | (\$122,458) | \$1,025,310 |

Estimated Cash Flow Summary (80% Likelihood)

| Potential Wealth (Current Value: \$1,000,000) | | | | | | | | | | |
|---|-----|--------------------|----------------------------|--------------|------------------------|----------------|----------------------------|--------------|----------------------|-----------------------------------|
| Year | Age | | | | | | Tax-Deferred Contributions | | Net Cash Flow*** (=) | Potential Wealth (80% Likelihood) |
| | | Income Sources (+) | Gross Portfolio Income (+) | Taxes* (+/-) | Goals / Expenses** (-) | Net Amount (=) | Individual(s) (+) | Employer (+) | | |
| 2045 | 83 | \$66,940 | \$2,533 | (\$17,194) | (\$179,704) | (\$127,425) | \$0 | \$0 | (\$127,425) | \$943,135 |
| 2046 | 84 | \$68,466 | \$2,415 | (\$17,457) | (\$183,802) | (\$130,378) | \$0 | \$0 | (\$130,378) | \$862,081 |
| 2047 | 85 | \$70,027 | \$2,428 | (\$15,872) | (\$187,992) | (\$131,409) | \$0 | \$0 | (\$131,409) | \$771,995 |
| 2048 | 86 | \$71,624 | \$0 | (\$16,346) | (\$192,279) | (\$137,001) | \$0 | \$0 | (\$137,001) | \$662,601 |
| 2049 | 87 | \$73,257 | \$0 | (\$38,962) | (\$196,663) | (\$162,368) | \$0 | \$0 | (\$162,368) | \$511,178 |
| 2050 | 88 | \$74,927 | \$0 | (\$48,912) | (\$201,146) | (\$175,131) | \$0 | \$0 | (\$175,131) | \$361,537 |
| 2051 | 89 | \$76,635 | \$0 | (\$51,001) | (\$205,733) | (\$180,099) | \$0 | \$0 | (\$180,099) | \$188,692 |
| 2052 | 90 | \$78,383 | \$0 | (\$52,320) | (\$210,423) | (\$184,360) | \$0 | \$0 | (\$184,360) | \$4,567 |

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

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

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

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

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

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

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

Annual Potential Wealth

| Year | Age | Potential Wealth (Current Value: \$1,000,000) | | |
|------|-----|---|----------------|----------------|
| | | 80% Likelihood | 50% Likelihood | 30% Likelihood |
| 2019 | 57 | \$1,032,017 | \$1,092,859 | \$1,133,760 |
| 2020 | 58 | \$1,092,345 | \$1,181,257 | \$1,245,133 |
| 2021 | 59 | \$1,159,478 | \$1,272,142 | \$1,352,182 |
| 2022 | 60 | \$1,239,628 | \$1,373,069 | \$1,470,205 |
| 2023 | 61 | \$1,280,684 | \$1,433,816 | \$1,546,353 |
| 2024 | 62 | \$1,302,783 | \$1,485,823 | \$1,610,377 |
| 2025 | 63 | \$1,391,526 | \$1,604,441 | \$1,747,571 |
| 2026 | 64 | \$1,489,473 | \$1,716,191 | \$1,881,011 |
| 2027 | 65 | \$1,589,749 | \$1,840,211 | \$2,020,922 |
| 2028 | 66 | \$1,958,883 | \$2,234,620 | \$2,443,665 |
| 2029 | 67 | \$1,757,986 | \$2,066,126 | \$2,285,087 |
| 2030 | 68 | \$1,700,397 | \$2,041,953 | \$2,293,282 |
| 2031 | 69 | \$1,637,846 | \$2,000,591 | \$2,298,580 |
| 2032 | 70 | \$1,640,041 | \$2,020,291 | \$2,333,195 |
| 2033 | 71 | \$1,604,007 | \$2,015,493 | \$2,349,837 |
| 2034 | 72 | \$1,569,756 | \$2,019,976 | \$2,351,697 |
| 2035 | 73 | \$1,533,365 | \$2,006,508 | \$2,366,651 |
| 2036 | 74 | \$1,486,761 | \$2,004,582 | \$2,363,360 |
| 2037 | 75 | \$1,444,505 | \$1,963,185 | \$2,391,635 |
| 2038 | 76 | \$1,398,103 | \$1,938,532 | \$2,394,642 |
| 2039 | 77 | \$1,339,779 | \$1,922,667 | \$2,384,048 |
| 2040 | 78 | \$1,297,135 | \$1,915,818 | \$2,385,409 |
| 2041 | 79 | \$1,229,783 | \$1,880,879 | \$2,381,523 |
| 2042 | 80 | \$1,165,309 | \$1,873,661 | \$2,372,705 |
| 2043 | 81 | \$1,096,427 | \$1,842,622 | \$2,350,835 |

Annual Potential Wealth

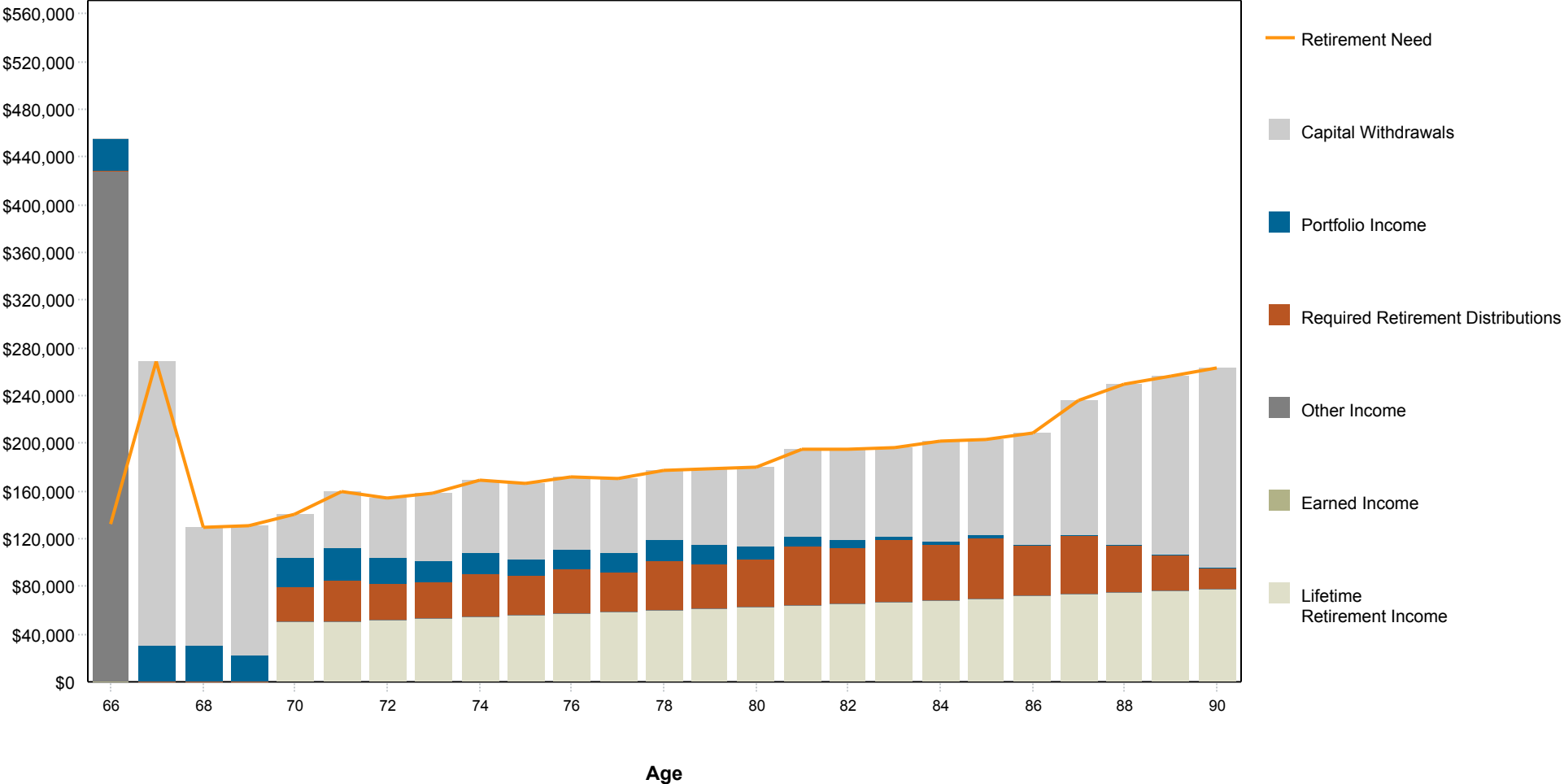
| Year | Age | Potential Wealth (Current Value: \$1,000,000) | | |
|------|-----|---|----------------|----------------|
| | | 80% Likelihood | 50% Likelihood | 30% Likelihood |
| 2044 | 82 | \$1,025,310 | \$1,771,667 | \$2,337,470 |
| 2045 | 83 | \$943,135 | \$1,719,823 | \$2,328,081 |
| 2046 | 84 | \$862,081 | \$1,654,026 | \$2,301,688 |
| 2047 | 85 | \$771,995 | \$1,602,417 | \$2,277,646 |
| 2048 | 86 | \$662,601 | \$1,544,851 | \$2,247,080 |
| 2049 | 87 | \$511,178 | \$1,460,280 | \$2,180,012 |
| 2050 | 88 | \$361,537 | \$1,396,684 | \$2,115,489 |
| 2051 | 89 | \$188,692 | \$1,288,843 | \$2,093,952 |
| 2052 | 90 | \$4,567 | \$1,193,413 | \$2,043,568 |

