OUR RETIREMENT INCOME APPROACH

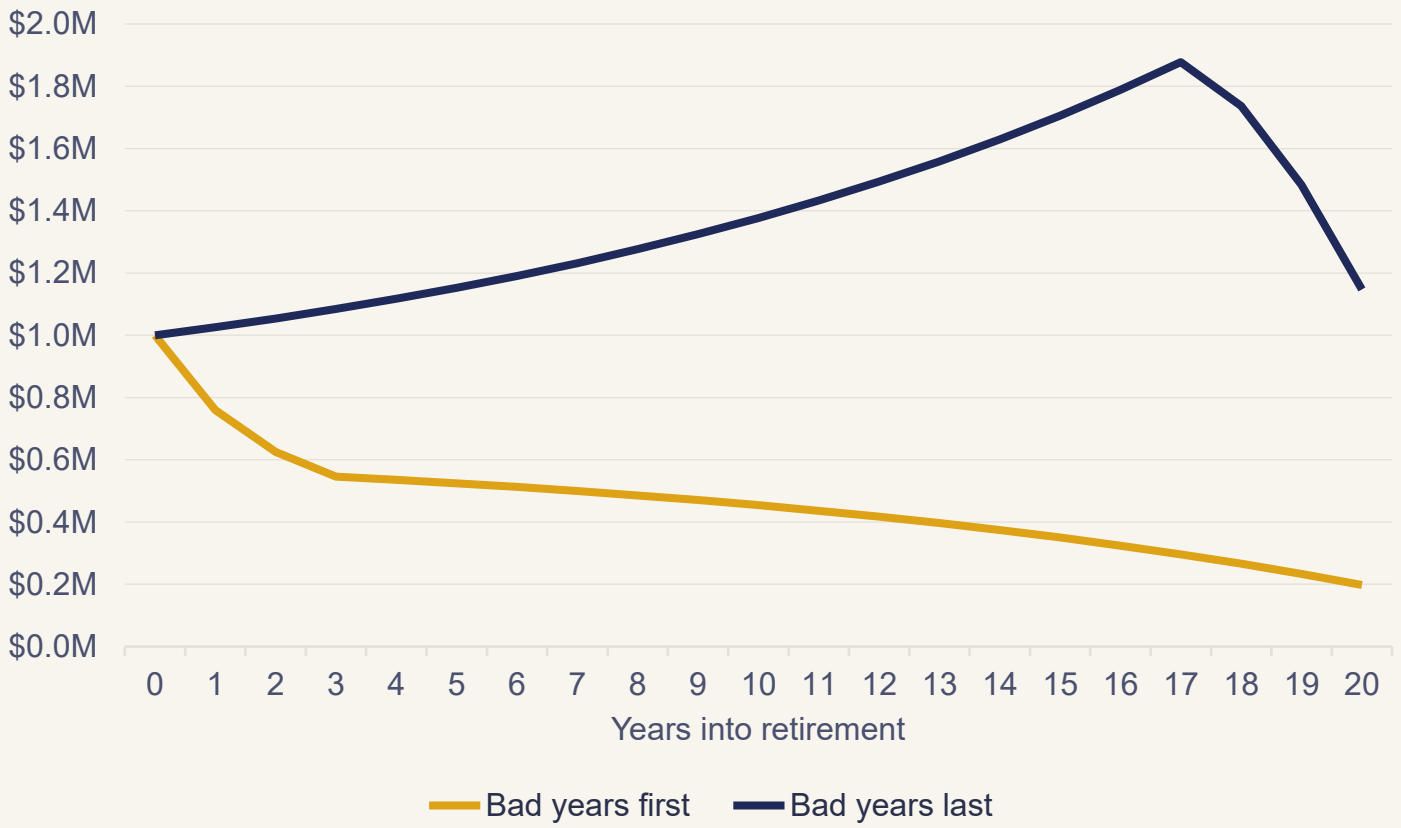
The Paycheck Reserve

How we turn your portfolio into a steady retirement paycheck, designed to stay steady when markets are not.

Simplify Wealth Planning

THE PAYCHECK RESERVE

Spending arrives on schedule, markets do not



Same returns, opposite order, very different outcome.

Both portfolios start at $1 million, take out $50,000 a year, and earn exactly the same returns. Only the timing of the bad years differs.

