Retirement Distribution Summary

Carl and Louise Sample-Retired
Ridgefield, Connecticut

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Introduction

Planning and saving for retirement has been a priority for you. Now you have reached the next step towards retirement: retirement income distribution planning. At this stage, it is important to consider all of the factors that may come into play during your retirement to effectively manage your retirement income.

The following analysis will provide you with insights and tactical ideas designed to help you achieve your retirement goals. The objective is to provide you with a clear plan to manage what should be a wonderful time in your life, one where you can enjoy the fruits of your labor and enjoy a lifestyle that reflects your priorities, goals, and dreams.

As you approach and enter retirement, you need to be as diligent as ever in planning for how you will manage and spend your wealth, and avoid the risks that continue to be inherent in retirement. Specifically, you need to understand and manage the following:

Plan Considerations	Questions to explore
Longevity – Due to significant advances in health care, life expectancy today is longer than ever before. You must ensure that your retirement nest egg is sufficient to last a lifetime.	*Will your assets last throughout your retirement years?*
Inflation – Inflation can be a subtle but significant adversary in your retirement. As the cost of most goods and services continues to rise each year, you have to be prepared to increase the amount you spend annually just to maintain your lifestyle.	*How much is enough and how much will you need?*
Overspending – While it may seem that your nest egg is so large it will last indefinitely, you have to establish an annual spending budget to minimize the chances of running out of money.	*How much can I spend each year and do I have enough to cover my expenses?*
Market risk – Everyone has to address how much risk they can tolerate in their portfolio. During retirement the tendency to take a very conservative approach to investing may or may not be the best course.	*How should your assets be invested today and how should that strategy change during your retirement?*
Health – Health care costs can be a major expense in retirement, and few people plan for them adequately. Since we face more health issues in retirement and the costs of health care continues to rise, you should carefully identify how you will fund all the health care related expenses that you will assuredly incur.	*Can you sustain your retirement if your health care costs rise significantly?*

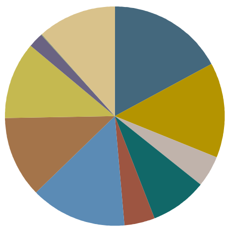
The following analysis is designed to help you answer each of the key questions regarding your retirement plan as well as how you can manage each of these risks. This plan can become the core foundation for your overall income planning and can guide you as you enjoy your retirement.

Assumptions - Current

The information below represents key assumptions that were used to produce the outcome of your current plan, including the retirement distribution that is expected from this plan.

Assumptions made related to risks that should be recognized in your retirement plan (such as inflation, longevity, spending, and market risk) can significantly affect it. Strategies that have been used to combat the risks that these assumptions may introduce in your plan are discussed in the illustrations of the proposed plan.

Current Asset Mix



- Inflation Rate - 3.00%
- Carl's Retirement - 2013 / 62
- Louise's Retirement - 2013 / 60
- Carl's Life Expectancy - 2041 / 90
- Louise's Life Expectancy - 2043 / 90
- Current Asset Mix ROR - 7.29%
- Current Asset Mix Standard Deviation - 11.26%
- Value of Unassigned Accounts - $310,000

	Current Asset Mix	
Asset Class	(%)	($)
Large Cap Growth Equity	17.1	112,000
Large Cap Value Equity	14.0	91,000
Mid Cap Equity	4.6	30,000
Small Cap Equity	8.4	54,500
International Equity	4.5	29,000
Long Term Bonds	14.1	91,500
Intermediate Term Bonds	12.0	78,000
Short Term Bonds	11.4	74,000
High Yield Bonds	2.2	14,250
International Bonds	0.1	500
Cash	11.6	75,250
Total	**100.0**	**650,000**

Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

Planned Retirement Spending

The following table shows the planned expenses in your retirement years.

Expense	Member	Start Date	End Date	Annual Amount	Index Rate	Fixed
Life Insurance	Carl	Dec 31 2010	Never	$900.00	N/A	Y
Life Insurance	Louise	Dec 31 2010	Never	$600.00	N/A	Y
Personal Loans	Joint	Dec 31 2010	Nov 30 2014	$3,000.00	N/A	Y
Housing (e.g. utilities, repairs)	Joint	Jan 1 2011	Aug 31 2013	$12,000.00	3.00%	Y
Food	Joint	Jan 1 2011	Aug 31 2013	$6,000.00	3.00%	Y
Transportation (e.g. gas, insurance)	Joint	Jan 1 2011	Aug 31 2013	$12,000.00	3.00%	Y
Entertainment (e.g. restaurants, movies)	Joint	Jan 1 2011	Aug 31 2013	$12,000.00	3.00%	Y
Personal (e.g. clothing, hobbies)	Joint	Jan 1 2011	Aug 31 2013	$18,000.00	3.00%	Y
Other (e.g. child care, travel)	Joint	Jan 1 2011	Aug 31 2013	$12,000.00	3.00%	Y
LTC Insurance	Carl	Jan 1 2013	Dec 31 2041	$900.00	5.00%	Y
LTC Insurance	Louise	Jan 1 2013	Dec 31 2043	$600.00	5.00%	Y
Retirement goal expense	Joint	Sep 1 2013	Dec 31 2043	$106,938.72	3.00%	Y
Travel	Joint	Sep 1 2013	Aug 31 2023	$26,734.68	3.00%	Y
Medical expense	Joint	Sep 1 2013	Dec 31 2043	$5,308.74	3.00%	Y
Burial Expense[1]	Carl	Dec 31 2041	Dec 31 2041	$15,000.00	0.00%	Y
Lump Sum Need	Joint	Dec 31 2043	Dec 31 2043	$530,450.00	3.00%	N
Burial Expense[1]	Louise	Dec 31 2043	Dec 31 2043	$15,000.00	0.00%	Y

[1] Expense is transferred to survivor upon member's death

The following table identifies the fixed expenses in the first year of retirement, the retirement years with the lowest and highest fixed needs as well as the average fixed needs throughout the retirement period.

Fixed Needs in First Retirement Year (yr)	Lowest Fixed Needs in Retirement (yr)	Average Fixed Needs Through Retirement	Highest Fixed Needs in Retirement (yr)
$155,938 (2013)	$155,938 (2013)	$234,943	$312,721 (2041)

Current

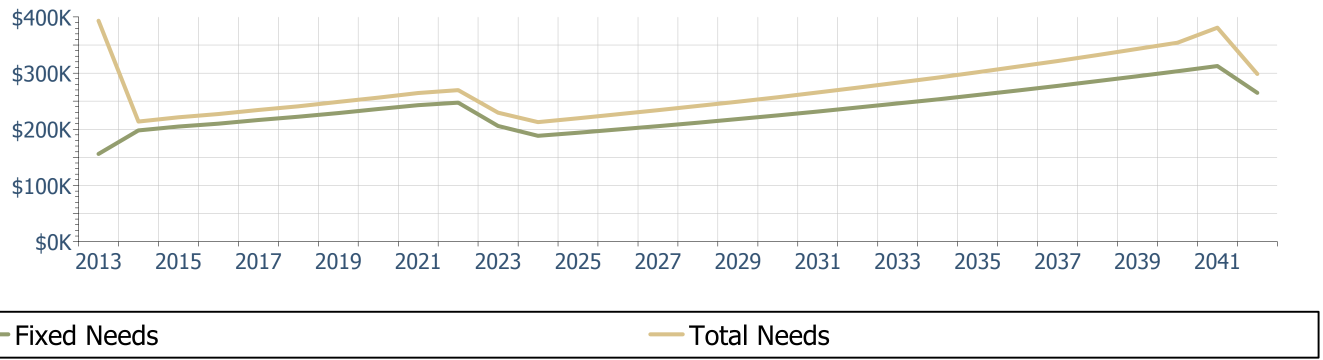
The starting point for your personalized retirement income planning is to analyze your planned expenses and retirement incomes, both fixed and total, that exist during your retirement.

The assessment of your Current Plan results in **77%** coverage of your retirement needs.

Fixed vs. Total Retirement Needs

It is important to note that your expenses increase each year due to the effects of inflation.

Fixed needs represent those expenses that are required for your basic retirement plans, while total needs also include expenses that are more discretionary, which you might be able to alter if needed.



