Quarterly Check-In: Client #1 and #2

Prepared by Adam Coleman – XX/XX/XX

Commentary

Overall, you're making excellent progress and have completed most of the major planning items we identified last meeting. The remaining tasks are listed below.

The retirement plan is generally on track, but the biggest variables will be ongoing spending and savings over the next several years. Establishing a consistent savings process remains one of the most impactful steps you can take. If we find out that's not sustainable, that will be the best indication of whether we need to adjust some of the long term goals.

Action Items

Recommendation
☐ Keep ~6 months of living expenses for emergencies, but shift any remaining cash you're sitting on into long term investments. Overall goal: 60% US Large, 20% International, 20% US Small Cap (VBR). You're pretty heavy International already, so I would split new money 50/50 into IVV and VBR.
☐ Try to set up monthly or quarterly automated savings of $10,000 per month going into your brokerage for long term savings
☐ Rollover Client #2's 401(k) into solo401(k) at Fidelity and invest in the same portfolio you have already
☐ Complete the backdoor Roth IRA for Client #2, just like we did today with yours: Go to Fidelity > Transfer > select From Traditional IRA > select To Roth IRA > select the full account balance and leave the account open.
☐ Email me a screenshot of your available investment options with your 401(k)
☐ Begin tracking your spending through whatever app you pick: Rocket, Empower, Monarch Money. Nectarine also has a cash flow tracker
☐ Send me any information you have on existing life or disability insurance either of you might have either through work or outside of work.
☐ Schedule your next quarterly check-in sometime in September: Schedule Here

Looking Ahead

Once we check off the items above, we'll work on:

- **Life/Disability Insurance:** I want to review how much either of you might need in insurance to cover you between now and the time you are financially independent and no longer need life or disability insurance.
- **Estate Planning:** We'll discuss the difference between a Will versus a Revocable Trust to see which might work best for you moving forward and how that impacts your accounts/assets
- **Reverse Budgeting:** Let's discuss this type of budgeting where we essentially set up automated savings that accomplish your long term goals and allows you to spend whatever is left over guilt-free.

Client #1 and #2: Financial Checkup

Prepared by Adam Coleman – XX/XX/XX

"Am I On Track?"

- 💰 > 90% = Consider spending more
- 🟢 > 80% = On Track
- 🟡 60-80% = Potential Adjustments Needed
- 🔴 < 60% = Off Track

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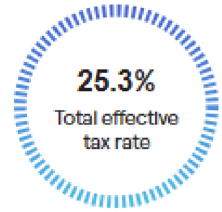


Probability of success of Reduce Spending $5k/mo

Balance Sheet

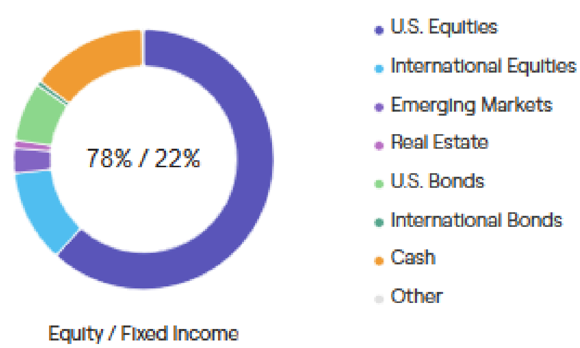
Bank	$212,692
Invested assets	$2,105,258
Real estate assets	$1,300,000
Life insurance cash value	$0
Business assets	$0
Other assets	$0
Credit cards	$1,118
Mortgages and equities	$1,117,000
Student loans	$0
Other debts	$62,861
Net worth	**$2,436,971**

⭐ **Report Card**

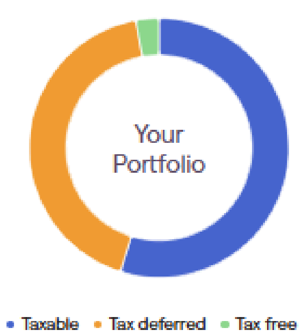
✅ Zero High Interest Debt
✅ 3-6 months Emergency Fund
— Employer Match
— Max HSA
— Max Roth (high income, need backdoor)
✅ Max Out Retirement
✅ ❌ — ⏳ Life Insurance
✅ ❌ — ⏳ Estate Plan

