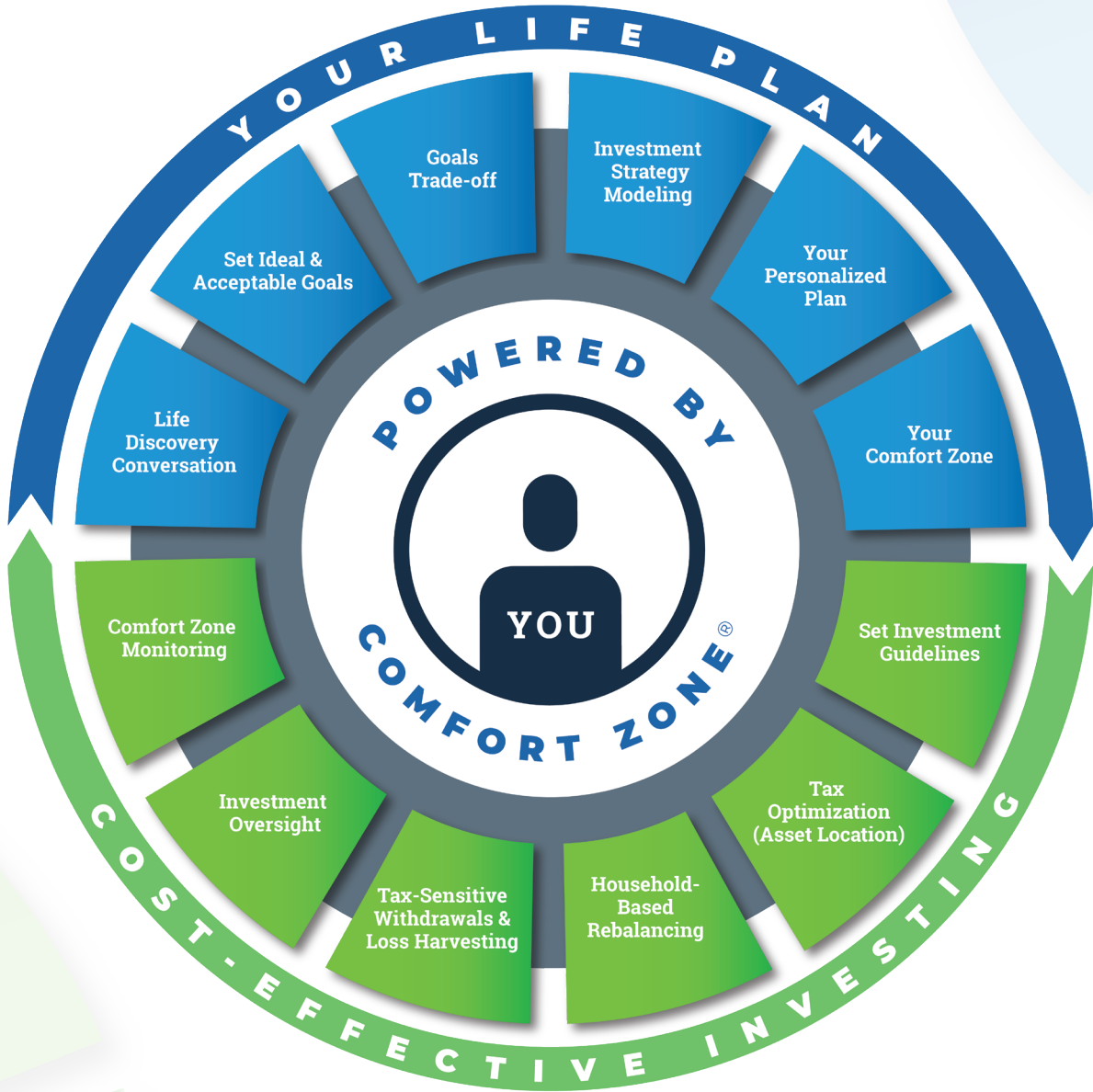


Planning + Investing

# GDX360<sup>®</sup>



CLIENT



“Life is a continuous  
process of adjustments.”

Indira Gandhi

# GDX360

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Wealthcare has been transforming theoretical plans into life-changing realities using our patented goals-driven process, GDX360, since 1999.

