

FINANCIAL ANALYSIS

Designed For:

Martin and Mary Moderate

April 24, 2017

Prepared By:

David M Stitt, CLU, ChFC, CEP, CFP, RFC, CSA, CRFA, MI

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April 24, 2017

Dear Martin and Mary,

I am pleased to have this opportunity to review your financial analysis with you. During this session, we will discuss the following topics:

1. Your present situation
2. Details of your financial analysis
3. A recommended financial strategy
4. Implementation of your strategy

Before we discuss the details of your analysis, it is helpful to review some key money management ideas so you can keep them in mind as we progress through your reports.

My objective is to provide you with an analysis that is easy-to-understand and a clearly defined course of action for implementing your strategy. Please feel free to ask as many questions as you like.

Sincerely,

David M Stitt, CLU, ChFC, CEP, CFP, RFC, CSA, CRFA, MRFC

IMPORTANT DISCLOSURE

Personal financial planning involves many interrelated yet distinct disciplines. By applying the principles of cash management, risk management, tax planning, investment and estate planning to your specific needs, you can make the maximum use of your pretax and after-tax dollars. This can be time-consuming, yet the result - a practical financial plan and investment program - can be important in helping you reach your goals.

Purpose and Nature of this Report

This confidential report has been developed to provide you background information on issues you may want to discuss further as part of your personal financial planning. You may be familiar with some of these subjects. Others may be new to you and may present aspects that you have not yet considered.

This financial plan is a general plan based on information you supplied. Where we had no information from you, we made a few general assumptions which may not be suitable for you depending on your own specific needs and circumstances. The usefulness of this analysis will depend on the accuracy and completeness of that information. The results provide:

1. An overall view of your present financial position
2. An analysis of your family's future financial needs
3. An examination of the impact of time and potential inflation
4. An evaluation of your goals to see if they are practical and achievable
5. Possible adjustments or changes to help achieve your goals

This financial analysis will show you how much money you need to save and invest, the rate of return needed to reach your goals, and how much insurance you need, if any. It will also show you how to carry out your course of action. Setting goals, planning, implementing and monitoring, results in a complete program.

During the plan delivery session, you may discuss more facts and circumstances relevant to your family's finances that may alter the recommendations made here. I can work with you to tailor this program to your changing situation by making the necessary adjustments.

Changes that occur in your financial circumstances as well as in the economy can affect this plan. Information about market values reflects values on the date provided by you. It is important that you keep track of your progress and make changes as needs arise; therefore we recommend annual updates. As with any plan, the final responsibility for any action you take rests with you.

Methodology

We believe the information, data and explanations here are accurate, but should not be relied on for preparing returns or investing decisions. There is no warranty about correctness or application to your personal circumstances. This information has neither been audited nor corroborated by the companies listed below and is therefore not guaranteed by them in any way.

IMPORTANT DISCLOSURE (continued)

Information about legal, tax, or accounting matters that you read in this plan is necessarily general in nature and is not meant as specific legal, tax, or accounting advice to you. You should consult with your attorney, accountant, and other professional advisers to ensure the portions of this plan that you choose to implement are suitable in your particular circumstances.

Federal Income Tax Considerations

This plan uses current federal tax laws based on the American Taxpayer Relief Act of 2012 as enacted by Congress on January 2, 2013 and reflects annually announced inflation adjustments.

General Tax Disclaimer

Any discussion of taxes included in this plan is for general information only. Such information does not claim to be complete or to cover every situation. Current tax law is subject to interpretation and legislative change. Tax results and the appropriateness of any product for any specific taxpayer may vary depending on the specific set of facts and circumstances. You should consult with and rely on your own independent accounting, legal and other tax advisors.

IRS Circular 230 Notice

The information contained in this document is not intended to (and cannot) be used by anyone to avoid IRS penalties. This may support the promotion and marketing of the concept and or product being discussed. You should seek advice based on your particular circumstances from an independent tax advisor.

Social Security Benefits

The estimated benefits illustrated in this plan are based on tables provided by William Mercer and Company. The software can also use the PIA amount the client received from the Social Security Administration.

