Personal Financial Plan

For

John and Mary Sample

February 18, 2011

Prepared by

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Information About Your Personalized Financial Plan

We appreciate that you have questions and concerns as you work to attain and preserve financial security. Today's financial environment is complex and in many regards, uncertain. The decisions you make regarding work, spending, investment, and retirement, both now and in the future, will significantly affect your financial condition over the long term.

In an effort to aid you in learning, understanding, and formulating a personal basis for decision making, this 'Personalized Financial Plan' is offered to help enhance your knowledge of various topics and communicate some of the intricacies of the financial world. The plan represents a framework to clarify and structure your financial matters.

This plan is based upon confidential information you provided regarding your present resources and objectives. While illustrations within this plan can be a valuable aid in the examination of your finances, it does not represent the culmination of your planning efforts. Financial planning is an ongoing process.

This hypothetical illustration of mathematical principles is custom made to model some potential situations and transitions you may face in your financial future. Hypothetical assumptions used in this illustration are specifically chosen to communicate and demonstrate your current financial position and highlight for discussion with your advisor the complex future interacting effects of combined incomes, expenses, savings, asset growth, taxes, retirement benefits, and insurance.

This document is not an advertisement or solicitation for any specific investment, investment strategy, or service. No recommendations or projections of specific investments or investment strategies are made or implied. Any illustrations of asset growth contained herein are strictly used to demonstrate mathematical concepts and relationships while presenting a balanced and complete picture of certain financial principles. Growth assumptions are applied to generalized accounts based upon differing tax treatment. Illustrations, charts and tables do not predict or project actual future investment performance, or imply that any past performance will recur.

This plan does not provide tax or legal advice, but may illustrate some tax rules or effects and mention potential legal options for educational purposes. Information contained herein is not a substitute for consultation with a competent legal professional or tax advisor and should only be used in conjunction with his or her advice.

The results shown in this illustration are not guarantees of, or projections of future performance. Results shown are for illustrative purposes only. This presentation contains forward-looking statements and there can be no guarantees that the views and opinions expressed will come to pass. Historical data shown represents past performance and does not imply or guarantee comparable future results. Information and statistical data contained herein have been obtained from sources believed to be reliable but in no way are guaranteed as to accuracy or completeness.

The Assumptions page contains information you provided that is used throughout the presentation. The asset listing herein is not an account statement and does not necessarily include current or complete balances, holdings, and returns. Please review the information for accuracy and notify your Financial Advisor promptly if discrepancies in the assumptions are present; discrepancies may materially alter the presentation.

Your actual future investment returns, tax levels and inflation are unknown. This illustration uses representative assumptions in a financial planning calculation model to generate a report for education and discussion purposes. Calculations and assumptions within this report may not reflect all potential fees, charges, and expenses that might be incurred over the time frame covered by these illustrations which, if included, would result in lower investment returns and less favorable illustration results. Do not rely upon the results of this report to predict actual future investment performance, market conditions, tax effects or inflation rates.

Summary

This report uses financial models to present a picture of your current financial situation and illustrations of possible directions your finances may take. Future economic and market conditions are unknown, and will change. The assumptions used are representative of economic and market conditions that could occur, and are designed to promote a discussion of appropriate actions that may need to be taken, now or in the future, to help you manage and maintain your financial situation under changeable conditions.

Your Current Situation:

- You have assets of approximately $433,000.
- You have liabilities of approximately $140,000.
- Your net worth is approximately $293,000.
- You now have $183,000 in working assets and are adding $16,000 per year.

Your Goals:

- John wants to retire at age 64 and Mary wants to retire at age 62.
- Monthly after-tax income needed at that time is $4,792 (in today's dollars).
- You will need the income until the last life expectancy of age 90.
- To meet your education goals you need to save $11,252 annually ($938 monthly).

Analysis Details:

- Asset Allocation: Type of Investor - Somewhat Aggressive
- Long-term care assets at risk: $781,738
- Net Estimated Life Insurance Needs Shortage for John: $490,000
- Net Estimated Life Insurance Needs Shortage for Mary: $85,000
- John and Mary do not have Wills.
- John and Mary do not have Durable Powers of Attorney.
- John and Mary do not have Living Wills.
- John and Mary do not have Health Care Powers of Attorney.

Retirement Analysis

Using the information you provided, calculations have been made to estimate whether your current retirement program will meet your stated retirement goals. The analysis begins now and extends through life expectancy. It includes tax advantaged, taxable investments, defined benefit pensions, if applicable, and Social Security benefits. The analysis calculates growth and depletion of capital assets over time. This analysis is the basis for the following summarized statement.

Actions:

It appears you may run out of money before the last life expectancy of age 90. The range of possible options you might consider to improve your situation include the following:

- Increase the rate of return on your investments.
- Increase your annual savings by $6,400/year ($533 month).
- Reduce your retirement spending needs by $6,300 to $51,200/year ($4,271/month).
- Defer your retirement by about 2 years.
- Combine any of the above and lower the requirements for each.

This report is for informational and educational purposes only. The information and assumptions used are estimates. The resulting calculations are designed to help illustrate financial concepts and general trends.

Assumptions

Client Information:

Names :	John and Mary Sample
First Name 1	John
First Name 2	Mary
Birthdate / Age 1	48
Birthdate / Age 2	46
Retirement Age 1	64
Retirement Age 2	62
Life Expectancy 1	85
Life Expectancy 2	90
Alternate life exp. 1	
Alternate life exp. 2	
Risk Tolerance Level	Somewhat Aggressive
Life Insurance 1	
Life Insurance 2	
Term Insurance 1	$300,000
Term Insurance 2	$100,000
Insurance cash value 1	
Insurance cash value 2	

Pension & Social Security Data (Annual):

Pension-Indv. 1	$7,200
Pension start age	62
Pension rate (pre ret.)	0.00%
Pension rate (ret.)	2.00%
Pension survivor %	0%
Pension-Indv. 2	
Pension start age	
Pension rate (pre ret.)	
Pension rate (ret.)	
Pension survivor %	
Soc Sec 1 Start age	62
Soc Sec 1 Rate	2.25%
Earned income 1	$90,000
Soc Sec 1 Amt. (if known)	
Soc Sec 2 Start age	62
Soc Sec 2 Rate	2.25%
Earned income 2	$30,000
Soc Sec 2 Amt. (if known)	

Estimated Education Costs

Total cost at 6% inf.	$187,429

Expenses & Inflation (Annual After-tax):

Expenses, (pre ret.)	$70,000
Expenses, Survivor (pre ret.)	$60,000
Expenses at Retirement	$57,500
Expenses, Survivor (ret.)	$50,000
Inflation, (pre ret.)	3.00%
Inflation, Survivor (pre ret.)	3.00%
Inflation at Retirement	3.00%
Inflation, Survivor (ret.)	3.00%

Asset Allocations:	**Current**	**Suggested**
Cash & Reserves	13.11%	5.00%
Income	24.04%	0.00%
Income & Growth	62.84%	15.00%
Growth	0.00%	40.00%
Aggressive Growth	0.00%	40.00%
Other	0.00%	0.00%

Rate Assumptions (Before & After Retirement):

Taxable Returns	7.00%	6.00%
Tax-Deferred & Roth Returns	7.00%	6.00%
Tax-Free Returns	5.00%	5.00%
Return on Annuities	7.00%	7.00%
Effective Tax Rates	25.00%	20.00%
Cost Basis for Taxable Assets		100.00%
Cost Basis for Annuity Assets		100.00%
Additions Increase Rate: Taxable		3.00%
Additions Increase Rate: Tax-Def 1		3.00%
Additions Increase Rate: Tax-Def 2		3.00%

Other Incomes After-tax

Item Description	Start Year	Inc Rate	Number of years	Amount per year

Other Expenses After-tax:

European vacation	2014	3.00%	1	($20,000)
Replace Roof	2016	3.00%	1	($8,000)
Redo Kitchen	2012	3.00%	1	($12,000)

Note: These assumptions are based upon information provided by you, combined with representative forward looking values intended to provide a reasonable financial illustration for education and discussion purposes. The investment returns, tax rates, benefit increase rates, inflation rates, and future expense values used in this report were selected based on your age, assets, income, goals and other information you provided. These assumptions do not presuppose or analyze any particular investments or investment strategy, or represent a guarantee of future results.

Net Worth Statement

John and Mary Sample

February 18, 2011

ASSETS

Savings And Investments

Money Market Accounts/Funds	$20,000	
Annuities	30,000	
Municipal Bonds and Funds	10,000	
Stock Mutual Funds	5,000	
		$65,000

Retirement Accounts

Qualified Plans-John	$100,000	
IRA Assets-Mary	14,000	
Roth Assets-John	2,000	
Roth Assets-Mary	2,000	
		$118,000

Other Assets

Residence	$200,000	
Personal Property	20,000	
Auto	30,000	
		$250,000
	TOTAL ASSETS	**$433,000**

LIABILITIES

Residence Mortgage	$120,000	
Credit Card Debt	5,000	
Auto Loans	15,000	
		$140,000

Net Worth (Assets less Liabilities) **$293,000**

Note: Potential taxes due on unrealized gains or assets in tax-deferred retirement plans are not accounted for in this Net Worth Statement. This asset information is based upon information you provided and sources believed to be reliable. The asset listing herein is not an account statement and does not necessarily include current or complete balances, holdings, and returns. Please review this information for accuracy.

Asset Worksheet

Description	Current Amount	Annual Additions*	Addition Period	Asset Class	Account Taxation	Asset Type
Cash	20,000			Cash	Taxable (J)	Money Market
Municipal Bond Fund	10,000			Income	Tax-Free (J)	Muni Bonds & Funds
Stock Mutual Funds	5,000	3,000	2011-2026	Inc./Gro.	Taxable (J)	Mutual Funds (Stock)
IRA	14,000			Income	IRA (2)	Stocks
401k	20,000	1,000	2011-2026	Income	Tax-Deferred (1)	Bond Mutual Funds
401k	80,000	8,000	2011-2026	Inc./Gro.	Tax-Deferred (1)	Mutual Funds (Stock)
Annuity	30,000			Inc./Gro.	Annuity (1)	Annuities
Roth IRA	2,000	2,000	2011-2026	Cash	Roth IRA (1)	Money Market
Roth IRA	2,000	2,000	2011-2026	Cash	Roth IRA (2)	Money Market
Totals:	**$183,000**	**$16,000**				

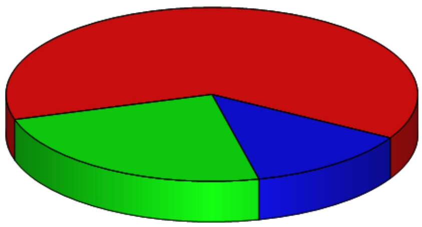
*Annual IRA addition amounts used in the analysis are limited to the maximums allowed by law.

Note: This asset information is based upon information you provided and sources believed to be reliable. The asset listing herein is not an account statement and does not necessarily include current or complete balances, holdings, and returns. Please review this information for accuracy.

Your Current Asset Allocation

The information from the Asset Worksheet was used to create the following chart.

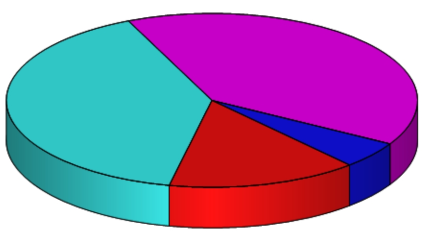
It is important to the success of your planning that your asset allocation is consistent with your goals. You should compare your current allocation to the Suggested Asset Allocation below which may be more appropriate and beneficial to your situation.



Suggested Asset Allocation

Based upon information you provided, we believe you should consider an investment mix similar to the one below.

We have illustrated a broad-based allocation. Effectiveness might be further increased by diversifying the types of securities held within the asset mix. See your Financial Advisor for further analysis.



Asset Allocation	Current		Suggested *		Change
Cash & Reserves	**$24,000**	***13%***	**$9,150 ****	***5%***	**($14,850)**
Income	**44,000**	***24%***	**0**	***0%***	**(44,000)**
Income & Growth	**115,000**	***63%***	**27,450**	***15%***	**(87,550)**
Growth	**0**	***0%***	**73,200**	***40%***	**73,200**
Aggressive Growth	**0**	***0%***	**73,200**	***40%***	**73,200**
Other	**0**	***0%***	**0**	***0%***	**0**
Total	**$183,000**	***100%***	**$183,000**	***100%***	**0**

* These suggested asset allocation percentages are representative portfolio target values.
** Does not include any provision for an Emergency Fund.
Note: Asset Allocation does not guarantee a profit or protect against loss in declining markets.

Retirement Profile

Developing A Retirement Plan

Developing a retirement plan means understanding your current situation, deciding among alternatives, and taking appropriate action today. *This report will help you define your current retirement goals, identify your current planning, and estimate the results for your review.*

Your Current Retirement Goals

	John	Mary
Age:	48	46
Retirement Age:	64	62
Years until Retirement:	16	16
Years of Retirement:	21	28
Annual Retirement Spending (After-tax):	**$57,500**	*(expressed in today's dollars)*

Additional Objectives

Please see the attached Education Funding Illustration.

Other Expenses

European vacation:	($20,000)/year starting 2014, increase rate of 3%, for 1 year.
Replace Roof:	($8,000)/year starting 2016, increase rate of 3%, for 1 year.
Redo Kitchen:	($12,000)/year starting 2012, increase rate of 3%, for 1 year.

Assumptions

	Pre-Retirement	*Retirement*
Inflation Rate:	3.0%	3.0%
Income Tax Rate (Average):	25.0%	20.0%
Return on Investments (Average):	6.9%	6.1%

Current residence(s) will be maintained. Related debt will be paid per existing mortgage(s).

Resources Available for Retirement

Funds to meet your goals can come from several sources: Personal Investing, Retirement Plans, Defined Benefit Pensions, Social Security, and Other Income.

Here is a summary of your situation.

	Current Balances
Personal Investments	
Money Market Accounts/Funds	**$20,000**
Annuities	**30,000**
Municipal Bonds and Funds	**10,000**
Stock Mutual Funds	**5,000**
	$65,000
Retirement Plans	
Qualified Plans-John	**$100,000**
IRA Assets-Mary	**14,000**
Roth IRA/401k Assets-John	**2,000**
Roth IRA/401k Assets-Mary	**2,000**
	$118,000
Total Investment Assets	**$183,000**

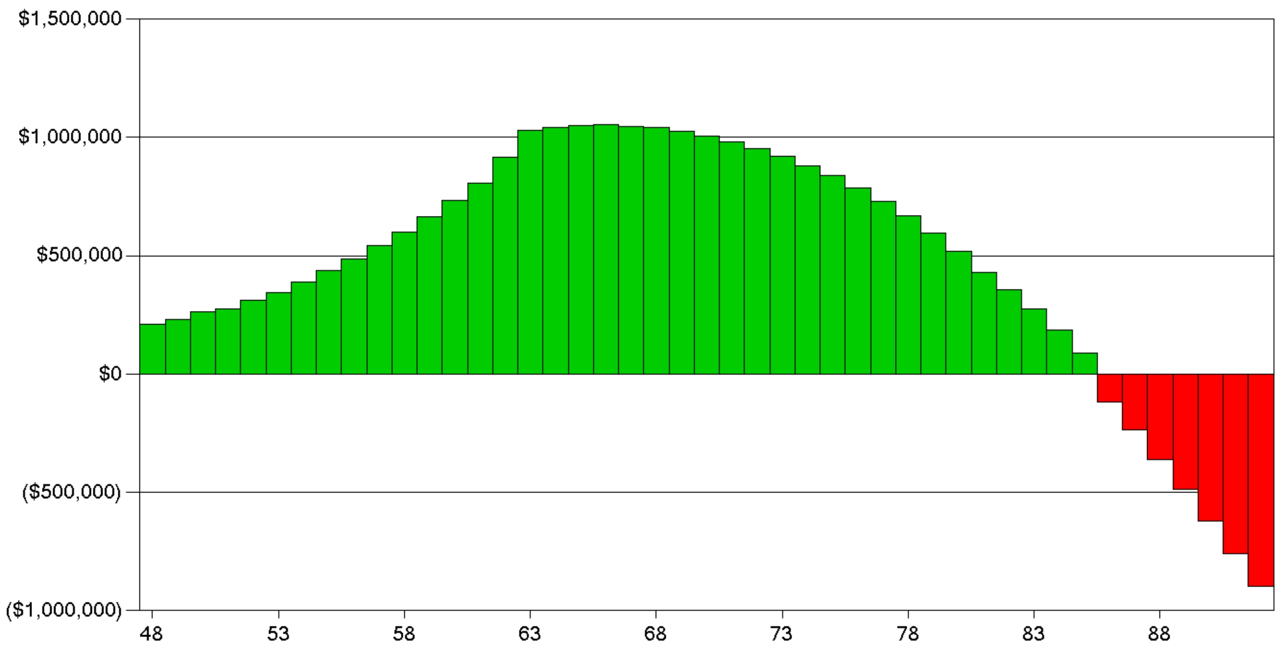
See Asset Worksheet for detailed annual savings information.