## What is GDX360?

GDX360™ is the first experience-based goals-driven process for today's inspired investor. The easy-to-use process synchronizes financial planning, investment strategies and advice empowering you to make better decisions to help reach your life goals. Centered on the investor, it delivers three elements of a positive financial experience: **clarity, confidence, and control.**

# How does it work?

## GDXp - Planning

### LIFE DISCOVERY CONVERSATION

How do you know how much money you will need in retirement without knowing first what you are trying to accomplish with it?

During this first step, you'll discuss with your advisor what you want your life to look like today, tomorrow, and into the future. What is your story? What are your goals? What do you want to accomplish both in life and financially? During the client discovery conversation, your advisor will look at your unique mix of lifestyle goals, current assets, expected future financial resources, risk tolerance, family dynamics, etc. **Your entire financial life will be considered.**

Proper financial planning requires certain steps be completed in the correct order. The first steps center around life and financial planning. Together with your advisor, your goals and priorities will be outlined and a plan will be designed to help you pursue them.

### SET IDEAL & ACCEPTABLE GOALS

Goals are ranges, not static data points.

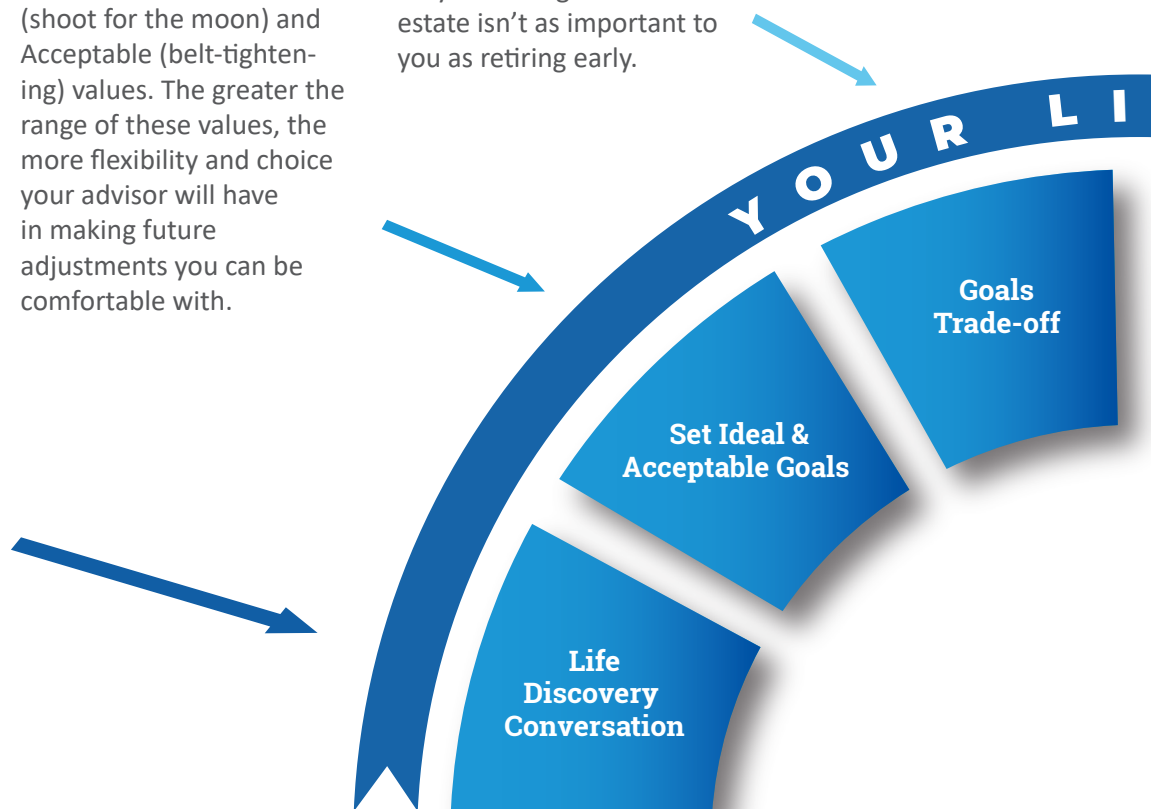
We also explore and capture important **qualitative** data. We treat and think about goals differently using the GDX360 process. Rather than keeping with traditional financial planning around a singular set of goals, we split each and every goal into an Ideal (shoot for the moon) and Acceptable (belt-tightening) values. The greater the range of these values, the more flexibility and choice your advisor will have in making future adjustments you can be comfortable with.