College Costs

The software uses Peterson's Four Year College Cost database to estimate the costs for colleges within the United States. This database is updated twice a year to match the semester schedule.

Asset Allocation

The plan may include a recommendation for reallocating your investment portfolio. This recommendation is based on your answers to a risk tolerance questionnaire as well as the information you have provided about your circumstances and objectives. There is no guarantee the recommended portfolio will produce the desired investment results. You should closely watch your progress toward your goals regularly.

IMPORTANT DISCLOSURE (continued)

Monte Carlo simulation

This plan may include a Monte Carlo simulation analysis. The software is powered by Crystal Ball the premier risk analysis tool used by Fortune 500 companies and leading MBA schools. It uses historic rates of return of standard indices assigned to the various asset classes.

This Report is not an Account Statement

This plan is not an account statement with any financial institution. We have made every effort to provide you with correct information. We cannot be responsible for the timeliness or accuracy of the information received from third parties. Please view these values as a general guide to portfolio values. Prices may vary from liquidation value and will fluctuate with changes in market conditions such that you may experience a gain or loss. This report should not be relied on for the computation of income taxes or to make investment decisions related to buying, selling, or holding any particular security or product. Always contact the financial institution directly for the most up-to-date account values.

Limitations on the Scope of Advice

Neither I nor any of my agents, representatives, or employees provide any legal, tax, nor accounting advice. Therefore you should consult with your personal attorney, accountant or tax advisor for this advice independently or in conjunction with implementing your plan. Additionally, together with your advisors, you should carefully consider each recommendation in light of your particular situation before deciding on a specific course of action.

No Duty to Monitor or Revise

Unless otherwise engaged, we are under no obligation to oversee the implementation of any recommendations included in this plan, monitor your financial or other personal circumstances, or suggest future revisions to this report.

We recommend you review your plan and implement any necessary changes at least yearly and more often in response to material changes in your situation. Such changes can have a dramatic impact on the outcome of this plan.

Privacy

We treat the information gathered during the planning process as strictly confidential and will use any such information only for business purposes you have with me. The information obtained will not be disclosed to any unaffiliated third-party except if such information is required by law or regulatory process or authorized by you in writing.

IMPORTANT DISCLOSURE (continued)

Implementation of the Plan

The investment advice in this plan is “generic” in that it covers only broad categories of securities, insurance, annuities, banking, trust services and other financial investments and services. We will not make specific securities or product recommendations or provide analysis of specific securities or life insurance policies as part of our financial planning services. We will only make broad generic recommendations of categories of investments or insurance products with certain features available to meet your needs. You may choose to implement the plan (that is buy securities, insurance or other financial products) through me or any other individual or financial institution you may choose.

Should you choose to implement this plan in whole or in part through me, my capacity will be that of a registered representative of a broker-dealer. In that sales capacity I may recommend specific investment, risk protection, and other financial products through which the plan can be implemented. You are under no obligation to buy any products or services from or through me. However, if you do, this may result in my receiving additional compensation.

IMPORTANT

The projections or other information made by Plan Builder about the likelihood of various investment outcomes are hypothetical in nature, and do not reflect actual investment results and are not guarantees of future results.

Results may vary with each use and over time.