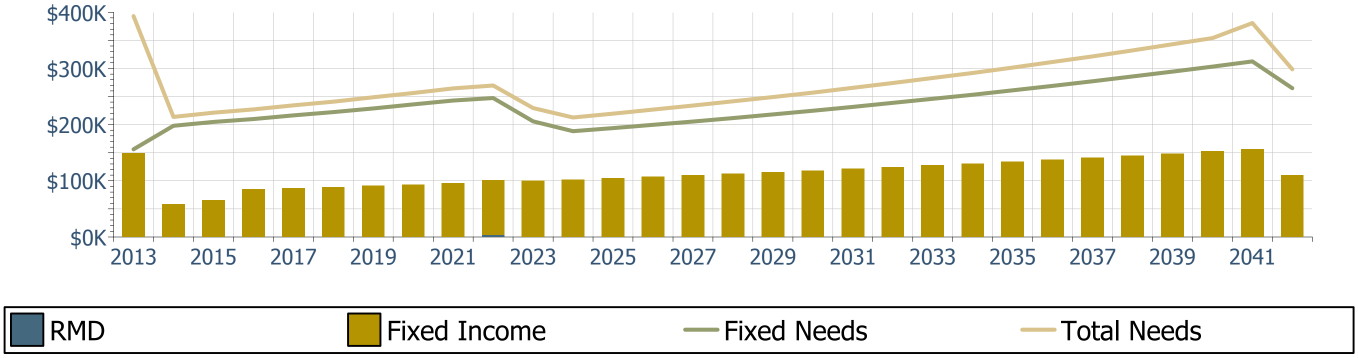
Average Fixed Needs	Average Total Needs
$234,943	**$273,263**

Fixed Income vs. Retirement Needs

This graph compares your retirement expenses with the fixed incomes you are scheduled to receive. A shortfall will be apparent in this graph when your fixed needs are greater than your fixed incomes.

When an income shortfall is apparent between your fixed incomes and your fixed needs you can adopt various strategies: consider another approach to managing your retirement needs, consider ways to increase your fixed incomes to match your fixed needs, or use other variable income sources to fund your planned retirement spending.

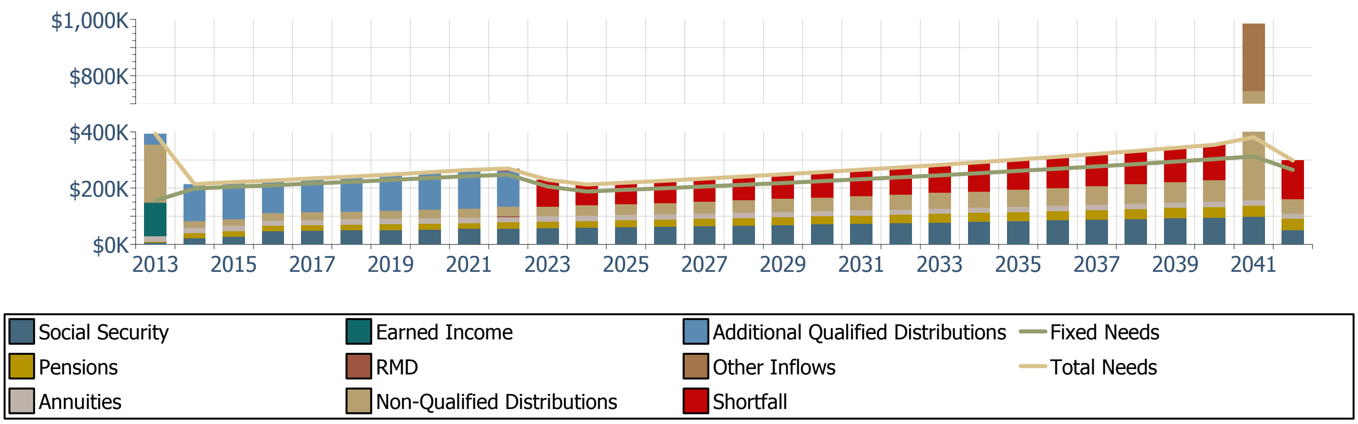
Review the *Total Income vs. Retirement Needs* graph to assess what income sources are available to implement one of these strategies.



Net worth at retirement	Net worth at death	Year capital exhausted
$1,988,385	**$1,120,903**	**2042**

Total Income vs. Retirement Needs

This graph outlines your complete retirement income and needs situation by comparing your retirement needs with all available income sources to fund them. A shortfall in your total retirement income situation will exist when the total spending levels exceed the total cash inflows that are available.



% Fixed Needs Covered by Total Resources	Goal Coverage*
83%	**78%**

*This value indicates the percentage of your total retirement needs that can be covered by your total retirement resources during your retirement time period.

Addressing Retirement Risks

As you consider the strategies that can optimize your retirement plan, ensure that the risks that retirees face in retirement have been addressed using suitable planning strategies.

- Addressing the risk of outliving your incomes and assets requires planning for a realistic retirement duration based on your personal life expectancy. Average life expectancies are best derived from general population statistics as well as your family history. The life expectancy assumed in your current retirement plan is 90 for Carl and 90 for Louise.
- The inflation rate that you assume in your retirement plan should be reasonable, as this value may affect the amount of assets and income required to fully fund your retirement needs. If inflation is overstated or understated, it can drastically affect the planning that you've undertaken in your retirement plan. The inflation rate assumed in your current retirement plan is 3.00%.
- Have you considered the amount of risk and variability you can tolerate in your retirement portfolio? Does the inherent investment of your retirement assets suit the needs you have not only leading up to retirement but also when you require income from those assets during retirement? Your current retirement plan has a rate of return on your asset mix for retirement of 7.29%.
- Consider that retirement goals are different for you than for your neighbor. It is important to ensure that your retirement incomes are going to sustain the amount of fixed and discretionary spending that you have accounted for in your retirement plan. If shortfalls between the available income and the needs you have defined exist, it is important to revisit first the discretionary and then the fixed expenses in your retirement plan.
- Have you adequately accounted for rising healthcare costs throughout your retirement plan?

Proposed

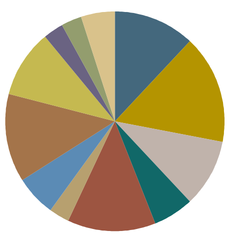
Your proposed retirement plan consists of strategies that will encourage you to move toward an optimal retirement plan that satisfies your goals, but may also address some of the risks faced in retirement.

The information shown in this section highlights the key differences between the assumptions made in your current retirement plan and those applied to your proposed retirement plan.

- Your retirement age has been changed to age 64 for Carl and to age 61 for Louise.
- The start date for Social Security retirement benefits has changed to October 1, 2021 for Carl and October 1, 2023 for Louise.
- $166,400 is transferred from Joint Savings - Fleet Bank (Non-Qualified) to Joint Savings - Fleet Bank (Non-Qualified) on January 1, 2011.
- Additional annual incomes of $92,992, which occur throughout the retirement period, have been added to your proposed retirement plan.

