

WealthTec® PlanXPRT

Advanced Planning Back Office Support
For Professional Wealth Advisors

WealthTec LLC
wealthtec.com
(301) 725-1437/howard@wealthtec.com

WealthTec PlanXPRT Overview

- Advanced planning back office report generation
 - Strategic wealth planning illustrations
 - Integrated cash flow analysis
 - Complex tax planning
 - Comprehensive estate planning
 - Tactical wealth planning illustrations
 - Focused, on-the-margin financial, tax and estate planning
 - Cutting-edge techniques with comparisons to baseline
- Developed by the author of WealthTec Suite, a former practitioner specializing in planning for HNW and UHNW clients

Strategic Wealth Planning Reports

- Comprehensive lifecycle planning
 - Integrated lifetime cash flow and net worth projections
 - Detailed income tax calculations, including AMT & QBID
 - Extensive employer stock modeling capabilities
 - Lump-sum distributions with net unrealized appreciation
 - Roth IRA conversions
 - Executive compensation plans
 - Basic-to-advanced estate planning
 - Monte Carlo simulations
- Side-by-side case comparisons

Strategic Estate Planning Reports

- Comprehensive estate planning
 - Flowcharting
 - Specific bequests
 - Bypass trusts, marital trusts and ILITs
 - Outright gifts
 - Family entities with valuation discounts
 - Estate freeze planning with split-interest trusts
 - Planned charitable giving
 - Lifetime and testamentary GST planning
- Side-by-side case comparisons

Tactical or Focused Planning Reports

Tax-Deferred Plans

- Leveraged IRAs
- Roth IRA conversions
- IRA to CRT
- Nonqualified plan to CRT

Planning with Life Insurance

- Pension maximization
- Buy term and invest the difference
- CRTs + wealth replacement trusts

Estate Freeze Techniques

- Sale to grantor trust
- Rolling GRATs
- RPM annuity trusts
- Outright gifting techniques
- SCINs and private annuities

Planned Charitable Giving

- CLTs, CRTs and gift annuities
- Specialized NIMCRUTs
- Charitable GRATs

WealthTec PlanXPRT Screenshots

Strategic Wealth Planning Illustration - Recommended Allocations & Advanced Planning

Financial Assets & Cash Flow Summary

Jack & Jill Family

Cash Flow Sufficiency & Financial Asset Depletion	NA
Cash flow needs are met in all years between 2014 and 2046	NA
First year when financial assets are depleted	NA
Jack's attained age at year when financial assets are depleted	NA
Aggregate ending financial asset balances	148,643
Outstanding balance of deficit funding loan in 2046	2,716,863

Present Value of Projected Cash Outflows Between 2014 and 2046	20,341,370
Present value of projected cash outflows between 2014 and 2046	33,743,940
Present value of cash flow surplus/deficit	-7,402,570

Projected Cash Flows

Projected Financial Assets

Grantor Retained Annuity Trust - Transfer SMIH ShopRight, Inc. to 6-Year GRAT or Five Rolling GRATs

Rolling GRATs Illustration

Jack & Jill Family

Assumes a Level Annuity, five Rolling 2-Year GRATs and No Sale of Transferred Property during the GRAT Term

Year	2-Year GRAT	3-Year GRAT	4-Year GRAT	5-Year GRAT	6-Year GRAT
2015	\$1,367,602	\$1,714,000	\$2,071,608	\$2,442,150	\$2,824,418
2016	\$1,367,602	\$1,714,000	\$2,071,608	\$2,442,150	\$2,824,418
2017	-	\$1,714,000	\$2,071,608	\$2,442,150	\$2,824,418
2018	-	-	\$2,071,608	\$2,442,150	\$2,824,418
2019	-	-	-	\$2,442,150	\$2,824,418
2020	-	-	-	-	\$2,824,418

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

Sensitivity Analysis - CLAT Payout Rates

Jack & Jill Family

Payoff	GR Tax Char. Deduction	Cumulative Payments	Net to Heirs	Projected Adv. Disadv.
5.00%	\$21,307	\$50,000	\$,232,251	\$35,372
7.00%	650,000	910,000	4,032,658	-335,975
9.00%	650,000	1,170,000	2,801,234	-787,399
11.00%	650,000	1,430,000	2,369,878	-1,408,755
13.00%	650,000	1,690,000	1,904,276	-2,494,357
15.00%	650,000	1,950,000	1,509,523	-3,859,119

CLAT Trends

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 payments to charity, and c) the net projected transfer to heirs. All other assumptions are the same as those listed on the Assumptions schedule.

GRAT vs. Sale to Grantor Trust - Estate Freeze Planning Technique Comparison for ShopRight, Inc.