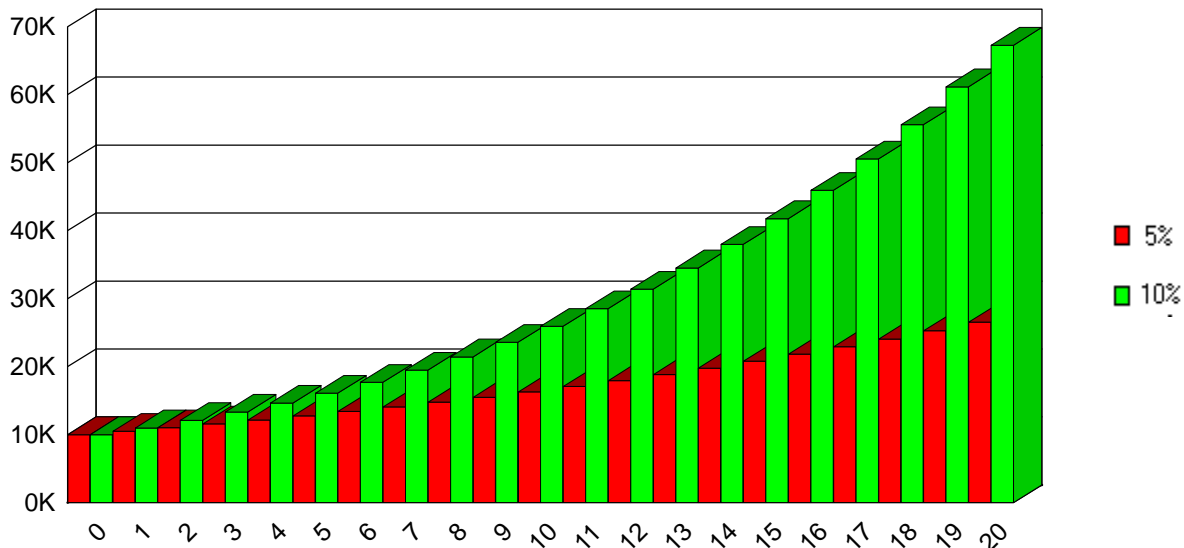
COMPOUND RETURNS

Compound returns are a powerful tool you can use to help achieve your financial goals. The rate of return you realize and the length of time you keep your principal and earnings invested are the key elements of compound returns.

The illustration below compares two hypothetical investment accounts earning two different rates of return. After ten years, the account earning 10 percent* is \$9,648 larger than the account earning only 5 percent*; after 20 years, it is \$40,742 larger. Just a few percentage points in the rate of return can make a tremendous difference. For example, by increasing from 10 to 12 percent*, the value at the end of 20 years would be \$96,463.

We have utilized the principles of compound return in your analysis to show you how your specific needs and goals can be affected by this money management concept.

\$10,000 Lump Sum (Compounded Annually)



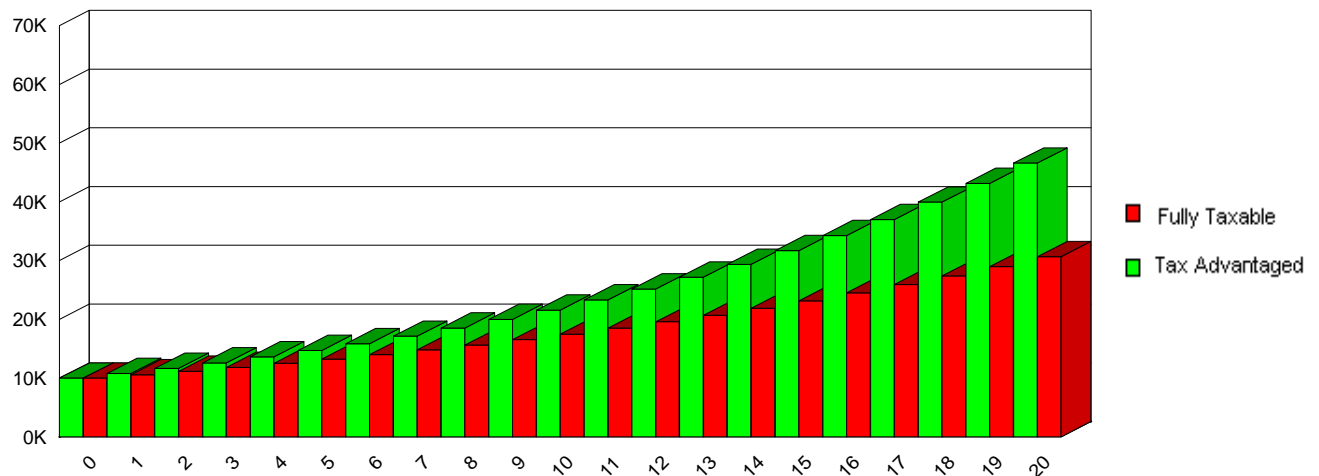
* This is a hypothetical illustration and does not assume any particular investment. The rates of return are not guaranteed. The illustration assumes reinvestment of all earnings and does not account for taxes or transaction costs.