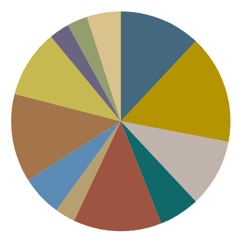
Asset Allocation

Suggested Asset Mix
Pre-retirement



Rate of Return	8.21%
Standard Deviation	13.30%

Suggested Asset Mix
Retirement



Rate of Return	8.21%
Standard Deviation	13.30%

Asset Class	Current Asset Mix (%)	Current Asset Mix ($)	Change (%)	Change ($)	Suggested Asset Mix (%)	Suggested Asset Mix ($)
Large Cap Growth Equity	17.1	112,000	**-5.1**	**-2,800**	12.0	109,200
Large Cap Value Equity	14.0	91,000	**+2.0**	**+54,600**	16.0	145,600
Mid Cap Equity	4.6	30,000	**+5.4**	**+61,000**	10.0	91,000
Small Cap Equity	8.4	54,500	**-2.4**	**+100**	6.0	54,600
International Equity	4.5	29,000	**+8.5**	**+89,300**	13.0	118,300
Emerging Markets Equity			**+3.0**	**+27,300**	3.0	27,300
Long Term Bonds	14.1	91,500	**-8.1**	**-36,900**	6.0	54,600
Intermediate Term Bonds	12.0	78,000	**+1.0**	**+40,300**	13.0	118,300
Short Term Bonds	11.4	74,000	**-1.4**	**+17,000**	10.0	91,000
High Yield Bonds	2.2	14,250	**+0.8**	**+13,050**	3.0	27,300
International Bonds	0.1	500	**+2.9**	**+26,800**	3.0	27,300
Cash	11.6	75,250	**-6.6**	**-29,750**	5.0	45,500
Total	**100.0**	**650,000**	**+0.0**	**+260,000**	**100.0**	**910,000**

Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

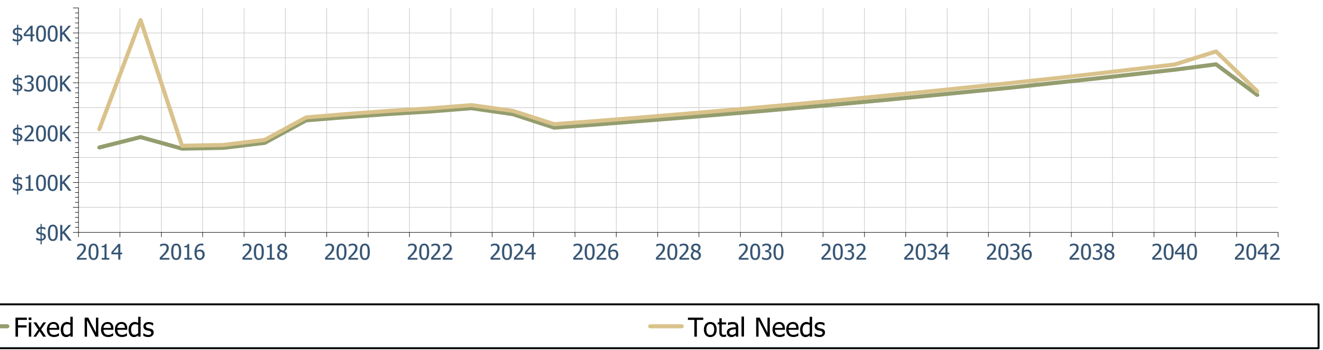
The assessment of your proposed plan results in **100%** coverage of your retirement needs.

Start analyzing the effects of these strategies on your proposed retirement plan by analyzing the changes to your retirement incomes that are available to fund your retirement needs.

Fixed vs. Total Retirement Needs

It is important to note that your expenses increase each year due to the effects of inflation.

Fixed needs represent those expenses that are required for your basic retirement plans, while total needs also include expenses that are more discretionary, which you might be able to alter if needed.



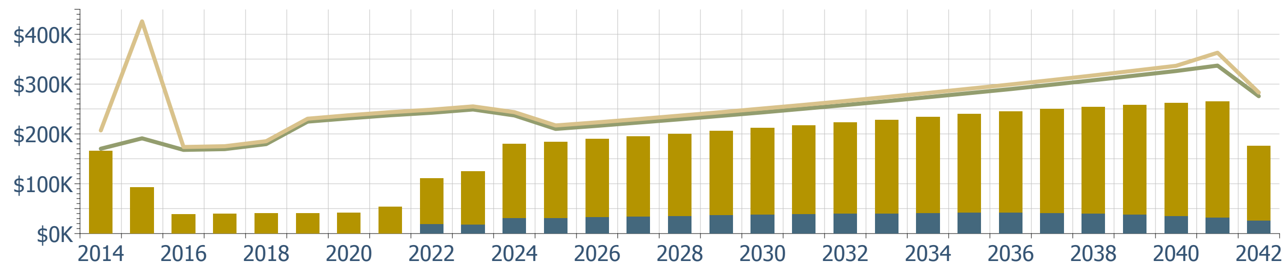
Fixed Needs in First Retirement Year (yr)	Average Fixed Needs	Average Total Needs	Lowest retirement needs	Highest retirement needs
$170,185 (2014)	**$246,149**	**$263,130**	**$167,888 (2016)**	**$336,963 (2041)**

Fixed Income vs. Retirement Needs

This graph compares your retirement expenses with the fixed incomes you are scheduled to receive. A shortfall will be apparent in this graph when your fixed needs are greater than your fixed incomes.

When an income shortfall is apparent between your fixed incomes and your fixed needs you can adopt various strategies: consider another approach to managing your retirement needs, consider ways to increase your fixed incomes to match your fixed needs, or use other variable income sources to fund your planned retirement spending.

Review the *Total Income vs. Retirement Needs* graph to assess what income sources are available to implement one of these strategies.

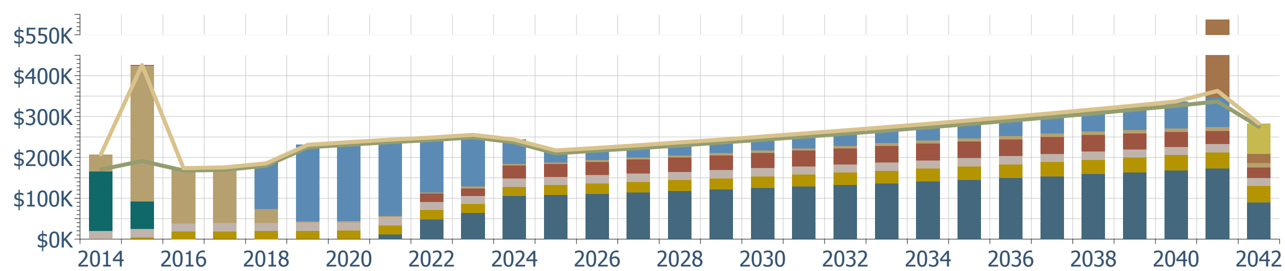


RMD | Fixed Income | Fixed Needs | Total Needs

Net worth at retirement	Net worth at death	Year capital exhausted
$2,129,415	**$2,230,116**	**Never**

Total Income vs. Retirement Needs

This graph outlines your complete retirement income and needs situation by comparing your retirement needs with all available income sources to fund them. A shortfall in your total retirement income situation will exist when the total spending levels exceed the total cash inflows that are available.



Social Security	Earned Income	Additional Qualified Distributions	Shortfall
Pensions	RMD	Other Inflows	Fixed Needs
Annuities	Non-Qualified Distributions	Previous Year Surplus Used	Total Needs

% Fixed Needs Covered by Total Resources	Goal Coverage*
100%	**100%**

*This value indicates the percentage of your total retirement needs that can be covered by your total retirement resources during your retirement time period.

Addressing Retirement Risks

As you review the strategies that have been recommended for your retirement plan, ensure that the risks that retirees face in retirement have been addressed using suitable planning strategies.

- Life expectancy assumptions can affect the risk of longevity. It is important to ensure your retirement nest egg is built to limit the chance of you outliving your assets. The life expectancy assumed in your proposed retirement plan is 90 for Carl and 90 for Louise.
- The inflation rate you assume on the cost of goods and services can be a risk throughout your life. You must plan prudently for this in retirement because your sources of earning may be less flexible and you must be prepared to increase the amount you spend annually just to maintain your lifestyle. The inflation rate assumed in your proposed retirement plan is 3.00%.
- Establishing a budget for the amount you have available to spend each year, and reviewing that budget annually will help you minimize the risk of overspending and running out of money in retirement.
- You have assessed the amount of risk and variability that is appropriate for your retirement portfolio, which is the first step in addressing market risk during retirement. Another important step in planning an investment strategy that works with your distribution planning is to revisit your asset growth and the types of investments you are using as you move through retirement is also an important step to planning an investment strategy that works with your distribution planning. Your proposed retirement plan has a rate of return on your asset mix for retirement of 8.21%.
- Identifying how you will fund health care related expenses that you may incur during retirement should be a careful consideration when planning for your retirement spending.

Conclusion

Congratulations! You have taken a significant step in planning for what is an amazing transition in your overall financial life – building and saving for a comfortable retirement to enjoying the fruits of your efforts.