### GOALS TRADE-OFF

While no one can control the market, there are several financial planning aspects a client and an advisor can control.

When you retire, how much you spend, how much you save now, how much risk tolerance you should be subjected to in your portfolio, and how much you plan on leaving behind to heirs can be controlled. Working with your advisor you will seek to make smart tradeoffs amongst your different, and often competing goals and priorities. Maybe leaving a sizable estate isn't as important to you as retiring early.

Perhaps your advisor can make this early retirement dream come true just by slightly reducing that estate goal. **You have choices when we focus on the most important things within your control.**



## INVESTMENT STRATEGY MODELING

When it comes to financial planning and investing, the connection between the investment portfolio and the financial plan is of paramount importance.

With a standalone investment portfolio, how would you know if you're invested in the appropriate investment strategy? GDX360 employs time-tested principles associated with investor success. By using our investment choice framework, we help advisors match the investment experience with client preferences and expectations.

This approach can strengthen your commitment to your chosen strategy over market cycles and keep you on track with your life goals. Linking the plan and the portfolio using GDX360 gives your advisor the ability to model different investment options to see the impact those choices have on the plan.

## YOUR PERSONALIZED PLAN

With your advisor, you outlined and prioritized your goals and given them value ranges. Now your advisor will build a plan designed to align your goals and investments.

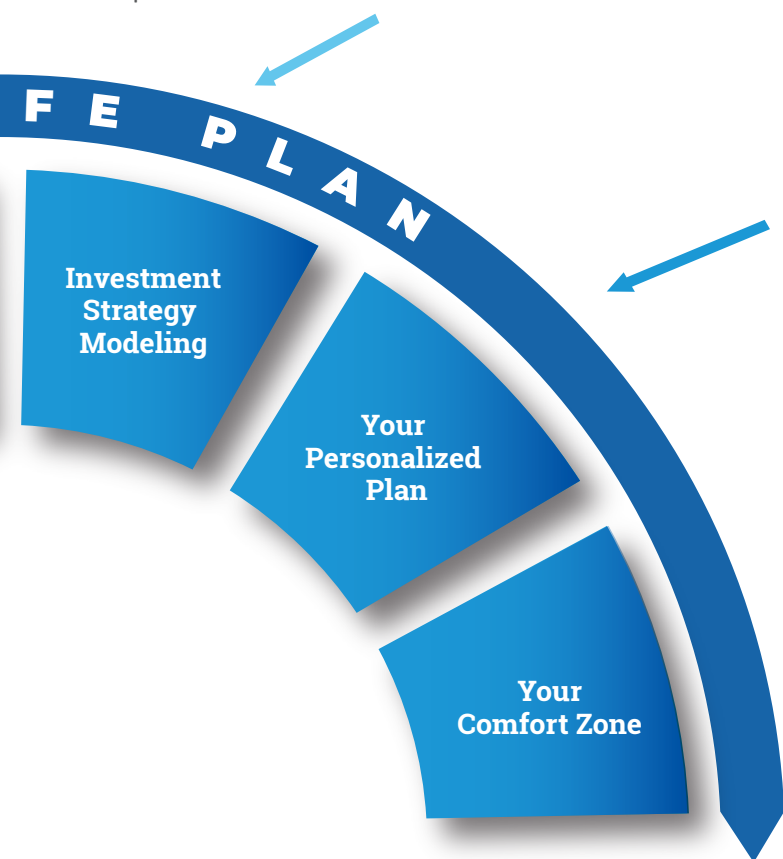
Your advisor will draft the plan by entering your goals, ranges, priorities, investment strategy, current assets, and all other financial resources (today and in the future) into our patented financial planning technology. They can build alternative scenarios to further clarify goals and priorities and include advanced planning strategies for estate, life, disability and long-term care. The result of the inputs is the **Comfort Zone®**.

## YOUR COMFORT ZONE

**What is the Comfort Zone?**

The GDX360 software takes the plan blueprint inputs and performs a sophisticated "stress testing" process that simulates 1,000 lifetimes under a variety of market conditions. The plans Comfort Zone score is the percentage of the 1,000 simulations that met or exceeded your goals.

