



## *Charitable Lead Annuity Trust*

An Illustration of an Inter Vivos Charitable Lead Annuity Trust

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

*Transfer \$1M ShopRight, Inc. to 20-Year Shark-Fin CLAT*

---

## Disclaimer

This financial plan is designed to provide educational and/or general information and is not intended to provide specific legal, accounting and/or tax advice. Any comparisons and projections including expected rates of return are presented for purposes of illustration only. Nevertheless, we believe that the comparisons as well as the other projections shown provide an important and valid basis for consideration when planning for your financial future.

**IMPORTANT: *The projections or other information generated by this financial plan 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 herein may vary with each use of the software tool(s) used to generate this financial plan and over time.***

The financial plan may contain ideas for your consideration concerning aspects of your life such as tax, retirement and estate planning, but these are not presented as, and must not be taken for, legal or tax advice. It is your responsibility to determine if, and how, the suggestions contained in the financial plan should be implemented or otherwise followed. You must carefully consider all relevant factors in making these types of decisions. For specific advice on these aspects of your overall financial plan, you should consult your professional tax and legal advisors. The report that follows is based upon:

- information and assumptions that you have provided or reviewed;
- current tax laws;
- appropriate financial planning concepts;
- historic asset class characteristics;
- additional assumptions and information discussed with your advisor.

The outcome of the analysis will be dependent to a significant extent upon the information and the reasonableness of the planning assumptions. It is your responsibility to provide accurate and complete information. Please contact your advisor with any changes to your information and/or planning assumptions. Inaccurate information and/or unreasonable planning assumptions can materially impact the results of this financial plan.

The simulation of returns at the individual asset, account and/or portfolio level drives the investment projections and proposed financial plan. In all cases investment projections are not to be considered definitive estimates of how the individual assets you own now or in the future will perform. Therefore, it is important that you recognize that the comparisons shown may include comparisons of two asset allocation models—the asset allocation of your current portfolio and the asset allocation projected in our proposed plan—and not comparisons of the individual securities you own. Model comparisons and the projected rates of return are based on past performance of the relevant asset classes. Past performance is not a guarantee of future results. No future rate of return can be predicted with certainty.

The report that follows does not make specific investment recommendations or analyze particular securities. Rather, the report typically contains a proposed asset allocation model based upon your stated risk tolerance, age, current asset allocation and value of your assets. The asset allocation models we use are continuously re-evaluated and are periodically changed as a result. We are under no obligation to revise any financial planning report already prepared if an allocation model is changed after it is issued to you.

Actual results are influenced by events that are both within and outside of your control. The rates actually returned by asset classes will differ from our projections. The rates actually returned by any allocation model noted within the financial plan will likely differ from those returned by any individual portfolio of securities constructed to follow a specific allocation model. Any rate of return shown or used in the financial plan is not intended to predict nor guarantee the actual results of an investment product.



---

## Disclaimer

**IMPORTANT: *Investments in stocks, bonds, mutual funds, and other securities are not bank products, are not FDIC insured, and may be subject to loss of principal.***

We have read and understand the above information and disclosures. We understand the basis upon which the report that follows was prepared. We recognize the nature of the asset allocation comparisons and estimated returns as illustrations only. We acknowledge that the report may contain a recommendation for adjusting the asset allocation of our current investment portfolio(s), but it does not provide any guaranteed rates of return, advice on particular securities or any specific legal, tax or accounting advice.

