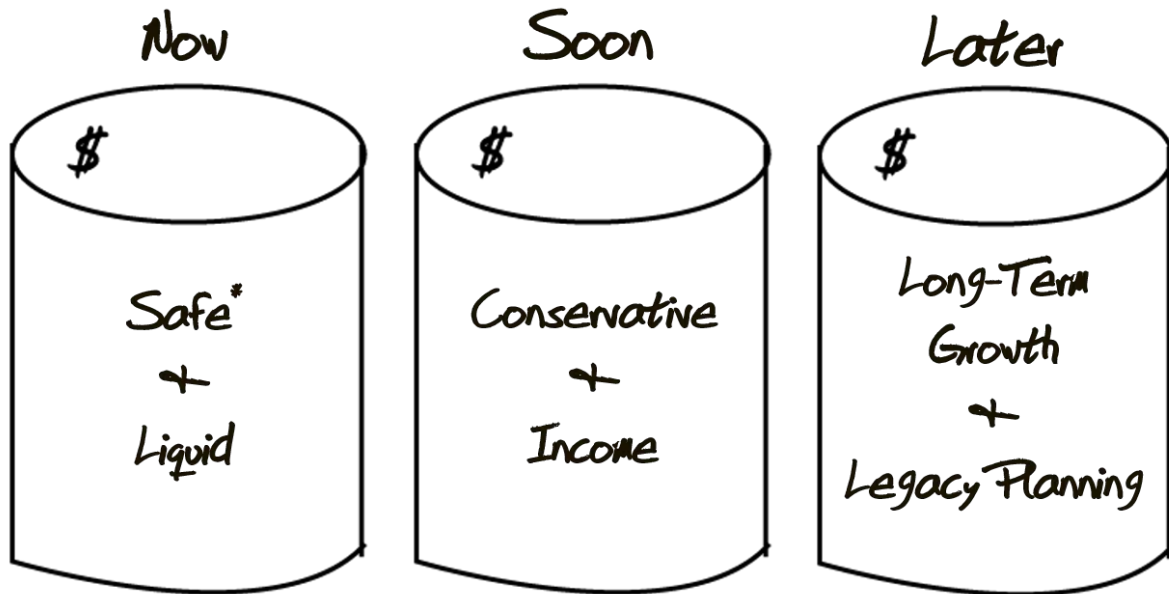


The Bucket Plan®



- Income 0-12 Mos.
- Emergency/Comfort Fund
- Planned Expenses

- Income or Withdrawals
- Inflation Hedge

- Growth
- LTC/Disability
- Inheritance

*Money referred to as safe in the Now Bucket is intended to mean money held in a bank and subject to FDIC limitations.



We believe that it is important to segment or compartmentalize your money into three different buckets based on your investment time horizon and volatility tolerance.

In this three bucket approach, we call the first bucket the **Now Bucket**. The Now Bucket is money that is not invested and is typically made up of your emergency fund to cover planned expenses in the near future, as well as planned expenses or income you will need in the next year or two. In the Now Bucket, you are willing to sacrifice the rate of return that you may have otherwise earned if you would have invested that money.

The second bucket is the **Soon Bucket**. In order to determine the most appropriate investment strategies, portfolios, or investment vehicles, it is important to compartmentalize the money you may need sooner rather than later and invest that money more conservatively than you would invest the rest of your money.

This Soon Bucket will buy you a time horizon to confidently invest the remaining amount of your money in the third bucket, which is the **Later Bucket**, for long-term growth.

In summary, The Now Bucket is typically the money you keep in the bank. The Soon Bucket is the money that you may need sooner rather than later. The Later Bucket is money that you are confident you will not need for at least 10 years or longer.

The following 12 questions will be divided into two sections. The first section is comprised of 7 questions and it will score your tolerance for market volatility in the Later Bucket, which has the benefit of a long investment time horizon. The next section is comprised of 5 questions, and it will score your tolerance for market volatility in the Soon Bucket, which will give your advisor a better understanding of how much volatility you are comfortable taking on for the money that you may need to access sooner rather than later.

Later Bucket Volatility Tolerance

The first 7 questions of this assessment are related to your Later Bucket of money.