After 20 years: about $1.15M versus $198K. Withdrawals during early losses mean selling low, and those shares miss the recovery.

Hypothetical illustration, not the performance of any actual portfolio or client. Assumes a portfolio held largely in stocks. See Important Disclosures.

THE PAYCHECK RESERVE

Set aside the next several years of spending

We give each part of your money one job. This year's spending sits in cash. The next several years sit in a reserve of short-term, high-quality bonds that tend to move far less than stocks do. Everything else stays invested for growth.

Each box is one year of spending from your portfolio



This year: cash, ready to pay you

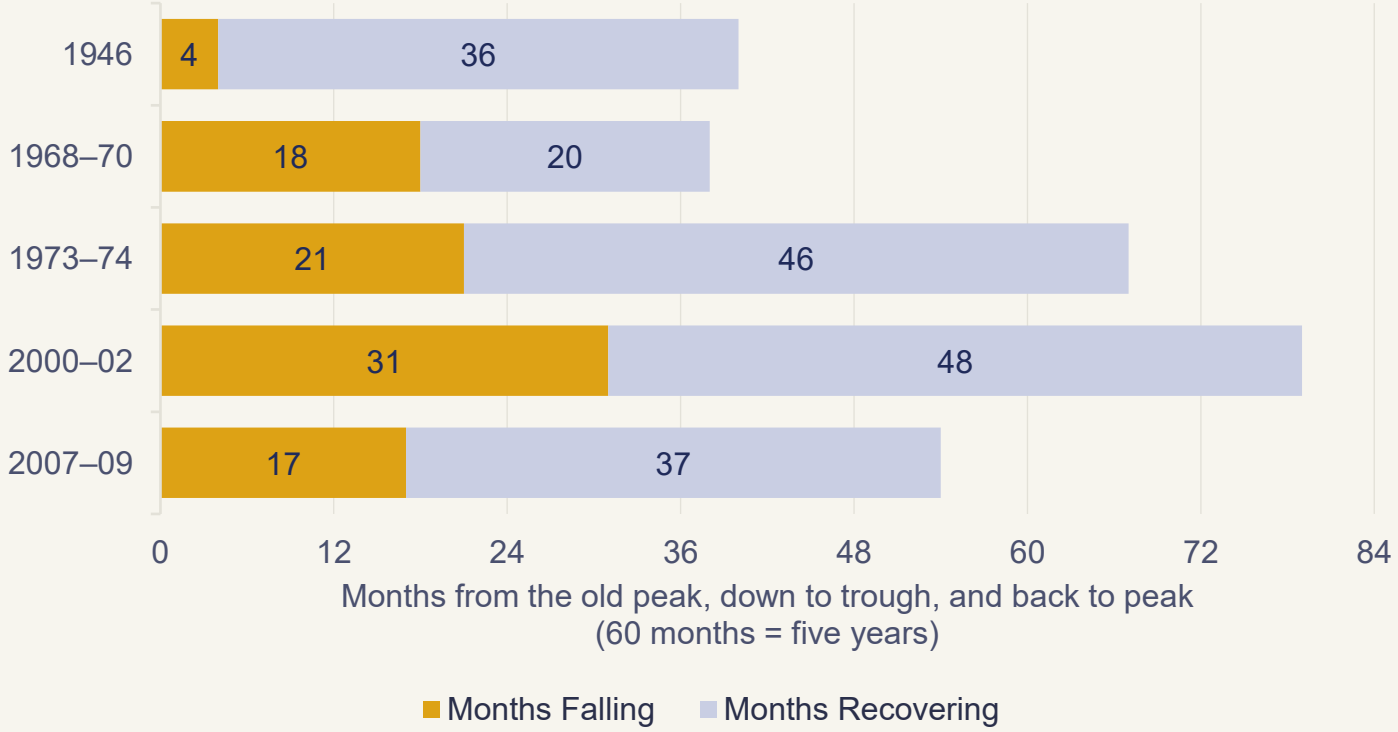
Next five years: the reserve

Everything else: invested for growth

The reserve is what you live on if markets fall. In a normal year, it is designed to stay untouched.

THE PAYCHECK RESERVE

Why five years?



4½ years

Average time to get back to the old peak, for the five longest bear markets since 1945

A five-year reserve is sized for a long bear market.

Most declines recover faster, with the average round trip since 1945 having been under three years. Two of these five took longer than five years.