Your customized plan also addresses and highlights some of the key risks that face all people during their retirement years. At this point you should:

- review the plan in detail with your advisor
- discuss how this analysis affects your current planning and how you will address your retirement income needs
- define with your advisor the specific, tactical action steps you will take to enhance your savings and income planning situation.

Just as with any strategy or plan, you must be diligent about updating the plan. Working with your advisor, you should review your overall strategy each year. Included in this review should be discussions on any changes in your overall financial situation, health, or other changes that affect your overall spending. The changes can be factored into the plan to help you continually update your strategy.

Appendix A - Distribution Schedules - Proposed

Retirement Income and Expenses

The following report shows the annual sources of income that are used to cover your needs throughout retirement in your Proposed retirement plan.

Year	Age	Social Security	Pensions	Annuities	Earned Income	RMD	Non-Qualified Distributions	Additional Qualified Distributions	Other Inflows	Previous Year Surplus Used	Fixed Needs	Total Needs	Total Taxes	Current Surplus/(Deficit)
2014	63/**61***	0	0	20,218	145,697	0	41,074	0	0	0	170,185	206,989	60,865	0
2015	***64**/62	0	4,502	20,218	67,531	0	333,600	0	0	0	191,108	425,850	39,820	0
2016	65/63	0	18,548	20,218	0	0	134,759	0	0	0	167,888	173,526	11,740	0
2017	66/64	0	19,105	20,218	0	0	135,896	0	0	0	169,485	175,219	9,515	0
2018	67/65	0	19,678	20,218	0	0	34,070	111,344	0	0	179,482	185,317	14,803	(6)
2019	68/66	0	20,268	20,218	0	0	2,899	187,109	0	0	224,546	230,488	55,016	6
2020	69/67	0	20,876	20,218	0	0	3,068	193,094	0	0	231,201	237,257	56,675	0
2021	70/68	11,933	21,503	20,218	0	0	3,248	186,659	0	0	237,385	243,561	57,714	0
2022	71/69	49,165	22,148	20,218	0	19,698	3,438	133,983	0	0	242,346	248,649	57,374	0
2023	72/70	63,455	22,812	20,218	0	18,645	3,639	126,487	0	0	248,818	255,256	58,387	0
2024	73/71	104,958	23,497	20,218	0	31,474	3,851	59,554	0	0	236,981	243,562	53,263	(10)
2025	74/72	108,106	24,201	20,218	0	31,555	4,077	28,632	0	0	210,053	216,785	45,585	5
2026	75/73	111,350	24,927	20,218	0	32,849	4,315	29,517	0	0	216,285	223,176	46,973	0
2027	76/74	114,690	25,675	20,218	0	34,155	4,567	30,463	0	0	222,709	229,769	48,407	0
2028	77/75	118,131	26,446	20,218	0	35,369	4,834	31,568	0	0	229,327	236,566	49,886	0
2029	78/76	121,675	27,239	20,218	0	36,661	5,117	32,665	0	0	236,146	243,575	51,412	0
2030	79/77	125,325	28,056	20,218	0	37,741	5,416	34,045	0	0	243,173	250,802	52,987	0
2031	80/78	129,085	28,898	20,218	0	38,831	5,733	35,489	0	0	250,413	258,254	54,611	0
2032	81/79	132,957	29,765	20,218	0	39,746	6,068	37,184	0	0	257,873	265,939	56,288	0
2033	82/80	136,946	30,658	20,218	0	40,530	6,423	39,089	0	0	265,561	273,864	58,018	0
2034	83/81	141,054	31,577	20,218	0	41,142	6,799	41,247	0	0	273,482	282,037	59,803	0
2035	84/82	145,286	32,525	20,218	0	41,530	7,196	43,711	0	0	281,645	290,466	61,645	0
2036	85/83	149,645	33,500	20,218	0	41,466	7,617	46,712	0	0	290,056	299,159	63,546	(1)
2037	86/84	154,134	34,505	20,218	0	41,020	8,063	50,184	0	0	298,723	308,125	65,508	(1)
2038	87/85	158,758	35,541	20,218	0	39,978	8,534	54,342	0	0	307,655	317,372	67,533	(1)
2039	88/86	163,521	36,607	20,218	0	38,331	9,033	59,201	0	0	316,858	326,911	69,623	(1)
2040	89/87	168,426	37,705	20,218	0	35,927	9,561	64,926	0	0	326,347	336,753	71,785	10
2041	90/88	173,479	38,836	20,218	0	32,403	10,121	71,842	240,000	0	336,963	362,744	74,854	224,154
2042	--/89	89,886	40,001	20,218	0	25,987	10,712	0	22,500	73,502	275,630	282,807	46,455	(73,502)
2043	--/90	92,583	41,201	20,218	0	27,222	1,814,343	307,394	182,838	0	369,780	1,969,582	408,246	516,216

*** = Year of retirement**

Required Minimum Distributions

The following report illustrates the activity in your qualified accounts throughout your retirement period in your proposed retirement plan. Required minimum distributions and additional qualified distributions provide income that is used to cover your retirement needs.

			Qualified Distributions						
Year	Ages	SOY Qualified Market Value	Client's Minimum Distributions	Co-Client's Minimum Distributions	Additional Qualified Distributions	Contributions for Qualified Assets	Reinvested Income for Qualified Assets	Qualified Growth	EOY Qualified Market Value
2014	63/**61***	886,895	0	0	0	8,800	64,296	9,333	976,124
2015	***64**/62	976,124	0	0	0	3,600	70,364	10,215	1,063,903
2016	65/63	1,063,903	0	0	0	0	76,317	11,081	1,151,300
2017	66/64	1,151,300	0	0	0	0	82,586	11,991	1,245,877
2018	67/65	1,245,877	0	0	111,344	0	89,371	12,976	1,236,879
2019	68/66	1,236,879	0	0	187,109	0	88,725	12,882	1,151,378
2020	69/67	1,151,378	0	0	193,094	0	82,592	11,992	1,052,867
2021	70/68	1,052,867	0	0	186,659	0	75,525	10,966	952,699
2022	71/69	952,699	19,698	0	133,983	0	67,577	9,814	876,408
2023	72/70	876,408	18,645	0	126,487	0	62,145	9,025	802,447
2024	73/71	802,447	17,563	13,911	59,554	0	56,343	8,184	775,945
2025	74/72	775,945	17,703	13,852	28,632	0	54,439	7,908	778,104
2026	75/73	778,104	18,478	14,371	29,517	0	54,543	7,923	778,205
2027	76/74	778,205	19,266	14,889	30,463	0	54,500	7,917	776,004
2028	77/75	776,004	19,967	15,401	31,568	0	54,295	7,887	771,249
2029	78/76	771,249	20,761	15,900	32,665	0	53,904	7,831	763,658
2030	79/77	763,658	21,439	16,302	34,045	0	53,318	7,746	752,935
2031	80/78	752,935	22,085	16,746	35,489	0	52,506	7,628	738,749
2032	81/79	738,749	22,688	17,058	37,184	0	51,453	7,475	720,747
2033	82/80	720,747	23,227	17,303	39,089	0	50,131	7,283	698,543
2034	83/81	698,543	23,682	17,460	41,247	0	48,515	7,049	671,718
2035	84/82	671,718	24,024	17,505	43,711	0	46,576	6,767	639,820
2036	85/83	639,820	24,056	17,411	46,712	0	44,290	6,435	602,367
2037	86/84	602,367	23,886	17,134	50,184	0	41,621	6,048	558,831
2038	87/85	558,831	23,465	16,514	54,342	0	38,538	5,600	508,648
2039	88/86	508,648	22,723	15,608	59,201	0	35,002	5,086	451,206
2040	89/87	451,206	21,580	14,347	64,926	0	30,975	4,501	385,830
2041	90/88	385,830	19,757	12,645	71,842	0	26,422	3,840	311,846
2042	--/89	311,846	0	25,987	0	0	21,363	3,105	310,327

*** = Year of retirement**

Distributions consist of capital withdrawals as well as any investment income that has not been reinvested.

Net Worth During Retirement

The following report shows the outlook of major net worth components throughout retirement in your proposed retirement plan.

