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Wealth Allocation Framework
A New Lens for Evaluating Your Wealth

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The Investing Paradox

Fact

- Diversification plays a fundamental role in managing risk and achieving long-term investment goals.

Fact

- Many affluent investors become wealthy through nontraditional diversification models (e.g., business concentration, stock concentration, real estate and highly speculative investments).

An Innovative Perspective

Traditional diversification models	A new framework
► Only focus on market volatility and market assets (e.g., stocks, bonds, alternative investments). ► Do not consider your other assets from a risk-based perspective.	► To understand your entire wealth through the lens of risk, lifestyle and financial goals.

Wealth Allocation Framework

Considers three dimensions of risk to help you achieve your life goals:

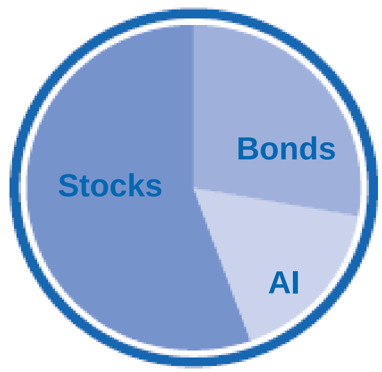
"Personal" Risk

Protect basic standard of living

- Reduce downside risk
- Willing to accept below-market returns in return for less volatility

"Market" Risk

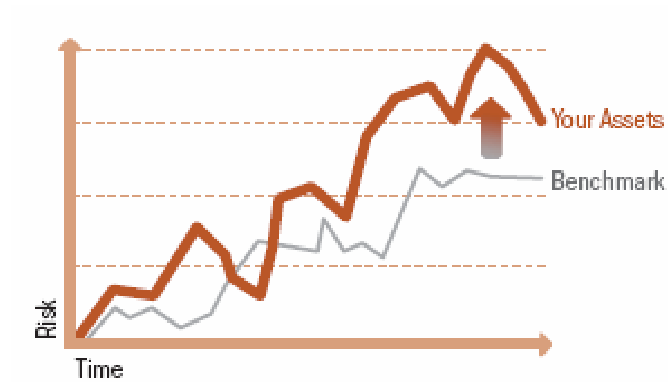
Maintain lifestyle



- Balance risk and return through traditional asset allocation from a broadly diversified portfolio

"Aspirational" Risk

Enhance lifestyle



- Take measured, but significant risk to potentially enhance return

Personal Risk

Have you protected your basic standard of living?

- Cash and other liquid investments
- Your primary home
- Annuities and insurance for longevity and mortality risk

Protect basic standard of living

Typical risk factors:

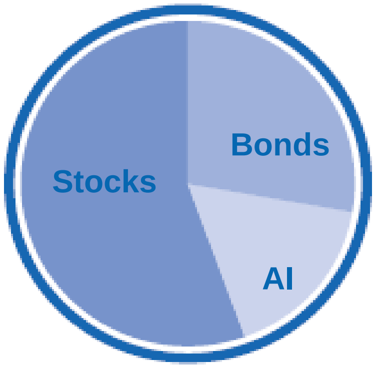
- Inflation risk (loss of purchasing power)
- Loss of earning power (loss of job, disability, death)
- Healthcare risk (potential human and financial costs as a result of catastrophic illness)
- Tax risk
- Litigation risk

Market Risk

Have you adequately diversified to maintain your current lifestyle?

- Stocks
- Bonds
- Diversified alternative investments
- Cash reserved for investments

Maintain lifestyle



Typical risk factors:

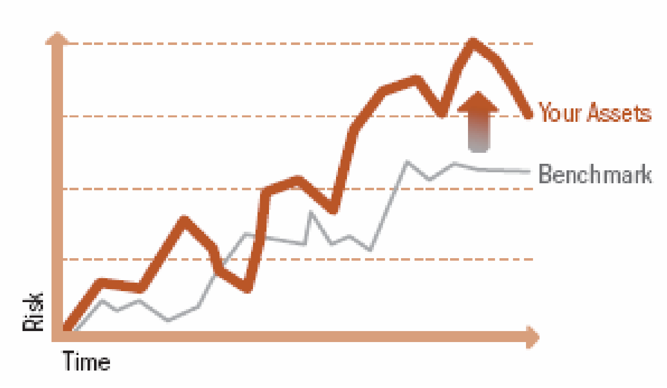
- Portfolio volatility
- Shocks to the financial markets and economy
- Geopolitical conditions
- Interest rate fluctuations
- Currency volatility (in the case of foreign investments)
- Tax risks (due to changes in tax laws)

Aspirational Risk

Have you balanced your high-risk, high-reward aspirational assets?