Source: Ben Carlson, A Wealth of Common Sense, “The Longest & Shortest Bear Markets” (2022). S&P 500; recovery times vary by data source and by whether dividends are included. Past performance does not guarantee future results. See Important Disclosures.

THE PAYCHECK RESERVE

Meet an illustrative household

$3.0M
Invested portfolio

$150K
Spent each year

$90K
Paid by the portfolio each year

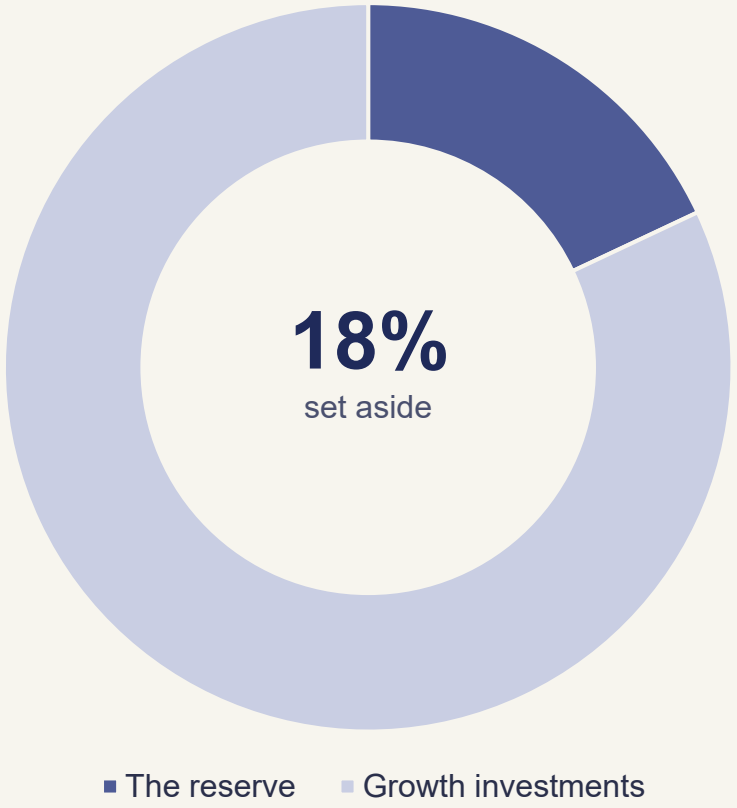


The reserve is built from what the portfolio has to pay each year, after Social Security, pensions, and other income.

Hypothetical illustration. Your proposal uses your own financial plan. See Important Disclosures.

THE PAYCHECK RESERVE

We size the reserve from your plan



$540K

Set aside for our household

This year plus five reserve years: six years of spending from the portfolio.

6 × about $90,000 ≈ $540,000.

Built year by year from your plan, including one-time goals like a new kitchen or a gift to family, and re-measured at every annual review.

Hypothetical illustration. Your proposal uses your own financial plan. See Important Disclosures.

THE PAYCHECK RESERVE

In a normal year, growth pays the bills



Growth investments

We trim what has grown

This year's cash

Twelve months, ready to pay

Your bank account

A deposit every month or quarter (or all up front for the year if that's what you prefer)

The reserve stays untouched. Once a year we rebalance. Meaning we sell a little of whatever has grown above its strategic target and move it into the cash that pays you. Ordinary rebalancing funds your spending.