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

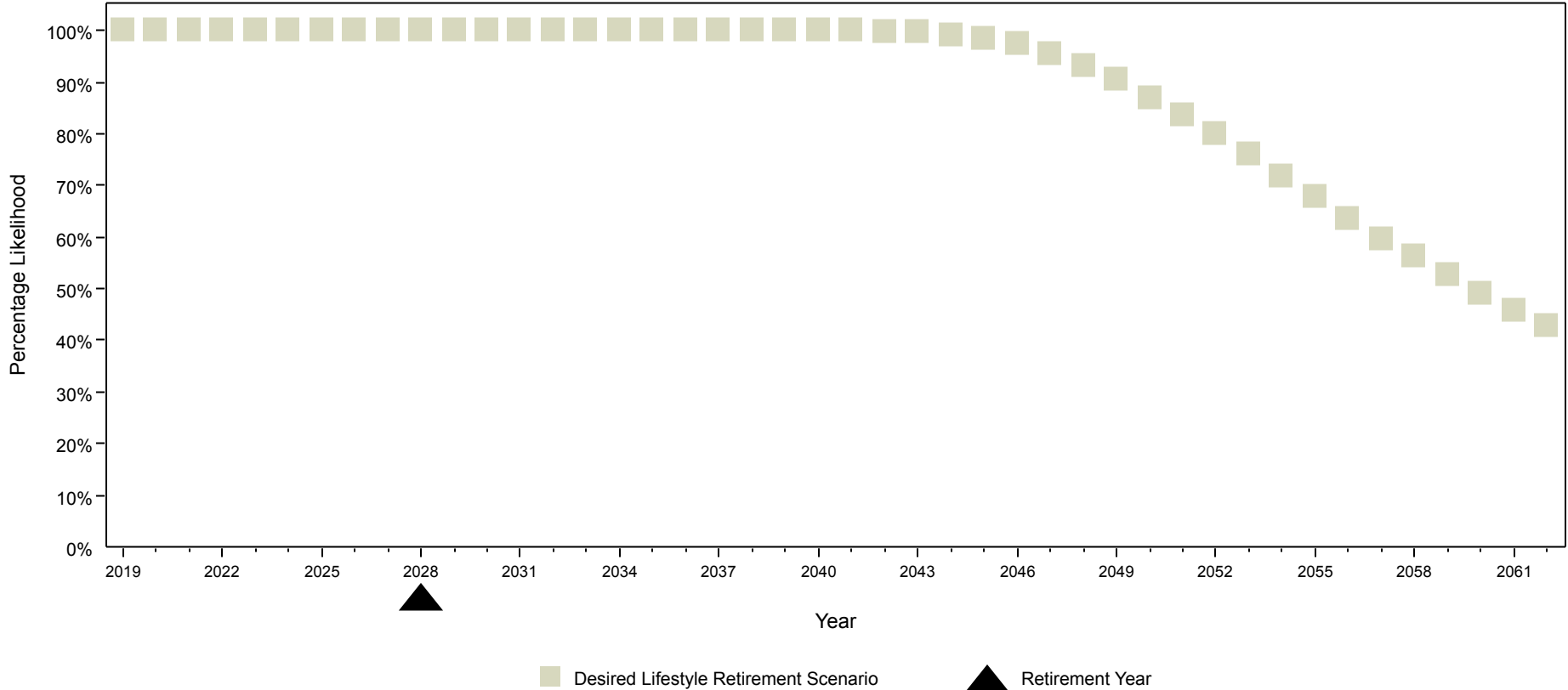
The outcomes shown are hypothetical, are not guaranteed and your actual results could differ significantly for many reasons.

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

Funding Your Retirement Vision (80% Likelihood)

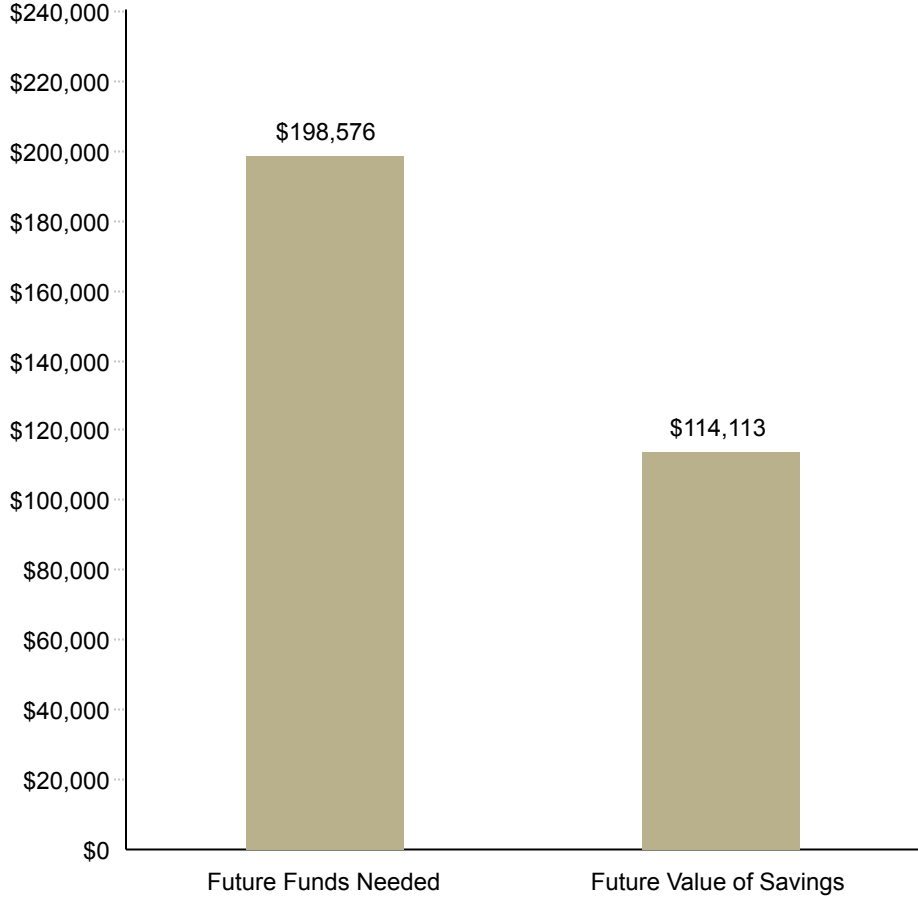


The Likelihood level(s) shown have been selected for purposes of the hypothetical analysis to demonstrate different potential outcomes. Other Likelihood options can be shown, please speak with your Financial Advisor for more information. The outcomes shown are hypothetical, are not guaranteed and your actual results could differ significantly for many reasons. The Retirement Need includes expenses as you have indicated. Additional information about the assumptions in the analysis is provided in Appendix: Important Information and Appendix: Client Profile at the end of this report.



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

Total Cost of Education



| Student | Future Funds Needed | Future Value of Savings |
|-----------|---------------------|-------------------------|
| ELIZABETH | \$198,576 | \$114,113 |
| TOTAL | \$198,576 | \$114,113 |

All values are shown as of the start year of the education goal. Additional information about the assumptions used in the analysis is provided in *Appendix: Important Information* and *Appendix: Client Profile* at the end of this report.