Based on our Bucket Plan Approach, this is the money which you do not intend to access for ten years or more. The following 7 questions will give your advisor a better understanding of how much volatility you are comfortable taking on with your Later Bucket money, which has a longer time horizon to be put to work.

1. What would be the earliest time frame you would expect to draw from funds earmarked for your later bucket ?

- 30+ years (7pts.)
- In 25-30 years (6pts.)
- In 20-25 years (5pts.)
- In 15-20 years (4pts.)
- In 10-15 years (3pts.)

Score: _____

2. With a 10 year or more time frame, what would you expect from your later bucket investments over time?

- To outpace the stock market (6pts.)
- To generally keep pace with the stock market (5pts.)
- To trail the stock market, but make modest profit (3pts.)
- To have a high degree of stability, but make small profits (2pts.)
- To be little affected by what happens in the stock market (1pt.)

Score: _____

3. I am comfortable with investments that may go down in value from time to time, if they offer the potential for higher returns.

- Agree Strongly (5pts.)
- Agree (4pts.)
- Agree Somewhat (3pts.)
- Disagree (2pts.)
- Disagree Strongly (1pt.)

Score: _____

4. Suppose the stock market is down over the next decade. What would you expect from the investments in your later bucket?

- To be down (5pts.)
- To make nothing (4pts.)
- To make a little gain (3pts.)
- To make a modest gain (2pts.)
- To be little affected by what happens in the stock market (1pt.)

Score: _____

5. Two weeks before you leave for your dream vacation, you lose your job. You would:

- Extend your vacation (6 pts.)
- Proceed as scheduled (3pts.)
- Cancel the vacation (1pt.)

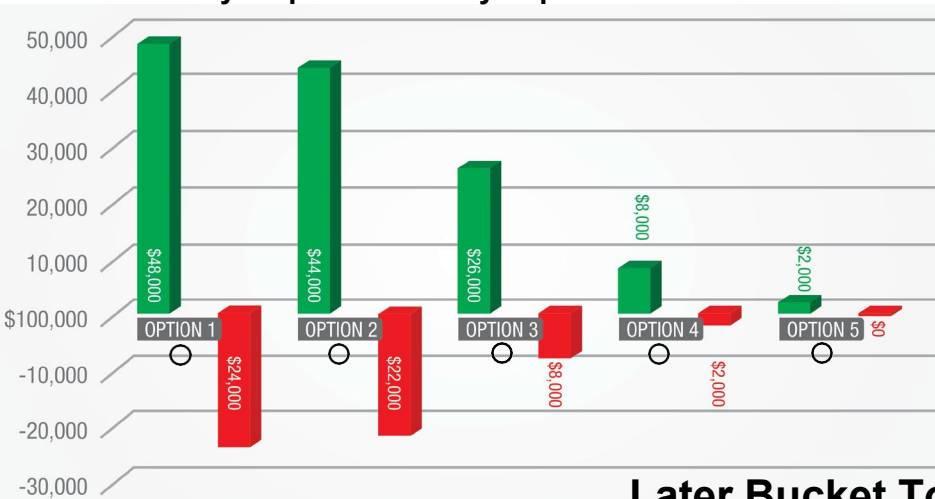
Score: _____

6. Considering your later bucket, which of these statements would best describe your attitudes about next year's performance of your investments?

- Who cares? One year means nothing. (6pts.)
- I wouldn't worry about losses in that time frame. (5pts.)
- If I suffered a loss greater than 10%, I'd get concerned. (3pts.)
- I can only tolerate small short-term losses. (2pts.)
- I'd have a hard time stomaching any losses. (1pt.)

Score: _____

7. Assuming you had \$100,000 to invest, which of the following potential gain and loss possibilities over a one-year period would you prefer?



- Option 1 (5 pts.)
- Option 2 (4 pts.)
- Option 3 (3 pts.)
- Option 4 (2 pts.)
- Option 5 (1 pt.)

Score: _____

Later Bucket Total Score: _____

Later Bucket Category: _____

Later Bucket Volatility Tolerance Scoring	
Volatility Tolerance Category	Score
Conservative	9-12
Balanced	13-17
Moderate	18-23
Growth	24-32
Aggressive	33-40

Soon Bucket Volatility Tolerance

The next five questions relate to money you may need to access sooner rather than later.