---

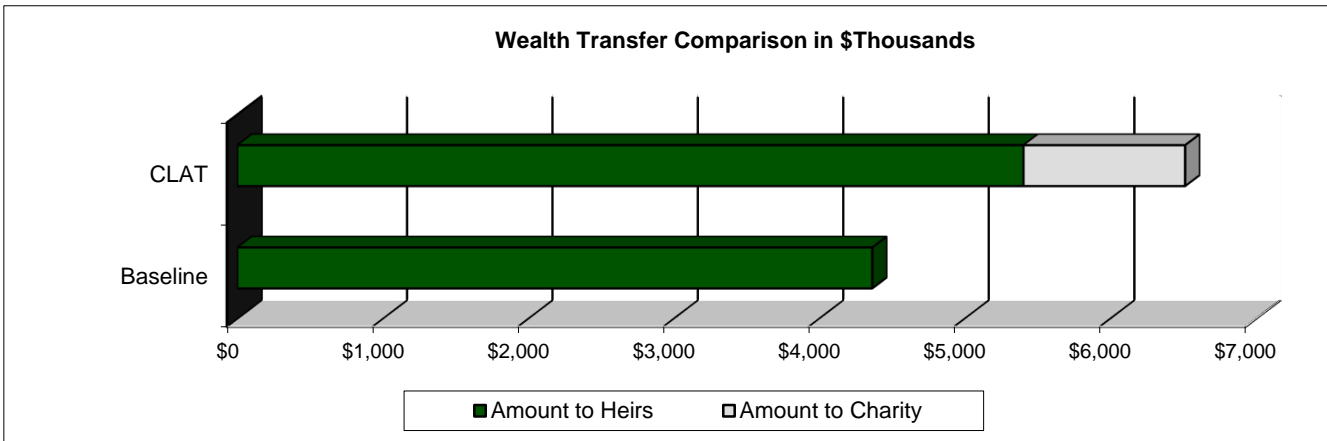
Customer Signature



## Summary

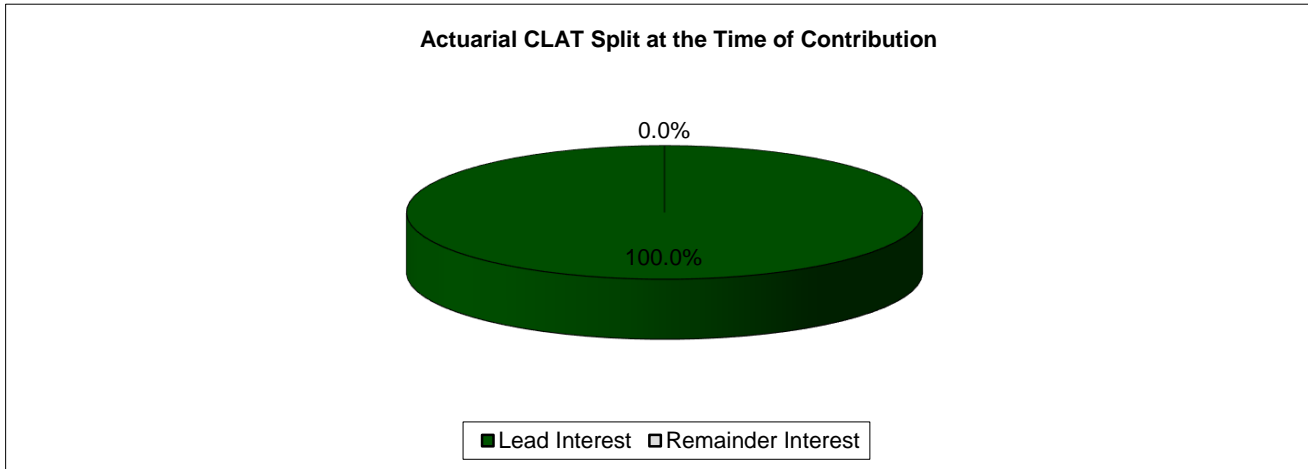
Jack & Jill Flash

Projected Results in 2037	Baseline	Inter Vivos CLAT
Charitable deduction	NA	650,000
Net transferable value	6,375,197	6,328,331
Estate taxes or tax savings	-2,008,323	155,380
Deferred capital gains and Medicare taxes	0	-1,077,266
<b>Net amount to 2nd generation</b>	<b>4,366,874</b>	<b>5,406,445</b>
Future value of CLAT payouts		1,109,267
<b>Planning advantage/-disadvantage to 2nd generation</b>		<b>1,039,571</b>
Present value of advantage/-disadvantage @ 3.0%		575,632



## Actuarial Summary

Jack & Jill Flash



### Relevant Actuarial Calculations & Applicable Tests

CLAT payout rate	Variable
Income factor used	100.000%
Remainder factor used	0.000%
Annuity exhaustion test of the Sec. 7520 Regs & Rev. Rul. 77-454	Passed
<b>Taxable gift</b>	<b>0</b>



Charitable Lead Annuity Trust - Transfer \$1M ShopRight, Inc. to 20-Year Shark-Fin CLAT

**Assumptions**

Jack & Jill Flash

Personal	Jack	Jill
Age	55.0	52.0
Calculated life expectancy	84.6	84.3
Life expectancy override	90.0	90.0

**Planning Illustration**

Transfer date	01-Jan-2018
Type of analysis	Inter vivos
Tax laws to apply - income taxes	TCJA provisions sunset after 2025
Tax laws to apply - estate, gift & GST	TCJA provisions sunset after 2025

**Transfer of Property**

Transferor	Jack
Gift-splitting election	Yes
If Yes, adjust estate tax for consenting spouse's share	Yes

**Trust Assumptions**

CLAT planning approach	Shark-fin CLAT
Type of trust	Term
Trust term	20 years
CLAT payout rate	Variable
CLAT payment date	End of year
CLAT payout frequency	Annual
Section 7520 rate	2.6%

**Estate & Gift Tax**

	Jack	Jill
DSUE amount inherited	0	0
Post-1976 adjusted taxable gifts	0	0
Unified credit used	0	0

**Property Transferred**

Undiscounted fair market value	1,000,000
Tax basis	300,000
Gift tax valuation discount	35.0%
Estate tax valuation discount	35.0%



Charitable Lead Annuity Trust - Transfer \$1M ShopRight, Inc. to 20-Year Shark-Fin CLAT

## Assumptions

Jack & Jill Flash

Charitable Deduction		
Grantor trust		Yes
Total percentage of lead interest deductible		100.0%
Years needed to utilize deduction		2
Income tax deduction recapture calculation method		Internal Revenue Code

Tax Rates	Jack	Transferee
Federal tax bracket	See schedule	See schedule
Federal capital gains tax rate	See schedule	See schedule
State income tax rate	5.0%	5.0%
Charitable income tax deduction rate	See schedule	NA
Estate tax rate	See schedule	40.0%

Transferred Property Investment Rates		
Current cash yield		5.0%
Inc/-dec rate of cash yield		0.0%
Percentage of yield subject to tax		100.0%
Qualified dividend percentage		100.0%
Base growth rate		7.0%

Other Investment Rates	CLAT	Non-CLAT
Taxable income rate	2.0%	2.0%
Qualified dividend percentage	100.0%	100.0%
Growth rate	6.0%	6.0%
Tax-exempt income rate	0.0%	0.0%
Portfolio turnover rate	25.0%	25.0%
Percentage of taxable income and realized gains subject to Medicare surtax	100.0%	100.0%
Charity's rate of return	8.0%	NA
Opportunity cost rate associated with payment of transfer taxes	NA	7.1%
Present value discount rate	NA	3.0%

Other		
CLAT property reverts to grantor at termination		No
Summary results are shown net of deferred capital gains and Medicare taxes		Yes
Inflation rate		3.0%

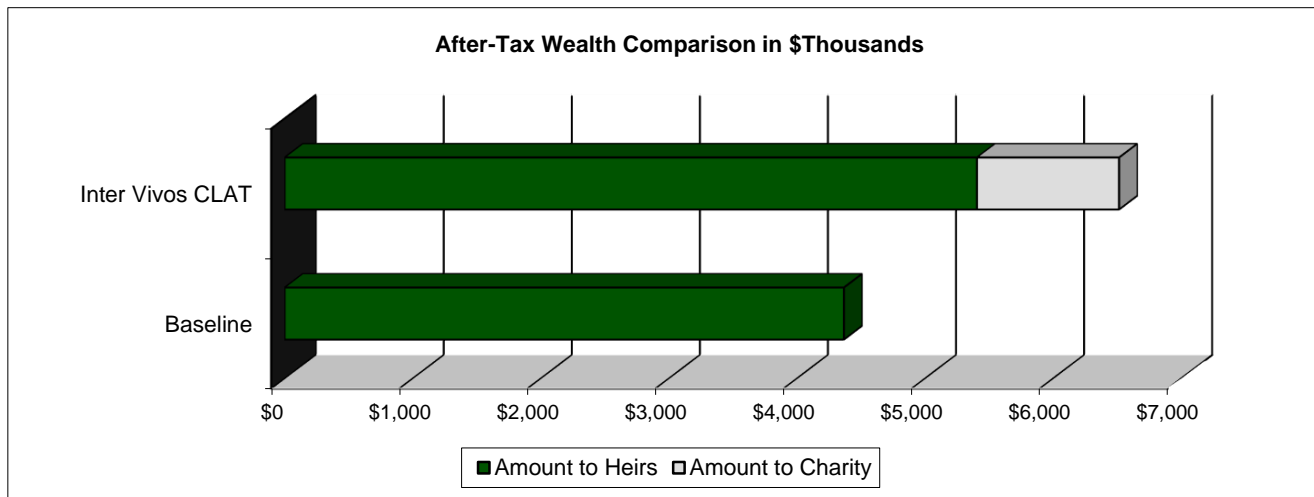


## Inter Vivos CLAT vs. Baseline Comparison

Jack & Jill Flash

Projected Results in 2037	Baseline	Inter Vivos CLAT	CLAT Adv/ -Disadv	PV of Adv/ -Disadv
Charitable deduction	NA	650,000	261,300	257,495
Net transferable value	6,375,197	6,328,331	-46,866	-25,951
Estate taxes or tax savings	-2,008,323	155,380	2,163,703	1,198,087
Deferred capital gains and Medicare taxes	0	-1,077,266	-1,077,266	-596,504
<b>Net amount to heirs</b>	<b>4,366,874</b>	<b>5,406,445</b>	<b>1,039,571</b>	<b>575,632</b>
Future value of CLAT payouts		1,109,267	1,109,267	237,991
<b>Combined wealth transfer</b>	<b>4,366,874</b>	<b>6,515,712</b>	<b>2,148,838</b>	<b>813,623</b>

On the basis of current assumptions, utilizing a CLAT in this manner will maximize the family's after-tax wealth.



