Citi Personal Wealth Management

MAKING PLANS

The Value of Financial Planning

MAKING PLANS

Developing a financial plan.

Developing a plan to live by. At Citi Personal Wealth Management, we view them as one and the same. In fact, it's what your Financial Advisor is trained to do. He or she helps you clarify your goals and concerns, decide what your financial priorities should be, and then helps you design a flexible-enough financial strategy. So if the strategy fits today, it can be adjusted easily should your circumstances change.

Let The Planning Begin

Your Financial Advisor knows that reaching your goals requires a lot more than a hot investment tip or a smart trade. It means learning to value your assets.

It also means investing and allocating those assets wisely. But most of all, it means creating a sound financial plan—a life plan—one you'll stick to when short-term worries and temptations threaten to cloud your judgement.

Smart planning starts with asking the appropriate questions and knowing where to find the answers. Your Financial Advisor will dedicate time and effort to seeing that your investment portfolio is focused and in line with who you are as an investor and an individual committed to building a financially secure life for yourself and your family.

TAKE A LOOK AT YOURSELF

How do you begin the planning process? By talking it over with your Financial Advisor. Share your goals, your concerns, where you'd like to see yourself and your family in five, ten or 20 years. He or she will put that information to work using our comprehensive planning program—*Net Worth Analysis, Asset Allocation Analysis, Education Funding Analysis, Employee Stock Option Analysis, Distribution Analysis, Retirement Analysis and Estate Planning Analysis*.

Of course, nothing can replace the one-on-one relationship you establish with your Financial Advisor, but our planning analyses offer a simplified system for determining your critical financial needs over time. They'll help you piece together the parts of your financial puzzle and create a thorough, integrated life plan.

MANAGE BOTH SIDES OF YOUR PERSONAL BALANCE SHEET

Your Net Worth Analysis

When it comes to sound financial planning, managing what you owe is equally as important as managing what you own. Think about your mortgage, car loan, credit card debt—each affects your net worth and factors into your plan for a comprehensive saving and investing strategy. Armed with this information, your Financial Advisor will run a **Net Worth Analysis** to help you:

- assess your net worth, now and over time
- improve monthly cash flow should you choose to refinance a mortgage or use home equity to pay off high-interest balances
- stay invested and build net worth by leveraging assets instead of liquidating them

HOW DIVERSIFIED ARE YOU?

Your Asset Allocation Analysis

How you allocate your assets can strongly impact your portfolio's performance. In fact, one of the best ways to manage the risk inherent in any investment portfolio is to diversify properly. Once you and your Financial Advisor review your current allocation, he or she will use our Asset Allocation Analysis to recommend a diversified investment strategy based on your goals, risk tolerance and investment time horizon. Your **Asset Allocation Analysis** can:

- provide an asset allocation recommendation for any portfolio, including your retirement account
- consider current market conditions when formulating your portfolio strategy
- suggest portfolio adjustments if you experience any changes in your financial situation or long-term goals

MAKING THE GRADE

Your Education Funding Analysis

Getting into college is hard. Financing college expenses is even harder. In fact, with the exception of your home, it's probably one of the largest investments you'll ever make. But your Financial Advisor is here to help. Before you develop an investment strategy for funding your child's education, discuss your parameters for how much money you want to spend and when you'll need it. Talk about those costs in today's dollars, before inflation is factored in. Our **Education Funding Analysis:**

- analyzes your current investments and the projected cost of your child's education
- estimates how much you may need to save in a Coverdell Education Savings Account, a Section 529 College Savings Plan or a custodial account
- provides tuition information for more than 1,700 U.S. colleges and universities

PROTECT WHAT YOU HAVE

Your Insurance Analysis

Are you preserving the assets you spent years accumulating? Are you protecting the economic value of your life? What are the odds you will need long term care? Will your family have sufficient income if you become disabled?

Your Insurance Analysis can help you answer these questions and determine if you are adequately protected in the unfortunate event of your death or disability.

Using this analysis, your Financial Advisor can help you determine if:

- Your existing insurance policies provide adequate coverage
- The needs that prompted you to buy your existing coverage have changed
- Funding for your education, retirement goals and estate tax liability have been met
- Your current policy is among the most competitive and cost-effective on the market today

UNDERSTAND YOUR STOCK OPTIONS

Your Equity Compensation Analysis

When a significant part of your net worth is in equity compensation, you need to manage them as astutely as the rest of your portfolio. But understanding your employee benefits package isn't always so easy. Your Financial Advisor can help you make sense of your stock options, SARs, restricted stock plans and stock purchase plan shares. Equity Compensation Analysis will:

- show how concentrated positions in your employer stock can skew your overall asset allocation if not managed properly.
- illustrate how fluctuations in your employer's stock price could affect the value of your position in that stock.
- outline a schedule of recommended equity transactions and their estimated proceeds and expenses—transactions that include different types of option exercises, stock purchases and stock sales.

TIME TO WITHDRAW FROM YOUR RETIREMENT PLAN?

Your Distribution Analysis

So you've saved and invested for years in your company retirement plan, and now it's finally time to use that money. What's the best way to start taking withdrawals? Discuss your choices with your Financial Advisor, since tax consequences can vary. With his or her guidance and our Distribution Analysis, you'll learn about making informed decisions on the distribution of your funds. The analysis provides a projection of qualified plan distributions, substantially equal payments, "normal" distributions and required minimum distributions. For each method, the Distribution Analysis will:

- assess your tax rate, assumed return and account value
- estimate your distribution payouts and the taxes due on them
- project amounts paid to your beneficiaries

LIVE WELL DURING RETIREMENT

Your Retirement Analysis

For many individuals, the retirement years are not for slowing down, but for doing more. So how do you maintain the lifestyle you enjoy? Talk to your Financial Advisor about how you'd like to live during those years. Consider whether or not you'd like to travel, buy a second home or just keep things the way they are now. With our **Retirement Analysis**, your Financial Advisor will review your personal assets and evaluate your goals to provide you with a plan that:

- considers your assets, returns, income and expenses
- specifies savings and rate of return recommendations
- provides a cash flow analysis detailing sources of income during retirement
- calculates the probability of meeting your retirement goal

YOU CAN'T TAKE IT WITH YOU

Your Estate Planning Analysis

Careful estate planning can ensure that a good part of the wealth you have accumulated over a lifetime is protected and distributed according to your wishes. Like providing for your favorite charities after you're gone. Or passing on your family business to your children. But first, make sure you and your Financial Advisor talk over the priorities you have for your assets now and after your death. Together, you can develop strategies for preserving your estate using our **Estate Planning Analysis** as a guide. The analysis:

- assesses the amount of estate taxes you may have to pay
- helps you identify certain strategies to reduce taxes and pass on the maximum amount to beneficiaries
- identifies gifting strategies, liquidity needs and the taxation that affects large retirement plans at death
- demonstrates how you and your heirs may benefit from establishing trusts

MAKING PLANS:

We'll do it together

The relationship you've built with your Financial Advisor is not only designed to provide solid life planning advice, but to give you access to the knowledge, experience and vast resources of the largest financial services group in the world. We've helped thousands of investors build, manage and preserve their assets. We welcome the opportunity to do the same for you.

You can learn more about our financial planning services. Call your Financial Advisor for a complimentary financial planning analysis.

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