Year	Ages	Non-Qualified Assets	Qualified Assets	Total Lifestyle Assets	Total Liabilities	Accumulated Surplus/(Deficit)	Total Net Worth
2014	63/**61***	919,894	976,124	703,581	0	0	2,599,599
2015	***64**/62	624,191	1,063,903	943,863	0	0	2,631,957
2016	65/63	507,837	1,151,300	962,740	0	0	2,621,878
2017	66/64	381,194	1,245,877	981,995	0	0	2,609,066
2018	67/65	346,395	1,236,879	1,001,635	0	(7)	2,584,903
2019	68/66	340,509	1,151,378	1,021,668	0	0	2,513,555
2020	69/67	334,432	1,052,867	1,042,101	0	0	2,429,400
2021	70/68	328,158	952,699	1,062,943	0	0	2,343,800
2022	71/69	321,683	876,408	1,084,202	0	0	2,282,293
2023	72/70	314,999	802,447	1,105,886	0	0	2,223,332
2024	73/71	308,104	775,945	1,128,004	0	(10)	2,212,043
2025	74/72	300,990	778,104	1,150,564	0	(5)	2,229,654
2026	75/73	293,653	778,205	1,173,575	0	(5)	2,245,428
2027	76/74	286,088	776,004	1,197,047	0	(5)	2,259,134
2028	77/75	278,289	771,249	1,220,988	0	(5)	2,270,521
2029	78/76	270,251	763,658	1,245,407	0	(5)	2,279,311
2030	79/77	261,969	752,935	1,270,316	0	(6)	2,285,214
2031	80/78	253,436	738,749	1,295,722	0	(6)	2,287,901
2032	81/79	244,649	720,747	1,321,636	0	(6)	2,287,026
2033	82/80	235,602	698,543	1,348,069	0	(7)	2,282,207
2034	83/81	226,289	671,718	1,375,030	0	(7)	2,273,031
2035	84/82	216,707	639,820	1,402,531	0	(7)	2,259,051
2036	85/83	206,849	602,367	1,430,582	0	(8)	2,239,790
2037	86/84	196,712	558,831	1,459,193	0	(8)	2,214,728
2038	87/85	186,291	508,648	1,488,377	0	(9)	2,183,307
2039	88/86	175,582	451,206	1,518,145	0	(10)	2,144,922
2040	89/87	164,580	385,830	1,548,508	0	0	2,098,917
2041	90/88	153,282	311,846	1,579,478	0	224,154	2,268,761
2042	--/89	158,069	310,327	1,611,067	0	150,653	2,230,116

*** = Year of retirement**

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Appendix B - Plan Data Summary

Plan Data Summary

This report summarizes the data, which was entered in your **Current Plan**.

General Information

Detail	Carl	Louise
Birth Date	Oct 1 1951	Sep 15 1953
Proposed Retirement Date	Oct 2013	Sep 2013
Life Expectancy	Dec 2041	Dec 2043
Pre-Retirement Income Tax Rates		
State Tax Rate	5.00%	5.00%
Average Federal Tax Rate	22.38%	22.38%
Marginal Federal Tax Rate	28.00%	28.00%
Long-Term Capital Gains Tax Rate	15.00%	15.00%
Retirement Income Tax Rates		
State Tax Rate	5.00%	5.00%
Average Federal Tax Rate	22.38%	22.38%
Marginal Federal Tax Rate	28.00%	28.00%
Long-Term Capital Gains Tax Rate	15.00%	15.00%
Year of Death Income Tax Rates		
State Tax Rate	5.00%	5.00%
Average Federal Tax Rate	22.38%	22.38%
Marginal Federal Tax Rate	28.00%	28.00%
Long-Term Capital Gains Tax Rate	15.00%	15.00%

Tax Options

The option **"As Legislated"** was selected. Starting in 2013, the income tax calculations revert to the laws used in 2001, except where extended by the Pension Protection Act of 2006.

Assumptions

Detail	
Income Tax Method	Average Tax
Inflation Rate	3.00%
Tax Filing Status - Carl	Married Filing Jointly
Tax Filing Status - Louise	Married Filing Jointly
Investment Profile:	Moderate

Estate Assumptions

Detail	Carl	Louise
Is there a will?	Yes - Revised: Jan 1 2007	Yes - Revised: Jan 1 2007
Life Expectancy	2021	2026
Alternate Life Expectancy	2026	2021
Simultaneous Death	2010[1]	2010
State Death Tax	2001 Credit Amount	2001 Credit Amount
Probate Fee	1.00%	1.00%
Administration Fee	1.00%	1.00%

[1] Carl dies first

Family Information

Client	
Name	**Carl Sample-Retired**
Date of Birth	Oct 1 1951
Gender	Male
Address	123 Orchard Street
	Ridgefield, Connecticut 12345
	United States
Citizenship	United States
Name	**Louise Sample-Retired**
Date of Birth	Sep 15 1953
Gender	Female
Address	123 Orchard Street
	Ridgefield, Connecticut 12345
	United States
Citizenship	United States

Extended Family Information

Dependents	
Name	**Tanya Smith**
Date of Birth	Mar 31 1970
Gender	Female
Address	233 Bergman Cresent
	Marigold, Connecticut 45644
	United States
Citizenship	United States
Name	**Richard Green**
Date of Birth	Jun 8 1971
Gender	Male
Address	7478 Watt St
	Marigold, Connecticut 69874
	United States
Citizenship	United States

Grandchildren	
Name	**Jenny Green**
Date of Birth	Apr 28 2002
Gender	Female
Address	7478 Watt St
	Marigold, Connecticut 69874
	United States
Citizenship	United States

Professional Advisors

Type	Name	Business Phone #	Cell Phone #
Advisor	Janet Lerner	555-1234	895-4545

Regular Income

Income Source	Member	Applicable	Amount	Indexed
Salary	Carl	Jan 1 2011 to Sep 30 2013	$6,667/mo	Inflation
Salary	Louise	Jan 1 2011 to Aug 31 2013	$6,667/mo	Inflation

Defined Benefit Pension Plans - Estimate Benefit

Description:	Pension	Annual Benefit:	$4,244
Plan Owner:	Carl	**Indexed by:**	3.00%
Pct. payable to survivor:	100.00%		

Description:	Pension	Annual Benefit:	$0
Plan Owner:	Louise	**Indexed by:**	3.00%
Pct. payable to survivor:	0.00%		

Social Security Retirement Benefits

Member	Start Age/Date	Calculated Monthly Benefit (% / $) OR Est. Monthly Benefit (today's $)	Indexed	Eligible for Spousal Benefits
Carl	Retirement	100% / $1,677	Inflation	Yes
Louise	Retirement	100% / $1,702	Inflation	Yes

Social Security Survivor Benefits

Member	Monthly Benefit to Survivor and Eligible Dependents (% / $)	Monthly Benefit to Survivor at Retirement (%/$)	Spouse's Revised Start Date During Retirement	Indexed
Carl	100% / $0	100% / $1,578	Retirement	Inflation
Louise	100% / $0	100% / $1,795	Retirement	Inflation

Regular Expenses

Expense	Member	Applicable	Amount	Indexed	Fixed Expense
Housing (e.g. utilities, repairs)	Joint	Jan 1 2011 to Aug 31 2013	$1,000/mo	Inflation	Yes
Food	Joint	Jan 1 2011 to Aug 31 2013	$500/mo	Inflation	Yes
Transportation (e.g. gas, insurance)	Joint	Jan 1 2011 to Aug 31 2013	$1,000/mo	Inflation	Yes
Entertainment (e.g. restaurants, movies)	Joint	Jan 1 2011 to Aug 31 2013	$1,000/mo	Inflation	Yes
Personal (e.g. clothing, hobbies)	Joint	Jan 1 2011 to Aug 31 2013	$1,500/mo	Inflation	Yes
Other (e.g. child care, travel)	Joint	Jan 1 2011 to Aug 31 2013	$1,000/mo	Inflation	Yes
Retirement goal expense	Joint	Sep 1 2013 to Dec 31 2043	$8,400/mo	Inflation	Yes
Travel	Joint	Sep 1 2013 to Aug 31 2023	$2,100/mo	Inflation	Yes
Medical expense	Joint	Sep 1 2013 to Dec 31 2043	$417/mo	Inflation	Yes
Property Taxes for Residence	Joint	Jun 1 1995 to	$2,500/year	Inflation	Yes
Property Taxes for Vacation Home	Joint	Jan 1 2013 to	$500/year	Inflation	Yes