The current analysis assumes a CLAT payout rate of 6.475%.





## Annual Net to Heirs Comparison

Jack & Jill Flash

Part 1 of 2

Year	Baseline Illustration		
	Ending Balance	Estate Taxes	Net to Heirs
2018	1,106,500	292,800	813,700
2019	1,223,030	328,926	894,104
2020	1,350,363	368,639	981,724
2021	1,489,351	412,229	1,077,122
2022	1,640,927	460,014	1,180,913
2023	1,806,108	512,341	1,293,767
2024	1,986,000	569,591	1,416,409
2025	2,181,802	632,175	1,549,627
2026	2,395,038	700,631	1,694,407
2027	2,626,928	775,370	1,851,558
2028	2,878,996	856,919	2,022,077
2029	3,152,885	945,847	2,207,038
2030	3,450,373	1,042,771	2,407,602
2031	3,773,378	1,148,356	2,625,021
2032	4,123,967	1,263,322	2,860,644
2033	4,504,372	1,388,446	3,115,926
2034	4,916,999	1,524,566	3,392,434
2035	5,364,445	1,672,587	3,691,857
2036	5,849,506	1,833,488	4,016,017
2037	6,375,197	2,008,323	4,366,874



**Annual Net to Heirs Comparison**

Jack &amp; Jill Flash

Part 2 of 2

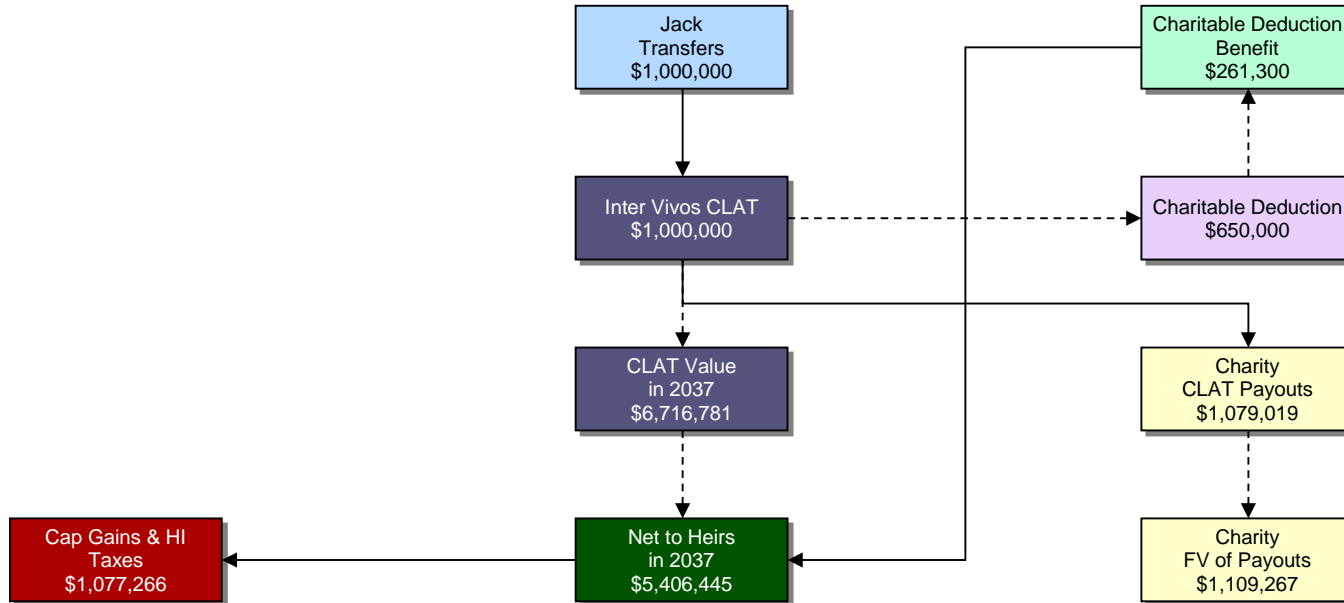
Year	Inter Vivos CLAT Scenario						CLAT Summary			
	Ending CLAT Balance	Grantor's CLAT-Related Accumulations Net of Recapture	Projected Gift Tax Cost	Estate Tax/ Projected Estate Tax Cost	Deferred Capital Gains & Medicare Taxes	Net to Heirs	CLAT Adv/ -Disadv to Family	Future Value of CLAT Payouts 8.0%	Combined Adv/ -Disadv	
2018	1,119,000	15,308	0	6,123	207,900	920,285	106,585	1,000	107,585	
2019	1,250,320	39,141	0	15,656	228,718	1,045,086	150,982	2,080	153,062	
2020	1,395,142	62,478	0	24,991	251,489	1,181,139	199,416	3,246	202,662	
2021	1,554,755	85,316	0	34,126	276,277	1,329,667	252,545	4,506	257,051	
2022	1,730,567	107,604	0	43,042	303,175	1,491,955	311,041	5,867	316,908	
2023	1,924,114	129,251	0	51,700	332,297	1,669,368	375,601	7,336	382,937	
2024	2,137,073	150,125	0	60,050	363,780	1,863,368	446,958	8,923	455,881	
2025	2,371,270	170,060	0	68,024	397,780	2,075,526	525,898	10,637	536,535	
2026	2,628,699	187,036	0	74,814	431,253	2,309,667	615,260	12,488	627,748	
2027	2,911,533	206,717	0	82,687	470,536	2,565,027	713,469	14,487	727,956	
2028	3,221,142	187,938	0	75,175	512,894	2,821,010	798,934	17,645	816,579	
2029	3,561,027	164,210	0	65,684	558,545	3,101,008	893,970	21,057	915,027	
2030	3,933,997	135,893	0	54,357	607,741	3,407,791	1,000,189	24,742	1,024,930	
2031	4,343,110	102,447	0	40,979	660,756	3,743,823	1,118,802	28,721	1,147,523	
2032	4,791,701	63,278	0	25,311	717,883	4,111,785	1,251,140	33,019	1,284,159	
2033	5,283,398	17,727	0	7,091	779,440	4,514,594	1,398,668	37,660	1,436,328	
2034	5,822,156	-34,932	0	-13,973	845,773	4,955,425	1,562,991	42,673	1,605,664	
2035	6,412,282	-95,501	0	-38,200	917,249	5,437,732	1,745,874	48,087	1,793,961	
2036	7,058,461	-164,861	0	-65,945	994,270	5,965,274	1,949,257	53,934	2,003,191	
2037	6,716,781	-388,450	0	-155,380	1,077,266	5,406,445	1,039,571	1,109,267	2,148,838	



## CLAT Illustration - 2nd Generation Transfer

Jack & Jill Flash

### Inter Vivos Grantor Trust-Type CLAT - Transfer to 2nd Generation



On the basis of current assumptions, utilizing a CLAT in the illustrated manner is projected to produce a net after-tax advantage of \$1,039,571 in 2037, or \$575,632 in today's dollars, not including the annual distributions to charity.





