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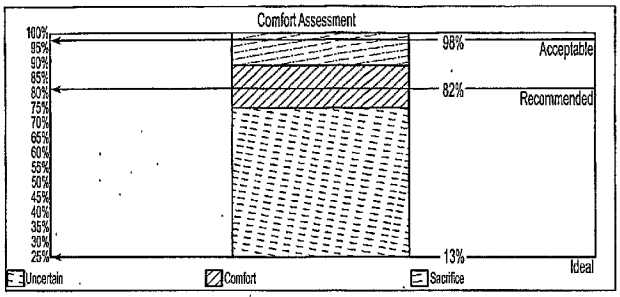
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(54) Title: METHOD AND SYSTEM FOR FINANCIAL ADVISING



	Ideal	Recommended	Acceptable
Zone	Uncertain	Comfort	Sacrifice
Comfort Level	13%	82%	98%
Simulation Method	Monte Carlo	Monte Carlo	Monte Carlo

Definitions:
- Uncertain - Confidence too low, significant changes to goal may be necessary now or in the future
- Comfort - Sufficient confidence without undue sacrifice, changes to goals mainly to be minor and manageable
- Sacrifice - Unnecessary sacrifice to lifestyle or undue investment risk

	Ideal	Recommended	Acceptable
Retirement Age			
Client	63	65	68
Spouse	59	61	64
Retirement Need			
Client	$120,000	$120,000	$110,000
Target End Value	$2,000,000	$500,000	$100,000
Avg. Annual Savings			
Pre-Retirement	$32,934	$32,667	$54,251
Default Inflation Rate	3%	3%	3%
Education	Yes	Yes	Some
Median Return	6.72%	9.09%	11.07%
Risk			
Std. Deviation	7.96%	14.16%	21.54%
Downside (95%-tile)	-5.56%	-11.71%	-18.65%
Other Goals			
Gifting to Son	$10,000	No	No
Travel	$25,000	$25,000	$5,000

(57) **Abstract:** A method of providing financial advice to a client that provides sufficient confidence that their goals will be achieved or exceeded but that avoids excessive sacrifice to the client's current or future lifestyle and avoids investment risk that is not needed to provide sufficient confidence, of the goals a client personally values. The method comprises obtaining typical client background information, as well as a list of investment goals, and ideal and acceptable values in dollar amounts and timing for each goal. The client is then asked to provide their preferences for each goal on the list compared to each other goal in the list, wherein the client's preference is expressed in terms of the price, in money or time, that the client is willing to pay in one goal to achieve another goal or a greater amount or sooner timing of other goals on the list. A matrix can be used to express these value contrasts. A recommendation is then created using the portfolio value, and the client goal preferences and the ideal and acceptable values of goals, by simulating models of the relevant capital markets and investing exclusively inpassive investment alternatives to avoid the risk of potential material underperformance of active investments under the premise of avoiding investment risk that is not needed to confidently buy the client the goals they personally value. The recommendation may include a range of portfolio values over their life or time horizon within which the client's portfolio should remain in order to ensure the recommendation remains within a "comfort zone" which represents sufficient confidence that the client's goals will be achieved while avoiding excessive current sacrifice. Periodic monitoring of the recommendation is also performed to capture changes to the client's goals and actual portfolio values based on the results of the capital markets. Appropriate changes to the recommendation can then be made to ensure that the recommendation remains within the "comfort zone".

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