Education Cost Analysis



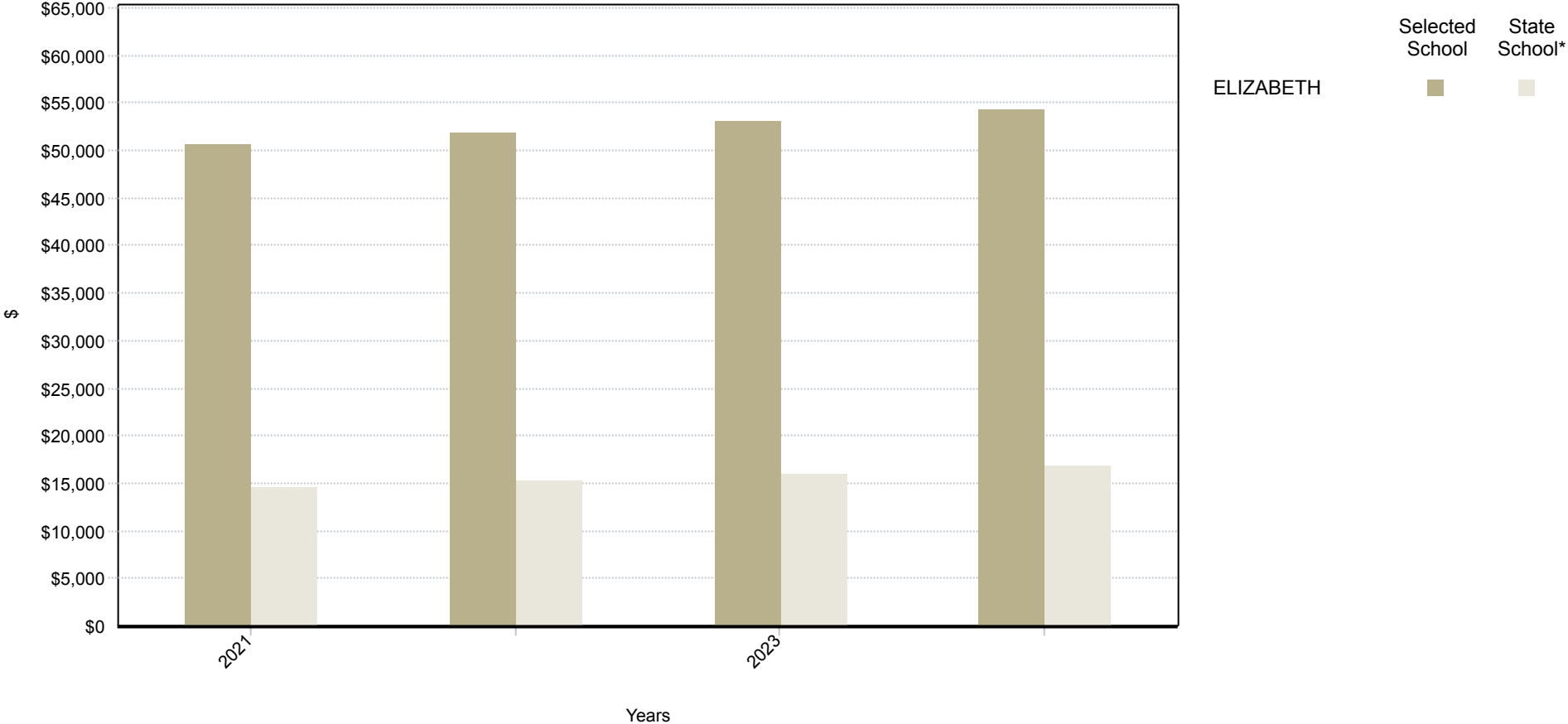
| Student Profile: ELIZABETH | | Projected Value of Savings as of Goal Start Year | | Projected Savings Need | | |
|-------------------------------|-----------------------------------|--|--|------------------------|---------------------|--------------------------------|
| Selected School: | National Average - Private School | | | Frequency | Current Year | Additional Savings Need |
| Current Annual Cost: | \$48,510 | | | Monthly: | \$167 | \$2,259 |
| Annual Tuition Cost Increase: | 2.28% | | | Annually: | \$2,000 | \$27,111 |
| Start Year / End Year: | 2021 / 2024 | | | Lump Sum: | | \$78,393 |
| Savings Vehicle: | 529 Program | | | | | |
| Assumed After-tax Return*: | 3.80% | | | | | |
| | | Key | | | Total | |
| | | Current Savings Future Value of Savings** Future Funds Needed** Projected Funding Shortfall | | | Total Monthly: | \$2,259 |
| | | | | Total Annual: | \$27,111 | |
| | | | | Total Lump Sum: | \$78,393 | |

*Assumed after-tax return is based on the asset allocation model identified in the profile and the capital market assumptions identified in the *Appendix: Understanding Your Analysis* and *Appendix: Important Information*.

**Value shown as of the start year of the education goal.

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

Education Costs Over Time: Graph



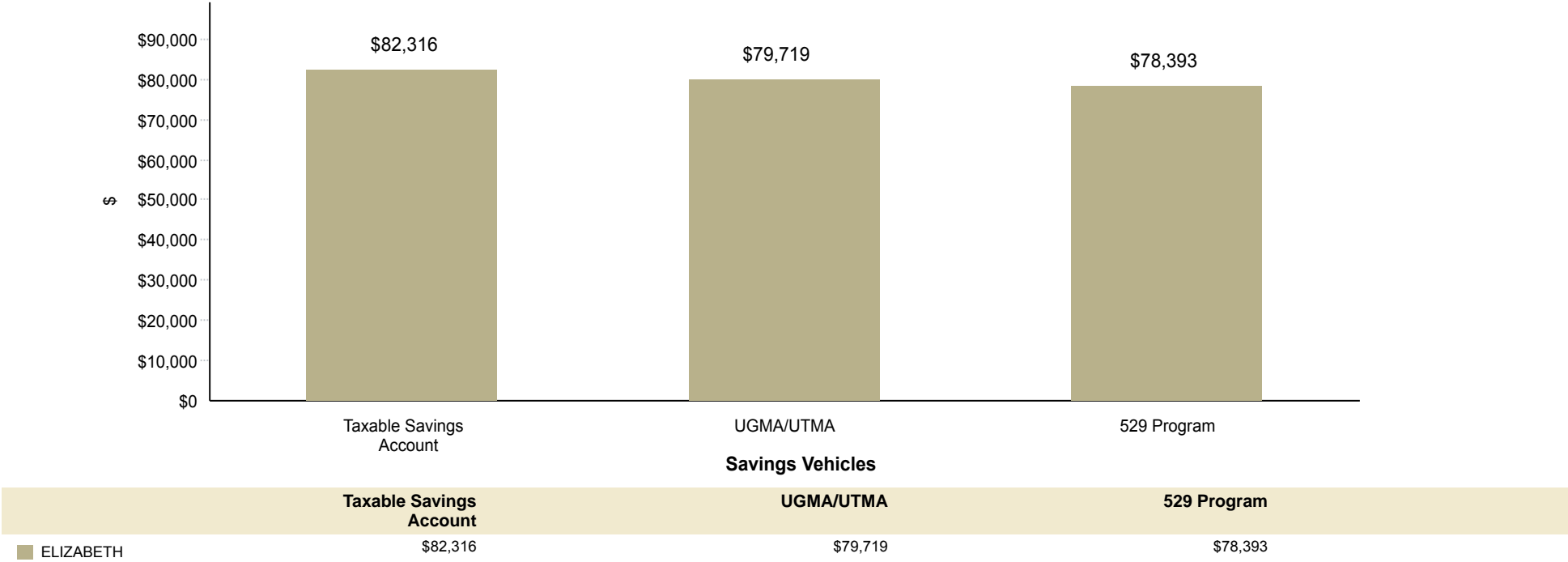
*State school costs based on average in-state public school cost for the state of residence you indicated in your profile. Additional information about the assumptions used in the analysis is provided in *Appendix: Important Information* and *Appendix: Client Profile* at the end of this report.

Education Costs Over Time: Table

| Year | ELIZABETH | | Selected | State | Selected | State | Selected | State | Selected | State | Total Annual Cost | |
|------|-----------|----------|----------|-------|----------|-------|----------|-------|----------|-------|-------------------|----------|
| | Selected | State | | | | | | | | | Selected | State |
| 2021 | \$50,747 | \$14,609 | | | | | | | | | \$50,747 | \$14,609 |
| 2022 | \$51,904 | \$15,339 | | | | | | | | | \$51,904 | \$15,339 |
| 2023 | \$53,088 | \$16,106 | | | | | | | | | \$53,088 | \$16,106 |
| 2024 | \$54,298 | \$16,912 | | | | | | | | | \$54,298 | \$16,912 |

*State school costs based on average in-state public school cost for the state of residence you indicated in your profile. Additional information about the assumptions used in the analysis is provided in *Appendix: Important Information* and *Appendix: Client Profile* at the end of this report.

Additional Lump Sum Savings Requirements Comparison by Savings Vehicle



Assumed growth rate is the after-tax rate at which the education funds are assumed to grow in this illustration, based on your indicated effective tax rate. The assumed growth rate in the UGMA and 529 Program illustration may be slightly higher due to the potentially favorable tax treatment of these vehicles. Appreciation on UGMA/UTMA accounts will be taxed at 10.00%. Additional information about the assumptions used in the analysis is provided in *Appendix: Important Information* and *Appendix: Client Profile* at the end of this report.