THE PAYCHECK RESERVE

After a decline, growth investments stay put



The reserve

Steps in to pay you

This year's cash

Refilled from the short-term reserve account bonds

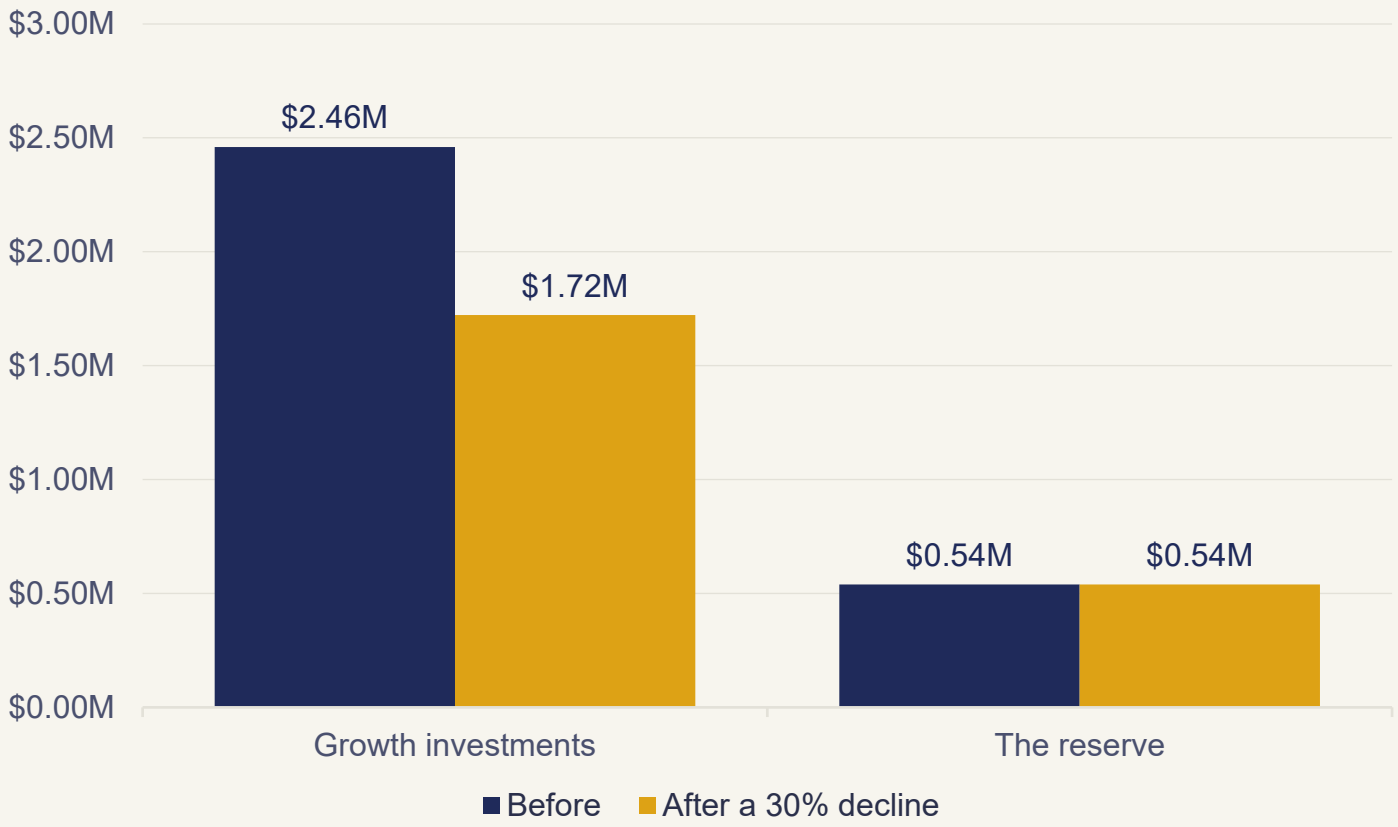
Your bank account

Same deposit across the same monthly or quarterly cadence

Growth investments are left alone, with time to recover. We aim to avoid selling them at low prices. Once markets are back above where they started, we refill the reserve from the gains.

THE PAYCHECK RESERVE

What a decline looks like for our household



$7,500

Monthly paycheck, before and after

No growth investments are sold to lock in the loss.

Growth investments fall 30% in this example, and the paper loss is real. The reserve holds about six years of this household's spending from the portfolio: time for growth investments to potentially recover before any need to be sold.

Hypothetical illustration, not a projection. Your proposal uses your own financial plan. See Important Disclosures.

How the money reaches you (monthly example)



Paid monthly, refilled once a year.

A monthly deposit lands in your bank account on the same day, like a salary.

Twelve months ready: this year's spending already sits in cash and short-term bonds, so no deposit depends on that day's market.

A yearly refill comes from gains in a normal year, or from the reserve after a decline.

Usually the reserve sits in a taxable account. Once required distributions begin, part may sit inside your IRA.

Who it fits, and the drawbacks

Who it's a good fit for

People who want to know, in years rather than percentages, how long they could ride out a bad market without touching their growth investments.

Households who want a steady paycheck and would rather not cut spending when markets fall.

What are the drawbacks

Several years of spending held in bonds, which may earn less over a long rising market than the same dollars in stocks.