Summary

Jack & Jill Family

	Baseline	GRAT	Rolling GRATs	Sale to Grantor Trust
In 2023				
Taxable GR	NA	23	37	325,000
Value of trust at end of the GRAT or note term	NA	3,975,168	4,271,792	\$623,462
Grantor's accumulations-estate depletion	13,299,285	7,859,319	6,896,710	2,563,210
Total transferable value in 2023	12,209,285	12,209,287	12,209,278	12,209,285
Estate taxes on tax savings	-3,899,768	-2,422,804	-2,104,703	-1,105,284
Deferred capital gains and Medicare taxes	0	-413,400	-1,309,656	-4,917,592
Net to heirs	9,309,517	9,382,683	10,997,819	16,586,777

Planning advantage/disadvantage over baseline	\$70,445	\$65,341	\$34,200
Present value of advantage/disadvantage @ 3.0% <td>424,465</td> <td>591,808</td> <td>620,723</td>	424,465	591,808	620,723

Wealth Transfer Comparison in \$Thousands

NOTE: Please refer to the accompanying reports illustrating the GRAT and installment sale to grantor trust planning techniques for the detailed schedules, charts and planning assumptions used for this comparative analysis.

Cash Flow Illustration - Retirement Cash Flow Illustration

Trend Analysis Sensitivity

Jack & Jill Family

IR = Jack's Age, (R) = Jill's Age

RETIREMENT AGE SENSITIVITY						
Retirement Age	Present Value of Projected Cash Inflows	Present Value of Projected Cash Needs	Projected Capital Surplus/Deficit	Age When Funds Are Depleted	Ending Financial Asset Balances	Outstanding Deficit Funding Loan
60	5,037,379	7,811,828	-2,774,450	81 (R)	0	10,403,303
61	5,260,823	7,916,526	-2,655,703	81 (R)	0	8,069,879
62	5,500,148	7,820,864	-2,320,716	83 (R)	0	5,668,212
63	5,755,987	7,824,958	-2,068,971	86 (R)	0	3,227,771
64	6,020,951	7,828,823	-1,799,772	89 (R)	0	918,579
65	6,300,228	7,832,472	-1,532,244	NA	3,019,736	0

The table above illustrates the impact of Jack's retirement age on the results of this 38-year illustration.

PORTFOLIO GROWTH RATE SENSITIVITY						
Portfolio Growth Rate	Present Value of Projected Cash Inflows	Present Value of Projected Cash Needs	Projected Capital Surplus/Deficit	Age When Funds Are Depleted	Ending Financial Asset Balances	Outstanding Deficit Funding Loan
3.0%	5,152,338	13,824,597	-8,672,259	74 (R)	0	18,517,543
2.0%	5,310,716	10,862,818	-5,552,101	78 (R)	0	13,662,589
4.0%	6,016,087	8,559,798	-2,543,712	84 (R)	0	4,789,897
6.0%	6,330,645	6,842,308	-1,511,663	NA	27,646,773	0
8.0%	6,315,102	5,919,420	395,742	NA	77,435,452	0
10.0%	6,288,000	5,395,443	2,229,550	NA	173,895,559	0

The table above illustrates the impact of annual pretax portfolio growth rates on the results of this 38-year illustration.

INFLATION RATE SENSITIVITY						
Inflation Rate	Present Value of Projected Cash Inflows	Present Value of Projected Cash Needs	Projected Capital Surplus/Deficit	Age When Funds Are Depleted	Ending Financial Asset Balances	Outstanding Deficit Funding Loan
2.0%	6,076,209	7,309,770	-1,233,561	NA	10,515,188	0
2.5%	6,776,078	7,384,784	-1,608,706	NA	687,034	0
3.0%	6,500,148	7,820,864	-2,320,716	83 (R)	0	5,668,212
3.5%	6,339,518	6,290,768	-2,897,278	81 (R)	0	11,767,170
4.0%	6,248,065	6,811,378	-3,563,313	79 (R)	0	18,047,748
4.5%	6,183,421	6,388,342	-4,204,921	77 (R)	0	24,654,892

The table above illustrates the impact of the annual inflation rate on the results of this 38-year illustration.

Strategic Wealth Planning Illustration - Recommended Allocations & Advanced Planning

Estate Flow Illustration in 2046

Jack & Jill Family

Illustration Assumes That Death Occurs in 2046

The diagram illustrates the flow of assets from the decedent's estate to various trusts and beneficiaries in 2046. Key components include:

- Projected Net Worth: \$66,488
- Irrevocable Trusts: \$144,084,877
- Total Insurance: \$6,972,289
- Charity: \$911,945
- Trusts: Gross Estate \$64,408; A/R-TO Estate \$636,495; A/R-TC Estate \$636,499; Net Spouse's \$169,682,582; Net to 2nd Gen \$27,440,416
- Income & Deferred Taxes: \$24,749,237
- 7th Gen Equity Trust: \$7,987,746
- Net to 3rd Gen: \$147,985,342

WealthTec PlanXPRT Summary

- Advanced planning back office support via report generation
- Strategic and tactical wealth planning illustrations
- What-ifs and side-by-side case comparisons
- Developed by an experienced planning practitioner and software developer
- Can supplement or replace in-house financial and/or estate planning software
 - Reduces investment in technology and training
 - Allows for increased client face time