Social Security	**John**	**Mary**
Starting Age	62	62
Benefit at Starting Age (After-tax)	$20,754	$12,468

Pension Plans	**John**	**Mary**
Pension Amount	$5,400*	N/A
Pension Starting Age	62	
Increase Rate Pre-Retirement	0.0%	
Increase Rate in Retirement	2.0%	
Survivor Percentage	0%	

*Annual amount, after taxes.

Retirement Summary



Retirement Capital Illustration

The analysis begins at your current age and extends through your life expectancy. It includes all assets, both tax advantaged and taxable, all expenses, including education funding if applicable, other income and expense estimates, defined benefit pensions, and Social Security benefits. The graph illustrates the growth and depletion of capital assets as seen in Retirement Capital Analysis.

General Assumptions:

Rates of Return Before and After Retirement Used in Illustration:		
Taxable RORs:	7%	6%
Tax Def. RORs:	7%	6%
Tax Free RORs:	5%	5%
Annuity RORs:	7%	7%

Retirement Spending Needs*	$57,500
Survivor Spending Needs*	$50,000
Retirement Age	John - 64
Retirement Age	Mary - 62
Inflation - Current	3%
Inflation - Retirement	3%
Tax Rate - Current	25%
Tax Rate - Retirement	20%

* Spending needs are stated in today's after tax-dollars. See Assumptions page for complete listing of assumptions.

Actual future returns, taxes, expenses, and benefits are unknown. This illustration uses representative estimates and assumptions for educational and discussion purposes only. Do not rely on this report for investment analysis.

Retirement Capital Illustration Results:

It appears you may run out of money before the last life expectancy of age 90. The range of possible options you might consider to improve your situation include the following:

- Increase the rate of return on your investments.
- Increase your annual savings by $6,400/year ($533 month).
- Reduce your retirement spending needs by $6,300 to $51,200/year ($4,271/month).
- Defer your retirement by about 2 years.
- Combine any of the above and lower the requirements for each.

Monte Carlo Simulation Explanation

The financial planning process can help you evaluate your status in relationship to your financial goals and objectives. In preparing a hypothetical financial illustration for discussion, a series of representative fixed assumptions are made, such as inflation rates, rates of return, retirement benefits and tax rates. While such static hypothetical illustrations are still useful for education and discussion purposes, they are based upon unchanging long-term assumptions. In fact, economic and financial environments are unpredictable and constantly changing.

Monte Carlo Simulation is one way to visualize the effect of unpredictable financial market volatility on your retirement plan. Monte Carlo Simulation introduces random uncertainty into the annual assumptions of a retirement capital illustration model, and then runs the model a large number of times. Observing results from all these changing results can offer a view of trends, patterns and potential ranges of future outcomes illustrated by the randomly changing simulation conditions. While Monte Carlo Simulation cannot and does not predict your financial future, it may help illustrate for you some of the many different possible hypothetical outcomes.

Monte Carlo Simulation Technique:

Based upon the trends, changes, and values shown in your hypothetical financial program, the simulation process uses a different random rate of return for each year of a new hypothetical financial plan. Ten thousand full financial plan calculations are performed utilizing the volatile annual rates of return. The result is ten thousand new hypothetical financial plan results illustrating possible future financial market environments.

By using random rates from a statistically appropriate collection of annual returns, and repeating the process thousands of times, the resulting collection can be viewed as a representative set of potential future results. The tendencies within the group of Monte Carlo Simulation results; the highs, lows and averages, offer insight into potential plan performance which may occur under various combinations of broad market conditions.

Note: No investment products, investment strategy or particular investment style is projected or illustrated by this process. Simulation results demonstrate effects of volatility on rate of return assumptions for education and discussion purposes only.

Standard Deviation:

The simulated level of volatility in future financial markets is represented by a Standard Deviation value. This statistical measure of variation is used within the Monte Carlo Simulation to indicate how dramatically return rates can change year by year. The Standard Deviation controls the magnitude of the random changes in each annual rate of return as it is varied each year above or below the average annual rate to simulate market volatility.

The simulation model uses a Standard Deviation based upon the rate of return assumptions used in the Retirement Capital Illustration, and limits the rate of return variation to plus or minus five standard deviations in any year. Low assumed return rates generate low Standard Deviation values, higher returns relate to higher Standard Deviations.

The Bold Line

The bold line in the Monte Carlo Simulation Results graph tracks the value of assets over the length of the illustration if all rates of return are held stable at the assumed rates of return (see Assumptions). The estimate uses annual expected portfolio rates of return and inflation rates to model the growth and use of assets as indicated under Assumptions. The bold line represents the values shown in the Retirement Capital Analysis.

Percentage of Monte Carlo Results Above Zero at Selected Ages

These results represent the percentage of Monte Carlo simulation outcomes that show positive retirement asset value remaining at different ages. A percentage above 70 at last life expectancy is an indication that the underlying retirement plan offers a substantial probability of success even under volatile market conditions. Additional ages shown give the percentage of simulation outcomes with positive asset amounts at various ages.

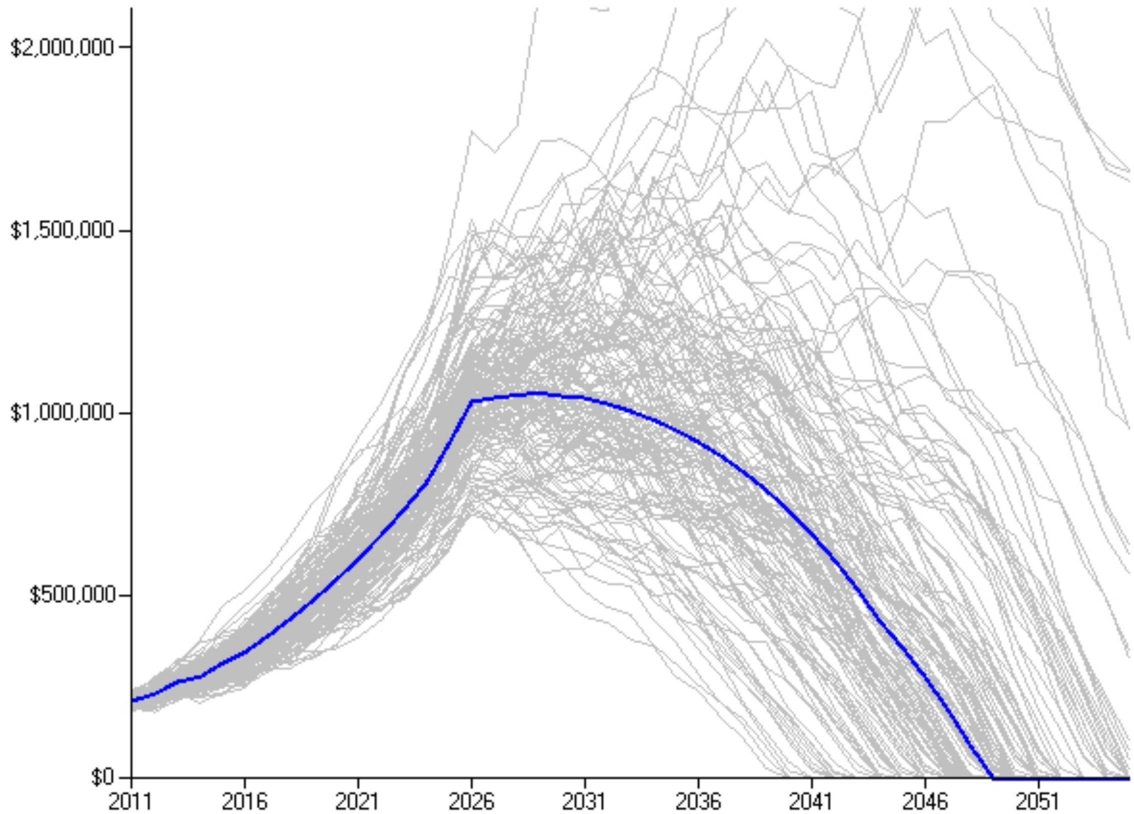
Monte Carlo Simulation Minimum, Average and Maximum Dollar Results

These values indicate the best, worst and average dollar results at the end of the ten thousand Monte Carlo Simulations. These show the range of results (high and low), and the average of all Monte Carlo results. All values are based on results at the life expectancy of the last to die.

IMPORTANT: The projections or other information generated by the Personalized Financial Plan regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each Monte Carlo Simulation is unique; results vary with each use and over time.

Monte Carlo Retirement Simulation

Results from 10,000 Monte Carlo Simulation Trials



* The bold line is the estimated retirement capital value over time using fixed rates.

This Monte Carlo Retirement Simulation illustrates possible variations in growth and/or depletion of retirement capital under unpredictable future conditions. The simulation introduces uncertainty by fluctuating annual rates of return on assets. The graph and related calculations do not presuppose or analyze any particular investment or investment strategy. This long-term hypothetical model is used to help show potential effects of broad market volatility and the possible impact on your financial plans. This is not a projection, but an illustration of uncertainty.

The simulations begin in the current year and model potential asset level changes over time. Included are all capital assets, both tax advantaged and taxable, all expenses, including education funding if applicable, pension benefits, and Social Security benefits. Observing results from this large number of simulations may offer insight into the shape, trends, and potential range of future retirement plan outcomes under volatile market conditions.

Retirement Capital Analysis Results, at Life Expectancy, of 10,000 Monte Carlo Simulations:

Percent with funds at last life expectancy	10%	Retirement Capital Estimate	$0
Percent with funds at age 83	74%	Minimum (Worst Case) result	$0
Percent with funds at age 73	> 95%	Average Monte Carlo result	$48,937
Percent with funds at age 64	> 95%	Maximum Monte Carlo result	$3,783,200

Life insurance proceeds are not included in the final year balances of these calculations.
Illustration based on random rates of return which average 6.4%, with a std. dev. of 6.3% (95% of values fall between -6.2% and 19%).

IMPORTANT: The projections or other information generated in this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each report and over time. Results of this simulation are neither guarantees nor projections of future performance. Information is for illustrative purposes only. Do not rely upon the results of this report to predict actual future performance of any investment or investment strategy.

Goal Evaluation

Successfully planning for your future may require recognizing that in some situations you may not be able to meet all your hoped for financial goals. Prioritizing different financial goals, and evaluating the impact of those expenses on your long term financial stability, can assist you and your advisor in planning and managing your spending decisions.

This report illustrates how expenses associated with your financial goals may potentially affect the likelihood of sustaining financial stability throughout your life. Monte Carlo simulations based on your current plan, and including the expenses associated with all your planned expenses, show a success rate of 10%. Since you have indicated that not all the planned expenses are essential, additional Monte Carlo simulations have been run to illustrate how your goals may affect the sustainability of your long term financial plans.

To create this illustration, your entire current financial plan has been recalculated a number of times while excluding expenses associated with different priorities of your goals. The illustration starts by including only the highest priority items; your retirement expenses and those other goals you identify as essential. Sequentially, the goals identified as primary, secondary and optional are included. Each case shows the percentage of successful Monte Carlo simulations resulting from the set of goals that are included in the calculations.

Essential expenses only

19%

	Start Year	Inc. Rate	Number of years	Amount per year
Replace Roof	2016	3.00%	1	$8,000

Essential and Primary expenses

16%

	Start Year	Inc. Rate	Number of years	Amount per year
Redo Kitchen	2012	3.00%	1	$12,000

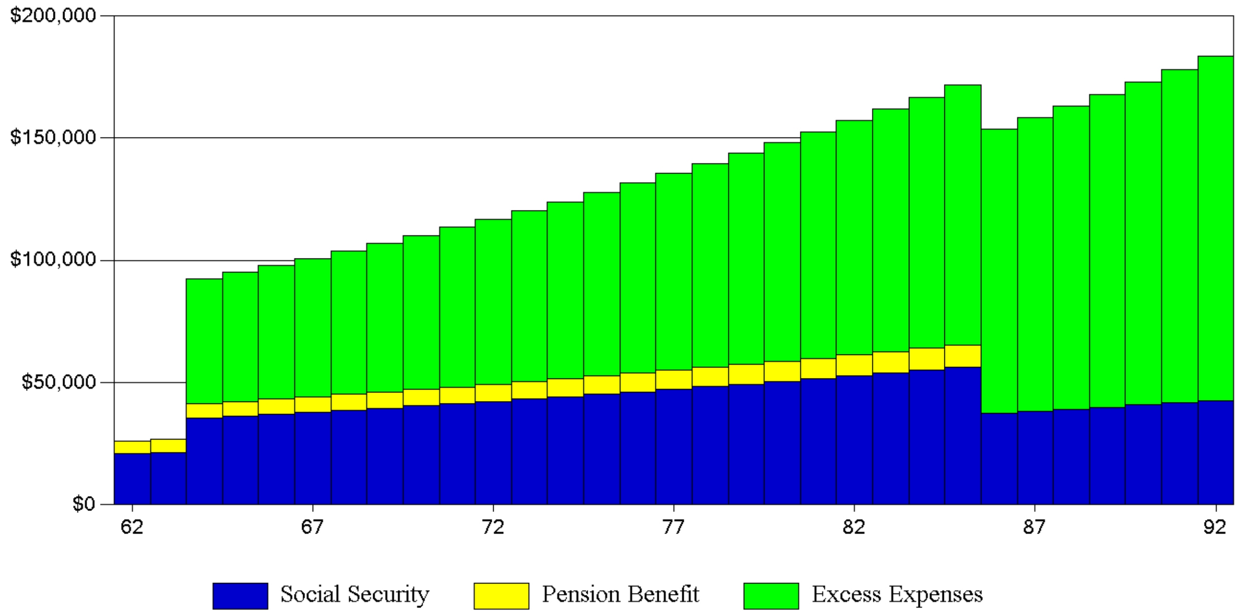
Essential, Primary, and Secondary expenses

10%

	Start Year	Inc. Rate	Number of years	Amount per year
European vacation	2014	3.00%	1	$20,000

IMPORTANT: The projections or other information generated in this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each report and over time. Results of this simulation are neither guarantees nor projections of future performance. Information is for illustrative purposes only. Do not rely upon the results of this report to predict actual future performance of any investment or investment strategy.

Retirement Expense Forecast



The Retirement Expense Forecast graph combines estimated Social Security benefits with defined pension benefits plotted with estimated annual living expenses in retirement. The graph begins at retirement age and continues to life expectancy. Future retirement expenses are estimated based on your objectives, adjusted for inflation over time. Survivor expense levels start the year after first life expectancy.