Comparison of Education Savings Vehicles

| | Advantages | Disadvantages |
|---|--|--|
| Taxable Accounts | <ul style="list-style-type: none"> You maintain control of the distribution of the funds. You control the investment of the funds. | <ul style="list-style-type: none"> The investment return will be taxed at your rate. Your tax rate is probably higher than the child's rate. |
| UGMA/UTMA Accounts | <ul style="list-style-type: none"> Some investment income may be taxed at the child's lower rate. Gifts may qualify for the annual gift tax exclusion. When the property is sold, the gain may be taxed at a lower rate. You have the flexibility to use the funds for purposes that benefit the child, including non-educational expenses. | <ul style="list-style-type: none"> The child owns the funds and, on achieving the age of majority, can use them for any purpose. Depending on the age of the beneficiary, gifts made to an UGMA/UTMA account by the custodian of the account could be included in the custodian's estate for estate tax purposes. Treated as an asset of the beneficiary, which is weighted at 20% toward the EFC formula.¹ |
| 529 Plans | <ul style="list-style-type: none"> Withdrawals, including any earnings, will be federal (and possibly state) income-tax-free as long as the withdrawals are used for qualified higher education expenses. Funds may grow free of state income taxes depending on the laws in the state where you file a state income tax return. There are generally no annual income limits, annual filing requirements (unless a withdrawal has been made) or time limits that the assets must be held in the plan. Contributions are generally considered removed from your taxable estate, and couples electing to split gifts can contribute up to \$150,000 in one year without gift tax consequences, provided no additional gifts are made to the same beneficiary for a five-year period. Individual taxpayers can contribute up to \$75,000 in a single year. You maintain control of the funds and can generally change beneficiaries within the same family of the current beneficiary without penalty at any time. | <ul style="list-style-type: none"> Contributions must be made in cash, and once the funds are contributed to the plan, investment choices are limited to the investment options provided in the program. If funds are withdrawn and used for purposes other than qualified education expenses, the earnings portion is generally taxed at your income tax rate and may be subject to a 10.0% additional federal tax. |
| Coverdell Education Savings Accounts | <ul style="list-style-type: none"> Contributions grow potentially federal income tax free, and withdrawals are tax free if they are used for qualifying education expenses. Unused funds may be transferred to other family members but only for educational purposes. The new designated beneficiary generally must be under age 30. Anyone (a parent, grandparent, etc.) can contribute to an Education IRA provided their income does not exceed certain levels. | <ul style="list-style-type: none"> Contributions from all sources cannot exceed \$2,000 per child per year. The earnings portion of a distribution not used for qualified education costs are subject to income tax at the beneficiary's tax rate and a 10.0% additional federal tax. Eligibility is based on the contributor's modified AGI and a phaseout starts when it exceeds \$190,000 for married contributors filing jointly and \$95,000 for unmarried contributors. |

¹This is based on current interpretation of federal financial aid rules. Financial aid rules may change, and the rules in effect at the time the beneficiary applies may be different. For more complete information, please go to the Department of Education's website at www.ed.gov.

Identifying Your Next Steps

This brokerage report can help you develop customized investment strategies that can help you establish and maintain a financial strategy that supports your long-term goals. Based on this analysis, you may wish to consider the following next steps:

Your Net Worth Statement

- You may wish to conduct a more thorough analysis of current cash flow, including:
 - Evaluating current spending and saving levels and identifying any shortfalls/gaps or areas where change may be beneficial
 - Consider the strategic use of credit to achieve your goals instead of divesting assets
- It may benefit you to conduct a more thorough review and analysis of your current liabilities, including:
 - Evaluating appropriate sources of funding for your goals.
 - Exploring refinancing options and their appropriateness for your situation.
 - Consider consolidating balances with high interest rates using lower cost options such as a securities-based lending solution.
- You may want to request a larger, more detailed financial plan that addresses your:
 - Asset allocation
 - Retirement goals
 - Tax planning needs
 - Education funding and savings needs

Your Asset Allocation Analysis

- Evaluate alternatives to your current asset allocation.
- Diversify your portfolio using professional money managers.
- Diversify your portfolio using equity securities.
- Construct a laddered bond portfolio.
- Develop a cash management strategy.
- Identify strategies to help manage the risk associated with your concentrated stock position.
- Identify strategies to help manage the risk associated with your employee stock options.
- Review opportunities to improve the tax efficiency of your portfolio.

Your Retirement Analysis

- Create a comprehensive analysis of your financial situation that addresses additional planning needs such as estate, survivor and education planning
- Re-allocate your assets to be more consistent with your investor profile.
- Re-allocate your assets to obtain a more diversified portfolio.
- Develop diversification strategies to help manage the risk associated with your concentrated stock position.
- Develop hedging strategies to help manage the risk associated with your concentrated stock position.
- Develop liquidity strategies to manage your concentrated stock position.
- Reconsider some of your goals: by modifying or even delaying certain goals, you may be able to increase the probability of achieving those or other goals.
- Establish an automated investment savings plan.
- Re-evaluate your financial goals, including:
 - Timing of retirement
 - Current lifestyle expenses
 - Retirement lifestyle expenses
 - Contributions to retirement plans
- Take advantage of tax-deferred growth by increasing contributions to retirement plans.
- Develop strategies to manage the risk associated with your employee stock options.
- Identify opportunities to reduce current expenses through liability and tax management.
- Ensure that you have ready access to funds to manage through:
 - Shortfalls and funding gaps
 - Unexpected expenses
 - Uncovered medical expenses
- Consider establishing a securities based line of credit based on your investment assets to cover an unexpected expense instead of using assets earmarked for retirement

Your Education Analysis

- Consider modifying your cash flow to increase savings for education
- Consider reviewing the benefits and tradeoffs of various education funding accounts available to you to optimize potential growth while reducing a tax liability

Identifying Your Next Steps

- Consider using a portion of your portfolio assets to make lump sum payment
- Consider financing a portion or all of your shortfall using a home equity line of credit or a securities based line of credit.
- Consider taking advantage of potential funding from other sources

Your Stock Option Analysis

- Systematic exercise of 25% of your vested stock options each year.
- Systematic exercise of 50% of your vested stock options each year.
- Systematic exercise of all of your vested stock options each year.
- A stock option exercise loan to cover the exercise cost of outstanding employee stock options.
- Postpone exercise of your vested options until expiration.

Your Merrill Lynch Financial Advisor can also help you evaluate alternative scenarios based on your particular needs.

Your Goals

The following represents your goals.

ESSENTIAL



Desired Retirement Lifestyle

Desired Retirement Lifestyle

| | |
|-----------------------|---------------|
| Time Period | Annual Amount |
| 2028 to 2052 | \$100,000 |
| Owner: SARAH SAMPLE | |
| Inflation Rate: 2.28% | |

IMPORTANT



Lizzie's college

Education Goal

| | |
|---------------------------|---------------|
| Time Period | Annual Amount |
| 2021 to 2024 | \$48,510 |
| Student: ELIZABETH SAMPLE | |
| Inflation Rate: 2.28% | |

ASPIRATIONAL



Brother's business help

Gift

| | |
|-----------------------|---------------|
| Time Period | Annual Amount |
| 2019 | \$10,000 |
| Owner: SARAH SAMPLE | |
| Inflation Rate: 0.00% | |

Your goals and their priorities are based on information that you provided as of the date indicated below. The Time Period reflects when you plan for the goal to occur. For more information and goal priorities please refer to *Appendix: Glossary* and *Appendix: Client Profile*.

Alternative Investments

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

Arithmetic Mean Return

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

Asset Allocation

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

Cash (Banking Assets and Brokerage Cash)

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

Cash Flow Mode

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

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

Compound Annual Growth Rate

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

Diversification

Spreading of risk by putting assets in several categories of investments — stocks, bonds, money market instruments, etc. and in several industries or a mutual fund, with its broad range of stocks or bonds in one portfolio.

Education Savings Vehicles / Plans

There are several types of education savings plans:

Section 529 Plan - a state-sponsored education savings vehicle/investment plan designed to help families invest for qualified education expenses, which may include primary, secondary and post-secondary education.

Coverdell Education Savings Account - a tax-deferred account that provides federal tax-free withdrawals, to cover qualified educational expenses (formerly Education IRA) OR; Coverdell Education Savings Account a trust created exclusively to pay the qualified education expenses of the designated beneficiary of the trust.

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

For more information on these savings vehicles, please contact your financial advisor.

Effective Income Tax Rate

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

Equities

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

Fixed Income

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

Goal Funding Shortfall

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

Goal Funding Surplus

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

Hedge Funds

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

Incentive Stock Options (ISOs)

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

Inflation

The rise in the prices of goods and services, as happens when spending increases relative to the supply of goods on the market.

Investor Profile

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

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

Lifetime Retirement Income

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

Margin Balance

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

Net Debit Balance

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

Nonqualified Stock Options

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

Non-Traditional Funds

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

Private Equity

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

Probability Levels/Confidence Levels

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

Real Assets

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

Restricted Stock

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

Restricted Stock Unit

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

Retirement Assets

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

Risk

Uncertainty of the final value of the investment, whether listed or over-the-counter. A measurable possibility of losing or not gaining value.