## *Charitable Lead Annuity Trust*

Sensitivity Analyses

AN ANALYSIS PREPARED EXCLUSIVELY FOR

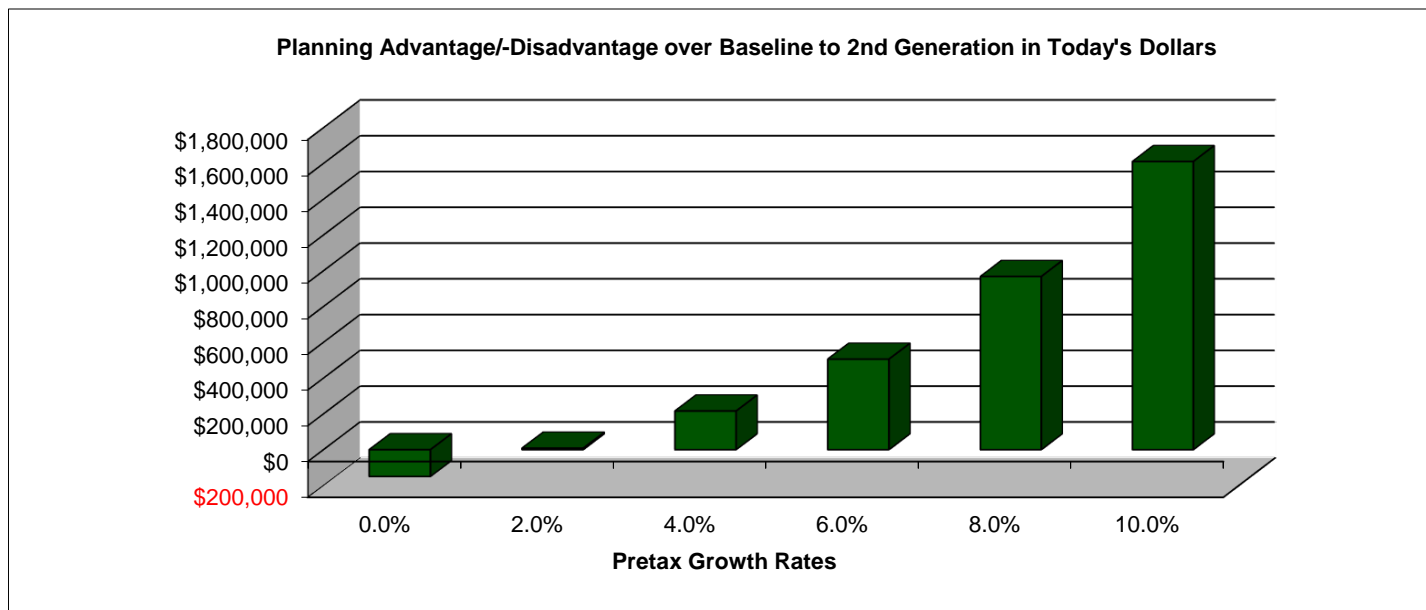
**Jack & Jill Flash**

*Transfer \$1M ShopRight, Inc. to 20-Year Shark-Fin CLAT*

## Sensitivity Analysis - Growth Rates

Jack & Jill Flash

2037 Growth	Net to Heirs		Charitable Transfers		Projected Adv/-Disadv	
	2nd Gen CLAT	GST CLAT	Cumulative Payouts	FV to Charity	To 2nd Generation	To 3rd Generation
0.0%	974,915	NA	1,079,019	1,109,267	-270,452	NA
2.0%	1,822,291	NA	1,079,019	1,109,267	14,922	NA
4.0%	2,999,480	NA	1,079,019	1,109,267	390,191	NA
6.0%	4,660,732	NA	1,079,019	1,109,267	913,669	NA
8.0%	7,100,881	NA	1,079,019	1,109,267	1,748,549	NA
10.0%	10,514,120	NA	1,079,019	1,109,267	2,909,386	NA



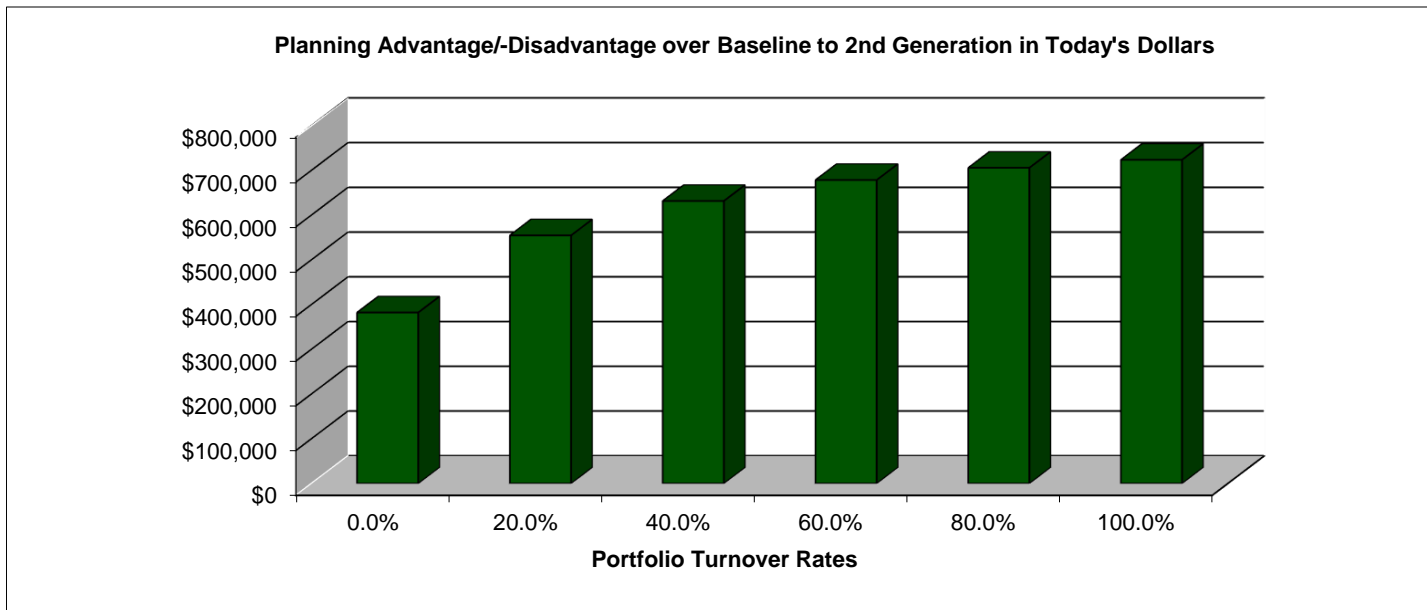
The illustration above shows the impact of pretax growth rate assumptions (inside and outside the trust) on the projected results. The graph shows the advantages or disadvantages of a CLAT, as compared to the baseline scenario, in today's dollars. Note that all other assumptions are the same as those listed on the Assumptions schedule.