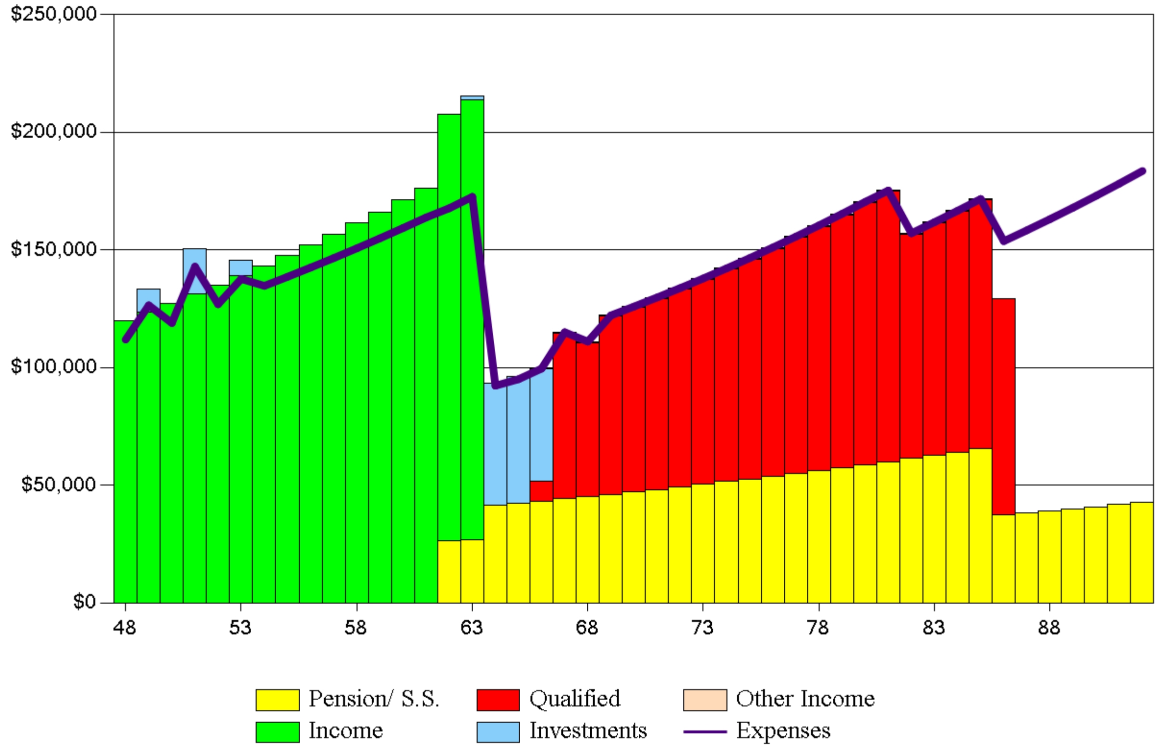
Social Security benefits, and annual adjustments for benefit growth, are estimated and illustrated over the anticipated lifetime. If the starting age selected for Social Security benefits is prior to normal benefit age, only a partial Social Security benefit may be available. Benefit amounts may decrease upon first death.

The Pension Benefit estimate combines any pension benefits and plots them starting at the age the benefit begins. At the death of the pension holder a surviving spouse might receive no continuing benefit, or only a portion of the benefit, causing a decrease in overall annual income.

Excess Expenses shown in the graph represent the amount of inflation adjusted annual living expenses that exceed the combined estimated Social Security and pension benefits. These are estimated amounts which will need to come from retirement savings to fund future expenses not covered by expected benefit income.

Note: Social Security and Pension benefit estimates are based upon information you provided. Estimates are not guarantees of future benefits amounts. Clients should not rely upon results of this report to predict actual future benefit amounts.

Cash Flow Summary



The bars in the above graph represent the amounts available from:

- Earned income (wages and self-employment)
- Social Security
- Qualified plan additions and distributions
- Investment additions and distributions
- Misc - (inheritances, sale of residence, retirement account minimum distributions, life insurance)

The line illustrates the annual expenses including:

- Personal living expenses
- Planned debt expenses
- Specified special expenses
- Planned deposits to investment and retirement accounts
- Miscellaneous expense items
- Taxes

Note: The Cash Flow report provides the actual numbers that create the preceding Cash Flow Summary graph.

Cash Flow

Ages Indv. 1	2	Cash Flow Sources: Earned Income	Retire/Roth Accounts*	Investment Accounts*	Pension/ Soc Sec.	Other Income	Total Sources	Less Living Expense & Taxes	Shortage or Surplus
48	46	$120,000	($13,000)	($1,109)			$105,891	($97,750)	$8,141
49	47	123,600	(13,390)	9,795		(12,360)	107,645	(100,682)	6,963
50	48	127,308	(13,790)	(1,424)			112,094	(103,702)	8,392
51	49	131,126	(14,204)	19,155		(21,855)	114,223	(106,814)	7,409
52	50	135,060	(14,631)	(2,255)			118,174	(110,018)	8,156
53	51	139,112	(15,069)	6,434		(9,274)	121,203	(113,319)	7,885
54	52	143,285	(15,522)	(2,468)			125,295	(116,718)	8,577
55	53	147,584	(15,986)	(2,328)			129,270	(120,220)	9,050
56	54	152,012	(16,466)	(2,173)			133,373	(123,826)	9,547
57	55	156,572	(16,960)	(2,000)			137,612	(127,541)	10,070
58	56	161,269	(17,469)	(1,810)			141,990	(131,367)	10,622
59	57	166,108	(17,994)	(1,602)			146,512	(135,308)	11,204
60	58	171,090	(18,533)	(1,374)			151,183	(139,368)	11,815
61	59	176,224	(19,090)	(1,124)			156,010	(143,549)	12,461
62	60	181,510	(19,663)	(165)	26,154		187,836	(147,855)	39,981
63	61	186,956	(20,251)	1,556	26,729		194,990	(152,291)	42,699
64 R	62 R			52,024	41,330		93,354	(92,263)	1,092
65	63			53,931	42,245		96,176	(95,030)	1,147
66	64		8,374	48,001	43,180		99,555	(99,554)	
67	65		70,849		44,136		114,985	(114,985)	
68	66		65,908		45,113		111,021	(111,021)	
69	67		76,053		46,112		122,165	(122,165)	
70	68		78,787		47,133		125,920	(125,920)	
71	69		81,612		48,177		129,789	(129,789)	
72	70		84,534		49,244		133,778	(133,777)	
73	71		87,553		50,334		137,887	(137,887)	
74	72		90,674		51,449		142,123	(142,122)	
75	73		93,898		52,588		146,486	(146,486)	
76	74		97,231		53,753		150,984	(150,984)	
77	75		100,676		54,943		155,619	(155,619)	
78	76		104,235		56,160		160,395	(160,395)	
79	77		107,913		57,404		165,317	(165,316)	
80	78		111,713		58,675		170,388	(170,388)	
81	79		115,247		59,975		175,222	(175,222)	
82	80		95,757		61,303		157,060	(157,061)	
83	81		99,110		62,661		161,771	(161,772)	
84	82		102,575		64,049		166,624	(166,625)	
85 L	83		106,155		65,468		171,623	(171,623)	
	84		91,953		37,312		129,265	(153,709)	(24,444)
	85				38,151		38,151	(158,320)	(120,169)
	86				39,010		39,010	(163,069)	(124,059)
	87				39,887		39,887	(167,961)	(128,074)
	88				40,785		40,785	(172,999)	(132,214)
	89				41,703		41,703	(178,188)	(136,485)
	90 L				42,641		42,641	(183,533)	(140,892)

* Scheduled distributions, interest, or dividends taken in cash or amounts taken to meet the IRS minimum distribution requirements.
Note: Earned Income is reduced by qualified retirement account contributions in calculating the effect of income taxes. Pension, Social Security, and Other Income cash flow items are net of income taxes. The tax rate used is the average tax rate entered in the input.

Cash Flow Explanation

Cash flows are sources and uses of money. Primary sources of funds are income from work, Social Security, pensions, savings, insurance proceeds, and other income events. Regular living expenses, education costs, and other planned expenses are the primary use of funds.

The cash flow report pages are designed to be an alternate presentation of the financial information shown elsewhere in this report. The emphasis of the cash flow illustrations are the amounts and types of incomes and levels of expenses that occur during the illustration.

The Cash Flow Summary Graph illustrates four primary financial elements; income, investment, expenses, and cash sources. The different colored bars in the graph represent the level of cash flows that are occurring, and what accounts they are related to. The single solid line represents the annual expense level from now to the end of the illustration. Prior to retirement, bars above the expense level represent investments.

Portions of bars below the expense line represent sources of cash that are being used to pay for planned living expenses and to cover special expenses such as education. During the working years, income from employment is generally the primary source of cash to cover expenses. In retirement, Social Security, pension benefits, and cash withdrawn from investment accounts are the major sources of cash to cover expenses.

In general terms, the best case is to have the cash flow bars always at or above the expense line. This indicates that there is sufficient income, or investment asset sources, to meet living expenses and other planned needs. Gaps between the expense line and cash flow bars indicate calculated shortfalls of cash flow during those years.

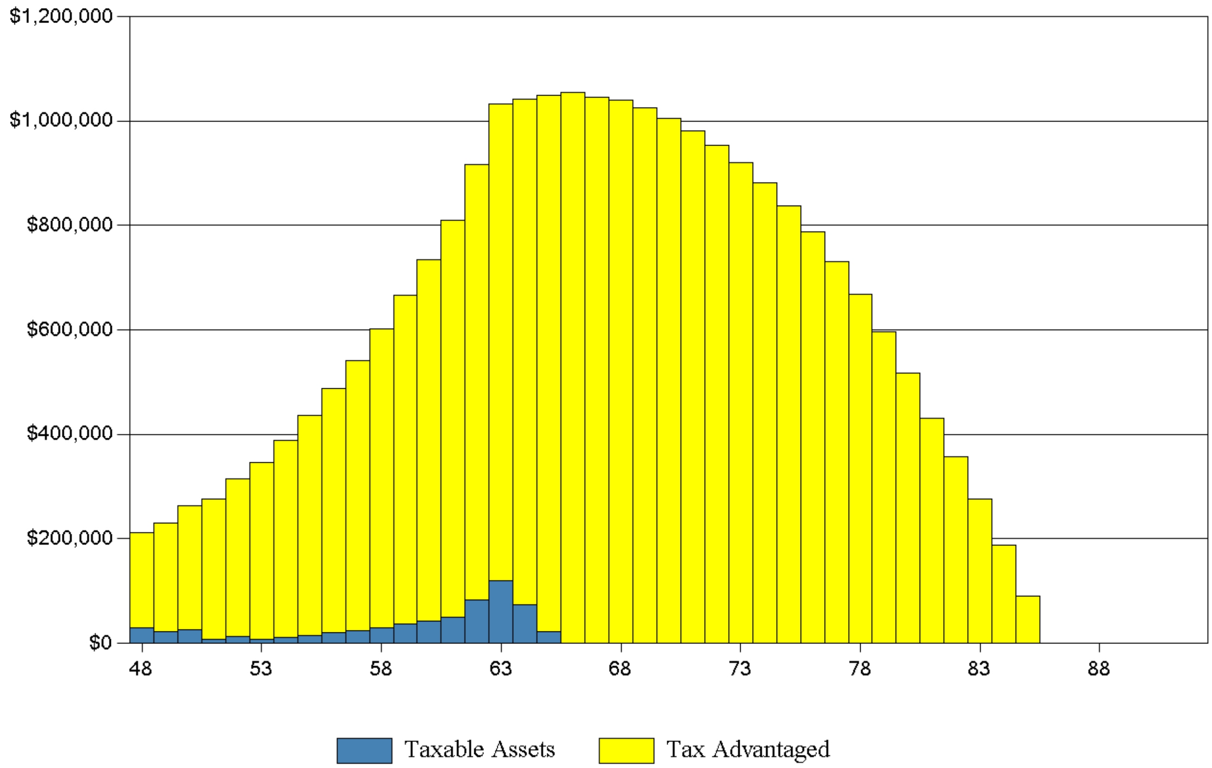
The cash flow numbers page contains the numerical information upon which the graph is based. This page shows the sources and uses of funds. The columns coincide with the bars and lines in the cash flow graph. Red numbers represent a use of cash, black a source.

The red numbers in the Retire/Roth or Investment Accounts columns are additions made to those accounts; these are investments and uses of funds. The black numbers in those columns represent withdrawals from the account; these are sources of funds to meet retirement needs.

All sources (and investment uses) are subtotaled in the Total Sources column. Tax estimates are based on earned income and investment income (adjusted for contributions to qualified retirement accounts) multiplied by the estimated net effective tax rates. The resulting tax estimate is added to inflation adjusted living expenses to create an estimated annual figure.

The combination of Total Sources and Living Expenses & Taxes can create a surplus or shortage. A shortage indicates that expenses exceed incomes and sources. A surplus can indicate that incomes exceed expenses. During retirement, if money is withdrawn at the same level of need, no surplus or shortage will occur.

Total Capital Assets



The Total Capital Assets graph displays taxable assets, combined with the value of the tax advantaged assets over time. The illustration shows assets from current age through life expectancy. Estimated capital growth is based on the rate of return for the assets, plus any annual additions or expenses. When the taxable accounts have been consumed, tax-advantaged accounts may be drawn on for additional funds.

Generally, the IRS requires that by age 70 1/2, minimum distributions must be made from qualified tax-deferred accounts. These annual distributions must be made on a schedule calculated to consume the account balances during the life expectancy. Money distributed from these tax-deferred accounts will first be used to meet current spending needs. Excess funds will be reinvested into taxable accounts.

Retirement Capital Analysis

Ages*		Retirement Spending Needs	Sources of Annual Income ** Social Security Indv. 1	Indv. 2	Pension Income Indv. 1	Indv. 2	Education & Other Inc/Exp***	Net Surplus or (Shortage)	Annual Additions To Assets	**Retirement Capital** $183,000
48	46								16,000	211,706
49	47						(12,360)	(12,360)	16,480	230,143
50	48								16,973	263,192
51	49						(21,855)	(21,855)	17,483	276,568
52	50								18,008	314,149
53	51						(9,274)	(9,274)	18,547	345,320
54	52								19,105	388,846
55	53								19,676	435,928
56	54								20,267	486,823
57	55								20,875	541,814
58	56								21,501	601,197
59	57								22,147	665,293
60	58								22,811	734,440
61	59								23,496	809,010
62	60		20,754		5,400			26,154	24,201	916,230
63	61		21,221		5,508			26,729	24,926	1,031,680
64 R	62 R	(92,263)	22,869	12,468	5,993			(50,933)		1,040,651
65	63	(95,030)	23,384	12,749	6,113			(52,785)		1,048,872
66	64	(97,880)	23,910	13,035	6,235			(54,700)		1,054,457
67	65	(100,816)	24,448	13,329	6,360			(56,680)		1,045,392
68	66	(103,840)	24,998	13,629	6,487			(58,727)		1,040,390
69	67	(106,955)	25,561	13,935	6,616			(60,843)		1,024,475
70	68	(110,163)	26,136	14,249	6,749			(63,030)		1,004,791
71	69	(113,467)	26,724	14,569	6,884			(65,290)		981,016
72	70	(116,871)	27,325	14,897	7,021			(67,627)		952,805
73	71	(120,377)	27,940	15,232	7,162			(70,043)		919,791
74	72	(123,988)	28,568	15,575	7,305			(72,539)		881,582
75	73	(127,707)	29,211	15,926	7,451			(75,119)		837,759
76	74	(131,538)	29,868	16,284	7,600			(77,785)		787,874
77	75	(135,484)	30,541	16,650	7,752			(80,541)		731,447
78	76	(139,548)	31,228	17,025	7,907			(83,388)		667,970
79	77	(143,734)	31,930	17,408	8,065			(86,330)		596,896
80	78	(148,046)	32,649	17,800	8,227			(89,371)		517,644
81	79	(152,487)	33,383	18,200	8,391			(92,512)		429,996
82	80	(157,061)	34,134	18,610	8,559			(95,758)		357,164
83	81	(161,772)	34,902	19,028	8,730			(99,111)		276,509
84	82	(166,625)	35,688	19,456	8,905			(102,576)		187,445
85 L	83	(171,623)	36,491	19,894	9,083			(106,155)		89,351
	84	(153,709)		37,312				(116,397)		
	85	(158,320)		38,151				(120,169)		
	86	(163,069)		39,010				(124,059)		
	87	(167,961)		39,887				(128,074)		
	88	(172,999)		40,785				(132,214)		
	89	(178,188)		41,703				(136,485)		
	90 L	(183,533)		42,641				(140,892)		

*R=Retirement age, L=Life expectancy.** Pensions & 85% of S.S. reduced 20.00% for income taxes. *** Includes life insurance and education costs.
Note: This report is based upon assumed inflation rates of 3.00% and 3.00% (before and after retirement). Actual future inflation rates are unknown.