TAX PLANNING

When you pay a dollar in taxes, you not only lose the dollar you lose its earning power. The graph shown below compares two equal investments, both earn the same rate of return. Taxes are paid on the annual interest earned on the first investment, while the second investment grows tax-deferred for the same period of time. At the end of the time period the second investment is considerably larger, due to the effects of tax deferral and compound return. Even when the tax consequences of a complete liquidation are considered, the tax-deferred investment outperforms the investment taxed annually.

In order to compare two or more investments that may be taxed differently, we will determine the weighted-average after tax rate of return for each investment in your portfolio. In order for you to achieve real growth in your portfolio, your after tax rate of return must be greater than the average rate of inflation over time. While inflation is beyond your control, this analysis will show you how to utilize tax-deferred instruments to increase your after tax rate of return.

\$10,000 Lump Sum (8% Compounded Annually*)



	Fully Taxable	Tax Advantaged
Initial Investment	\$10,000	\$10,000
Return @ 8%	\$800	\$800
Less Taxes (28% Bracket)	\$224	\$0
Return	5.76 %	8.00 %

* This is a hypothetical illustration only and the rates of return are not indicative of any particular investment. If both investments were liquidated at the end of the holding period, The investment taxed annually would yield \$30,650, while the tax-deferred investment would yield \$36,359 (both liquidations are net of ordinary federal taxes).

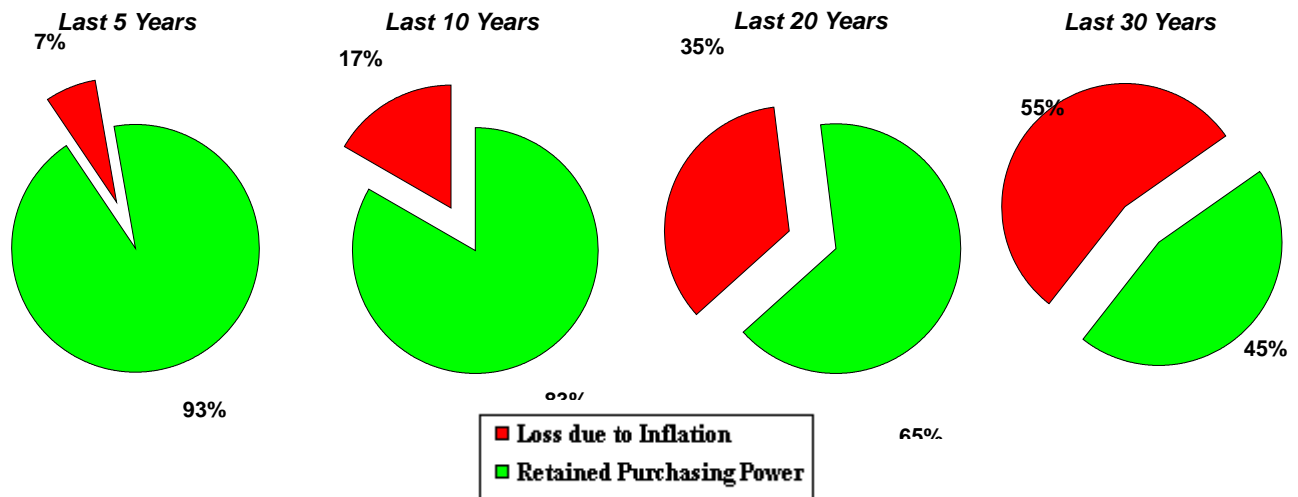
INFLATION

Inflation has been defined as the persistent increase in the level of consumer prices causing a decline in the purchasing power of money. One of the biggest obstacles to financial security is inflation. Even at moderate rates, inflation can significantly erode your standard of living.

The chart below shows the compound average rates of inflation for selected time periods.