Section 529 Plan

A state-sponsored program designed to help families invest for qualified higher education expenses. For distributions after December 31, 2018 qualified higher education expenses include tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. These distributions are limited to \$10,000 per calendar year, across all 529 accounts for the same beneficiary. State tax treatment may vary. Most states offer a Section 529 plan. Anyone age 18 or older and residing in the United States can establish or contribute to a Section 529 plan, regardless of their income level. Investment options vary by plan, but most plans offer investment portfolios consisting of underlying mutual funds or individual mutual fund options. Withdrawals, including any earnings, will be federal (and possibly state) income-tax-free as long as the withdrawals are used for qualified higher education expenses. The earnings portion of non-qualified withdrawals is subject to federal income tax, and may be subject to a 10% additional federal tax, as well as applicable state and local income taxes. Before you invest in a Section 529 plan, request the plan's official statement from your Merrill Lynch Financial Advisor and read it carefully. The official statement contains more complete information, including investment objectives, charges, expenses and risks of investing in the plan, which you should carefully consider before investing. You should also consider whether your home state or your designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are available only for investments in such state's 529 plan. Section 529 plans are not guaranteed by any state or federal agency.

Short Position

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

Standard Deviation

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

Stock Appreciation Right

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

Unclassified Assets

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

Appendix: Understanding Your Analysis

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

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

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

Important Forecasting Assumptions

IMPORTANT: The projections or other information shown in this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.

Probabilistic Modeling

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

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

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

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

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

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

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

Deterministic Modeling

Portions of this analysis use deterministic modeling to illustrate the potential outcome of your situation. Deterministic modeling assumes a constant rate of return to identify the potential value of your portfolio over time. This analysis is hypothetical and is not a guarantee of future results.

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

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

It is important to note that where there are insufficient assets to fund all goals/expenses included in this analysis, greater priority will be given to the funding of goals/expenses that occur earlier in the analysis rather than later.

For more specifics on deterministic modeling, including the capital market assumptions used in this analysis, refer to *Appendix: Important Information* and *Appendix: Client Profile* at the end of the report.

Your Net Worth Statement

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

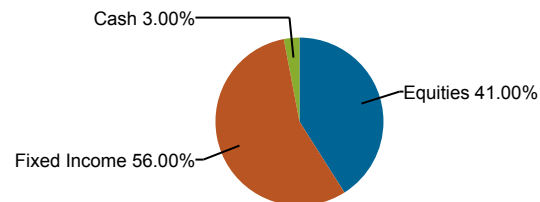
Life insurance proceeds (face value) and survivor annuities are not included because they are not available to you while you are alive.

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

Your Asset Allocation Analysis

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

The allocation model reflected in this analysis represents a Moderately Conservative model.



Appendix: Understanding Your Analysis

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

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

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

- For Alternative Investments, Exchange Funds, Hedge Funds, Private Equity, Managed Futures Precious Metals, NTFs and select Market-Linked Investments may be included.
- For “Other” and “Hard” Assets, items that are not easily classified in to the asset classes above (such as business interests, investment real estate, options, and life insurance) are shown for informational purposes only and are not part of your analysis.

Your Education Analysis

Education cost estimates and savings needs are based on the following assumptions:

- Education costs will increase based on the inflation rate assumed for each education goal included in the analysis. It is important to understand that education costs are expected to increase over time at a higher rate than inflation and you should carefully consider this when choosing an education cost growth rate.
- Peterson’s is the source of cost estimates for tuition, room and board.
- Where applicable, State School cost is represented by the average in-state public school cost based on the state in your address. If a specific state cost is not available, the average national in-state public cost is used.
- This analysis does not include any transaction costs that may be associated with purchasing or selling securities. Portfolio Management or other advisory-related fee assumptions may be included. For more information please see the Assumptions Regarding Fees Section of *Appendix: Client Profile*.
- Any funds you have indicated as reserved for funding education goals will be grown according to the target allocation model you identified in your profile. For more information on the rates of return used in this analysis, refer to *Appendix: Important Information* at the end of this report.
- Additional funds needed for education will be based on the estimated after-tax returns on existing account balances, or based on the current year’s savings when the accounts have no current balance. When there are no account balances or current savings, the after-tax return is assumed to be the average return expected from the accounts assigned to the student. When there are no accounts identified as funding the student’s education, an assumed annual after-tax rate of 4.5% will be used. The returns are adjusted for fees where applicable.

The Education analysis is based on deterministic modeling. For additional information regarding deterministic modeling, please refer to Important Forecasting Assumptions Section in *Appendix: Important Information* and Deterministic Modeling Section in *Appendix: Understanding Your Analysis*

Your Retirement Analysis

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

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

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

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

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

Goal Funding Status Analysis

Purpose

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

Your Goals

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

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

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

1. To determine the order in which goals are funded using your current assets and future resources. Essential goals, which have the highest priority are funded first, followed by Important goals, and finally by Aspirational goals. For example, you may assign a retirement lifestyle goal with the highest priority (Essential), so that it is funded first; and.
2. To define a level of investment risk tolerance that is acceptable in funding each goal:
 - Essential – Goals that matter most and cannot be sacrificed, (e.g. ensuring you have sufficient resources to meet your basic pre-retirement and retirement lifestyle spending). As

such, you may not be willing to take much risk to pursue these goals. The methodology uses a 95% probability of success measure to determine the achievability of these goals.

- **Important** – Goals you aim to achieve, but may have some flexibility in how or when they are reached, (e.g. ability to fund a child's education needs). As such, you may be willing to take some risk to achieve these goals, more than for your Essential goals but not as much as for your Aspirational goals. The methodology uses a 75% probability of success measure to determine the achievability of these goals.
- **Aspirational** – The least critical, or "nice-to-have" goals, (e.g. ability to buy a boat or vacation house). As such, you may be willing to take more risk to achieve these goals. The methodology uses a 55% probability of success measure to determine the achievability of these goals.

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

Asset Allocation

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

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

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

Analytics Processing

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

- The present value of a future goal is estimated using analytical formulas that model the uncertainty in future investment returns assuming a log-normal distribution and compute a desired future cash-flow's present value via risk-adjusted discounting as a function of the target amount, time-horizon, priority, and asset class capital market assumptions (see section below):
 - Each cash-flow within a multi-year goal is treated separately and then calculated together.
 - A goal's present value is the estimated initial wealth (in today's dollars) to invest in the selected asset allocation to achieve the target amounts consistent with your stated time-horizon and goal priority level.
- The present value of the expected future inflows available to fund each goal is estimated based on the expected inflation rate as indicated in *Appendix: Client Profile - Goals and Expenses*. It is important that future income and savings entered are realistic and achievable.
- Deferred compensation accounts are incorporated into the analysis by the following 2 step process:
 - Step 1: Project the growth of the account till the payout year.
 - Step 2: The projected account balance is treated as income at the payout year.

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

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

The Impact of Taxes

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

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

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

Appendix: Understanding Your Analysis

Capital Market Assumptions

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

| ASSET CLASS LONG TERM CAPITAL MARKET ASSUMPTIONS Returns, Standard Deviation and Income (Annual) | | | | |
|---|------------------------|--------------------|-----------------------|--------|
| Asset Class | Arithmetic Mean Return | Standard Deviation | Geometric Mean Return | Income |
| Equity | 8.58% | 15.93% | 7.43% | 1.93% |
| Fixed Income | 4.01% | 6.28% | 3.83% | 3.31% |
| Fixed Income (Tax-Exempt) | 4.48% | 7.81% | 4.19% | 3.38% |
| Cash | 2.54% | 2.47% | 2.51% | 1.89% |
| Real Assets | 4.57% | 10.30% | 4.06% | 2.24% |
| Hedge Fund Strategies | 7.36% | 8.88% | 6.99% | 0.00% |
| Private Equity | 11.03% | 23.05% | 8.71% | 0.00% |

| ASSET CLASS LONG TERM CAPITAL MARKET ASSUMPTIONS CORRELATION MATRIX | | | | | | | |
|--|-------|--------|--------|-------|-------|-------|-------|
| | EQ | FI | FI(TE) | CA | RA | HFS | PE |
| Equity | 1.000 | | | | | | |
| Fixed Income | 0.019 | 1.000 | | | | | |
| Fixed Income (Tax-Exempt) | 0.117 | 0.648 | 1.000 | | | | |
| Cash | 0.286 | 0.281 | 0.300 | 1.000 | | | |
| Real Assets | 0.128 | -0.153 | -0.056 | 0.250 | 1.000 | | |
| Hedge Fund Strategies | 0.636 | 0.038 | 0.096 | 0.281 | 0.144 | 1.000 | |
| Private Equity | 0.696 | 0.001 | 0.027 | 0.060 | 0.079 | 0.613 | 1.000 |

In addition please note that:

- The core long-term expected inflation rate is assumed to be 2.28%;
- Concentrated equity positions are not given any special treatment or differing assumptions in this analysis; they are treated as diversified equity holdings.

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

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

Target Asset Allocation

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

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

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

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

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

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

Appendix: Important Information

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

Important Disclosures

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

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

Explanation of Analyses and Assumptions

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

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

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

The Chief Investment Office (CIO) developed the analytics used to create this report. The validity of recommendations and analyses contained in this report is dependent upon the accuracy and thoroughness of the data provided by you. The use of different data will result in different results.