Taxable Savings & Investment Accounts

Ages 1 & 2		Account Additions	Annual Growth	Income Tax On Account*	From Tax-Advantaged Assets Distri-butions	From Tax-Advantaged Assets Income Tax	Paid out or received for cash flow	Account Balance** $25,000
48	46	3,000	1,855	(464)				29,391
49	47	3,090	1,733	(433)			(12,360)	21,420
50	48	3,183	1,611	(403)				25,810
51	49	3,278	1,157	(289)			(21,855)	8,101
52	50	3,377	685	(171)				11,991
53	51	3,478	637	(159)			(9,274)	6,672
54	52	3,582	592	(148)				10,698
55	53	3,690	878	(220)				15,045
56	54	3,800	1,186	(297)				19,734
57	55	3,914	1,518	(380)				24,786
58	56	4,032	1,876	(469)				30,224
59	57	4,153	2,261	(565)				36,072
60	58	4,277	2,675	(669)				42,354
61	59	4,406	3,119	(780)				49,098
62	60	4,538	4,511	(1,128)			26,154	83,172
63	61	4,674	6,921	(1,730)			26,729	119,765
64 R	62 R		5,658	(1,132)			(50,933)	73,357
65	63		2,818	(564)			(52,785)	22,825
66	64		669	(134)	33,015	(1,675)	(54,700)	
67	65				70,850	(14,170)	(56,680)	
68	66				65,908	(7,182)	(58,727)	
69	67				76,054	(15,211)	(60,843)	
70	68				78,787	(15,757)	(63,030)	
71	69				81,613	(16,323)	(65,290)	
72	70				84,534	(16,907)	(67,627)	
73	71				87,554	(17,511)	(70,043)	
74	72				90,674	(18,135)	(72,539)	
75	73				93,899	(18,780)	(75,119)	
76	74				97,232	(19,446)	(77,785)	
77	75				100,676	(20,135)	(80,541)	
78	76				104,235	(20,847)	(83,388)	
79	77				107,913	(21,583)	(86,330)	
80	78				111,714	(22,343)	(89,371)	
81	79				115,248	(22,736)	(92,512)	
82	80				95,758		(95,758)	
83	81				99,111		(99,111)	
84	82				102,576		(102,576)	
85 L	83				106,155		(106,155)	
	84				91,953		(116,397)	
	85						(120,169)	
	86						(124,059)	
	87						(128,074)	
	88						(132,214)	
	89						(136,485)	
	90 L						(140,892)	

* Estimated taxes include tax due on income and on sales of assets. Starting cost basis is estimated at 100.00%.

** This report is based on assumed growth rates of 7.00% and 6.00%, and inflation rates of 3.00% and 3.00% (before and after retirement). Account additions are calculated to increase at 3.00% per year for each individual.

Tax-Deferred Annuities

Ages 1 & 2		Account Additions	Annual Growth	Account Withdrawals	Balance* $30,000	Cumulative Growth	Taxable Withdrawal	Income Tax Due
48	46		2,100		32,100	2,100		
49	47		2,247		34,347	4,347		
50	48		2,404		36,751	6,751		
51	49		2,573		39,324	9,324		
52	50		2,753		42,077	12,077		
53	51		2,945		45,022	15,022		
54	52		3,152		48,173	18,173		
55	53		3,372		51,546	21,546		
56	54		3,608		55,154	25,154		
57	55		3,861		59,015	29,015		
58	56		4,131		63,146	33,146		
59	57		4,420		67,566	37,566		
60	58		4,730		72,295	42,295		
61	59		5,061		77,356	47,356		
62	60		5,415		82,771	52,771		
63	61		5,794		88,565	58,565		
64 R	62 R		6,200		94,764	64,764		
65	63		6,634		101,398	71,398		
66	64		6,805	(8,374)	99,828	78,203	8,374	(1,675)
67	65		4,508	(70,850)	33,487	74,337	70,850	(14,170)
68	66		1,132	(34,619)		4,619	4,619	(924)
69	67							
70	68							
71	69							
72	70							
73	71							
74	72							
75	73							
76	74							
77	75							
78	76							
79	77							
80	78							
81	79							
82	80							
83	81							
84	82							
85 L	83							
	84							
	85							
	86							
	87							
	88							
	89							
	90 L							

* This report is based on assumed growth rates of 7.00% and 7.00%, with inflation rates of 3.00% and 3.00% (before and after retirement). Starting Cost basis is 100.00%. Account additions are calculated to increase 3.00% per year.

Tax-Deferred Retirement Accounts

	Individual 1 Accounts					**Individual 2 Accounts**			
Age	Account Additions	Annual Growth	With-drawals	**Balance*** $100,000	Age	Account Additions	Annual Growth	With-drawals	**Balance*** $14,000
48	9,000	7,315		116,315	46		980		14,980
49	9,270	8,467		134,051	47		1,049		16,028
50	9,548	9,718		153,316	48		1,122		17,149
51	9,835	11,076		174,226	49		1,200		18,349
52	10,130	12,550		196,905	50		1,284		19,633
53	10,433	14,149		221,486	51		1,374		21,007
54	10,746	15,880		248,112	52		1,470		22,477
55	11,069	17,755		276,936	53		1,573		24,050
56	11,401	19,785		308,121	54		1,684		25,733
57	11,743	21,979		341,843	55		1,801		27,534
58	12,095	24,352		378,290	56		1,927		29,461
59	12,458	26,916		417,664	57		2,062		31,523
60	12,832	29,686		460,181	58		2,207		33,729
61	13,217	32,675		506,073	59		2,361		36,090
62	13,613	35,902		555,587	60		2,526		38,616
63	14,022	39,382		608,990	61		2,703		41,319
64 R		36,539		645,529	62 R		2,479		43,798
65		38,732		684,260	63		2,628		46,425
66		41,056		725,315	64		2,786		49,210
67		43,519		768,833	65		2,953		52,162
68		45,191	(31,289)	782,735	66		3,130		55,291
69		44,682	(76,054)	751,363	67		3,317		58,608
70		42,718	(78,787)	715,293	68		3,516		62,124
71		40,469	(81,613)	674,149	69		3,727		65,851
72		37,985	(82,131)	630,003	70		3,879	(2,403)	67,326
73		35,250	(85,013)	580,239	71		3,963	(2,541)	68,748
74		32,175	(87,989)	524,424	72		4,044	(2,685)	70,106
75		28,734	(91,061)	462,097	73		4,121	(2,838)	71,388
76		24,899	(94,232)	392,763	74		4,193	(3,000)	72,581
77		20,641	(97,507)	315,896	75		4,260	(3,169)	73,671
78		15,927	(100,887)	230,936	76		4,320	(3,349)	74,642
79		10,724	(104,392)	137,268	77		4,373	(3,521)	75,494
80		4,996	(107,995)	34,269	78		4,418	(3,719)	76,193
81		998	(35,267)		79		2,219	(78,412)	
82					80				
83					81				
84					82				
85 L					83				
					84				
					85				
					86				
					87				
					88				
					89				
					90 L				

* This report is based on assumed growth rates of 7.00% and 6.00%, and inflation rates of 3.00% and 3.00% (before and after retirement). Account deposits are calculated to increase 3.00% and 3.00% per year (Individual 1 and 2). Company contributions to Roth 401k accounts show as account additions to Tax Deferred accounts.

Tax-Free Accounts

Combined ROTH IRA Accounts							Other Tax Free Assets			
Age Indv 1	Age Indv 2	Additions Indv. 1	Additions Indv. 2	Annual Growth	With-drawals	**Balance*** $4,000	Account Additions	Annual Growth	With-drawals	**Balance*** $10,000
48	46	2,000	2,000	420		8,420		500		10,500
49	47	2,060	2,060	734		13,272		525		11,025
50	48	2,121	2,121	1,078		18,590		551		11,576
51	49	2,185	2,185	1,454		24,414		579		12,154
52	50	2,251	2,251	1,867		30,782		608		12,761
53	51	2,318	2,318	2,317		37,734		638		13,399
54	52	2,388	2,388	2,809		45,318		670		14,068
55	53	2,459	2,459	3,344		53,580		703		14,771
56	54	2,533	2,533	3,928		62,572		739		15,509
57	55	2,609	2,609	4,563		72,352		775		16,284
58	56	2,687	2,687	5,253		82,978		814		17,098
59	57	2,768	2,768	6,002		94,516		855		17,952
60	58	2,851	2,851	6,816		107,032		898		18,849
61	59	2,937	2,937	7,698		120,602		942		19,791
62	60	3,025	3,025	8,654		135,304		990		20,780
63	61	3,115	3,115	9,689		151,222		1,039		21,819
64 R	62 R			9,073		160,294		1,091		22,909
65	63			9,618		169,910		1,145		24,054
66	64			10,195		180,104		587	(24,641)	
67	65			10,806		190,910				
68	66			11,455		202,364				
69	67			12,142		214,504				
70	68			12,870		227,374				
71	69			13,642		241,016				
72	70			14,461		255,476				
73	71			15,329		270,804				
74	72			16,248		287,052				
75	73			17,223		304,274				
76	74			18,256		322,530				
77	75			19,352		341,880				
78	76			20,513		362,392				
79	77			21,744		384,134				
80	78			23,048		407,182				
81	79			24,384	(1,569)	429,996				
82	80			22,927	(95,758)	357,164				
83	81			18,457	(99,111)	276,509				
84	82			13,513	(102,576)	187,445				
85 L	83			8,062	(106,155)	89,351				
	84			2,602	(91,953)					
	85									
	86									
	87									
	88									
	89									
	90 L									

* Roth growth rates: 7.00% and 6.00%, Tax-Free: 5.00% and 5.00%, inflation rates: 3.00% and 3.00% (before and after retirement).
Account deposits are calculated to increase 3.00% and 3.00% per year (Individual 1 and 2).

Insurance Summary

Company Name		
Insured	Indv 1	Indv 2
Owner	Indv 1	Indv 2
Beneficiary	Indv 2	Indv 1
Type	Term	Term
Death Benefit	$300,000	$100,000
Annual Premium		
Total Premiums Paid		
Current Cash Values		

Insurance Included in Estate:

John predeceases Mary

	John	**Mary**
Policy 1 -	$300,000	$0
Policy 2 -	0	100,000
	$300,000	$100,000

Mary predeceases John

	Mary	**John**
Policy 1 -	$0	$300,000
Policy 2 -	100,000	0
	$100,000	$300,000

Survivor Needs Analysis

In the event of an untimely death, survivors may be left without the household income needed to sustain their existing lifestyle. Life insurance coverage is recommended in an amount that will ensure sufficient ongoing income, as well as cover immediate needs, such as final expenses.

Determining proper levels of life insurance involves a comparison of current and future household expense levels with expected surviving spouse's earnings plus survivor benefits. Other resources are also taken into account such as: liquid assets, investments, pension, and retirement accounts.

Insurance needs estimates are the calculated lump sum amounts which would provide a source of future cash flow to supplement the anticipated household income. The insurance levels suggested are just general guides and may not include all factors affecting your own situation.

Spending needs for this report are based upon $60,000 per year, inflated at 3% each year until retirement and $50,000 per year, inflated at 3% each year during retirement.

Life Insurance Basic Needs Estimate on John:

Present Value:	Anticipated Spending Needs	$1,411,442	
	Education Expenses	99,999	
	Final Expenses	17,500	
	Other Expenses	36,940	$1,565,881
	Mary's Employment	($292,809)	
	Social Security Benefits	(440,150)	
	Pension Benefits	(0)	
	Other Incomes	(0)	($732,959)

Net Estimated Survivor Need Shortage	$832,922
Currently Existing Liabilities	140,000
Assets Available to Offset Shortage	(183,000)
Current Life Insurance Coverage	(300,000)
Suggested Additional Life Insurance Coverage	**$489,922**

Note: Estimated insurance requirements can vary over time due to changes in asset levels, special expenses, education expenses, estate planning, and spouse's retirement needs. Additional insurance, held outside of an insurance trust, may have estate tax consequences. It may be prudent to purchase an amount of insurance appropriate to prepare for potential higher coverage needs. Consult with your financial advisor about factors that may suggest additional insurance coverage.

Survivor Needs Analysis

In the event of an untimely death, survivors may be left without the household income needed to sustain their existing lifestyle. Life insurance coverage is recommended in an amount that will ensure sufficient ongoing income, as well as cover immediate needs, such as final expenses.

Determining proper levels of life insurance involves a comparison of current and future household expense levels with expected surviving spouse's earnings plus survivor benefits. Other resources are also taken into account such as: liquid assets, investments, pension, and retirement accounts.

Insurance needs estimates are the calculated lump sum amounts which would provide a source of future cash flow to supplement the anticipated household income. The insurance levels suggested are just general guides and may not include all factors affecting your own situation.

Spending needs for this report are based upon $60,000 per year, inflated at 3% each year until retirement and $50,000 per year, inflated at 3% each year during retirement.

Life Insurance Basic Needs Estimate on Mary:

Present Value:	Anticipated Spending Needs	$1,303,406	
	Education Expenses	99,999	
	Final Expenses	17,500	
	Other Expenses	36,940	$1,457,845
	John's Employment	($878,427)	
	Social Security Benefits	(310,795)	
	Pension Benefits	(40,693)	
	Other Incomes	(0)	($1,229,916)

Net Estimated Survivor Need Shortage	$227,929
Currently Existing Liabilities	140,000
Assets Available to Offset Shortage	(183,000)
Current Life Insurance Coverage	(100,000)
Suggested Additional Life Insurance Coverage	**$84,929**

Note: Estimated insurance requirements can vary over time due to changes in asset levels, special expenses, education expenses, estate planning, and spouse’s retirement needs. Additional insurance, held outside of an insurance trust, may have estate tax consequences. It may be prudent to purchase an amount of insurance appropriate to prepare for potential higher coverage needs. Consult with your financial advisor about factors that may suggest additional insurance coverage.