## Sensitivity Analysis - Portfolio Turnover Rates

Jack & Jill Flash

2037 Turnover	Net to Heirs		Charitable Transfers		Projected Adv-/Disadv	
	2nd Gen CLAT	GST CLAT	Cumulative Payouts	FV to Charity	To 2nd Generation	To 3rd Generation
0.0%	5,207,443	NA	1,079,019	1,109,267	690,273	NA
20.0%	5,383,382	NA	1,079,019	1,109,267	1,001,495	NA
40.0%	5,478,453	NA	1,079,019	1,109,267	1,140,420	NA
60.0%	5,542,791	NA	1,079,019	1,109,267	1,225,046	NA
80.0%	5,580,508	NA	1,079,019	1,109,267	1,274,314	NA
100.0%	5,605,348	NA	1,079,019	1,109,267	1,306,589	NA



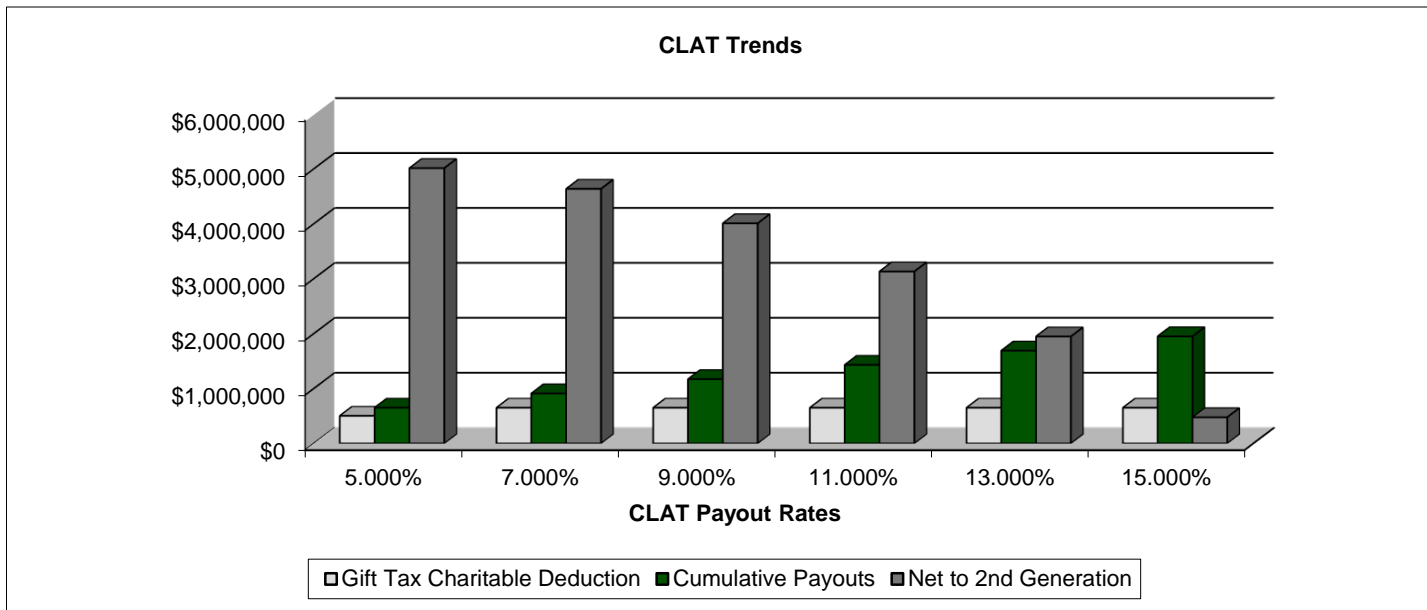
The illustration above shows the impact of portfolio turnover rate assumptions (inside and outside the trust) on the projected results. The graph shows the advantages or disadvantages of a CLAT, as compared to the baseline scenario, in today's dollars. Note that all other assumptions are the same as those listed on the Assumptions schedule.



## Sensitivity Analysis - CLAT Payout Rates

Jack & Jill Flash

2037 Payout	Charitable Transfers		Net to Heirs		Projected Adv-/Disadv	
	Gift Tax Char Deduction	Cumulative Payouts	2nd Generation	3rd Generation	To 2nd Generation	To 3rd Generation
5.000%	501,894	650,000	5,013,180	NA	646,306	NA
7.000%	650,000	910,000	4,635,731	NA	268,857	NA
9.000%	650,000	1,170,000	4,008,602	NA	-358,272	NA
11.000%	650,000	1,430,000	3,130,921	NA	-1,235,953	NA
13.000%	650,000	1,690,000	1,947,441	NA	-2,419,433	NA
15.000%	650,000	1,950,000	476,310	NA	-3,890,564	NA



The illustration above shows the impact of the CLAT payout rate assumption on the projected results. The graph shows the relationship between the CLAT payout rate and a) the charitable deduction, b) the cumulative payouts to charity and c) the net projected transfer to heirs. All other assumptions are the same as those listed on the Assumptions schedule.