Classification of Securities

- For Asset Class or Sector analyses, securities are generally classified by asset class and sector.
- For Sector, security classifications are based on Global Industry Classification Standard ("GICS"). Source: Morgan Stanley Capital International ("MSCI") and Standard & Poor's ("S&P"), a division of the McGraw Hill Companies, Inc.
- Convertible securities and options are classified as Equities.
- Preferred stock is classified as Fixed Income.
- Life Insurance Products are classified as Other.
- For Alternative Investments, Exchange Funds, Hedge Funds, Private Equity, Managed Futures, Precious Metals and select Market-Linked Investments may be included.
- For "Other" and "Hard" Assets, items that are not easily classified into the asset classes above (such as business interests, investment real estate, options, and life insurance) are shown for informational purposes only and are not part of your analysis.
- When External Assets are included in a Report (as described further in the External Assets section of this Appendix), holdings are generally classified, where available, as indicated above. If a classification is not available, External Assets are classified as "Other".

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

External Assets

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

- External Assets may include holdings, values and other information that have been supplied: (1) by you to your Advisor; (2) by you through My Financial Picture; (or) through My Financial Picture by a third party service which combines your External Assets and provides that information to Merrill Lynch.
- Please make sure you periodically review your External Assets and if you have provided External Assets-related information to your Financial Advisor for inclusion in this or other reports and analyses, it is important that you provide your Financial Advisor with updated values, as appropriate.

Appendix: Important Information

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

IMPORTANT FORECASTING ASSUMPTIONS

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

Forecasting Return Assumptions

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

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

The assumptions used within the analysis are:

ASSET CLASS LONG TERM CAPITAL MARKET ASSUMPTIONS Returns, Standard Deviation and Income (Annual)

| Asset Class | Arithmetic Mean | Standard Deviation | Geometric Mean Return | Income | Portfolio Turnover |
|---------------------------|-----------------|--------------------|-----------------------|--------|--------------------|
| Equities | 8.6% | 15.9% | 7.4% | 1.93% | 23.0% |
| Large-Cap Growth | 7.6% | 18.1% | 6.1% | 1.17% | 23.0% |
| Large-Cap Value | 10.0% | 16.4% | 8.8% | 2.54% | 23.0% |
| Small-Cap Growth | 9.3% | 21.9% | 7.2% | 0.64% | 23.0% |
| Small-Cap Value | 11.5% | 20.6% | 9.7% | 2.09% | 23.0% |
| International | 7.8% | 20.9% | 5.8% | 3.24% | 23.0% |
| Fixed Income | 4.0% | 6.3% | 3.8% | 3.31% | 36.0% |
| Long-Term Bonds | 5.8% | 14.6% | 4.8% | 3.89% | 36.0% |
| Intermediate-Term Bonds | 4.6% | 7.5% | 4.4% | 3.48% | 36.0% |
| Short-Term Bonds | 2.8% | 3.0% | 2.8% | 2.66% | 36.0% |
| Fixed Income (Tax-Exempt) | 4.5% | 7.8% | 4.2% | 3.38% | 10.0% |
| Cash | 2.5% | 2.5% | 2.5% | 1.89% | 100.0% |
| Real Assets | 4.6% | 10.3% | 4.1% | 2.24% | 60.0% |
| Hedge Fund Strategies | 7.4% | 8.9% | 7.0% | 0.00% | 100.0% |
| Private Equity | 11.0% | 23.1% | 8.7% | 0.00% | 20.0% |

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

INDUSTRY SECTOR LONG TERM CAPITAL MARKET ASSUMPTIONS Return and Standard Deviation

| Sector | Portfolio Turnover | Return | Volatility |
|------------------------|--------------------|--------|------------|
| Consumer Discretionary | 23.0% | 8.7% | 38.2% |
| Consumer Staples | 23.0% | 8.4% | 33.6% |
| Energy | 23.0% | 14.5% | 46.2% |
| Financials | 23.0% | 7.0% | 48.7% |
| Health Care | 23.0% | 9.6% | 40.6% |
| Industrials | 23.0% | 10.4% | 39.4% |
| Information Technology | 23.0% | 9.1% | 54.0% |
| Materials | 23.0% | 8.9% | 40.3% |
| Real Estate | 23.0% | 10.4% | 30.8% |
| Communication Services | 23.0% | 8.8% | 46.4% |
| Utilities | 23.0% | 9.3% | 37.4% |

Appendix: Important Information

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

Additional Assumptions Related to Probabilistic and Deterministic Modelling:

- Analyses based on a target asset allocation that differs from your current allocation do not take into account fees and capital gains taxes incurred by re-allocating from your current asset allocation.
- Annual rebalancing of portfolios is consistent with the asset allocation used in the analysis.
- Transaction costs are not included. Fee assumptions may be included into certain analyses. For more information please see the Assumptions Regarding Fees Section of *Appendix: Client Profile*.
- Dividends and income are reinvested to the extent not used to fund annual spending.
- The core inflation rate is assumed to be 2.28%;

Wealth Allocation Framework and Risk Allocation

IMPORTANT: This report contains analyses that can help you evaluate how certain decisions or strategies may impact your ability to try and achieve your goals. This report looks at your current portfolio and attempts to highlight potential areas of risk based on your disclosed holdings and a comparison with other market indices. The results of the analyses can change over time and with each use if any of the underlying assumptions are adjusted. In addition, these analyses do not represent the results that would occur from an extreme market event, either positive or negative, due to the low probability of such an outcome.

The projections or other information shown in these analyses regarding the likelihood of the various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

Explanation of Risk Allocation Analyses and Assumptions

The analyses, current risk allocation hypothetical scenarios and other considerations contained within this report are based on:

- Information you provided in your questionnaire or verbally to your Advisor
- Appropriate Wealth Allocation and Risk Allocation concepts
- Investment assumptions pertaining to your current portfolio and hypothetical scenarios, and individual asset classes

Information is provided as of the date indicated in this Report. The assets and liabilities identified in the *Appendix: Client Profile* section of this report are the basis for this report, whether actual or projected.

Risk Classification of Assets And Liabilities

The classification of assets and liabilities into risk categories is based on Merrill Lynch's proprietary Wealth Allocation Framework. The Wealth Allocation Framework classifies assets and liabilities based not only on their inherent risk characteristics, but also on the role you intend for them to play in your portfolio. Your Advisor can provide you with additional information about Merrill Lynch's Wealth Allocation Framework.

Performance Under Hypothetical Scenarios

The table below describes the underlying assumptions used to create the comparisons in the Performance Under Hypothetical Scenarios analysis. Note that the hypothetical scenarios selected are for illustrative purposes and do not correspond to any actual historical or forward-looking events. There is no guarantee that any of these scenarios will actually occur. The assumptions behind these hypothetical scenarios may change over time as determined by the Chief Investment Office (CIO). For additional and more illustrative information on the Merrill Lynch's Wealth Allocation Framework, please refer to "Beyond Markowitz: A Comprehensive Wealth Allocation Framework for Individual Investors": a copy of which can be provided to you by your Advisor.

| Description | Expected Return | | |
|-----------------------------|------------------------|----------------------|----------------------------|
| | Personal Portfolio (%) | Market Portfolio (%) | Aspirational Portfolio (%) |
| Short-Term Underperformance | 0 | (20) | (100) |
| Long-Term Underperformance | 2 | 0 | (50) |
| Likely - I | 2 | 7 | (20) |
| Likely - II | 2 | 7 | 20 |
| Optimistic | 4 | 10 | 50 |
| Very Optimistic | 4 | 20 | 100 |

Important Note Concerning Risk Allocation and Alternative Investments

Alternative investments can provide diversification benefits not obtained from more traditional investments, but should be carefully considered based on your investment objectives, liquidity needs, risk tolerance and net worth. Alternative investments are often long-term illiquid investments that are not easily valued. Note that not all assets that could be considered alternative investments are necessarily reflected in the alternative investment allocation shown in this report.

Some or all alternative investment programs may not be suitable for certain investors. No assurance can be given that any alternative investment's investment objectives will be achieved. Many alternative investment products are sold pursuant to exemptions from regulation and, for example, may not be subject to the same regulatory requirements as mutual funds. In addition each product will be subject to its own specific risks, including strategy and market risk. Certain alternative investments require tax reports on Schedule K-1 to be prepared and filed. As a result, investors will likely be required to obtain extensions for filing federal, state, and local income tax returns each year.

Alternative Investment Risks

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

Pricing of Securities

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

Asset Allocation Models

Where an asset allocation model is presented, it may be developed by BofA Merrill Lynch Global Research or the Chief Investment Office (CIO) for use with Merrill Lynch clients. These models represent asset allocation approaches based on a client's profile and investment objectives and are subject to change as market conditions change in the future. In addition, asset allocation models including alternative investments consider liquidity needs as an important factor in the formation of an asset allocation strategy. Liquidity refers to the ability or timeliness with which assets can be converted into cash. Depending on your personal financial needs and objectives, it is important to consider whether you may need to sell investments to raise cash over varying time horizons. If the asset allocation model used in this report includes alternative investments, it is designed for investors with lower liquidity needs, however in some cases, up to 45% of the portfolio may be illiquid for 3-5 years.