Survivor Needs Calculation for Mary, To Estimate Life Insurance Required on John

NPV's*	($1,411,442)	($99,999)	($54,440)	$292,809	$440,150	$0	($832,922)
Age	After Tax Spending Need	Education Costs	Other Inc/Exp**	After Tax Emp. Income	After Tax SS Benefits	After Tax Pension Inc.	Estimated Inc. Shortage
46	(60,000)		(17,500)	22,500	37,328		(17,673)
47	(61,800)		(12,360)	23,175	38,167		(12,818)
48	(63,654)			23,870	39,026		(758)
49	(65,564)		(21,855)	24,586	39,904		(22,928)
50	(67,531)			25,324	40,802		(1,405)
51	(69,556)		(9,274)	26,084	35,753		(16,994)
52	(71,643)	(13,382)		26,866	36,557		(21,602)
53	(73,792)	(21,278)		27,672	37,380		(30,019)
54	(76,006)	(22,554)		28,502	38,221		(31,837)
55	(78,286)	(23,908)		29,357			(72,837)
56	(80,635)	(25,342)		30,238			(75,739)
57	(83,054)	(26,863)		31,145			(78,772)
58	(85,546)	(28,474)		32,080			(81,940)
59	(88,112)			33,042			(55,070)
60	(90,755)			34,033			(56,722)
61	(93,478)			35,054			(58,424)
62	(80,235)				22,869		(57,366)
63	(82,642)				23,384		(59,259)
64	(85,122)				23,910		(61,212)
65	(87,675)				24,448		(63,227)
66	(90,306)				24,998		(65,308)
67	(93,015)				25,561		(67,454)
68	(95,805)				26,136		(69,670)
69	(98,679)				26,724		(71,956)
70	(101,640)				27,325		(74,315)
71	(104,689)				27,940		(76,749)
72	(107,830)				28,568		(79,261)
73	(111,064)				29,211		(81,853)
74	(114,396)				29,868		(84,528)
75	(117,828)				30,540		(87,288)
76	(121,363)				31,228		(90,135)
77	(125,004)				31,930		(93,074)
78	(128,754)				32,649		(96,105)
79	(132,617)				33,383		(99,233)
80	(136,595)				34,134		(102,461)
81	(140,693)				34,902		(105,791)
82	(144,914)				35,688		(109,226)
83	(149,261)				36,491		(112,771)
84	(153,739)				37,312		(116,427)
85	(158,351)				38,151		(120,200)
86	(163,102)				39,010		(124,092)
87	(167,995)				39,887		(128,108)
88	(173,035)				40,785		(132,250)
89	(178,226)				41,703		(136,523)
90	(183,573)				42,641		(140,932)

* Net Present Values for this illustration are calculated using an after-tax discount rate of 6% (Education Costs at 6%)

** First year expenses include allowances for final expenses and emergency funds in the amount of $17,500.

Survivor Needs Calculation for John, To Estimate Life Insurance Required on Mary

Age	After Tax Spending Need	Education Costs	Other Inc/Exp**	After Tax Emp. Income	After Tax SS Benefits	After Tax Pension Inc.	Estimated Inc. Shortage
NPV's*	($1,303,406)	($99,999)	($54,440)	$878,427	$310,795	$40,693	($227,929)
48	(60,000)		(17,500)	67,500	20,686		10,686
49	(61,800)		(12,360)	69,525	21,151		16,516
50	(63,654)			71,611	21,627		29,584
51	(65,564)		(21,855)	73,759	22,114		8,455
52	(67,531)			75,972	22,612		31,053
53	(69,556)		(9,274)	78,251	19,817		19,238
54	(71,643)	(13,382)		80,599	20,263		15,837
55	(73,792)	(21,278)		83,016	20,719		8,665
56	(76,006)	(22,554)		85,507	21,185		8,132
57	(78,286)	(23,908)		88,072			(14,122)
58	(80,635)	(25,342)		90,714			(15,263)
59	(83,054)	(26,863)		93,436			(16,481)
60	(85,546)	(28,474)		96,239			(17,781)
61	(88,112)			99,126			11,014
62	(90,755)			102,100	21,874	5,760	38,978
63	(93,478)			105,163	22,366	5,875	39,926
64	(80,235)				22,869	5,993	(51,373)
65	(82,642)				23,384	6,113	(53,146)
66	(85,122)				23,910	6,235	(54,977)
67	(87,675)				24,448	6,360	(56,868)
68	(90,306)				24,998	6,487	(58,821)
69	(93,015)				25,561	6,616	(60,838)
70	(95,805)				26,136	6,749	(62,921)
71	(98,679)				26,724	6,884	(65,072)
72	(101,640)				27,325	7,021	(67,293)
73	(104,689)				27,940	7,162	(69,587)
74	(107,830)				28,568	7,305	(71,956)
75	(111,064)				29,211	7,451	(74,402)
76	(114,396)				29,868	7,600	(76,928)
77	(117,828)				30,540	7,752	(79,536)
78	(121,363)				31,228	7,907	(82,228)
79	(125,004)				31,930	8,065	(85,008)
80	(128,754)				32,649	8,227	(87,879)
81	(132,617)				33,383	8,391	(90,842)
82	(136,595)				34,134	8,559	(93,902)
83	(140,693)				34,902	8,730	(97,060)
84	(144,914)				35,688	8,905	(100,321)
85	(149,261)				36,491	9,083	(103,688)

* Net Present Values for this illustration are calculated using an after-tax discount rate of 6% (Education Costs at 6%)

** First year expenses include allowances for final expenses and emergency funds in the amount of $17,500.

Disability Income Insurance

Disability due to illness or injury can devastate your financial plans. At a time when you are unable to work for a living, household expenses may actually increase while your income decreases. You could be forced to deplete funds that might have been saved for your retirement years.

Generally, the goal of disability insurance is to replace the after-tax earnings of the insured wage earner and to allow you and your family to maintain your current lifestyle. Based on your current situation, you would need to replace the following income if you were disabled.

John		**Mary**	
Current Income:	$90,000/Yr.	Current Income:	$30,000/Yr.
Replacement Ratio*:	65%	Replacement Ratio*:	65%
Suggested Need:	$59,000/Yr.	Suggested Need:	$20,000/Yr.

* Current underwriting standards allow only a portion of Current Income to be replaced.

In addition, there are many factors which could affect the amount of the Suggested Need noted above. You should review these items before making your final decision. These factors include:

- Investment Income
- Investment Assets
- Retirement Assets
- Spouse's Salary
- Pension Income
- Other Income
- Changes in Living Expenses
- Inflation
- Funds required for retirement/education or other needs
- Length of Time Until Retirement
- Changes in Taxes
- Social Security Disability Benefits
- Employer Disability Benefits

Note: Consult with your financial advisor about factors that may suggest additional insurance coverage.

Long-Term Care

Long-Term Care Defined

Long-term care is sustained medical or custodial care in a hospital, nursing facility, or equivalent care at home. This care meets the needs of people when, for some reason, they cannot care for themselves. Long-term care insurance provides coverage for costs when the need for care extends beyond a pre-determined period. Benefits start when certain conditions and time frames specified by a long-term care insurance policy are met.

Generally the needs requirements to obtain insurance benefits fall into two categories:

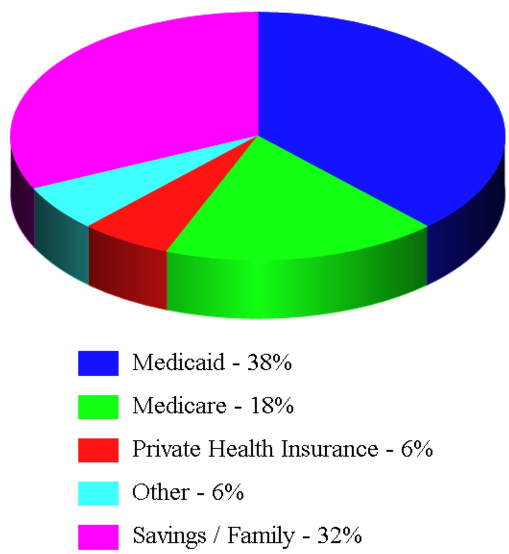
An inability to perform two or more Activities of Daily Living (or ADLs).	Activities of Daily Living (ADLs) are basic functions of daily independent living and includes: Dressing Toileting Bathing Transferring Eating Continence
Impaired Cognitive Ability	Loss of mental function can result from stroke, dementia or Alzheimer's Disease. Alzheimer's Disease is a disorder that progressively affects one's ability to carry out daily activities.

The Cost of Waiting to Plan

- 40% of all long-term care recipients are under the age of 65.
- Over 45% of seniors who reach age 65 will spend some time in a nursing home.
- Over 70% of seniors who reach age 65 will need some form of home health care in their lifetime.
- One out of every four families provides care to an elderly relative or loved one.
- 25% will stay in a Nursing Facility for more than one full year.
- The average nursing home stay is 2.5 years and the average Alzheimer's stay is 7 years.

Without benefits from long-term care insurance or a comparable plan, the cost of providing these services could devastate your lifetime savings, or a relative's life savings. On average, one year in a nursing home costs in the area of $57,000 and can easily exceed $100,000.

Depending on the care required, most of these expenses are paid for by the patient or their family. Medicare may contribute toward the first 100 days expenses in a skilled care facility. There are no Medicaid benefits available for intermediate term or custodial care, unless the state finds the patient to be impoverished under local guidelines. Even then, care options would be restricted to care facilities that accept the very limited benefit payments Medicaid offers.



Medicaid and Medicare Facts

- **Medicaid is a welfare program designed as an emergency safety net to pay health care costs of the poor.**
- **Medicare is part of Social Security, and helps pay for the general health care needs of retired persons.**
- **Medicare typically only pays for doctors, hospitals, and short recuperative stays in nursing facilities.**
- **Private health insurance is designed for medical (doctors, hospitals, etc) not long-term care expenses.**
- **Most people end up relying on their own or relatives resources to pay for long-term care expenses.**

Long-Term Care Need Analysis

Long-term care (LTC) requires long-term planning. LTC insurance is available to cover these expenses, protect your assets, your independence, and control the quality of the care you receive. You are able to choose the specified daily benefit level, as well as the types of medical and care services covered.

When is the best time to purchase LTC insurance? Generally, the premiums stay level once the policy is purchased, much like level term insurance. In practice, the earlier you buy a policy, the lower the premium. Since the odds of becoming disabled increase with age, purchasing coverage before the age of 55 is good planning. Consider the premium cost of several coverage levels to determine which is right for your budget.

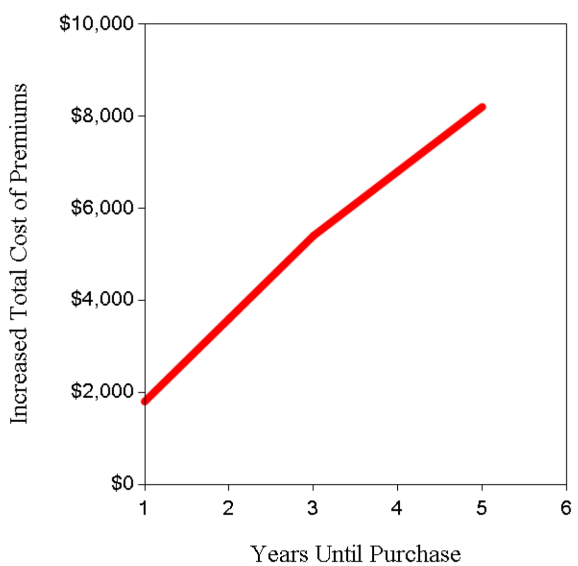
Needs Estimate

These estimated long-term care cost examples are based upon your financial information. Consider the numbers here to be a starting point for analysis and discussion of your long-term care insurance needs.

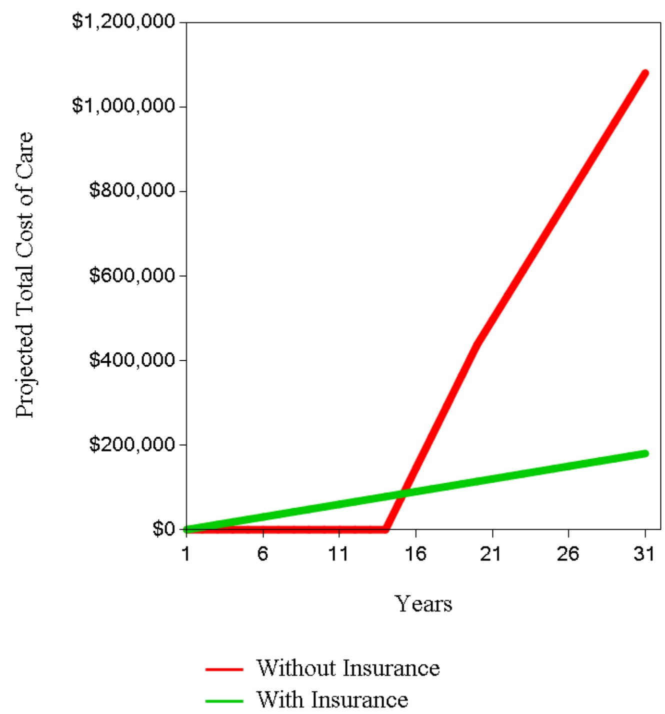
	John	Mary
Estimated daily care cost	$200	$200
Estimated annual care costs	$73,000	$73,000
Estimated years of care	5	5
Assumed inflation rate	5%	5%

Current financial assets exposed to potential long-term care expense risk : **$183,000**

Cumulative Cost of Waiting to Purchase



Total Cost of Long-Term Care



Depending on your age, a delay in arranging a Long-term care policy can mean substantially higher premiums. This graph illustrates the cost of waiting to purchase a Long-term care policy.

A Long-term care policy can stabilize and moderate the potentially damaging costs of nursing home care. This graph displays potential cost differential and value of having a Long-term insurance plan in place.

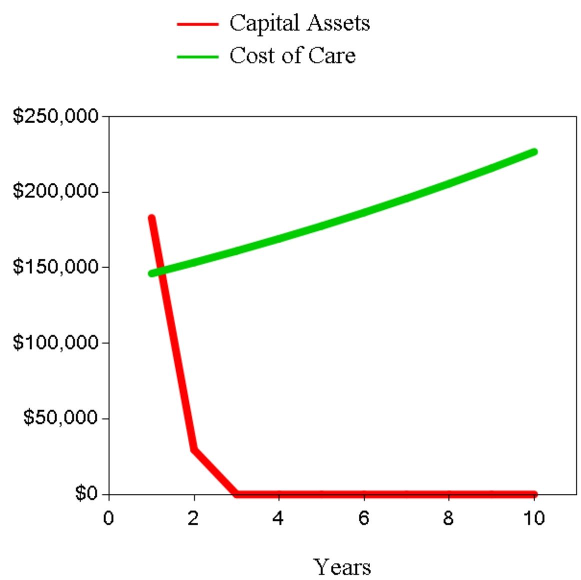
Long-Term Care Unprotected Need

This future long-term care needs chart displays the annual future amount of long-term care needed vs. your assets available. Total Long-Term Care Need is based upon average care requirements. Assets to Liquidate are your non-qualified working assets. Your Unprotected Need is estimated to be $781,738 based upon these estimates:

Long-Term Care Need Calculation

Total Long-Term Care Need:	$806,738
Assets to Liquidate:	$25,000
Unprotected Need:	$781,738

Potential Asset Value Erosion



Favorable income tax treatment is available for policies meeting certain requirements. In those cases, premiums, with certain limitations, may be deducted as medical expenses for those who itemize their deductions.

Alternative Options to Long-Term Care Insurance

Self-Insurance

This alternative to purchasing LTC insurance is using your existing investments to pay for long-term care if needed. This would be appropriate if sufficient assets are available and the potential loss of those assets to heirs is acceptable. Of course this means that you are willing to liquidate your assets, and if you don't have sufficient funds, you transfer the financial burden to your loved ones. While this alternative may be more flexible, the LTC insurance would be more beneficial if the coverage is eventually needed.

Qualify for Medicaid

Medicaid was enacted to provide health care services for the impoverished. Recent legislation has made it extremely difficult for a person of modest means to qualify for Medicaid benefits by gifting or otherwise disposing of personal assets for less than fair market value.

Summary

Be aware that the potential loss of financial assets to pay for long-term care costs is due to increasing life expectancies and advances in medical treatment for the elderly. This presents a risk to your lifetime savings and financial future. LTC insurance is available at varying levels of coverage and corresponding premiums to meet these risks. LTC insurance can allow you to maintain your desired level of independence and preserve personal assets. However, premium costs will be a significant factor in your decision. Consider discussing your LTC insurance needs and options with an insurance specialist who can explain specific policy details. Fully understanding available options can help you find the best choice for you and your family's future.