## *Charitable Lead Annuity Trust*

Supporting Schedules for  
**BASELINE SCENARIO**

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

*Transfer \$1M ShopRight, Inc. to 20-Year Shark-Fin CLAT*



**Baseline Illustration**

Jack &amp; Jill Flash

Part 1 of 2

Year	Property Retained in the Family					Gross Estate Value 65.0%
	Beginning Balance	Taxable Income	Growth	Unrealized Gains	Ending Balance	
Start	1,000,000			700,000	1,000,000	0
2018	1,000,000	50,000	70,000	770,000	1,070,000	695,500
2019	1,070,000	53,500	74,900	844,900	1,144,900	744,185
2020	1,144,900	57,245	80,143	925,043	1,225,043	796,278
2021	1,225,043	61,252	85,753	1,010,796	1,310,796	852,017
2022	1,310,796	65,540	91,756	1,102,552	1,402,552	911,659
2023	1,402,552	70,128	98,179	1,200,730	1,500,730	975,475
2024	1,500,730	75,037	105,051	1,305,781	1,605,781	1,043,758
2025	1,605,781	80,289	112,405	1,418,186	1,718,186	1,116,821
2026	1,718,186	85,909	120,273	1,538,459	1,838,459	1,194,998
2027	1,838,459	91,923	128,692	1,667,151	1,967,151	1,278,648
2028	1,967,151	98,358	137,701	1,804,852	2,104,852	1,368,154
2029	2,104,852	105,243	147,340	1,952,192	2,252,192	1,463,925
2030	2,252,192	112,610	157,653	2,109,845	2,409,845	1,566,399
2031	2,409,845	120,492	168,689	2,278,534	2,578,534	1,676,047
2032	2,578,534	128,927	180,497	2,459,032	2,759,032	1,793,371
2033	2,759,032	137,952	193,132	2,652,164	2,952,164	1,918,906
2034	2,952,164	147,608	206,651	2,858,815	3,158,815	2,053,230
2035	3,158,815	157,941	221,117	3,079,932	3,379,932	2,196,956
2036	3,379,932	168,997	236,595	3,316,528	3,616,528	2,350,743
2037	3,616,528	180,826	253,157	0	3,869,684	2,515,295



**Baseline Illustration**

Jack &amp; Jill Flash

Part 2 of 2

Year	Investment Fund								
	Beginning Investment Balance	Taxable Income 2.0%	Growth 6.0%	Realized Gains 25.0%	Unrealized Gains	Transferred Property Cash Yield	Income & Medicare Taxes	Capital Gains Taxes	Ending Investment Balance
Start	0								0
2018	0	0	0	0	0	50,000	1,900	11,600	36,500
2019	36,500	730	2,190	548	1,643	53,500	2,082	12,708	78,130
2020	78,130	1,563	4,688	1,583	4,748	57,245	2,295	14,011	125,320
2021	125,320	2,506	7,519	3,067	9,200	61,252	2,539	15,503	178,555
2022	178,555	3,571	10,713	4,978	14,935	65,540	2,815	17,189	238,375
2023	238,375	4,768	14,303	7,309	21,928	70,128	3,124	19,071	305,378
2024	305,378	6,108	18,323	10,063	30,188	75,037	3,466	21,160	380,218
2025	380,218	7,604	22,813	13,250	39,751	80,289	3,843	23,465	463,616
2026	463,616	9,272	27,817	16,892	50,676	85,909	4,259	25,777	556,579
2027	556,579	11,132	33,395	21,018	63,053	91,923	4,715	28,537	659,777
2028	659,777	13,196	39,587	25,660	76,980	98,358	5,214	31,559	774,144
2029	774,144	15,483	46,449	30,857	92,571	105,243	5,760	34,864	900,694
2030	900,694	18,014	54,042	36,653	109,960	112,610	6,357	38,474	1,040,528
2031	1,040,528	20,811	62,432	43,098	129,294	120,492	7,007	42,412	1,194,844
2032	1,194,844	23,897	71,691	50,246	150,738	128,927	7,717	46,706	1,364,935
2033	1,364,935	27,299	81,896	58,159	174,476	137,952	8,490	51,384	1,552,208
2034	1,552,208	31,044	93,132	66,902	200,706	147,608	9,331	56,478	1,758,184
2035	1,758,184	35,164	105,491	76,549	229,648	157,941	10,247	62,020	1,984,513
2036	1,984,513	39,690	119,071	87,180	261,539	168,997	11,243	68,049	2,232,978
2037	2,232,978	44,660	133,979	98,879	0	180,826	12,326	74,604	2,505,513





## *Charitable Lead Annuity Trust*

Supporting Schedules for  
**CHARITABLE LEAD ANNUITY TRUST SCENARIO**

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

*Transfer \$1M ShopRight, Inc. to 20-Year Shark-Fin CLAT*

Charitable Lead Annuity Trust - Transfer \$1M ShopRight, Inc. to 20-Year Shark-Fin CLAT

## Inter Vivos Grantor Trust-Type CLAT Illustration

Jack & Jill Flash

Part 1 of 4

Year	Property Transferred to the CLAT				
	Beginning Balance	Taxable Income to Investments	Growth	Unrealized Gains	Ending Balance
Start	1,000,000			700,000	1,000,000
2018	1,000,000	50,000	70,000	770,000	1,070,000
2019	1,070,000	53,500	74,900	844,900	1,144,900
2020	1,144,900	57,245	80,143	925,043	1,225,043
2021	1,225,043	61,252	85,753	1,010,796	1,310,796
2022	1,310,796	65,540	91,756	1,102,552	1,402,552
2023	1,402,552	70,128	98,179	1,200,730	1,500,730
2024	1,500,730	75,037	105,051	1,305,781	1,605,781
2025	1,605,781	80,289	112,405	1,418,186	1,718,186
2026	1,718,186	85,909	120,273	1,538,459	1,838,459
2027	1,838,459	91,923	128,692	1,667,151	1,967,151
2028	1,967,151	98,358	137,701	1,804,852	2,104,852
2029	2,104,852	105,243	147,340	1,952,192	2,252,192
2030	2,252,192	112,610	157,653	2,109,845	2,409,845
2031	2,409,845	120,492	168,689	2,278,534	2,578,534
2032	2,578,534	128,927	180,497	2,459,032	2,759,032
2033	2,759,032	137,952	193,132	2,652,164	2,952,164
2034	2,952,164	147,608	206,651	2,858,815	3,158,815
2035	3,158,815	157,941	221,117	3,079,932	3,379,932
2036	3,379,932	168,997	236,595	3,316,528	3,616,528
2037	3,616,528	180,826	253,157	3,569,684	3,869,684



**Inter Vivos Grantor Trust-Type CLAT Illustration**

Jack & Jill Flash

Part 2 of 4

Year	CLAT Investment Fund						
	Beginning Investment Balance	Taxable Income 2.0%	Growth 6.0%	Realized Gains 25.0%	Unrealized Gains	Transferred Property Cash Yield	CLAT Payouts
Start	0			0	0		
2018	0	0	0	0	0	50,000	1,000
2019	49,000	980	2,940	735	2,205	53,500	1,000
2020	105,420	2,108	6,325	2,133	6,398	57,245	1,000
2021	170,099	3,402	10,206	4,151	12,453	61,252	1,000
2022	243,959	4,879	14,638	6,773	20,318	65,540	1,000
2023	328,015	6,560	19,681	10,000	29,999	70,128	1,000
2024	423,384	8,468	25,403	13,850	41,551	75,037	1,000
2025	531,291	10,626	31,877	18,357	55,072	80,289	1,000
2026	653,084	13,062	39,185	23,564	70,693	85,909	1,000
2027	790,240	15,805	47,414	29,527	88,580	91,923	1,000
2028	944,382	18,888	56,663	36,311	108,932	98,358	2,000
2029	1,116,290	22,326	66,977	43,977	131,932	105,243	2,000
2030	1,308,836	26,177	78,530	52,616	157,847	112,610	2,000
2031	1,524,152	30,483	91,449	62,324	186,972	120,492	2,000
2032	1,764,576	35,292	105,875	73,212	219,635	128,927	2,000
2033	2,032,669	40,653	121,960	85,399	256,196	137,952	2,000
2034	2,331,234	46,625	139,874	99,018	297,053	147,608	2,000
2035	2,663,341	53,267	159,800	114,213	342,640	157,941	2,000
2036	3,032,349	60,647	181,941	131,145	393,436	168,997	2,000
2037	3,441,934	68,839	206,516	149,988	449,964	180,826	1,051,019