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

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

Interest expense may not be deductible for all taxpayers. Please consult your tax advisor.

Appendix: Important Information

Index Information

The CIO believes that the indexes selected are generally representative of each asset class's performance. Indices are unmanaged and results shown are not reduced by taxes or transaction costs such as fees. It is not possible to invest directly in an Index

Standard & Poor's 500 Common Stock Index (S&P 500)®

A market-value-weighted index of industrial, public utility, financial and transportation stocks with income reinvested. It is a generally used performance benchmark for domestic equity portfolios, although it reflects the performance of very large-capitalization stocks.

Intercontinental Exchange BofA Merrill Lynch US Broad Market Bond Index

A market-value-weighted index composed of U.S. Treasury, Agency, Mortgage and Asset-backed securities and domestic Corporate (BBB/Baa rated or better) debt issues. This index can be used as a proxy for the domestic US fixed income market, and as a performance benchmark for fixed income portfolios.

Intercontinental Exchange BofA Merrill Lynch 3-Month Treasury Bill

For the U.S. Treasury Bill index, data from The Wall Street Journal are used for 1977-Present; the CRSP U.S. Government Bond File is the source from 1926 to 1976. Each month a one-bill portfolio containing the shortest-term bill having not less than one month to maturity is constructed. (The bill's original term to maturity is not relevant.)

Standard Deviation

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

Income Tax Estimation

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

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

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

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

- The only tax filing statuses available are Single and Married Filing Jointly.

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

Stock Option Analysis Assumptions

- For nonqualified (or non-statutory) stock options (NSOs), you exercise and immediately sell the stock on the exercise date as specified in each exercise scenario. The spread between the exercise price and the fair market value on the date of exercise is taxed as ordinary income at your pre or post-retirement tax rate.
- For incentive stock options (ISOs), you exercise the stock on the exercise date as specified in each scenario and immediately sell the stock. This results in the ISO becoming a disqualified disposition, which will be taxed at your pre or post-retirement effective tax rate.
- For restricted stock and restricted stock units, you sell the stock immediately on the date of vesting. The value of the stock at vesting is taxed at your pre or post-retirement effective tax rate. All shares that are profiled to be vested prior to the current year are considered to have been sold and are not included in the analysis.
- After the sale of the stock that you acquire from exercising the option, or upon the vesting of restricted stock or restricted stock units, the proceeds are taxed at a pre-retirement tax rate of 25.000% or a post-retirement tax rate of 25.000%, depending on the year of exercise.
- The analysis reflects the value, in the year 0, of the portfolio that was created from the proceeds of the sale of shares received upon the exercise of your options under each of the exercise scenarios or vest of restricted stock or restricted stock units.
- You will continue employment with your company until the stock options, restricted stock and restricted stock units shown in the schedule vest.
- There is no intervening event that would cause acceleration of vesting or prevent vesting of an option grant, restricted stock grant or restricted stock unit grant.
- The Summary of Stock Option Grants and Net Worth analyses are limited to stock options granted and vested up to, and including, the current date. Since restricted and restricted stock unit grants are sold on the date of vesting, grants already vested are not considered within these analyses. Future grants are considered within the sensitivity and restricted stock analyses.
- Please note that no Alternative Minimum Tax calculations were done in this analysis.
- The Portfolio Assets Rate of Return represents the after-tax rate of return that your portfolio assets are projected to generate for the purposes of this analysis. The analysis assumes you will not liquidate your portfolio until the end of analysis.

Interest expense may not be deductible for all taxpayers. Please consult your tax advisor.

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

Appendix: Important Information

This analysis projects the Stock Value using the Capital Appreciation return of the following long-term forward-looking assumptions:

| Size & Style Geometric Return Assumptions | | | |
|--|------------------------------|-----------------------------|--------------------------|
| Size & Style | Expected Total Return | Capital Appreciation | Income (Dividend) |
| Large Cap Growth | 6.125% | 4.953% | 1.171% |
| Large Cap Value | 8.785% | 6.241% | 2.544% |
| Small Cap Growth | 7.199% | 6.564% | 0.635% |
| Small Cap Value | 9.699% | 7.604% | 2.095% |
| International | 5.844% | 2.607% | 3.237% |
| Equities Blend | 7.429% | 5.502% | 1.927% |

Appendix: Important Information

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

ASSET CLASS LONG TERM CAPITAL MARKET ASSUMPTIONS: CORRELATION MATRIX

| Asset Class | EQ | LCG | LCV | SCG | SCV | INT | FI | LTB | ITB | STB | FI (TE) | CA | HFS | PE | RA |
|---------------------------|-------|-------|------|-------|------|-------|-------|-------|-------|-------|---------|------|------|------|------|
| Equity | 1.00 | | | | | | | | | | | | | | |
| Large Cap Growth | 0.94 | 1.00 | | | | | | | | | | | | | |
| Large Cap Value | 0.92 | 0.77 | 1.00 | | | | | | | | | | | | |
| Small Cap Growth | 0.85 | 0.82 | 0.78 | 1.00 | | | | | | | | | | | |
| Small Cap Value | 0.70 | 0.52 | 0.84 | 0.74 | 1.00 | | | | | | | | | | |
| International | 0.70 | 0.66 | 0.65 | 0.61 | 0.51 | 1.00 | | | | | | | | | |
| Fixed Income | 0.02 | -0.02 | 0.11 | -0.03 | 0.10 | -0.06 | 1.00 | | | | | | | | |
| Long Term Bonds | -0.04 | -0.05 | 0.05 | -0.01 | 0.08 | -0.06 | 0.81 | 1.00 | | | | | | | |
| Intermediate Term Bonds | 0.03 | -0.01 | 0.12 | -0.01 | 0.12 | 0.01 | 0.79 | 0.77 | 1.00 | | | | | | |
| Short Term Bonds | 0.07 | 0.06 | 0.09 | -0.03 | 0.02 | -0.03 | 0.60 | 0.41 | 0.51 | 1.00 | | | | | |
| Fixed Income (Tax-Exempt) | 0.12 | 0.10 | 0.15 | 0.05 | 0.10 | 0.08 | 0.65 | 0.59 | 0.59 | 0.49 | 1.00 | | | | |
| Cash | 0.29 | 0.25 | 0.26 | 0.11 | 0.12 | 0.18 | 0.28 | -0.05 | 0.18 | 0.63 | 0.30 | 1.00 | | | |
| Hedge Fund Strategies | 0.64 | 0.58 | 0.61 | 0.65 | 0.57 | 0.56 | 0.04 | -0.02 | 0.04 | 0.10 | 0.10 | 0.28 | 1.00 | | |
| Private Equity | 0.70 | 0.58 | 0.77 | 0.84 | 0.87 | 0.52 | 0.00 | 0.02 | 0.03 | -0.05 | 0.03 | 0.06 | 0.61 | 1.00 | |
| Real Assets | 0.13 | 0.10 | 0.11 | 0.08 | 0.08 | 0.26 | -0.15 | -0.24 | -0.15 | 0.02 | -0.06 | 0.25 | 0.14 | 0.08 | 1.00 |

EQ = Equity
 INT = International Equity
 FI (TE) = Fixed Income (Tax-Exempt)

LCG = Large Cap Growth
 FI = Fixed Income
 CA = Cash

LCV = Large Cap Value
 LTB = Long Term Bond
 HFS = Hedge Fund Strategies

SCG = Small/Mid Cap Growth
 ITB = Intermediate Term Bond
 PE = Private Equity

SCV = Small/Mid Cap Value
 STB = Short Term Bond
 RA = Real assets

Appendix: Important Information (Projected Rates of Return)

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

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

| Asset Class | 95% | 80% | 75% | 55% | 50% | 30% |
|---------------------------|-------|------|------|------|------|-------|
| Equities | 2.4% | 4.8% | 5.3% | 7.0% | 7.4% | 9.1% |
| Large Cap Growth | 0.4% | 3.2% | 3.8% | 5.7% | 6.1% | 8.0% |
| Large Cap Value | 3.6% | 6.1% | 6.6% | 8.4% | 8.8% | 10.5% |
| Small Cap Growth | 0.4% | 3.7% | 4.4% | 6.7% | 7.2% | 9.5% |
| Small Cap Value | 3.3% | 6.4% | 7.0% | 9.2% | 9.7% | 11.8% |
| International | -0.6% | 2.5% | 3.1% | 5.3% | 5.8% | 8.0% |
| Fixed Income | 1.8% | 2.8% | 3.0% | 3.7% | 3.8% | 4.5% |
| Long Term Bonds | 0.2% | 2.4% | 2.9% | 4.5% | 4.8% | 6.3% |
| Intermediate Term Bonds | 2.0% | 3.1% | 3.4% | 4.2% | 4.4% | 5.2% |
| Short Term Bonds | 1.8% | 2.3% | 2.4% | 2.7% | 2.8% | 3.1% |
| Fixed Income (Tax-Exempt) | 1.7% | 2.9% | 3.1% | 4.0% | 4.2% | 5.0% |
| Cash | 1.7% | 2.1% | 2.2% | 2.5% | 2.5% | 2.8% |
| Real Assets | 0.8% | 2.4% | 2.7% | 3.8% | 4.1% | 5.1% |
| Hedge Fund Strategies | 4.1% | 5.5% | 5.8% | 6.8% | 7.0% | 7.9% |
| Private Equity | 1.6% | 5.0% | 5.7% | 8.2% | 8.7% | 11.1% |