**Why do we use the Comfort Zone with our clients?** The Comfort Zone indicates that goals are manageable and that you are avoiding unnecessary investment risk. Outside the Comfort Zone lies uncertainty and sacrifice. Uncertainty means your plan is underfunded and that there is too high of a chance that you may not meet or exceed your goals, while sacrifice indicates that you are overfunded and are needlessly forgoing a more fulfilling lifestyle.



## GDxi - Investing

How we invest differently at Wealthcare boils down to one concept: **control the controllable**. The next steps focus on a framework of investment choices and implementation designed to improve your success in reaching those life goals we established in GDxp.

### COMFORTING ZONE MONITORING

Life changes. Markets shift. Dreams evolve and so do goals and priorities. Your Wealthcare plan changes right along with them.

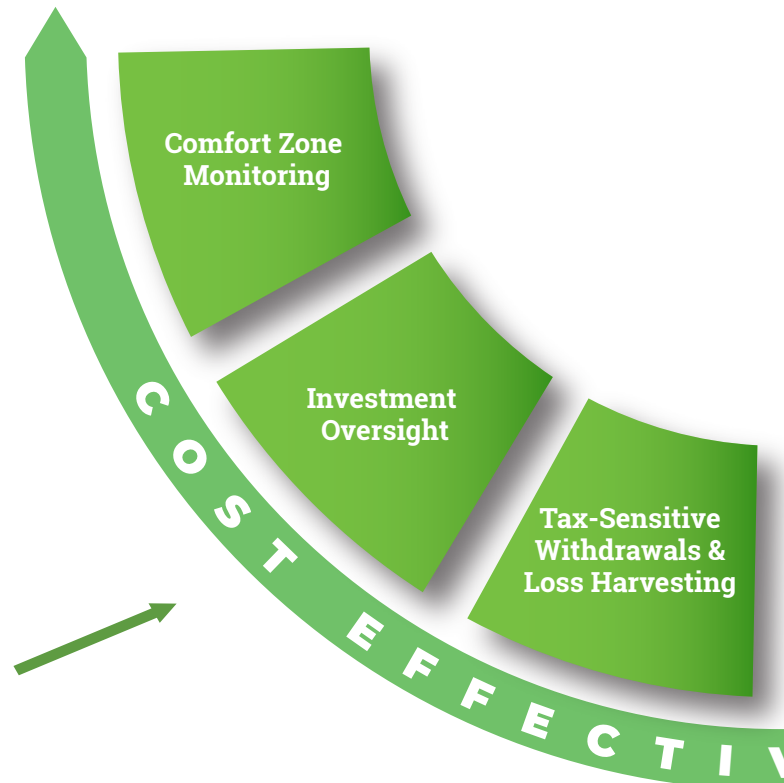
You can have confidence your investments and plan will stay in sync, thanks to GDx360's goals-driven advice. Use our interactive Comfort Zone® to track your comfort score, review upcoming goals, cash flows and asset ranges. Proactive goal adjustments made by your advisor will keep your plan on track regardless of market movement. Ongoing monitoring means when the markets change — or your goals and priorities do — your financial plan will be in alignment with your current circumstances.



### INVESTMENT OVERSIGHT

With GDx360 portfolios you benefit from strategies that have met criteria associated with long-term investment success.

Each product is selected to fulfill a specific role in the portfolio. Multiple fund managers are combined in a way to achieve the risk profile of your target asset mix while providing exposure to multiple market opportunities over time. The GDx360 process employs both quantitative and qualitative methods. Our quantitative analytics seek to differentiate skilled managers from those who are lucky, and help to assess the likelihood that a manager can add value in excess of their fees. We use the qualitative methods to further assess manager behavior and regularly confirm that the foundations for our manager selections remain intact.