The reserve protects against having to sell. It does not prevent the potential losses that come with investing.

A downturn that outlasts the reserve could still require selling growth investments at lower prices or reducing spending.

What we handle, and what we ask of you



We handle

- Sizing the reserve from your plan every year
- Rebalancing and refilling your cash
- Calling a normal or down year by rules set in advance
- Moving the money and setting up your monthly deposit



We ask of you

- Tell us when life changes: spending, health, a big purchase, an inheritance
- Meet with us at least once a year to review the plan
- Sign your Investment Policy Statement, so the rules we want to adhere to are in writing

THE PAYCHECK RESERVE

From here

1

We run your numbers

Your own version of these pages, built from your financial plan.

2

You review it with us

Ask anything. Nothing moves until you are comfortable.

3

We put it in writing

Your Investment Policy Statement records the rules we follow.

Investment advisory services are offered through Core Planning, LLC, an SEC-registered investment adviser. Simplify Wealth Planning is a trade name of Core Planning, LLC. Examples are hypothetical and for illustration only; they are not projections or guarantees of future results. Please see the Important Disclosures that follow.

Important disclosures

About Simplify Wealth Planning

Investment advisory services are offered through Core Planning, LLC, an SEC-registered investment adviser. Simplify Wealth Planning is a trade name of Core Planning, LLC. Registration with the SEC does not imply a certain level of skill or training.

Core Planning's Form ADV Part 2A brochure describes our services, fees, and conflicts of interest. It is available on request and at adviserinfo.sec.gov.

For educational purposes

This presentation explains one of the retirement income approaches we offer. It is general information, not individualized investment, tax, or legal advice, and not an offer to buy or sell any security.

Whether this approach suits you depends on your financial plan, goals, and tolerance for risk, which we review with you before making any recommendation.

About the hypothetical examples

The household, dollar amounts, returns, and market declines in this presentation are hypothetical. They were created to explain how the approach works. They do not represent actual clients or accounts, or the performance of any portfolio we manage, and they are not projections of future results.

Page 2 applies the same assumed annual returns in opposite orders: three years of losses (20%, 12%, and 5%) and seventeen years of 8% gains, with $50,000 withdrawn at the start of each year and no fees, taxes, or inflation adjustments. Page 9 assumes a one-time 30% decline in growth investments and no change in the reserve.

Different assumptions would produce different results, and actual results will vary, possibly by a wide margin. Hypothetical examples have inherent limitations: they do not reflect actual trading, fees, or taxes, and they cannot capture every factor that affects real results.

About the historical data

Page 4 shows the five longest declines in the S&P 500 since 1945, as compiled by Ben Carlson (A Wealth of Common Sense, 2022). The S&P 500 is an unmanaged index; you cannot invest in it directly, and its results do not reflect fees, expenses, or taxes. Recovery times vary by data source and by whether dividends are included. Past performance does not guarantee future results.

Important disclosures, continued

Investment risks

Investing involves risk, including possible loss of principal. No approach, including a spending reserve, can guarantee income, prevent losses, or ensure that you will not run out of money.

Stock prices can fall sharply and stay below earlier levels for many years. A decline that lasts longer than the reserve could require selling growth investments at lower prices or reducing spending. Rebalancing and diversification do not ensure a profit or protect against loss.

The reserve is not risk-free

Short-term bonds and bond funds can lose value, including when interest rates rise or an issuer's credit weakens, and their returns may not keep pace with inflation. Bond funds have no maturity date. Money market funds are not insured or guaranteed by the FDIC or any government agency, and it is possible to lose money in them. Money held in cash and short-term bonds may earn less than it would in other investments.

Taxes, accounts, and income

Withdrawals, rebalancing, and required minimum distributions can have tax consequences. Distributions from traditional IRAs are generally taxed as ordinary income, and distribution rules change over time. Social Security and pension amounts shown are illustrative; actual benefits depend on your earnings record and current law. We do not provide tax or legal advice; please consult your tax professional.

Your plan and your Investment Policy Statement

In an actual proposal, reserve sizes and spending amounts come from financial planning software and the information you provide. Projections rely on assumptions about returns, inflation, taxes, and spending that may not come true.

The rules we follow are documented in your Investment Policy Statement, reviewed at least annually, and may change as your circumstances change.