Period From Through	Number of Years	Compound Rate of Inflation
1937 - 2016	80	3.7
1647 - 2016	70	3.6
1657 - 2016	60	3.7
1967 - 2016	50	4.1
1977 - 2016	40	3.7
1987 - 2016	30	2.6
1997 - 2016	20	2.1
2007 - 2016	10	1.8
2012 - 2016	5	1.4
2016	1	2.1

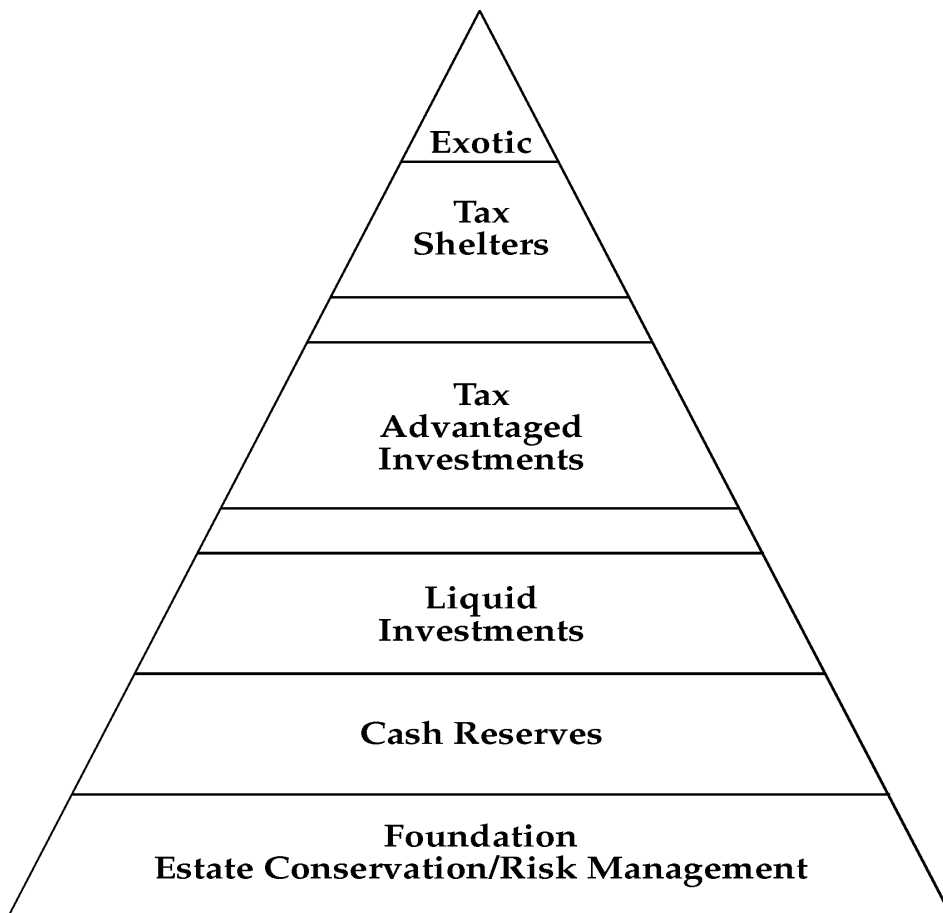
The effect of inflation is to reduce purchasing power. The graphs below illustrate the effect of selected time periods from above.



Source: Bureau of Labor Statistics, Consumer Price Index (CPI-U). Data through year-end 2012.