Estate Planning

While a very complex topic, estate planning is a critical component of any well developed financial plan. To be effective, this planning needs to be carefully coordinated with the other areas of planning such as Insurance, Retirement, Investments, etc. The primary goal of this section is to highlight estate planning concepts, and help illustrate potential benefits of implementing basic estate planning techniques available today.

Estate Tax

Minimizing estate tax exposure is generally a primary goal of most clients. History is full of examples of estates decimated by unnecessary estate taxes and expenses. We will provide you with an analysis of your current situation and illustrate suggestions to minimize your current and future estate tax exposure. Some of the basic planning techniques we will consider are the use of:

Unlimited Marital Deduction
Maximizing use of Applicable Exclusion Amount
Unlimited Charitable Deductions
Annual Gift Exclusion
Revocable Living Trusts
Irrevocable Life Insurance Trusts

Other Financial Goals

Other financial goals to consider in your planning are:

Estate liquidity
Managing probate, administrative and other expenses
Minimizing Income Tax

Non-Financial Goals

The non-financial aspects of estate planning are just as important as the various financial goals described above. They will often be of a very personal nature and should be customized to fit into your overall plan. Generally, this can be accomplished by discussing these goals noted above. We will be able to point out only general concepts in this report. However, some of the non-financial goals for you to consider are:

Caring for dependents or minor children
Distribution of property to heirs
Maintaining control over assets
Lifetime planning issues such as incapacity and health care powers

Summary

Protecting your estate requires careful planning. The diverse skills required to coordinate a plan might require a team approach consisting of your financial planner, attorney, insurance specialist, accountant, and investment advisor. The illustrations provided here are intended as tools to help you and your team make informed decisions. In addition, your situation will most likely change with time. Therefore, you will need to monitor your estate planning situation periodically and make amendments as required.

This report is a hypothetical illustration and does not constitute legal or tax advice. You should always obtain legal counsel and professional tax advice before taking action affecting your estate planning.

Your Current Situation

The recommendations in this report are based on information that you provided. Before reviewing the estate plan or implementing any of the recommendations that follow, please verify the following data and assumptions.

Basic Data

	John	Mary
Age	48	46
Age at Death for this Illustration	48	46

General Assumptions

Administrative & probate expenses as a percentage of estate assets:	4.00%
Estimated final expenses	$7,500

Existing Estate Planning

	John	Mary
Will	No	No
Revocable Living Trust	No	No
Marital Trust Provisions	No	No
Credit Shelter Trust Provisions	No	No
QTIP Trust Provisions	No	No
Generation Skip Trust Provisions	No	No
Irrevocable Life Insurance Trust	No	No
Durable General Power of Attorney	No	No
Durable Health Care Power of Attorney	No	No
Living Will	No	No
Existing percentage of Estate in Living Trust	0%	0%

Previous Gifting Detail

	John	Mary
Previous Taxable Gifts	$0	$0
Previous Gift Taxes Paid	$0	$0

Current Estate Summary

John's gross estate consists of $504,500 and Mary's consists of $188,500.
Potential federal estate taxes currently range from $0 to $0.
Administrative, probate, and final expenses could total from $55,146 to $67,281.
Additional planning could save up to $48,817 in estate taxes and other costs.

This report, and its hypothetical illustrations, are intended to form a basis for further discussion with your legal, accounting, and financial advisors. Actual future investment returns, taxes and inflation are unknown. Do not rely upon this report to predict future investment performance.

Estate Net Worth Statement

ASSETS	John	Mary	Joint/ Community	Total
Savings and Investments				
Money market accounts/funds			$20,000	$20,000
Municipal bonds and funds			10,000	10,000
Stock mutual funds			5,000	5,000
Annuities	30,000			30,000
	$30,000	$0	$35,000	$65,000
Retirement Accounts				
Qualified Plans - John	$100,000			$100,000
Roth IRA Assets - John	2,000			2,000
Roth IRA Assets - Mary		2,000		2,000
IRA Assets - Mary		14,000		14,000
	$102,000	$16,000	$0	$118,000
Other Assets				
Residence			$200,000	$200,000
Personal Property			20,000	20,000
Auto			30,000	30,000
	$0	$0	$250,000	$250,000
TOTAL ASSETS	**$132,000**	**$16,000**	**$285,000**	**$433,000**
LIABILITIES				
Residence Mortgage			$120,000	$120,000
Credit Card Debt			5,000	5,000
Auto Loans			15,000	15,000
TOTAL LIABILITIES	**$0**	**$0**	**$140,000**	**$140,000**
NET WORTH	**$132,000**	**$16,000**	**$145,000**	**$293,000**
ADJUSTMENTS				
Life insurance in estate	$300,000	$100,000		
Estate share of joint property	72,500	72,500		
ESTATE NET WORTH	**$504,500**	**$188,500**		

Current Situation - Flowchart

John Predeceases Mary

John's Estate $504,500

At John's Death

The Marital Deduction allows unlimited assets to pass to a spouse without estate taxation.

Proceeds from life insurance on John would transfer to beneficiaries.

Marital Transfer $474,020

At Mary's Death

Mary's own assets, plus the assets transferred from John will be included in Mary's taxable estate.

Proceeds from life insurance on Mary would be subject to estate tax.

Mary's Estate $662,520

To Beneficiaries* $625,719

* After total costs and taxes of $67,281

Mary Predeceases John

Mary's Estate $188,500

At Mary's Death

The Marital Deduction allows unlimited assets to pass to a spouse without estate taxation.

Proceeds from life insurance on Mary would transfer to beneficiaries.

Marital Transfer $170,660

At John's Death

John's own assets, plus the assets transferred from Mary will be included in John's taxable estate.

Proceeds from life insurance on John would be subject to estate tax.

John's Estate $675,160

To Beneficiaries* $637,854

* After total costs and taxes of $55,146

Current Situation - Estimate

John Predeceases Mary

Estate	John's Death	Mary's Death
Separate property	$30,000	$0
50% of jointly owned & community property	142,500	142,500
Retirement Accounts	102,000	16,000
Life Insurance	300,000	100,000
Debt	(70,000)	(70,000)
Marital Transfer	0	474,020
	$504,500	$662,520
Deductions and Expenses		
Marital Transfer	($474,020)	$0
Administrative, Probate and Final Expenses	(30,480)	(36,801)
	($504,500)	($36,801)
Federal Taxable Estate	$0	$625,719
Federal Estate Tax		
Federal Estate Tax	$0	($202,316)
Applicable Credit Amount	0	202,316
Federal Estate Tax	$0	$0

Mary Predeceases John

Estate	Mary's Death	John's Death
Separate property	$0	$30,000
50% of jointly owned & community property	142,500	142,500
Retirement Accounts	16,000	102,000
Life Insurance	100,000	300,000
Debt	(70,000)	(70,000)
Marital Transfer	0	170,660
	$188,500	$675,160
Deductions and Expenses		
Marital Transfer	($170,660)	$0
Administrative, Probate and Final Expenses	(17,840)	(37,306)
	($188,500)	($37,306)
Federal Taxable Estate	$0	$637,854
Federal Estate Tax		
Federal Estate Tax	$0	($206,806)
Applicable Credit Amount	0	206,806
Federal Estate Tax	$0	$0

Your Alternate Estate Planning Structure

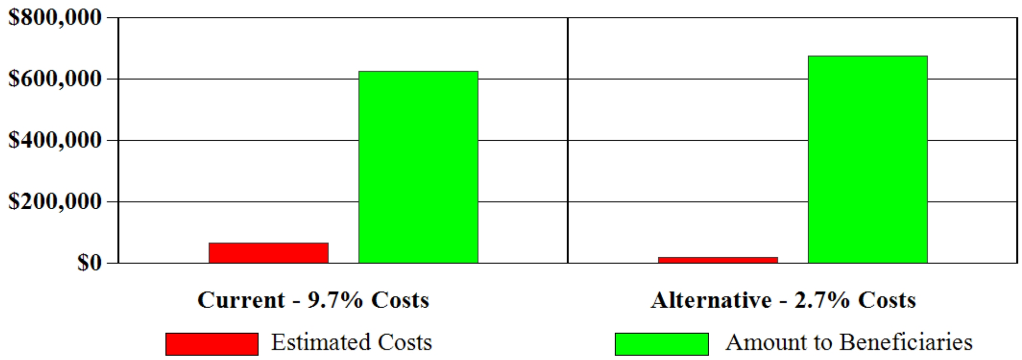
Summary of Alternative Estate Results

This report reviews and compares the cumulative impact of the suggested estate planning alternatives upon your estate. The Suggested Alternative Flowchart diagram which follows this page illustrates how the improved estate structure reduces the amount of your estate exposed to estate taxes. In your specific case, you may be able to reduce your estate costs and taxes by up to 73%. These savings directly translate into additional assets available for beneficiaries.

Currently, your combined total estate is estimated to be $693,000. Using estimated estate settlement costs of $67,281, you would pass approximately $625,719 to your beneficiaries.

With proper implementation of suggested alternative estate structures, your current estimated estate settlement costs may be reduced to approximately $18,464. This would allow you to save $48,817 in taxes and expenses, transferring $674,536 to your beneficiaries.

Impact of Planning upon Estate Costs



Alternative Wills and Trusts

By implementing suggested alternative estate strategies, you may significantly increase the assets passing to your beneficiaries at death and reduce your estimated estate settlement costs.

Your current estate documents:

- None

Suggested additional/alternative estate documents:

- A Will for each spouse if necessary
- Revised asset ownership to balance property if necessary
- A Revocable Living Trust for each spouse
- Fund the Revocable Living Trusts
- Marital Trust provisions
- Credit Shelter Trust provisions
- Irrevocable Life Insurance Trusts*
- Durable General Powers of Attorney
- Durable Health Care Powers of Attorney
- Living Wills

* Please note that Irrevocable Life Insurance Trusts may not be needed in all cases. Please consult your attorney.

Alternative Situation - Flowchart

John Predeceases Mary

John's Estate $189,500

At John's Death

Credit Shelter Trust $179,924

Life Insurance Trust $300,000

The Living Trust creates a Credit Shelter Trust with up to $1,000,000. Any remaining assets would be placed in a Marital Trust for Mary's primary financial needs. Mary also has access to the Credit Shelter Trust assets if needed.

Proceeds from life insurance policies on John owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

Marital Trust/Transfer $0

Mary's Estate $103,500

Life Insurance Trust $100,000

At Mary's Death

Mary's assets, the remaining assets held in the Marital Trust and Credit Shelter Trust would transfer to specified beneficiaries.

Proceeds from life insurance policies on Mary owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

To Beneficiaries* $674,536

* After total costs and taxes of $18,464

Mary Predeceases John

Mary's Estate $103,500

At Mary's Death

Credit Shelter Trust $94,612

Life Insurance Trust $100,000

The Living Trust creates a Credit Shelter Trust with up to $1,000,000. Any remaining assets would be placed in a Marital Trust for John's primary financial needs. John also has access to the Credit Shelter Trust assets if needed.

Proceeds from life insurance policies on Mary owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

Marital Trust/Transfer $0

John's Estate $189,500

Life Insurance Trust $300,000

At John's Death

John's assets, the remaining assets held in the Marital Trust and Credit Shelter Trust would transfer to specified beneficiaries.

Proceeds from life insurance policies on John owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

To Beneficiaries* $674,536

* After total costs and taxes of $18,464

Alternative Situation - Estimate

John Predeceases Mary

Estate	John's Death	Mary's Death
Separate property (assets balanced)	$157,500	$157,500
Retirement Accounts	102,000	16,000
Life Insurance	0	0
Debt	(70,000)	(70,000)
Marital Transfer	0	0
	$189,500	$103,500
Deductions and Expenses		
Marital Transfer	$0	$0
Administrative, Probate and Final Expenses	(9,576)	(8,888)
	($9,576)	($8,888)
Federal Taxable Estate	$179,924	$94,612
Federal Estate Tax		
Federal Estate Tax	($48,376)	($22,291)
Applicable Credit Amount	48,376	22,291
Federal Estate Tax	$0	$0

Mary Predeceases John

Estate	Mary's Death	John's Death
Separate property (assets balanced)	$157,500	$157,500
Retirement Accounts	16,000	102,000
Life Insurance	0	0
Debt	(70,000)	(70,000)
Marital Transfer	0	0
	$103,500	$189,500
Deductions and Expenses		
Marital Transfer	$0	$0
Administrative, Probate and Final Expenses	(8,888)	(9,576)
	($8,888)	($9,576)
Federal Taxable Estate	$94,612	$179,924
Federal Estate Tax		
Federal Estate Tax	($22,291)	($48,376)
Applicable Credit Amount	22,291	48,376
Federal Estate Tax	$0	$0

Estate Tax Estimate

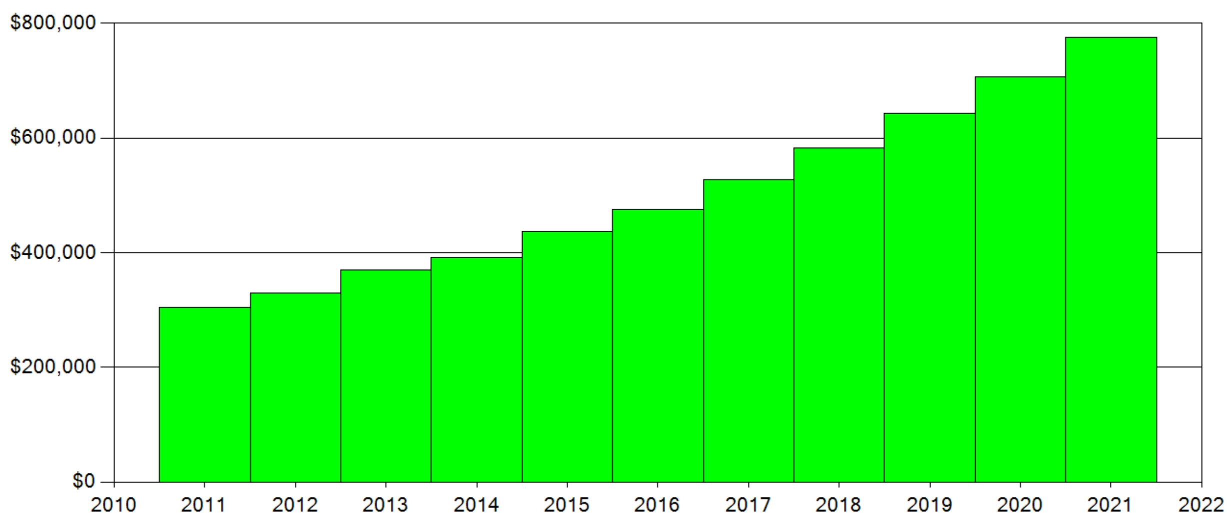
EGTRRA 2001

In June 2001, The Economic Growth and Tax Relief Reconciliation Act of 2001 was signed into law. One feature of the new law is to completely phase out estate taxes by 2010. This will be done by increasing estate tax exemptions and decreasing estate tax rates each year. In 2010, inherited property will no longer receive a step-up in basis as is done now, exposing those assets to potentially large capital gains when sold. In addition, Gift Tax rules have been changed. Congress must decide by 2011 if these changes will be permanent or revert back to previous law. We have shown your estate tax exposure in 2011 in terms of the previous law.

An Estimate of Your Estate Tax Exposure Using Suggested Planning

We have taken information provided about your current estate net worth to estimate your estate tax exposure under the new law over the next several years. We make some general assumptions regarding the growth of assets. Also, as previously suggested in this analysis, we assume that each individual has funded a credit shelter trust utilizing the applicable exclusion amounts available to them (currently $1,000,000 per person in 2011). We also assume that any life insurance benefits are kept out of the taxable estate. The graph below shows your estimated estate tax exposure (red) and your estate remainder after taxes (green) at each year end. Keep in mind that the status of estate tax law is uncertain beyond year 2010.