Lump Sum Expenses

Expense	Member	Applicable	Amount	Indexed	Fixed Expense
Lump Sum Need	Joint	Dec 31 2043 (the latter of Carl and Louise's Deceased Date)	$500,000	Inflation	No
Burial Expense	Carl	Dec 31 2041 (Carl's Deceased Date)	$15,000	No	Yes
Burial Expense	Louise	Dec 31 2043 (Louise's Deceased Date)	$15,000	No	Yes

Surplus Expenses

Surplus Of	Percentage	Applicable
Carl and Louise	0%	**Jan 1 2011** to **Dec 31 2042** (the latter of Carl and Louise's Deceased Date minus 1 years)

Lifestyle Assets

Asset Name	Purchase Date	Purchase Amount	Market Value Date	Market Value	Growth Rate[1]	Standard Deviation
Personal Use Property (Joint/Lifestyle)	Dec 31 2010	$150,000	Jan 1 2011	$150,000	2.00%	0.00%
Residence (Joint/Lifestyle)	Jun 1 1995	$300,000	Jan 1 2011	$500,000	2.00%	0.00%
Vacation Home (Joint/Major Purchase Objective)	Jan 1 2013	$200,000	N/A	N/A	3.00%	0.00%

[1]The growth rate is a pre-tax amount

Portfolio Assets

Asset Name	Goal	Market Value Date	Market Value	Basis	Int. (%)	Div. (%)	Cap. Gain (%)	Tax Free (%)	Def. Growth (%)	Std. Dev. (%)	Total (%)
Joint Savings - Fleet Bank (Non-Qualified)		Jan 1 2011	$260,000	$250,000	3.74	0.90	1.82	0.00	0.30	10.50	6.76
Louise's Investment - Ridgefield Bank (Non-Qualified)		Jan 1 2011	$50,000	$0	3.74	0.90	1.82	0.00	0.30	10.50	6.76
Vacation Home Savings (Joint/Non-Qualified)	Vacation Home	Jan 1 2011	$165,000	$165,000	1.53	1.47	2.71	0.00	0.85	10.34	6.56
Carl's 401(k)	Retirement	Jan 1 2011	$310,000	$0	2.01	1.36	3.16	0.00	0.76	11.26	7.29
Carl's Roth IRA	Retirement	Jan 1 2011	$40,000	N/A	2.01	1.36	3.16	0.00	0.76	11.26	7.29
Louise's 401(k)	Retirement	Jan 1 2011	$270,000	$0	2.01	1.36	3.16	0.00	0.76	11.26	7.29
Louise's IRA	Retirement	Jan 1 2011	$30,000	$0	2.01	1.36	3.16	0.00	0.76	11.26	7.29

The *Portfolio Assets* section includes your major investment assets. It supplies the market value and cost basis of these assets. Cost basis for non-qualified assets is equal to the amount you paid to acquire the assets, plus income reinvestments, less any amounts you received income tax-free. Your total pretax growth rate is broken down into specific return rate types, as some of these items currently receive special tax treatment. At present interest is taxed as ordinary income at the marginal tax rates. Dividends are taxed at the long-term capital gains tax rates in 2003-2010 and are otherwise taxed as ordinary income at the marginal tax rates. Capital gains are either long-term or short-term. For non-qualified assets, income from the deferred growth component is not subject to tax until the asset is sold and is usually subject to the capital gains tax rules. For qualified assets, income from the deferred growth component is usually subject to tax as ordinary income at the average tax rates. Tax-free returns are not subject to regular income tax, but may be subject to the Alternative Minimum Tax. The actual total return rates that you will receive will depend on many factors, including inflation, type of investment, market conditions and investment performance.

Deferred Annuities

Annuity:	New annuity		
Type:	Life Income (Joint Last To Die) 100% (Fixed)	Guaranteed Number of Years:	15
Ownership:	Joint	Effective Date:	Sep 1 2013
Annuitant(s):	Joint	Guaranteed Period End Date:	Sep 1 2027
Beneficiary:	Jenny	Frequency:	Annual
General Account			
Market Value:	$310,000		
Payment per $1000:	$57.81		
Pre-Annuitization Return Rate:	3.50%		
Post-Annuitization Return Rate:	4.00%		
Partial Settlement %:	100.00%		
Index Rate:	0.00%		

Life Insurance Policies

Description:	Life Insurance		
Policy Type:	Term 10 Life	**Owner:**	Carl
Effective Date:	Dec 31 2010	**Insured:**	Carl
Death Benefit:	$240,000	**Beneficiary:**	Louise
Cash Surrender Value (CSV):	$0	**Premium Payer:**	Carl
Premiums cease on:	Never	**Annual Premium Payments:**	$900
CSV payable with Death Benefit:	No	**Coverage ceases on:**	Never
		Disability Waiver:	Yes

Description:	Life Insurance		
Policy Type:	Term 10 Life	**Owner:**	Louise
Effective Date:	Dec 31 2010	**Insured:**	Louise
Death Benefit:	$160,000	**Beneficiary:**	Carl
Cash Surrender Value (CSV):	$0	**Premium Payer:**	Louise
Premiums cease on:	Never	**Annual Premium Payments:**	$600
CSV payable with Death Benefit:	No	**Coverage ceases on:**	Never
		Disability Waiver:	Yes

Long-term Care Insurance Policies

Description:	LTC Insurance		
Insured:	Carl		
Company:		**Effective Date:**	Jan 1 2011
Policy #:		**Premium payer:**	Carl

Benefits are **$150/day (tax-free)** indexed before LTC by inflation + 2.00%, and indexed during LTC by inflation + 2.00%.
Benefits begin **after 90 days** and are paid **until 4 years**.
Premiums are **$75/month** and end on claim of LTC.

Description:	LTC Insurance		
Insured:	Louise		
Company:		**Effective Date:**	Jan 1 2011
Policy #:		**Premium payer:**	Louise

Benefits are **$150/day (tax-free)** indexed before LTC by inflation + 2.00%, and indexed during LTC by inflation + 2.00%.
Benefits begin **after 90 days** and are paid **until 4 years**.
Premiums are **$50/month** and end on claim of LTC.

Liabilities

Liability Name	Liability Date	End Date	Original Principal	Current Principal	Int. Rate	Payment Type	Linked to Asset
Personal Loans	Dec 31 2010	Nov 30 2014	$10,000	$10,000	8.00%	Principal & Interest	Personal Use Property

Regular Investment Strategies

Asset Name	Applicable	Amount	Indexed
Carl's 401(k)	Jan 1 2011 to Sep 30 2013		
Employee Pre-Tax Contribution		$400/Month	0.0%
Employee Post-Tax Contribution (0.00% of Salary)		$0/Month	N/A[1]
Employer Contribution		$400/Month	0.0%
Louise's 401(k)	Jan 1 2011 to Aug 31 2013		
Employee Pre-Tax Contribution		$500/Month	0.0%
Employee Post-Tax Contribution (0.00% of Salary)		$0/Month	N/A[1]
Employer Contribution		$250/Month	0.0%
Vacation Home Savings (Joint/Non-Qualified)	Jan 1 2011 to Aug 31 2013	$100/Month	0.0%
Joint Savings - Fleet Bank (Non-Qualified)	Jan 1 2011 to Aug 31 2013	$100/Month	0.0%
Louise's Investment - Ridgefield Bank (Non-Qualified)	Jan 1 2011 to Aug 31 2013	$100/Month	0.0%

[1] Indexing occurs if the salaries used in the calculations have been indexed.

The table above includes all your periodic (annual or monthly) investment contributions.

Lump Sum Asset Redemption Strategies

Asset Name	Applicable	Amount	Indexed
Vacation Home Savings (Joint/Non-Qualified)	Jan 1 2013	$183,970	No

Lump sum redemptions represent redemptions of your assets that do not occur on a regularly scheduled basis but rather occur on an as-needed basis. Any redemptions planned for future years that are indexed by inflation will be increased accordingly - refer to your **Action Plan** to view the amounts to be transferred for the next three years.