TARGET ALLOCATION

| Allocation Name | 95% | 80% | 75% | 55% | 50% | 30% |
|--------------------------------|------|------|------|------|------|------|
| Moderately Conservative | 3.2% | 4.3% | 4.6% | 5.4% | 5.6% | 6.4% |

For Probabilistic Modeling: A certain number of paths are generated (each step along each path is assumed to be independent from the previous one). The paths are then sorted from the highest to lowest growth rate at horizon and the percentile values identified (these are the growth rates shown in the table above). For example, the value of 4.8% for Equity under the "80%" column indicates that 80% of the paths have generated a growth rate of at least 4.8% over planning horizon of 25 years (this corresponds to the 20th percentile). For more information see *Important Disclosures Regarding Probabilistic Modeling* within *Appendix: Understanding Your Analysis*.

Appendix: Important Information (Projected Rates of Return)

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

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

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

Appendix: Important Information

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

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

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

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

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| | | |
|-----------------------------|---|---|
| Are Not FDIC Insured | Are Not Bank Guaranteed | May Lose Value |
| Are Not Deposits | Are Not Insured by Any Federal Government Agency | Are Not a Condition to Any Banking Service or Activity |

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Appendix: Client Profile

Personal Information

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

| Name | Birthdate | Age / Year | Marital Status / Gender | State of Residence |
|--------------|------------|--|-------------------------|--------------------|
| SARAH SAMPLE | 04/26/1962 | Desired Retirement : 66 / 2028 End Analysis : 90 / 2052 | Unavailable / Female | OK |

Dependents

| Dependents | Birthdate | Gender | Relationship |
|------------------|------------|--------|--------------|
| ELIZABETH SAMPLE | 02/14/2003 | Female | Daughter |

Goals and Expenses

| Description / Goal Type | Owner / Priority / Growth Rate | Amount (\$) | Duration |
|------------------------------|--------------------------------|-------------------------------------|---------------------------------|
| Desired Retirement Lifestyle | SARAH | 100,000 | Retirement through Rest of Life |
| Desired Retirement Lifestyle | Essential Inflation (2.28%) | | |
| Lizzie's college | ELIZABETH | 48,510 | 2021 through 2024 |
| Education Goal | Important Inflation (2.28%) | (National Average - Private School) | |

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

| Description / Goal Type |
|------------------------------|
| Desired Retirement Lifestyle |
| Desired Retirement Lifestyle |

Appendix: Client Profile

| Description / Goal Type |
|-------------------------|
| Lizzie's college |
| Education Goal |

Income

| Description / Income Type | Owner / Growth Rate | Amount (\$) | Duration |
|---------------------------|---------------------|-------------|---------------------------|
| Salary Income | SARAH | 130,000 | 2019 through 2024 |
| Salary & Bonus | Inflation (2.28%) | 80,000 | 2025 until Retirement |
| Social Security Income | SARAH | 37,250 | 2032 through Rest of Life |
| Social Security | Inflation (2.28%) | | |

Accounts

| Investment Assets Not Held at Merrill Lynch or Bank of America* | | | | | | |
|---|------------|----------------------------|---------------------|--------------------|--------|--|
| Description / Type / As Of Date | Value (\$) | Owner / Student Tax Status | Excluded Holdings** | Allocation Details | | |
| Sarah's Investment Account Other Txbl 04/03/2019 | 750,000 | SARAH Taxable | 0 | EQ: | 60.00% | |
| | | | | FI: | 30.00% | |
| | | | | CA: | 10.00% | |
| | | | | AI: | 0.00% | |
| Sarah's 401(k) 401K PreTx 04/03/2019 | 250,000 | SARAH Tax-Deferred | 0 | EQ: | 70.00% | |
| | | | | FI: | 30.00% | |
| | | | | CA: | 0.00% | |
| | | | | AI: | 0.00% | |

Appendix: Client Profile

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

| Description / Type / As Of Date | Value (\$) | Owner / Student Tax Status | Excluded Holdings** | Allocation Details |
|--|------------|----------------------------|---------------------|--------------------|
| Lizzie's 529 529 Plan 04/03/2019 | 100,000 | ELIZABETH Tax Exempt | 0 | All Fixed Income |

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

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

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

| Description / Asset Type | Value (\$) | Owner / Student |
|----------------------------|---------------|-----------------|
| Home Primary Residences | 350,000 SARAH | |

| Description / Liability Type | Balance (\$) | Owner | Interest Rate / Loan Type / Adj. Period Begin Date | Monthly Payment (\$) / Payments Remaining (Mo) / Holding Period (Yr) |
|--|--------------|-------|--|--|
| Credit card Credit Card/Unsecured Loans | 5,000 SARAH | | 15.00% | 0 |

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

Savings

| Description / Savings Type / Contribution Account | Owner / Student Growth Rate | Company Details/ Amount (\$ or % of Salary)/ Salary Association | Duration |
|---|-----------------------------|---|-----------------------|
| Taxable Saving Taxable Other Savings Sarah's Investment Account | SARAH Inflation (2.28%) | \$10,000 | 2019 until Retirement |

Appendix: Client Profile

| Description / Savings Type / Contribution Account | Owner / Student Growth Rate | Company Details/ Amount (\$ or % of Salary)/ Salary Association | Duration |
|---|-----------------------------|---|-----------------------|
| Tax-Deferred Saving Tax-Deferred (Client Contribution) Sarah's 401(k) | SARAH Inflation (2.28%) | Maximize Company Match 5.00% up to 100.00% Salary Income | 2019 until Retirement |
| Education Savings - Funded by Client Education Savings* Lizzie's 529 | SARAH Inflation (2.28%) | \$2,000 \$2,000 \$2,000 | 2019 2020 2021 |

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

Asset Allocation

Client: SARAH SAMPLE
Investor Profile: Moderately Conservative
Last Updated: 04/04/2019

| Asset Class | Current (\$) | Current (%) | Target (\$) | Target (%) | Change (\$) | Change (%) |
|--------------|------------------|-------------|------------------|------------|-------------|------------|
| Equity | 625,000 | 62.50% | 410,000 | 41.00% | (215,000) | (21.50%) |
| Fixed Income | 300,000 | 30.00% | 560,000 | 56.00% | 260,000 | 26.00% |
| Cash | 75,000 | 7.50% | 30,000 | 3.00% | (45,000) | (4.50%) |
| Total | 1,000,000 | | 1,000,000 | | | |

For Goals-Based Analysis

| Asset Class | Current (\$) | Current (%) | Target (\$) | Target (%) | Change (\$) | Change (%) |
|--------------|------------------|-------------|------------------|------------|-------------|------------|
| Equity | 625,000 | 56.82 | 451,000 | 41.00 | 174,000 | 15.82 |
| Fixed Income | 398,000 | 36.18 | 616,000 | 56.00 | (218,000) | (19.82) |
| Cash | 77,000 | 7.00 | 33,000 | 3.00 | 44,000 | 4.00 |
| Total | 1,100,000 | | 1,100,000 | | | |

Main / Scenario Settings

| | |
|--|---------------------------------|
| Scenario Selection: | Base Case |
| Education Funds Surplus Allocate Towards Retirement Needs: | No |
| Allocation View Settings: | Equity View: Equity |
| | Fixed Income View: Fixed Income |
| Managed Account Classification: | By Mandate |
| Pooled Investment Vehicle Classification: | By Holdings |
| Cash Flow Mode: | Define Taxable Savings |
| Stock Option Cash Flow Strategy: | Do Not Include in Retirement |
| Goals-Based analysis only: | |
| Allow Withdrawal from Qualified Accounts before Age 59 ½: | Yes |

Tax Information

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

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

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

For the Education analysis, an assumed tax rate of 29.00% has been applied.

You have provided the following estimated tax rates for use in the Goal Funding Status, Stock Option analyses:

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

Assumptions Regarding Fees

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

Appendix: Client Profile

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

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

Deferred Compensation accounts are not included in these fee assumptions.

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

| | |
|--------------------|-------|
| Retirement Assets: | 0.00% |
| Taxable Assets: | 0.00% |
| Education Assets: | 0.00% |