Estimated Estate Growth vs. Federal Estate Tax



Year End	Retirement Capital	Other Assets	Debts & Expenses	Adjustments *	Estate Tax Base	Exclusion Amounts	Estimated Estate Tax
2011	$211,706	$250,000	($158,134)	$0	$303,572	$2,000,000	$0
2012	230,143	257,500	(158,341)	0	329,302	2,000,000	0
2013	263,192	265,225	(158,667)	0	369,750	2,000,000	0
2014	276,568	273,182	(158,838)	0	390,912	2,000,000	0
2015	314,149	281,377	(159,204)	0	436,322	2,000,000	0
2016	345,320	289,819	(159,521)	0	475,617	2,000,000	0
2017	388,846	298,513	(159,939)	0	527,421	2,000,000	0
2018	435,928	307,468	(160,387)	0	583,009	2,000,000	0
2019	486,823	316,693	(160,868)	0	642,647	2,000,000	0
2020	541,814	326,193	(161,384)	0	706,623	2,000,000	0
2021	601,197	335,979	(161,937)	0	775,238	2,000,000	0

*Adjustments include charitable deductions or previous taxable gifts that have been included in your estate plan analysis.

Education Funding Illustration

John and Mary Sample

Assuming an inflation rate of 6%, the total projected cost of education will be $187,429

If you can invest your education funds at 6%* after taxes you may ...

- Make a single deposit now in the amount of $99,998
- Make level annual payments in the amount of ... $11,252
- Make level monthly payments in the amount of ... $938

* This hypothetical rate of return is for illustrative purposes and does not represent a particular investment.

Student Name	Starting Year	Number of Years	Per Year in Today's $	Total Cost at 6% Inf.	Current College Funds Saved	529 Plan	One Time Deposit	Annual Deposits
Janie	2016	4	$15,000	$82,842	$20,000	No	$39,999	$6,077
John	2020	4	15,000	104,587			59,999	6,751
				$187,429	$20,000		$99,998	$12,828 **

The following schedule demonstrates the option of making level annual payments until the last year of education expenses. Any current funds saved will be utilized as educational expenses are incurred.

Annual Breakdown of Educational Funding

Year	Additions to fund	Paid to school from fund	Ending Balance at 6%*
2012	$11,252		$33,128
2013	11,252		47,043
2014	11,252		61,793
2015	11,252		77,428
2016	11,252	18,937	73,928
2017	11,252	20,073	69,014
2018	11,252	21,278	62,528
2019	11,252	22,554	54,300
2020	11,252	23,908	44,144
2021	11,252	25,342	31,857
2022	11,252	26,863	17,222
2023	11,252	28,474	

** Annual deposit total shown may be higher than the level payment amount, but decreases as each student graduates.

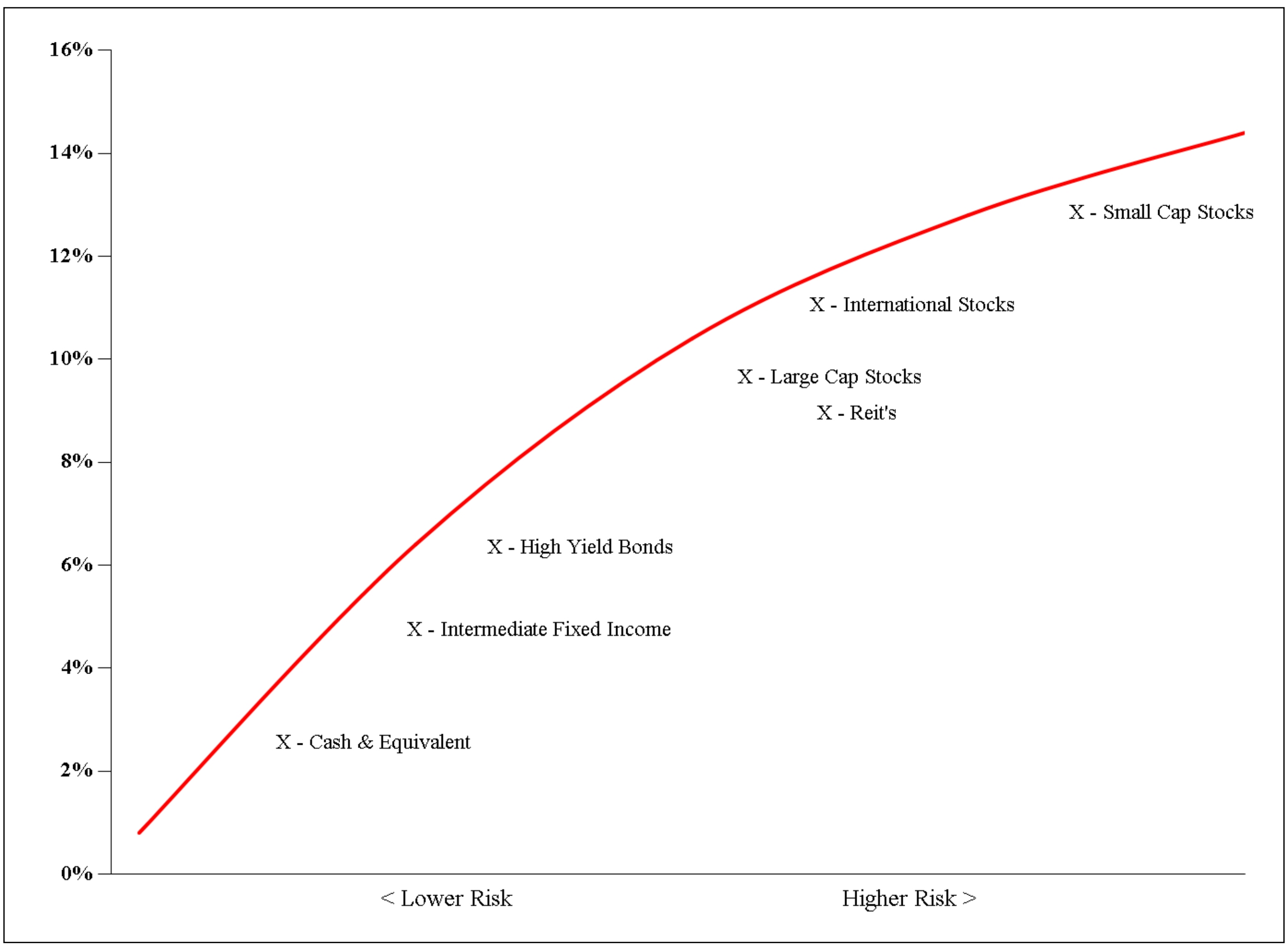
Investment Planning

ASSET ALLOCATION

Asset allocation is an important underlying principal in portfolio design because it helps to manage investment risk while attempting to maximize returns. There are basically three forms of investment risk. Credit Risk is the possibility of loss due to the underlying investment losing all of its value, for example, in a bankrupt company. Market Risk is the inherent volatility in the price and performance of investments in stocks, bonds, commodities, real estate or any other markets. Purchasing Power or Inflation Risk is the risk of an investment's value eroding over time due to an appreciation in the cost of living. Asset allocation is an attempt to utilize historical characteristics of markets to construct a portfolio that reflects the return potential of these markets. It also attempts to diversify some of the volatility risk across several asset classes, thus reducing the risk of any one big loss of principal, or any opportunity missed by not having a position in the appropriate markets.

The identification of an efficient set of portfolios is the first step in portfolio management. This set is represented by the Efficient Frontier, a graph of the lowest possible risk that can be attained for a portfolio's given expected return. The fundamental idea behind the Efficient Frontier is that, for any risk level, investors will be interested only in that portfolio with the highest expected return. This principal was set forth in a mathematical model constructed by Harry Markowitz in 1952, for which he earned a 1990 Nobel Prize for economics. Later studies, presented by Brinson, Hood, Singer Beebower, sought to determine why large pools of capital earn different rates of return. This research led to the conclusion that while only 6% of the returns in a portfolio were due to individual security selection and 2% to market timing, 92% of the returns were due to proper asset allocation.

THE EFFICIENT FRONTIER



Investment Planning

MARKET RISK AND DIVERSIFICATION

Investment markets are unpredictable, particularly in the short-term. Since volatility can be managed and reduced, but never eliminated, investors should be concerned with how their portfolio is constructed to diminish market risk.

Diversification is an aid in reducing market risk. Diversification may be approached several ways. The first approach is diversification across asset classes. There are distinctions between large, mid, and small cap stocks based on the market capitalization of the companies. There are distinctions between growth stocks, with high price-to-earnings ratios, and value stocks, with price-to-earnings ratios similar or below the market averages. These asset classes may act dissimilarly in the market, each responding to macro-economic factors in its own way. Asset classes that react to market movements differently are said to have little correlation. Therefore, investing in diverse domestic equity asset classes, ones with little correlation between them, may lend stability of the performance of a portfolio.

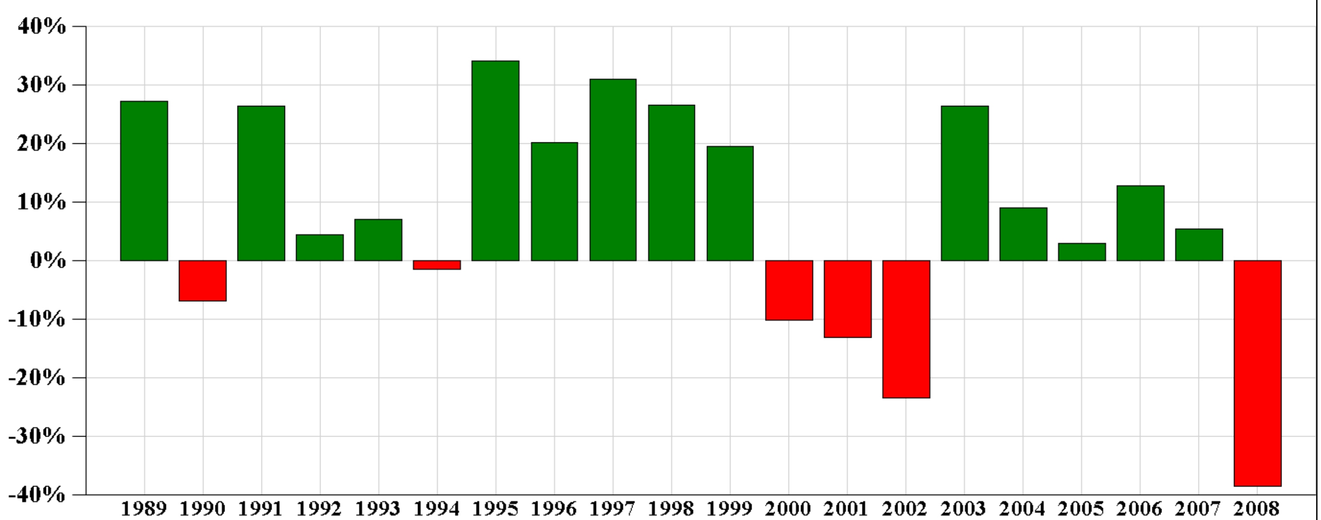
International equity asset classes also react dissimilarly to market conditions. European markets are more closely tied to economic forces outside of the United States and may behave differently than their American counterparts. Emerging market economies in Latin America, Asia and Eastern Europe, are also subject to distinct economic conditions, and as a result will experience different results in many cases. Including international equity classes in a portfolio may further diversify market risk.

Another approach to diversification may be to invest in different types of assets, such as bonds or real estate. Because these assets do not have the same investment characteristics as equities, the movement of both types of assets within one portfolio should vary diametrically, thus providing stability to overall performance.

A third approach to diversification involves investing in different industries or companies in the equity markets, and different issuers or maturities in the bond markets. This may help to balance fluctuations in a portfolio due to such factors as seasonality or interest rate changes.

It is important to remember that although volatility involves risk, it is also the engine that drives superior investment returns. U.S. Treasury bills are not very volatile, but they offer low investment return. Small cap high growth stocks are very volatile, but offer superior return potential. It is important to discuss how you can best manage volatility with your Financial Advisor, and determine together which approach is best suited to your particular circumstances.

Annual Return of the S & P 500



Investment Planning

INVESTMENT RETURNS AND THE POWER OF COMPOUNDING

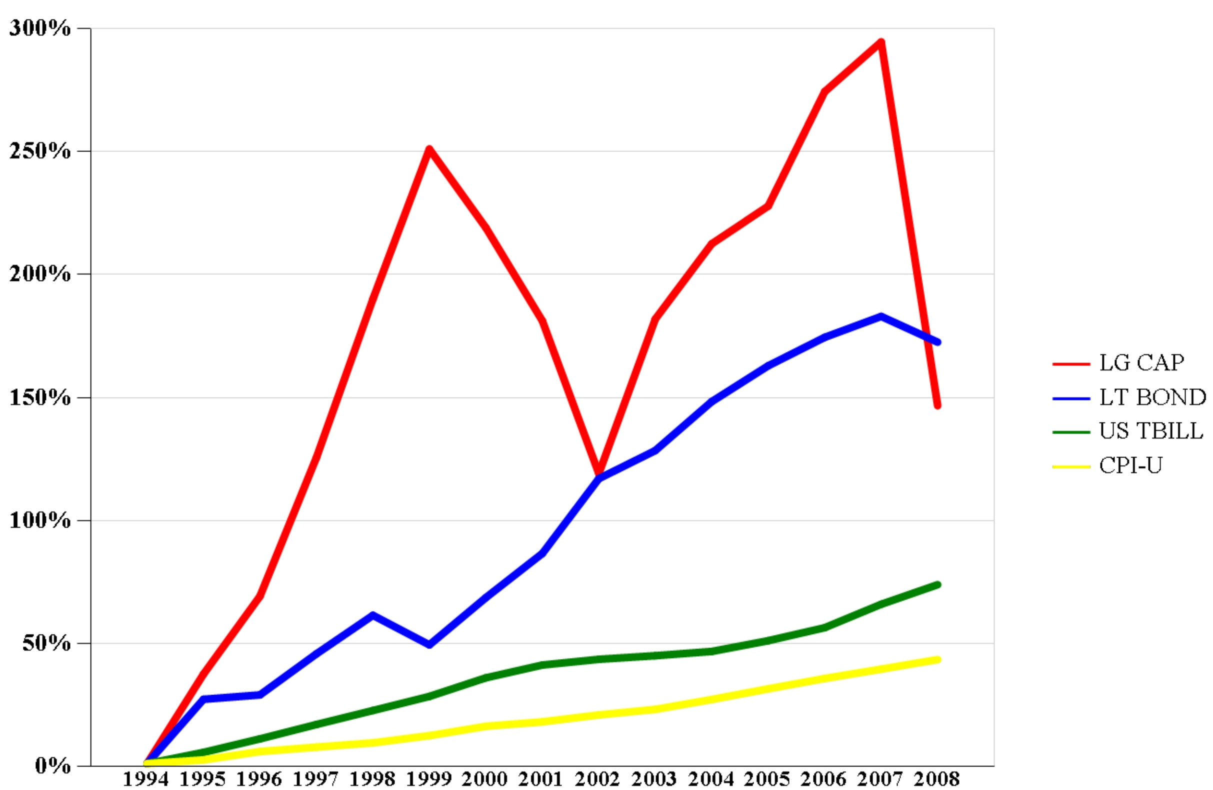
One of the most important elements of achieving superior investment results is to allow the power of compounding to work for you. Given the inherent volatility of the investment markets, returns can vary substantially from year to year. When allowed to build upon themselves over an extended period, returns may become substantial. Often investors become impatient and are unwilling to allow time to work for them. But time, coupled with compounding, is the underlying engine for superior investment return potential.