1. When do you expect to take your first distribution from your investments in your soon bucket?

- Currently taking distributions or will in the next 1-2 years (1pt.)
- 3 to 5 years (2pts.)
- 6 to 9 years (3pts.)
- 10 or more years (4pts.)

Score: _____

2. While asking yourself, "What do I most want to accomplish?" select the objective that best fits the purpose of your soon bucket.

- My investment should be safe. Preserving value is my focus. (1pt.)
- My investment should generate dependable income I can spend. (2pts.)
- My investment should generate some current income but focus more on growth in value. (3pts.)
- My investment should achieve capital appreciation over time with nominal income. (4pts.)
- My investment should achieve maximum capital appreciation. Income is not a focus. (5pts.)

Score: _____

3. How would you rate your willingness to take on market volatility with accounts you may depend on for potential distributions sooner rather than later?

- No volatility (1pt.)
- Low volatility (2pts.)
- Average volatility (3pts.)
- Above average volatility (4pts.)

Score: _____

4. In your soon bucket, for money that you may need to draw from sooner rather than later, how much could your account balance go down in a single year before you feel uncomfortable?

- Any fall would make me feel uncomfortable (1pt.)
- 5% (2pts.)
- 10% (3pts.)
- 15% (4pts.)
- 20% (5pts.)
- 25% (6pts.)

Score: _____

5. In your soon bucket, which mix of investments do you find most appealing for accounts you may depend on for distributions sooner rather later? *(Please select one sample portfolio.)*

Choose One	Sample Portfolio	Higher Volatility	Lower Volatility
<input type="radio"/>	Portfolio 1	0%	100%
<input type="radio"/>	Portfolio 2	20%	80%
<input type="radio"/>	Portfolio 3	40%	60%
<input type="radio"/>	Portfolio 4	60%	40%
<input type="radio"/>	Portfolio 5	80%	20%

(1pt.)

(2pts.)

(3pts.)

(4pts.)

(5pts.)

Score: _____

Soon Bucket Total Score: _____

Soon Bucket Category: _____

Soon Bucket Volatility Tolerance Scoring	
Volatility Tolerance Category	Score
Capital Preservation	5-8
Stable	9-12
Conservative	13-16
Balanced	17-20
Moderate Growth	21-24

Later Bucket Volatility Tolerance

Score: _____ Category: _____

Soon Bucket Volatility Tolerance

Score: _____ Category: _____

Capital Preservation

The typical portfolio that fits into this category is defensive in nature and will not experience any amount of volatility.

Stable

Stable is focused on achieving current income with a primary objective of preservation, but willing to accept a small amount of market exposure to help increase potential returns. The typical portfolio that fits into this category may experience a small amount of volatility.

Conservative

Conservative is focused on achieving conservative growth utilizing a conservatively weighted mix of investments. The typical portfolio that fits into this category may experience a below-median amount of volatility.

Balanced

Balanced is focused on achieving equal balance between preservation and growth. The typical portfolio that fits into this category may experience a median amount of volatility.

Moderate

Moderate is focused on achieving moderate growth utilizing a growth weighted mix of investments. The typical portfolio that fits into this category may experience an above-median amount of volatility.

Growth

Growth is focused on achieving market-like returns with a primary objective of capital appreciation. The typical portfolio that fits into this category may experience a large amount of volatility.

Aggressive

Aggressive is focused on achieving long-term growth as its primary objective. The typical portfolio that fits into this category may experience a very high amount of volatility.

Do you agree with the results of the Later Bucket?

Yes

No

If you do not agree with the tolerance category that your results suggest in the Later Bucket, please detail which category you believe would be more appropriate and WHY (Client and Advisor may provide perspective).

Do you agree with the results of the Soon Bucket?

Yes

No

If you do not agree with the tolerance category that your results suggest in the Soon Bucket, please detail which category you believe would be more appropriate and WHY (Client and Advisor may provide perspective).

Date: _____

Date: _____

Client: _____

Client: _____

Signature: _____

Signature: _____

Date: _____

Advisor: _____

Signature: _____