



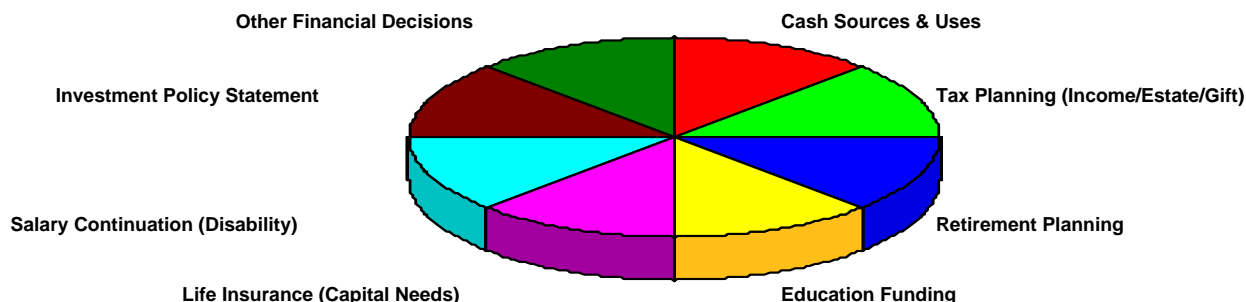
CHARTING THE COURSE



Special Series of Briefs About Beacon's Client Services

Your INTEGRATED Financial Life...Beacon's Approach

YOUR FINANCIAL LIFE IS INTEGRATED...GOOD DECISIONS CONSIDER THE WHOLE



"...your financial plan is not a 3-ring leather binder that gathers dust—it is a lifetime endeavor."

CONGRATULATIONS! Your decision to get serious about your financial and investment life planning will be one of the most rewarding of your life. In this client SERVICE BRIEF, Beacon summarizes the implementation process of our financial planning services. We say "process" because your financial plan is not a 3-ring leather binder that gathers dust—it is a lifetime endeavor. We'll cover some of the benefits you can expect from our teamwork with you. (Beacon's investment planning process is covered in detail in our white-paper BALANCED, GLOBAL INVESTING so we'll concentrate here on our financial planning process.)

Your financial life is **INTEGRATED**. There is no "one-size-fits-all" approach to financial planning—your financial needs are unique! With that in mind, Beacon will teamwork with you to understand your goals and aspirations. Depending on the scope of your financial planning engagement with Beacon (as specified in your FINANCIAL PLANNING AGREEMENT), we'll be systematically analyzing the various components of your financial life during the initial year of our teamwork with you, and each year thereafter.

BEACON'S STEPS TO DEVELOPING YOUR FINANCIAL PLAN

- 1. DATA and DOCUMENT GATHERING** – our PERSONAL FINANCIAL PROFILE *questionnaire* lets you tell Beacon who you are and what you want to accomplish. Time permitting, you'll complete the PERSONAL FINANCIAL PROFILE completely as applicable to your circumstances. Otherwise, at a minimum you'll complete page 4, DOCUMENT GATHERING, and pages 7-8, your INVESTMENT POLICY STATEMENT. *This is the blueprint for your financial plan, thus your time is vital.*
- 2. SCHWAB INSTITUTIONAL** – in the initial weeks of our teamwork, Beacon will assist you in opening your Schwab Institutional investment accounts as applicable (personal, IRAs, trusts, etc.). If your existing investments are held elsewhere (bank, brokerage, etc.), you'll be signing TRANSFER OF ACCOUNT forms enabling Schwab Institutional to receive your assets. This process normally takes from 2 to 4 plus weeks unless your assets are in cash (time will be less). Beacon will guide this process every step of the way. *Our clients enjoy economies of scale with Schwab Institutional, including low transactions fees and dedicated investment professionals.*
- 3. CLIENTVIEW database** – in the initial weeks of our teamwork, Beacon will prepare a comprehensive database of your financial resources, obligations and related information. We'll prepare your **NET WORTH**

STATEMENT, and your **CLIENTVIEW database** includes even details of your legal documents like wills, trusts, and powers of attorney. Our clients gain a great deal of insight and perspective about having all their financial information available in a single source.

4. **INCOME TAX FORECAST** – in the initial weeks of our teamwork, Beacon prepares a 3-year income tax forecast of your federal (and state if applicable) taxes, beginning with the last actual return as filed, the current year, and one year out. This gives us valuable information about your sources and uses of funds, tax planning opportunities, plus we learn important facts that we can and do use in constructing your investment portfolio (see below).
5. **CASH SOURCES AND USES** – after completing the INCOME TAX FORECAST and PERSONAL FINANCIAL PROFILE, Beacon is able to analyze your sources and uses of funds. We will identify and recommend techniques about how best to use cash flow, including debt reduction, lifestyle enhancement, improve risk management, more savings and investment, and so on.
6. **INVESTMENT PORTFOLIO IMPLEMENTATION** – Beacon will take a long-term look at your financial future to construct a suitable investment plan. This will incorporate all the *quantifiable* goals you told us was important (like education funding). Beacon will also prepare your INVESTMENT POLICY STATEMENT based in large part on your answers on pages 7-8, which includes your *qualitative* objectives and constraints. Then Beacon will complete your INVESTMENT RECOMMENDATION MATRIX to begin your investment plan. Our clients gain a valuable appreciation for the rationale behind their investment plan, and are in a good position to understand Beacon's recommendations.
7. **RISK MANAGEMENT** – later in your initial planning year, Beacon will review your insurance programs in conjunction with your insurance agent(s). Beacon does not sell insurance products, so our role is focused on helping you make suitable decisions. Risk management involves making tradeoffs between risk taking and risk transfer. Our clients can make more informed insurance purchase decisions, without undue pressure, with a knowledge of their overall sources and uses of funds decisions and tradeoffs.
8. **LEGAL DOCUMENTS** – as noted in step 3, Beacon will summarize your existing legal documents (wills, trusts, powers of attorney, beneficiary designations, etc.). If your existing documents need to be revisited with your legal counsel, Beacon will attend the meeting with you and present your updated **NET WORTH STATEMENT**. Our clients' attorney is usually in a better position to counsel about legal matters with a comprehensive and exhaustive look at existing facts.

OTHER HIGHLIGHTS REGARDING BEACON'S TEAMWORK WITH YOU

- **MEETINGS** – Beacon is proactive and will call you for personal face-to-face meetings (1-2 times each year, depending on your engagement). We'll come equipped with a MEETING ITINERARY to cover topics we deem important, and we'll solicit your input for the MEETING ITINERARY. Our clients benefit by having Beacon's professionals focus exclusively on their needs and issues.
- **MEETING FOLLOW-UP LETTERS** – after each meeting, Beacon will send you a MEETING FOLLOW-UP LETTER detailing our discussion, decisions and agreed-upon action steps. The MEETING FOLLOW-UP LETTERS' action steps and due dates are input into Beacon's contact management database, helping assure timely completion of each clients' financial decision.
- **INTERIM NEEDS** – have a question, or need Beacon's assistance on a matter that can't wait until our next meeting? We're always available to you by phone, fax, or e-mail.
- ♦ **ONGOING COMMUNICATION** – in addition to Beacon's written MEETING FOLLOW-UP LETTERS, Beacon routinely sends helpful and useful information to our clients, including our quarterly newsletter (ON WATCH), interim investment reports (MEMOs, ADVISORYs & ALERTs), and our year end TAX DOCUMENTATION REPORT. Our clients enjoy timely and meaningful contact with and from Beacon that keeps them well informed about their financial progress.