- Business concentration
- Stock concentration and stock options
- Real estate concentration
- Speculative hedge fund and private equity concentration

Enhance lifestyle



Typical risk factors:

- Increased volatility due to asset concentration
- Loss of principal
- Loss of liquidity

Core Benefits of Wealth Allocation Framework

The Wealth Allocation Framework offers:

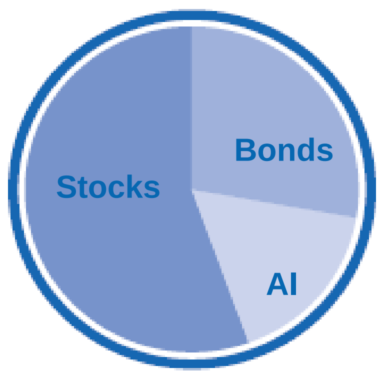
- A complete review of all your assets and liabilities in relation to your goals.
- A new way to access and rebalance the three risks.
- An appropriate mix between wealth preservation, diversification and generation.
- A way to evaluate performance against the right benchmarks, consistent with the risks you take.

"Personal" Risk

Protect basic standard of living

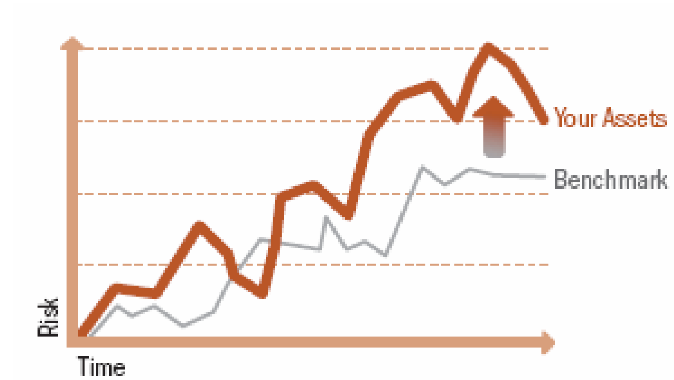
"Market" Risk

Maintain lifestyle



"Aspirational" Risk

Enhance lifestyle



The Risk Allocation Statement

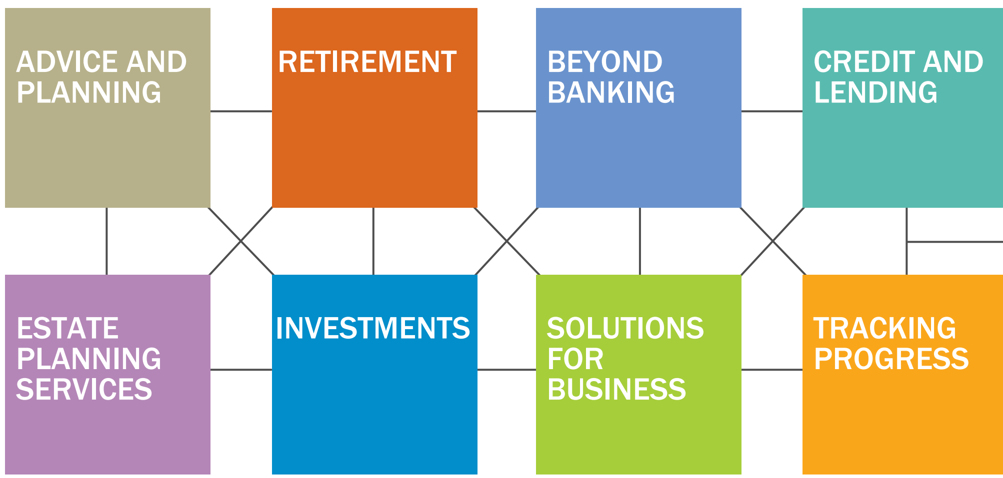
Wealth Allocation Framework's First Step—The Risk Allocation Statement will help you:

- ► Frame all your assets through the lens of risk.
- ► Consider your entire financial history, current situation and future goals.
- ► Focus your strategy on long-term objectives, helping you avoid making decisions based on near-term emotional events.
- ► Provide a starting point for your risk allocation and asset allocation.

Risk Allocation Statement Process

1. Complete Preliminary Questionnaire
2. Your Financial Advisor reviews and analyzes your responses
3. Your Financial Advisor discusses responses with you
4. Your Financial Advisor coordinates preparation of your Risk Allocation Statement
5. Your Financial Advisor provides you with a Risk Allocation Statement
6. Discuss Risk Allocation Statement
   Form Asset Allocation Strategy
   Construct Diversified Portfolio

True wealth is about more than money. It's about achieving life.℠



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Evaluations

Please take a few moments to complete the evaluation for this workshop.

We appreciate and value your feedback.

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Thank you.