No assets have been set aside to cover the emergency expense.

Estate Distribution

The Simple Will option has been selected.

Asset Gifting Strategies

Source Asset	Owner	Beneficiary	Amount	Split Gift	When
New annuity	Joint	Jenny	100%	No	Upon Death

Gifting Growth

Beneficiary	GSTT applicable for Carl's gifts	GSTT applicable for Louise's gifts	50% Charity	Growth Rate	Average Income Tax Rate	Net After-Tax Growth
Other (Other)	No	No		3.00%	0.0%	3.00%
Tanya Smith (Heir)	No	No		6.00%	20.0%	4.80%
Richard Green (Heir)	No	No		6.00%	20.0%	4.80%
Jenny Green (Heir)	Yes	Yes		6.00%	10.0%	5.40%
Cancer Society (Charity)			Yes	3.00%	0.0%	3.00%

Important Terminology

Current plan

The current plan consists of information provided and reviewed by you and serves as the basis for some of the assumptions used in the proposed plan.

Proposed plan

The proposed plan is a system-generated plan that is calculated based on achieving your stated goals by applying the additional assumptions contained within the proposed scenarios.

Scenarios

A scenario is a modification of assumptions based on the current plan. A proposed scenario is incorporated into the proposed plan.

Rate of return (Current - Not Rebalanced)

Current - Not Rebalanced does not rebalance the accounts linked to a goal. Each account linked to a goal maintains a separate rate of return.

Rate of return (Current - Rebalanced)

Current - Rebalanced rebalances the accounts linked to a goal and uses the weighted average rate of return of the linked assets.

Rate of return (suggested asset mix)

The rate of return that is calculated based on the investment profile as determined by answers to a risk tolerance questionnaire.

Rate of return (proposed plan)

The dollar-weighted average rate of return of the assets that are used in the assumed/suggested asset mix. This rate of return is the same as the *Rate of return (assumed/suggested asset mix)*.

Standard deviation

Standard deviation is a statistical measure of the volatility of an asset or account. It measures the degree to which the rate of return in any one year varies from the historical average rate of return for that investment; the greater the standard deviation, the riskier the investment.

Unlinked accounts

Unlinked accounts represent all non-qualified accounts that are not linked to a goal. (Qualified accounts are automatically linked to the retirement goal.) Unlinked accounts are assumed to be allocated to the estate.

Investment profile

The investment profile is the result of an analysis of an individual's investment objectives, time horizon, and risk tolerance in reference to investing.

Portfolio

The combination of assets a client owns and that are considered in this plan to fund the client's goal.

Time horizon

The length of time desired to achieve a financial goal. A longer time horizon usually allows an individual to withstand more volatility, whereas a shorter time horizon typically requires less volatility and more liquidity.

Asset mix

The combination of asset classes within an investment portfolio. It can also be a further division within an asset class of assets such as a mix of small, medium, and large company stock assets.

Current asset mix

The combination of asset classes assigned to the assets included in the current plan.

Suggested asset mix

The asset mix that is derived based on the investment profile as determined by answers to a risk tolerance questionnaire.

Entire portfolio

The entire portfolio for the current plan represents the asset mix of all accounts in the plan. The entire portfolio for the proposed plan is the combined suggested and assumed asset mixes associated with all of the goals included in the plan.

Blended mix

For the entire portfolio, a blended mix of investment profiles indicates that the investment profile has been defined differently for each goal. For the retirement goal, a blended mix of investment profiles indicates that the investment profile has been defined differently for each type of account (qualified retirement accounts, non-qualified accounts, or non-qualified annuity retirement accounts).

Average tax rate

The assumed average tax rate that is applied against salary, self-employed, Social Security, defined benefit, pension, and other taxable income. The assumed average tax rate is typically less than the marginal tax rate based on the assumption that income is spread over multiple tax brackets.

Community property

In states with community property laws, any property acquired by a married couple residing in a community property state is considered to be equally owned by both parties.

Annuitize

The transition of an annuity contract from the accumulation phase into the income distribution phase. In the income distribution phase the accumulated value of the annuity is distributed via a computed stream of income payments over a duration of time or through varying withdrawals from the annuity.

Inflation rate/Index rate

The rate that dollar values are discounted over time. The rate is measured by an index that indicates the change in the cost of various goods and services as a percentage.

Marginal tax rate

The marginal tax rate is derived from the federal income tax brackets. It is the amount of tax that would be paid on any additional dollars of income. It is applied against interest, dividend (after 2010), royalty, alimony, and short-term capital gains income.

Required minimum distribution (RMD)

The amount required by the IRS to be withdrawn each year from traditional IRAs and employer-sponsored retirement plans, starting on the required beginning date, which generally (but not always) occurs in the year following the year in which the owner turns 70½.

Fixed expenses

Fixed expenses include ongoing expenses that you have determined cannot be easily changed or eliminated, such as basic living expenses or retirement expenses.

Fixed needs

Fixed needs include all your fixed expenses, plus other expenses that have been calculated based on your financial information. These expenses include liability payments, insurance premiums, property taxes, and income taxes.

Total needs

The definition of total needs includes all fixed needs, all other expenses that are not considered in the fixed needs definition, and total taxes. The total needs in the plan will account, in part, for expenses that are more discretionary in nature.

Fixed incomes

The definition of fixed incomes includes the pre-tax income from the following income sources; Benefit Formula and Estimate Benefit pensions, income entered with the type *Pension*, Social Security income of the client and co-client (retirement, survivor, and disability benefits), income entered with the type *Salary*, and annuity income (excluding income from annuities with the income option of *Withdrawals as Needed*).

Asset class

A category of investments grouped according to common characteristics such as relative liquidity, income characteristics, tax status, and growth characteristics.

Large Cap Growth Equity

Domestic U.S. equity stocks representing securities with a greater-than-average growth orientation, which tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields, and higher forecasted growth values.

Large Cap Value Equity

Domestic U.S. equity stocks representing securities with a less-than-average growth orientation, which generally have lower price-to-book and price-earnings ratios, higher dividend yields, and lower forecasted growth values.

Mid Cap Equity

Domestic U.S. equity stocks representing the Russell Mid Cap Index, which consists of the smallest 800 companies in the Russell 1000 index as ranked by total market capitalization.

Small Cap Equity

Domestic U.S. equity stocks representing the Russell 2000 Index, which is a small-cap index consisting of the smallest 2,000 companies in the Russell 3000 Index.

International Equity

Stocks representing the MSCI EAFE (Europe, Australasia, Far East) Index, which is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada.

Emerging Markets Equity

Equities representing the MSCI Emerging Markets Index, which is a free float-adjusted market capitalization index designed to measure equity market performance in the global emerging markets.

Long-Term Bonds

Bonds where the total returns are calculated for each year on a single bond issued by the U.S. Government with a term of approximately 20 years, and a reasonably current coupon with returns that did not reflect potential tax benefits, impaired negotiability, or special redemption or call privileges.

Intermediate-Term Bonds

These bonds represent one-bond portfolios used to construct the intermediate-term index. The bond chosen each year is the shortest non-callable bond with a maturity of not less than five years, and it is "held" for the calendar year.

Short-Term Bonds – U.S. 1-Year Government Bonds

Bonds represent yields on Treasury securities at "constant maturity" and are interpolated by the U.S. Treasury from the daily yield curve. This curve relates the yield on a security to its time to maturity, and is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market.

High-Yield Bonds

Bonds representing the universe of fixed rate, noninvestment grade debt.

International Bonds

Bonds reflecting the returns provided by investment in international (non-U.S.) fixed income securities.

Cash

Cash reflects the returns provided by short-term fixed income instruments. The index is based on the U.S. 3-month Treasury bills.

Important acronyms

SOY – Start of year
EOY – End of year
RMD – Required minimum distribution
ROR – Rate of return

Disclaimer

IMPORTANT: Please read this section carefully. It contains an explanation of some of the limitations of this report.

IMPORTANT: *The calculations or other information generated by NaviPlan regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.*

Below is an outline of several specific limitations of the calculations of financial models in general and of NaviPlan specifically.