### Inter Vivos Grantor Trust-Type CLAT Illustration

Jack & Jill Flash

Part 3 of 4

Year	Valuation for Payout	End of Year Payout	CLAT Payouts to Charity			
			Qualified Dividends + Ordinary Income	Planned Capital Gains	Triggered Capital Gains	Corpus
Start						
2018	650,000	1,000	1,000	0	0	0
2019	650,000	1,000	987	13	0	0
2020	650,000	1,000	965	35	0	0
2021	650,000	1,000	940	60	0	0
2022	650,000	1,000	912	88	0	0
2023	650,000	1,000	885	115	0	0
2024	650,000	1,000	858	142	0	0
2025	650,000	1,000	832	168	0	0
2026	650,000	1,000	808	192	0	0
2027	650,000	1,000	785	215	0	0
2028	650,000	2,000	1,527	473	0	0
2029	650,000	2,000	1,487	513	0	0
2030	650,000	2,000	1,450	550	0	0
2031	650,000	2,000	1,416	584	0	0
2032	650,000	2,000	1,383	617	0	0
2033	650,000	2,000	1,353	647	0	0
2034	650,000	2,000	1,325	675	0	0
2035	650,000	2,000	1,298	702	0	0
2036	650,000	2,000	1,273	727	0	0
2037	650,000	1,051,019	249,665	149,988	389,809	261,557



**Inter Vivos Grantor Trust-Type CLAT Illustration**

Jack & Jill Flash

Part 4 of 4

Year	Undistributed Current-Year Income			Taxes		Ending Investment Balance
	Qualified Dividends + Ordinary Income	Qualified Dividends	Capital Gains	Income & Medicare Taxes	Capital Gains Taxes	
Start						0
2018	49,000	49,000	0	0	0	49,000
2019	53,493	53,493	722	0	0	105,420
2020	58,388	58,388	2,098	0	0	170,099
2021	63,714	63,714	4,091	0	0	243,959
2022	69,507	69,507	6,685	0	0	328,015
2023	75,803	75,803	9,884	0	0	423,384
2024	82,646	82,646	13,708	0	0	531,291
2025	90,083	90,083	18,189	0	0	653,084
2026	98,163	98,163	23,372	0	0	790,240
2027	106,943	106,943	29,312	0	0	944,382
2028	115,718	115,718	35,838	0	0	1,116,290
2029	126,081	126,081	43,465	0	0	1,308,836
2030	137,336	137,336	52,066	0	0	1,524,152
2031	149,560	149,560	61,740	0	0	1,764,576
2032	162,835	162,835	72,595	0	0	2,032,669
2033	177,252	177,252	84,752	0	0	2,331,234
2034	192,908	192,908	98,342	0	0	2,663,341
2035	209,910	209,910	113,511	0	0	3,032,349
2036	228,371	228,371	130,418	0	0	3,441,934
2037	0	0	0	0	0	2,847,096



**CLAT Grantor Illustration**

Jack & Jill Flash

Part 1 of 2

Year	Beginning Balance	Income Tax Charitable Deduction Benefit	Current-Year Returns		Realized Gains 25.0%	Unrealized Gains
			Taxable Income 2.0%	Growth 6.0%		
2018	0	130,650	2,613	7,839	1,960	5,879
2019	126,367	130,650	5,140	15,421	5,325	15,975
2020	260,040		5,201	15,602	7,894	23,683
2021	261,273		5,225	15,676	9,840	29,520
2022	260,634		5,213	15,638	11,289	33,868
2023	257,992		5,160	15,480	12,337	37,011
2024	253,171		5,063	15,190	13,050	39,151
2025	245,949		4,919	14,757	13,477	40,431
2026	236,066		4,721	14,164	13,649	40,946
2027	223,452		4,469	13,407	13,588	40,765
2028	207,560		4,151	12,454	13,305	39,914
2029	187,938		3,759	11,276	12,798	38,393
2030	164,210		3,284	9,853	12,061	36,184
2031	135,893		2,718	8,154	11,084	33,253
2032	102,447		2,049	6,147	9,850	29,550
2033	63,278		1,266	3,797	8,337	25,010
2034	17,727		355	1,064	6,518	19,555
2035	-34,932		-699	-2,096	4,365	13,094
2036	-95,501		-1,910	-5,730	1,841	5,523
2037	-164,861		-3,297	-9,892	-1,092	0





**CLAT Grantor Illustration**

Jack &amp; Jill Flash

Part 2 of 2

Year	CLAT Taxable Income			Taxes		Ending Balance Accumulated	Potential Recapture of Charitable Deduction Benefit	Ending Balance Net of Deduction Benefit Recapture
	Qualified Dividends + Ordinary Income	Qualified Dividends	Capital Gains	Income & Medicare Taxes	Capital Gains Taxes			
2018	50,000	50,000	0	2,074	12,661	126,367	111,059	15,308
2019	54,480	54,480	13	2,468	15,070	260,040	220,899	39,141
2020	59,353	59,353	35	2,754	16,816	261,273	198,795	62,478
2021	64,654	64,654	60	3,032	18,509	260,634	175,318	85,316
2022	70,419	70,419	88	3,306	20,186	257,992	150,388	107,604
2023	76,688	76,688	115	3,583	21,878	253,171	123,920	129,251
2024	83,504	83,504	142	3,867	23,608	245,949	95,824	150,125
2025	90,915	90,915	168	4,160	25,399	236,066	66,006	170,060
2026	98,971	98,971	192	4,466	27,033	223,452	36,416	187,036
2027	107,728	107,728	215	4,788	28,980	207,560	843	206,717
2028	117,245	117,245	473	5,137	31,090	187,938	0	187,938
2029	127,568	127,568	513	5,496	33,267	164,210	0	164,210
2030	138,786	138,786	550	5,878	35,577	135,893	0	135,893
2031	150,975	150,975	584	6,284	38,033	102,447	0	102,447
2032	164,218	164,218	617	6,716	40,649	63,278	0	63,278
2033	178,605	178,605	647	7,176	43,436	17,727	0	17,727
2034	194,233	194,233	675	7,668	46,410	-34,932	0	-34,932
2035	211,208	211,208	702	8,192	49,582	-95,501	0	-95,501
2036	229,644	229,644	727	8,751	52,969	-164,861	0	-164,861
2037	249,665	249,665	539,797	29,833	180,567	-388,450	0	-388,450