Compounding is achieved in two basic ways. First, reinvesting dividends and interest payments; more money is put to work in the original investment. This allows new money to work with old money, and over time compounding power accelerates the investment performance. The second method of compounding is dollar cost averaging. This is simply making additional contributions to investments on a regular basis, such as monthly contributions to a 401 (k) retirement plan. Because investment markets fluctuate, security prices may be lower than when the first investment dollars were contributed. This allows some of the investment to be purchased at lower prices, thus lowering the average cost of the entire investment. Conversely, when the market creates higher prices, fewer shares are purchased, thus achieving a favorable average cost per share. Of course, such a method cannot guarantee a profit or protect against loss in a declining market.

Asset classes that carry higher levels of risk do not necessarily assure higher returns over time. Generally, relatively volatile asset classes, such as stocks, exhibit higher compound growth potential than do relatively less volatile asset classes such as cash and bonds. Your Financial Advisor can assist you in determining the best method to assure that your portfolio take advantage of the power of compounding.

The chart below shows simple comparison between a few asset classes and their compounding.

The Power of Compounding



Debt Freedom

Credit is a useful and important tool in today's modern financial world. Mortgages, loans and credit cards allow people a way to purchase the goods and services they want now, then pay for the costs over time. With good planning and in the proper amount, credit is an affordable expense. Excessive debt can wreck even the best financial intentions.

Understanding and controlling debt is one aspect of long term financial well being. This part of the report offers guidance on efficient repayment strategies. Being in control of debt is the first step toward debt freedom.

Too Much Debt is Costly

Costs of excessive borrowing can be heavy, both psychologically and economically. Psychologically, too much debt is a burden that squeezes family finances and increases stress as monthly payments eat up too much income. On the economic side, interest on debt increases the effective cost of purchases, and the benefits of credit are overwhelmed by the price over time

Three Step Debt Freedom Program

1 Accelerated Debt Reduction or Elimination

Develop a written plan to follow for efficient debt elimination.

Save money on interest payments by following a payment strategy.

Shorten payment schedule by increasing monthly payments.

2 Accelerated Wealth Accumulation

Enhance your present lifestyle with increased cash flow.

Invest more money for future needs such as college education or retirement.

3 Debt Education

Be knowledgable about debt and understand when it makes sense to borrow.

Part 1: Accelerated Debt Reduction or Elimination

Your Personalized Plan to Get out of Debt

Here you will learn:

Which debts to pay off first

How much money you can save in interest payments

The effect of increasing debt repayments

Your Current Plan: The following is your existing debt repayment plan if you do nothing:

2 Loans

Monthly Payment: $797.00

Total Debt: $20,000.00

Loans paid off in 5 Years 2 Months

Total Interest Payments: $3,090.10

Current debt plan: Detail

Creditor Name	Debt Amount	Monthly Interest	Current Monthly Payment	Monthly Minimum Payment	Interest Rate
Credit Card Debt	$5,000.00	$46.00	$500.00	$115.00	11.00 %
Auto Loans	$15,000.00	$88.00	$297.00	$297.00	7.00 %

Part 1: Accelerated Debt Reduction or Elimination

Proposed Debt Reduction Plan: The following is your plan for debt freedom

2 Loans

Monthly Payment: $797.00 (an increase of $0.00 over total current loan and mortgage payments)

Total Debt: $20,000.00

Loans paid off in 2 Years 5 Months

Total Interest Payments:$1,800.06

Proposed debt plan: Detail

Creditor Name	Amount	Interest	Monthly Minimum Payment	Interest Rate	Debt Freedom Monthly Payment
Credit Card Debt	$5,000.00	$46.00	$115.00	11.00 %	$500.00
Auto Loans	$15,000.00	$88.00	$297.00	7.00 %	$297.00

Good News

You will...

1. Save $1,290 in loan interest
2. Reduce debt payoff time by 2 Years 9 Months

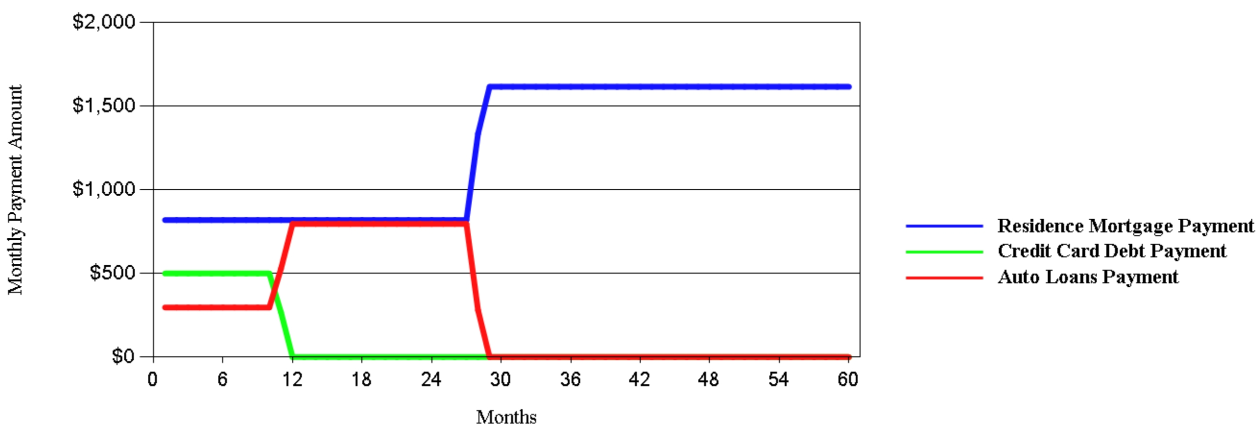
Part 1: Accelerated Debt Reduction or Elimination

How the Accelerated Debt Repayment Plan works

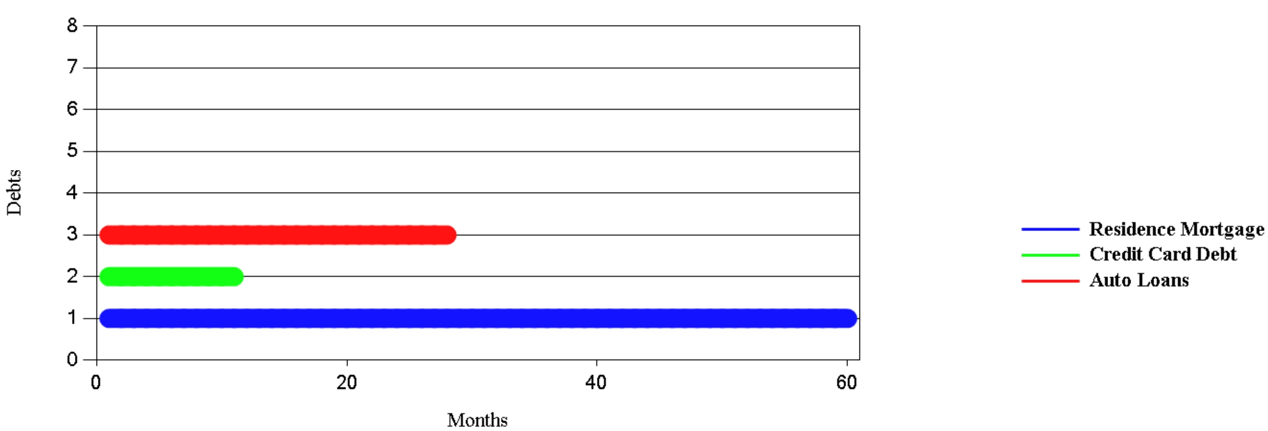
1. Debt Freedom calculates the most efficient method of debt repayment.
2. Total monthly payment is larger than minimum payments.
3. When Loan #1 is paid off, the payments that were being applied to #1 are paid toward #2 . This continues as each loan is paid until all your debts have been eliminated.
4. Assumptions: Interest rates remain the same and you don't borrow more money.

Monthly Payment Schedule
(Shown for the next 5 years, debt payment may continue longer)

Loan Payment Amounts



Loan Payment Term



Part 2: Accelerated Wealth Accumulation

Your Personalized Plan to Get out of Debt and Obtain Financial Goals

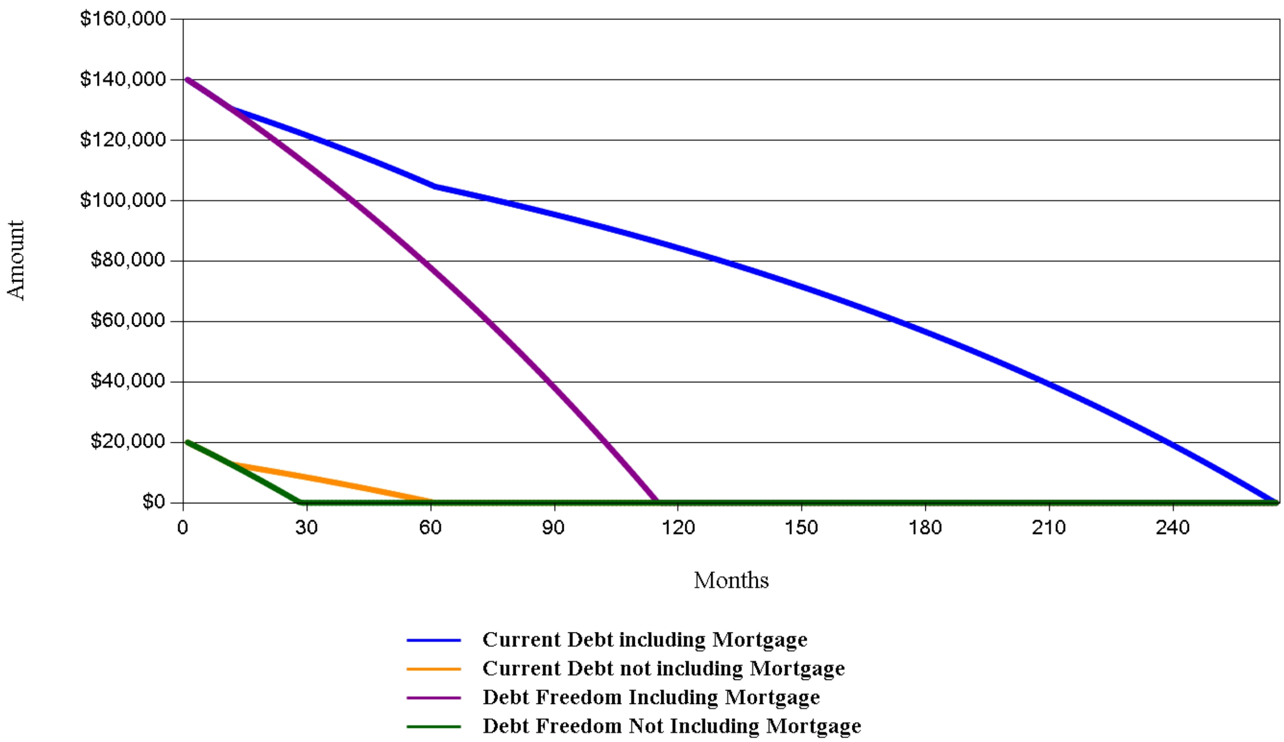
Enhance your present life style with increased cash flow.

Invest more money for future needs such as college education or retirement so that you can retire as planned or earlier.

How does the Accelerated Debt Repayment & Wealth Accumulation Plan Work

1. Eliminate debt as outlined in the proposed Accelerated Debt Repayment section by making a monthly loan payment of $797.00

2. Save and invest some or all of the amount that was going to loan re-payment: $797.00 starting in 2 years 5 months



Good News !

The Results of Accelerated Debt Repayment and Wealth Accumulation Program

1. If you follow your Debt Acceleration Plan, you will save $1,290 in loan interest

2. If you follow your Debt Acceleration Plan, you can reduce debt payoff time by 2 Years 9 Months

Part 3: Debt Education

Good Debt versus Bad Debt

Value	Tax Deductible Interest?*	Appreciating Asset?	Description
Good	**Yes**	**Yes**	**Home Loan** Home loans are considered good debt, because homes tend to be appreciating assets** and mortgage loan interest is deductible. For many, loans are the only way they could ever buy a home.
Okay	**Yes**	**Yes**	**Home Equity Loan** Home equity loans are considered acceptable debt, because they may be deductible. They make sense for home improvements, but probably not for consumer or luxury purchases.
Risky	**Yes**	**Yes**	**Margin Loan** Margin loans are secured by an investment portfolio to purchase additional investments.
Bad	**No**	**No**	**Consumer Credit** Consumer credit loans are used to purchase items that rapidly decrease in value like furniture, appliances, and automobiles.
Bad	**No**	**No**	**Credit Card** If not paid off each month, credit card obligations can lead to serious debt problems and increase the real cost of purchases
Good	**Yes**	**Yes**	**Business Loan** This is usually a term loan to invest in your business to increase its value and income

Types of Loans: Basic

Type	Description
Term Loan	A loan with a fixed maturity and an amortization schedule. These types of loans are usually used for autos and homes.
Line of Credit	When a lender extends an amount to a borrower, usually without a fixed maturity. Examples of these types of loans are credit cards and home equity.
Secured	When a lender loans money secured by some form of collateral, such as a home.

* Tax deductibility subject to many conditions and limitations, discuss with your tax advisor.

**Appreciation is a general assumption, market conditions and property condition will affect your actual outcome.

Part 3: Debt Education

Reasons for Growing Debt Levels

People owe more and are saving less than at any other time in modern history. There are many reasons, some of which include:

1. **Lack of Knowledge:**
   Limited money skills and a poor understanding of credit's true costs lead to ballooning debts.
2. **Instant Gratification:**
   Saving up for large purchases is more difficult than using credit.
3. **Loss of Employment:**
   Unemployment disrupts income. Credit is a stop gap measure between jobs.
4. **Health Bills:**
   Health care and insurance are a large percentage of budgets. Unexpected costs can lead to big debts.
5. **Student Loans:**
   Many people come out of college with large student loans that compound other credit problems.
6. **Inflation:**
   In recent years, average inflation has been relatively low. However, increases in health care, fuel, and suburban real estate taxes have taken a heavy toll on the middle class.
7. **Wages:**
   Many salaries have not kept pace with inflation. Easy credit is a tempting way to increase buying.
8. **Inflexible Lifestyle:**
   When financial times are tough, some people save less and borrow more to maintain their lifestyle.
9. **Lack of a Plan:**
   Too many people fail to make an overall financial plan that includes goals for saving and spending.

Part 3: Debt Education Continued

Tips for Borrowing

The following recommendations may help to improve your financial outlook regarding debt and borrowing:

1. **Credit Cards:**

   Pay off balances monthly. If you carry a balance, switch to a lower interest card for new purchases and work to transfer balances to the lowest rate cards.

2. **Depreciating Asset Loans:**

   a. **Automobile:**

      Avoid large automobile loans. Instead of buying new, purchase used cars with money you have saved. If you must borrow, try to keep your car for 10 years or more.

   b. **Automobile Leasing:**

      Don't lease so you can afford more car. For example if you could only really afford to buy a $25,000 car, don't lease a $40,000 vehicle. Look for lease "deals". Nearly all manufacturers offer low down payment lease plans from time-to-time with very low payments. Just remember that you have to obtain a new car at the end of the lease.

   c. **Furniture, Department Store, and Appliance:**

      These loans often have the highest interest rates. If at all possible, avoid these loans.

3. **Home Loans:**

   Recently, mortgage rates have been at historically low levels. These rates have allowed buyers to spend more on their homes. One way to improve your financial outlook is to buy a lower-cost home and save and invest more. In addition to the purchase cost, larger homes cost more over the long run in taxes, insurance, furnishings, maintenance, utilities and real estate taxes.

4. **Home Equity Loans:**

   These can be attractive for the purchase of automobiles, home improvement and business financing because the interest can be deductible (consult a tax advisor). However, as with all loans, consider your overall financial plan.

5. **Debt Consolidation Loans:**

   Home Equity loans are often marketed to consolidate credit cards and depreciating asset loans. These are attractive, because of the possibility of tax deductible interest and lower payments. However, many people use the lower payment to go out and buy/borrow more, and then later consolidate again. This never-ending cycle increases debt and eats away at the equity in the home from appreciation.