The Calculations Contained in This Report Depend in Part, on Personal Data That You Provide

The assumptions used in this analysis are based on information provided and reviewed by you. Please review all assumptions in the Plan Data Summary section before reviewing the rest of the report to ensure the accuracy and reasonableness of the assumptions. These assumptions must be reconsidered on a frequent basis to ensure the results are adjusted accordingly. The smallest of changes in assumptions can have a dramatic impact on the outcome of this analysis. Any inaccurate representation by you of any facts or assumptions used in this analysis invalidates the results.

This Report is Not a Comprehensive Financial Report and Does Not Include, Among Other Things, a Review of Your Insurance Policies

We have made no attempt to review your property and liability insurance policies (auto and homeowners, for example). We strongly recommend that in conjunction with this analysis, you consult with your property and liability agent to review your current coverage to ensure it continues to be appropriate. In doing so, you may wish to review the dollar amount of your coverage, the deductibles, the liability coverage (including an umbrella policy), and the premium amounts.

NaviPlan Does Not Constitute Legal, Accounting, or Tax Advice

This analysis does not constitute advice in the areas of legal, accounting or tax. It is your responsibility to consult with the appropriate professionals in those areas either independently or in conjunction with this planning process.

Circular 230: Any income tax, estate tax or gift tax advice contained within this document was not intended or written to be used for, and cannot be used for, the purpose of avoiding penalties that may be imposed.

Discussion of the Limits of Financial Modeling

Inherent Limitations in Financial Model Results

Investment outcomes in the real world are the result of a near infinite set of variables, few of which can be accurately anticipated. Any financial model, such as NaviPlan, can only consider a small subset of the factors that may affect investment outcomes and the ability to accurately anticipate those few factors is limited. For these reasons, investors should understand that the calculations made in this analysis are hypothetical, do not reflect actual investment results, and are not guarantees of future results.

Results May Vary With Each Use and Over Time

The results presented in this analysis are not predictions of actual results. Actual results may vary to a material degree due to external factors beyond the scope and control of this analysis. Historical data is used to produce future assumptions used in the analysis, such as rates of return. Utilizing historical data has limitations as past performance is not a guarantee or predictor of future performance.

Outline of the Limitations of NaviPlan and Financial Modeling

Your Future Resources and Needs May Be Different From the Estimates That You Provide

This analysis is intended to help you in making decisions on your financial future based, in part, on information that you have provided and reviewed. The proposed asset allocation presented in this analysis is based, in part, on your answers to a risk tolerance questionnaire and may represent a more aggressive—and therefore more risky—investment strategy than your current asset allocation mix.

The calculations contained in the report utilize the information that you have provided and reviewed including, but not limited to, your age, tolerance for investment risk, income, assets, liabilities, anticipated expenses, and likely retirement age. Some of this information may change in unanticipated ways in the future and those changes may make NaviPlan less useful.

NaviPlan Considers Investment in Only a Few Broad Investment Categories

NaviPlan utilizes this information to estimate your future needs and financial resources and to identify an allocation of your current and future resources, given your tolerance for investment risk, to a few broad investment categories: large-cap equity, mid-cap equity, small-cap equity, international equity, emerging equity, bonds, and cash.

In general, NaviPlan favors the investment categories that have higher historical and expected returns. The extent of the recommended allocation to these favored investment categories is limited by the investor's disclosed tolerance for risk. In general, higher returns are associated with higher risk.

These broad investment categories are not specific securities, funds, or investment products and NaviPlan is not an offer or solicitation to purchase any securities or investment products. The assumed rates of return of these broad categories are based on the returns of indices. These indices do not include fees or operating expenses and are not available for investment. These indices are unmanaged and the returns are shown for illustrative purposes only.

It is important to note that the broad categories that are used are not comprehensive and other investments that are not considered may have characteristics that are similar or superior to the categories that are used in NaviPlan.

Refer to the Asset Allocation section of this report for details on return rate assumptions used throughout this analysis.

NaviPlan Calculates Investment Returns Far Into the Future Using Ibbotson Data

For all asset class forecasts, Ibbotson uses the building block approach to generate expected return estimates. The building block approach uses current market statistics as its foundation and adds historical performance relationships to build expected return forecasts. This approach separates the expected return of each asset class into three components: the real risk-free rate, expected inflation, and risk premia. The real risk-free rate is the return that can be earned without incurring any default or inflation risk. Expected inflation is the additional reward demanded to compensate investors for future price increases, and risk premia measures the additional reward demanded for accepting uncertainty associated with investing in a given asset class. Any calculation of future returns of any asset category, including any calculation using historical returns as a guide, has severe limitations. Changes in market conditions or economic conditions can cause investment returns in the future to be very different from returns in the past. Returns realized in the future can, in fact, be much lower, or even negative, for all or some of these asset categories and, if so, the calculations in NaviPlan will be less useful.

Any assets, including the broad asset categories considered in NaviPlan, that offer potential profits also entail the possibility of losses.

Furthermore, it is significant that the historical data for these investment categories does not reflect investment fees or expenses that an investor would pay when investing in securities or investment products. The fees and expenses would significantly reduce net investment returns and a calculation taking account of fees and expenses would result in lower expected asset values in the future.

Refer to the Asset Allocation section of this report for details on return rate assumptions used throughout this analysis.

NaviPlan Calculations Include Limited Accounting for Taxes

The federal and state income tax laws are extremely complex and subject to continuous change. NaviPlan has limited capability to model any individual's tax liability, and future tax laws may be significantly different from current tax laws. Any changes in tax law may affect returns for any given investment and make the calculations produced by NaviPlan less useful. The calculations contain limited support for the tax impact on transfers of money or redemptions of funds. Please review the tax assumptions outlined in the Plan Data Summary section of this report for more specific information regarding tax assumptions used in the calculations.

NaviPlan Calculations Do Not Include Fees and Expenses

The calculations utilize return data that do not include fees or operating expenses. If included, fees and other operating expenses would materially reduce these calculations. Recommendations included in the calculations to redeem funds from certain investments or transfer money to others do not account for fees and charges that may be incurred.

NaviPlan Calculations May Include Variable Products

Variable life insurance policies or deferred variable annuities are inherently risky and may be included in the calculations. The return rate assumptions used throughout this analysis do not relate to the underlying product illustrated. These returns should not be used as a proxy for actual performance as they may exaggerate the performance potential of the underlying investment accounts (subaccounts). Any calculations incorporating variable products are hypothetical and intended to show how the performance of the underlying subaccounts could affect the value and death benefit of the variable products; these calculations are not intended to predict or project investment results. Please review all assumptions in the Plan Data Summary section of this report to assess the reasonableness of the assumptions associated with any variable products used in the calculations.

The rates of return have not been adjusted to include mortality and expense fees attributable to variable annuities. These fees, and their effects on asset growth, are accounted for as a monthly expense of the annuity contract and can be observed in applicable net worth reports.

If a variable annuity included in this analysis contains a guaranteed minimum withdrawal rider, it is important to understand that if the contract value is greater than the guaranteed minimum withdrawal benefit once withdrawals begin, as an investor you will have paid for the rider and not actually used it.

Income taxes during the annuitization phase are accounted for in the calculations. See the section titled NaviPlan Calculations Include Limited Accounting for Taxes in this Disclaimer for further information on the tax methodology used.

Delivery Acknowledgement

We, Carl and Louise Sample-Retired, have reviewed and accept the information contained within this plan and understand the assumptions associated with it. We believe that all information provided by us is complete and accurate to the best of our knowledge. We recognize that performance is not guaranteed and that all future calculations are included simply as a tool for decision-making and do not represent a forecast of our financial future. This analysis should be reviewed periodically to ensure that decisions made continue to be appropriate, particularly if there are changes in family circumstances, such as an inheritance, birth of a child, death of a family member, or material change in incomes or expenses.

Carl Sample-Retired

Louise Sample-Retired

Date:

Note

This analysis has been prepared based on the information provided. There has been no attempt to verify the accuracy or completeness of this information. As the future cannot be forecast with certainty, actual results will vary from these calculations. It is possible that these variations may be material. The degree of uncertainty normally increases with the length of the future period covered.