**CLAT Grantor Recapture of Income Tax Charitable Deduction**

Jack & Jill Flash

Year	Elapsed Years	Expected Years Remaining	Discount Factor 2.60%	CLAT Income/Gains	Discounted CLAT Income/Gains	Cumulative Discounted CLAT Income/Gains (A)	Cumulative Charitable Deduction Claimed (B)	Potential Recapture of Charitable Deduction (B) - (A)	Potential Recapture of Charitable Deduction Benefit
2018	1.000000	19.000000	0.974659	50,000	48,733	48,733	325,000	276,267	111,059
2019	2.000000	18.000000	0.949960	54,493	51,766	100,499	650,000	549,501	220,899
2020	3.000000	17.000000	0.925887	59,388	54,987	155,486	650,000	494,514	198,795
2021	4.000000	16.000000	0.902424	64,714	58,400	213,886	650,000	436,114	175,318
2022	5.000000	15.000000	0.879555	70,507	62,015	275,900	650,000	374,100	150,388
2023	6.000000	14.000000	0.857266	76,803	65,841	341,741	650,000	308,259	123,920
2024	7.000000	13.000000	0.835542	83,646	69,890	411,631	650,000	238,369	95,824
2025	8.000000	12.000000	0.814369	91,083	74,175	485,807	650,000	164,193	66,006
2026	9.000000	11.000000	0.793732	99,163	78,709	564,516	650,000	85,484	36,416
2027	10.000000	10.000000	0.773618	107,943	83,507	648,022	650,000	1,978	843
2028	11.000000	9.000000	0.754013	117,718	88,761	736,783	650,000	0	0
2029	12.000000	8.000000	0.734906	128,081	94,128	830,911	650,000	0	0
2030	13.000000	7.000000	0.716282	139,336	99,804	930,715	650,000	0	0
2031	14.000000	6.000000	0.698131	151,560	105,809	1,036,523	650,000	0	0
2032	15.000000	5.000000	0.680440	164,835	112,160	1,148,683	650,000	0	0
2033	16.000000	4.000000	0.663197	179,252	118,879	1,267,563	650,000	0	0
2034	17.000000	3.000000	0.646390	194,908	125,987	1,393,549	650,000	0	0
2035	18.000000	2.000000	0.630010	211,910	133,505	1,527,055	650,000	0	0
2036	19.000000	1.000000	0.614045	230,371	141,458	1,668,512	650,000	0	0
2037	20.000000	0.000000	0.598484	289,462	172,481	2,140,993	650,000	0	0



Charitable Lead Annuity Trust - Transfer \$1M ShopRight, Inc. to 20-Year Shark-Fin CLAT

**CLAT Basis & Gains Triggered on Payout**

Jack & Jill Flash

Year	Predistribution Basis	CLAT Payout	Tentative Adjusted Basis	Post-Payout Value	Potential Triggering Payout	Gains Triggered	Ending Adjusted Basis
2018	350,000	1,000	349,000	1,119,000	0	0	349,000
2019	404,215	1,000	403,215	1,250,320	0	0	403,215
2020	464,701	1,000	463,701	1,395,142	0	0	463,701
2021	532,506	1,000	531,506	1,554,755	0	0	531,506
2022	608,697	1,000	607,697	1,730,567	0	0	607,697
2023	694,385	1,000	693,385	1,924,114	0	0	693,385
2024	790,740	1,000	789,740	2,137,073	0	0	789,740
2025	899,012	1,000	898,012	2,371,270	0	0	898,012
2026	1,020,547	1,000	1,019,547	2,628,699	0	0	1,019,547
2027	1,156,801	1,000	1,155,801	2,911,533	0	0	1,155,801
2028	1,309,357	2,000	1,307,357	3,221,142	0	0	1,307,357
2029	1,478,903	2,000	1,476,903	3,561,027	0	0	1,476,903
2030	1,668,305	2,000	1,666,305	3,933,997	0	0	1,666,305
2031	1,879,604	2,000	1,877,604	4,343,110	0	0	1,877,604
2032	2,115,034	2,000	2,113,034	4,791,701	0	0	2,113,034
2033	2,377,038	2,000	2,375,038	5,283,398	0	0	2,375,038
2034	2,668,288	2,000	2,666,288	5,822,156	0	0	2,666,288
2035	2,991,709	2,000	2,989,709	6,412,282	0	0	2,989,709
2036	3,350,498	2,000	3,348,498	7,058,461	0	0	3,348,498
2037	3,748,151	1,051,019	2,697,133	6,716,781	651,366	389,809	3,086,941





## *Charitable Lead Annuity Trust*

Supporting Schedules for  
**TAX RATES**

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

*Transfer \$1M ShopRight, Inc. to 20-Year Shark-Fin CLAT*

**Tax Rates**

Jack & Jill Flash

Year	Jack						Heirs			
	Federal Ordinary Income Tax Rate	Effective State Income Tax Rate 5.0%	Combined Ordinary Income Tax Rate	Combined Capital Gains Tax Rate	Charitable Deduction Tax Rate	Estate Tax Rate	Federal Ordinary Income Tax Rate	Effective State Income Tax Rate 5.0%	Combined Ordinary Income Tax Rate	Heirs Combined Capital Gains Tax Rate
2018	37.0%	3.2%	40.2%	23.2%	40.2%	40.0%	37.0%	3.2%	40.2%	23.2%
2019	37.0%	3.2%	40.2%	23.2%	40.2%	40.0%	37.0%	3.2%	40.2%	23.2%
2020	37.0%	3.2%	40.2%	23.2%	40.2%	40.0%	37.0%	3.2%	40.2%	23.2%
2021	37.0%	3.2%	40.2%	23.2%	40.2%	40.0%	37.0%	3.2%	40.2%	23.2%
2022	37.0%	3.2%	40.2%	23.2%	40.2%	40.0%	37.0%	3.2%	40.2%	23.2%
2023	37.0%	3.2%	40.2%	23.2%	40.2%	40.0%	37.0%	3.2%	40.2%	23.2%
2024	37.0%	3.2%	40.2%	23.2%	40.2%	40.0%	37.0%	3.2%	40.2%	23.2%
2025	37.0%	3.2%	40.2%	23.2%	40.2%	40.0%	37.0%	3.2%	40.2%	23.2%
2026	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2027	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2028	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2029	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2030	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2031	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2032	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2033	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2034	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2035	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2036	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%
2037	39.6%	3.0%	42.6%	23.0%	42.6%	40.0%	39.6%	3.0%	42.6%	23.0%