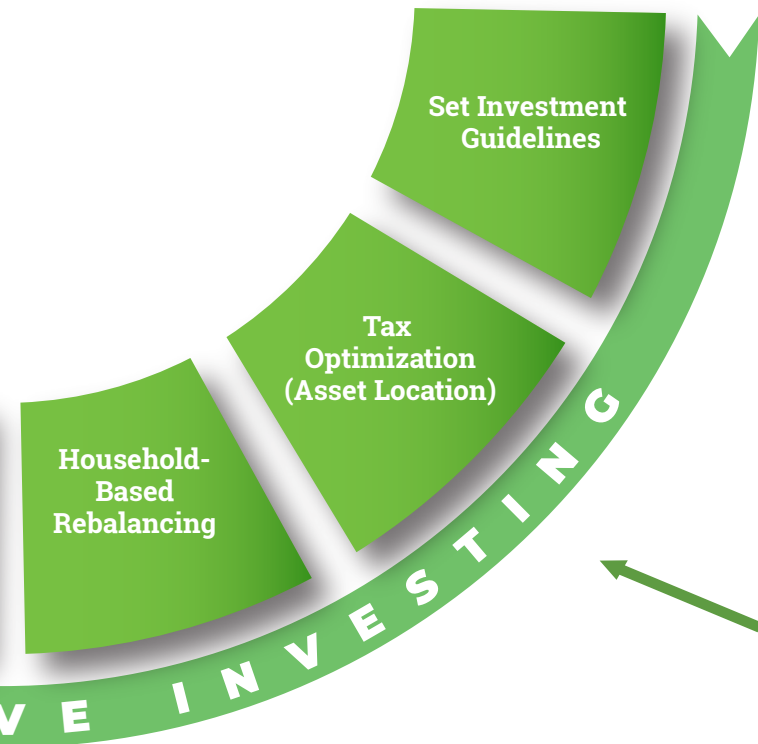
### TAX SENSITIVE WITHDRAWALS AND LOSS HARVESTING

GDx360 incorporates advanced tax strategies.

Our asset location service prefers to place tax efficient equities in the taxable account. This increases the value added from asset location, but also potentially creates tax loss harvesting opportunities by allocating equities to the taxable account.

**What is Tax Loss Harvesting?** It is the practice of selling a security that has experienced a **loss**.

By realizing, or "harvesting" a loss, investors are able to offset taxes on both gains and income. During a typical rebalancing process, we will seek to sell the security in a taxable account with the largest loss. However, we will not liquidate your entire holding; just sell enough capital to bring your household back into balance.



## HOUSEHOLD-BASED REBALANCING

**Managing portfolios at the household not account level is another way we control the controllable.**

Our household-based approach means fewer trades placed to initially implement the investment strategy. This means fewer transactions fees. Because each account doesn't need to hold all of the same funds, just a fraction of the trades are placed.

The same benefit occurs when rebalancing the portfolio. Instead of needing to trade every account to get back to target, we are often able to rebalance a portfolio by trading just one account, which ideally is tax deferred to avoid realizing capital gains.

*Asset allocation does not ensure a profit or protect against a loss. Rebalancing a portfolio may cause investors to incur tax liabilities and/or transaction costs and does not assure a profit or protect against a loss. This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax advisor.*

## SET INVESTMENT GUIDELINES

**Our aim is to maximize risk adjusted returns within a framework that considers client preferences.**

There are four key policy decisions that drive these client preferences: risk allocation, asset allocation, active risk policy, and tax/cost management. In the planning steps we built a portfolio that increases the likelihood of accomplishing the goals in your plan. In this step your advisor will document and implement these preferences and your overall investment strategy.

## TAX OPTIMIZATION (Asset Location)

**There are many ways to get investments to work harder for you—using advanced tax strategies to improve after-tax returns is one.**

In GD360, your entire household has an asset allocation target. Assets are located in each account based on the tax treatment of each investment and account. To improve tax efficiency, the least tax-efficient assets should be housed in tax-deferred accounts. Investments with the most risk/upside should be held in tax-exempt accounts. Taxable accounts are a great place to house equities. Such an approach typically yields a different investment allocation and different holdings in each account, but when all accounts are combined, it results in your targeted investment allocation.