✅ (Complete) ❌ (Incomplete) — **(N/A)** ⏳ (Work in Progress)

Current allocation



Tax allocation summary

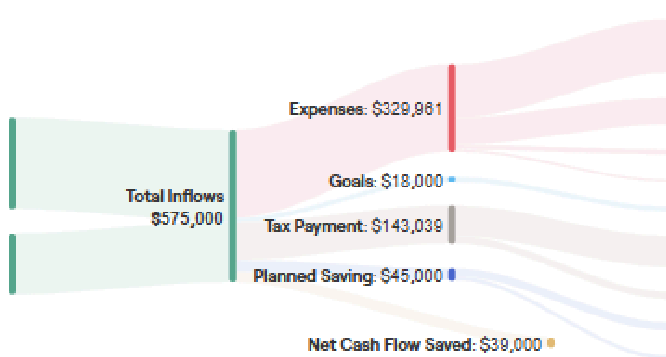


$1,270,757
Taxable asset

$980,790
Tax deferred asset

$66,402
Tax free asset

Waterfall of Proposed plan (2026)



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Goals

- Break away from Merrill Lynch financial advisors
- Create a simpler portfolio that can be self-managed in a tax efficient way
- Retire in 10-15 years
- Better utilize tax-advantaged accounts (solo401(k), Roth IRAs)

Commentary

Hi Client #1 and #2, congrats on breaking away from Merrill and saving those large investment management fees. Your plan has a lot of potential with significant income sources so a lot will depend on flexibility with spending.

The top priority is to clean up what we can with the old Merrill accounts that are now at Fidelity. The retirement accounts are easier because rebalancing doesn't trigger any taxes. We'll be more methodical with the taxable brokerage account to avoid triggering big tax bills.

Action Items

Recommendation
☐ Move as much of the $200,000 you are currently holding in checking into some sort of safe account that gets a higher yield. The Fidelity Cash Management account is a great option for this to at least get the ~3.4% yield currently versus the 0% you're getting now.
☐ Sell all shares of DDWM, DEM, GIBIX, GSFTX, VCIT within your taxable brokerage. This triggers ~$3,000 in capital gains which results in a minimal additional tax of around $600.
☐ Take that ~$120,000 you get from those sales along with ~$100,000 from the money you have sitting in cash/SPAXX and invest into: IVV - 50% = $110,000 VBR - 20% = $44,000 (this is the only fund that you don't already own) IEFA - 20% = $44,000 IEMG - 10% = $22,000
☐ Turm OFF dividend reinvesting for all funds except IVV, VBR, IEFA, IEMG
☐ Solo401(k): Sell all existing funds and then rebalance into: 60% VTI - US Total Stock Index 20% VBR - Small Cap Value (you already have a little of this fund) 20% VXUS - International
☐ Rollover Client #2's 401(k) into solo401(k) at Fidelity - you'll need to reach out to John Hancock and request rollover paperwork and have them close out the old 401(k), issue a check payable to Fidelity and mailed directly to them)or to you and forwarded to Fidelity)
☐ Once those rollover funds are received by Fidelity, invest in the same portfolio mentioned above.
☐ Open a Traditional IRA at Fidelity for each of you (this will be used for the backdoor Roth IRA we'll go over together next time). Don't deposit any money, just open it with $0.
☐ Schedule your next quarterly check-in anytime after 5/26: [Schedule Here]

Looking Ahead

Once we check off the items above, we can work on:

- **Retirement Projections:** We'll go through various projections and build out different scenarios to see how working longer and/or adjust spending impacts your long term projections
- **Insurance/Estate Planning:** We'll take a look at your existing insurance policies to see if adjustments are needed. Review whether you have any sort of existing estate plan and discuss various options.
- **Backdoor Roth IRA walkthroug**h: Let's run through this in more detail so that you have a better idea of how to do this on Fidelities website
- **Simplification of Brokerage**: We can review your existing portfolio to see if there are any other funds we can sell without triggering significant tax implications

Disclosures