## **A GDX360 plan is not a “*set it and forget it*” plan.**

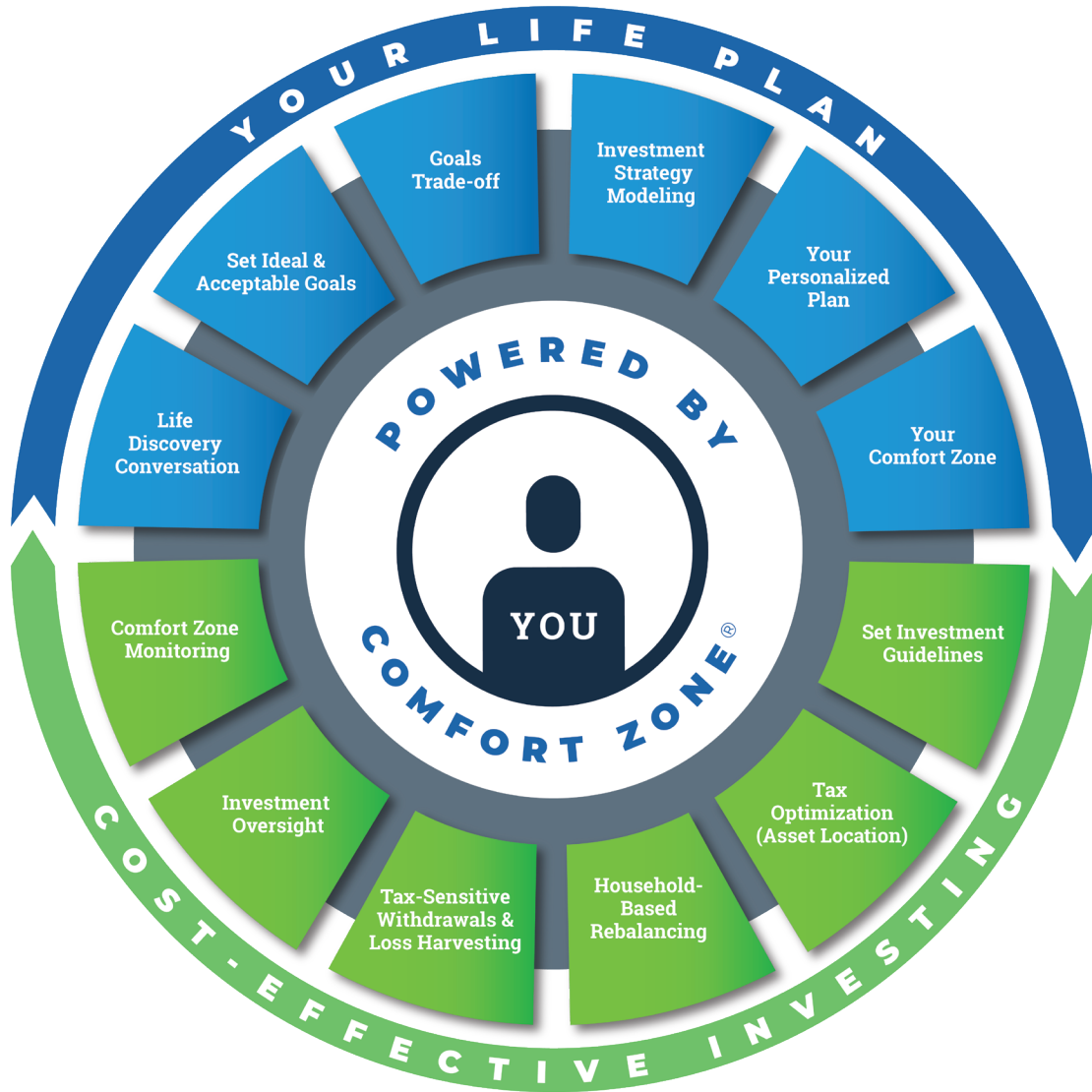
Our plan is a living and actionable road map that keeps track of progress and allows your advisor to make adjustments when your life, goals or markets change.

The GDX360 process encourages better investing behavior. Instead of the common roller-coaster ride where the temptation is to sell out of fear at market lows and to buy out of elation at market highs, the Comfort Zone puts your investments within the context of your goals and financial plan. This helps keep emotions in check and helps you focus on the controllable.

Linking investments to goals means we are using the only benchmark that matters: your ability to live the life you want today and into the future!


Remember, the GDX360 process is *YOU-driven*...not *market-driven*. As circumstances or goals change, appropriate adjustments will be made. Whatever life events come your way — from expanding your family to buying a vacation home — we will monitor and measure each event against its financial impact on your plan. The strength of the plan is its ability to consistently evolve.

# GDX360<sup>®</sup>



***GDX360 - A Goals Driven Experience***  
process that continuously provides  
**Clarity, Confidence, and Control.**





This is a brief explanation of the **GDX360** planning and investing process.

For more information contact me today.



**John Fiorito**

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GDX360® is Wealthcare's fiduciary process that integrates goals based planning with investment implementation that includes cost and tax management services designed to put clients first.

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