SUCCESS TRIANGLE

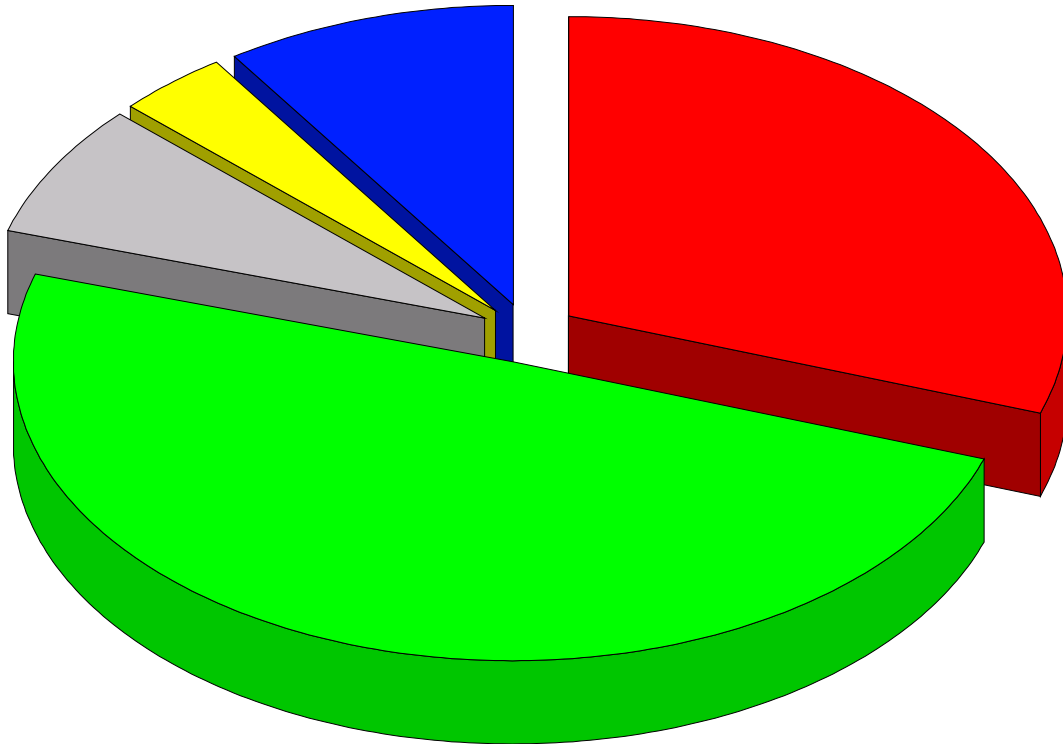
To make compound interest work for you, and to provide you with tax benefits, we will apply the concept of diversification to your investment program. The importance of proper diversification cannot be overlooked. The diversification of your investments must reflect your needs and goals, since no set of rules applies to everyone. We use the Success Triangle to help you visualize your diversification.








INCOME TAX ANALYSIS

	Martin	Mary	Combined
Earned Income			
Salary, Wages, & Bonus	108,000	36,000	144,000
Net Income From Self-Employment	0	0	0
Less Qualified Plan Contributions	2,400	0	2,400
Total Earned Income	105,600	36,000	141,600
Unearned Income			
Taxable Interest Income	52	52	104
Dividend Income	75	75	150
Taxable Anticipated Income	0	0	0
Alimony Received	0	0	0
Capital Gains	0	0	0
Trust Income	0	0	0
IRA/Keogh Distributions, Withdrawals	0	0	0
Pension and Annuity Income	0	0	0
Rent, Royalty, or Partnership Income	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Total Unearned Income	127	127	254
Social Security Income	0	0	0
Taxable Social Security Benefits	0	0	0
Total Present Income	\$105,727	\$36,127	\$141,854
Less Adjustments to Income			
IRA Deduction	0	0	0
50% of Self-Employment tax	0	0	0
SEP, Keogh, SIMPLE Deductions	0	0	0
Alimony and Other Adjustments	0	0	0
Adjusted Gross Income	\$105,727	\$36,127	\$141,854
Less:			
Number of Exemptions			3
Dollar Amount of Exemptions			12,150
Standard or Itemized Deductions			18,622
Taxable Income (Including Capital Gains)			\$111,082
Federal Income Tax			
Marginal Tax Bracket			25.0%
Subtotal Tax			19,247
Less Credits			1,000
Marginal Capital Gain Bracket			0.0%
Capital Gain Taxes			0
Total Federal Income Tax			\$18,247
State Income Tax			
Tax Bracket			3.0%
Total State Income Tax			4,255
Local Income Tax			2,159
FICA and Medicare Tax			29,806
Total Income Taxes			\$54,467

TAX ANALYSIS - ANNUAL



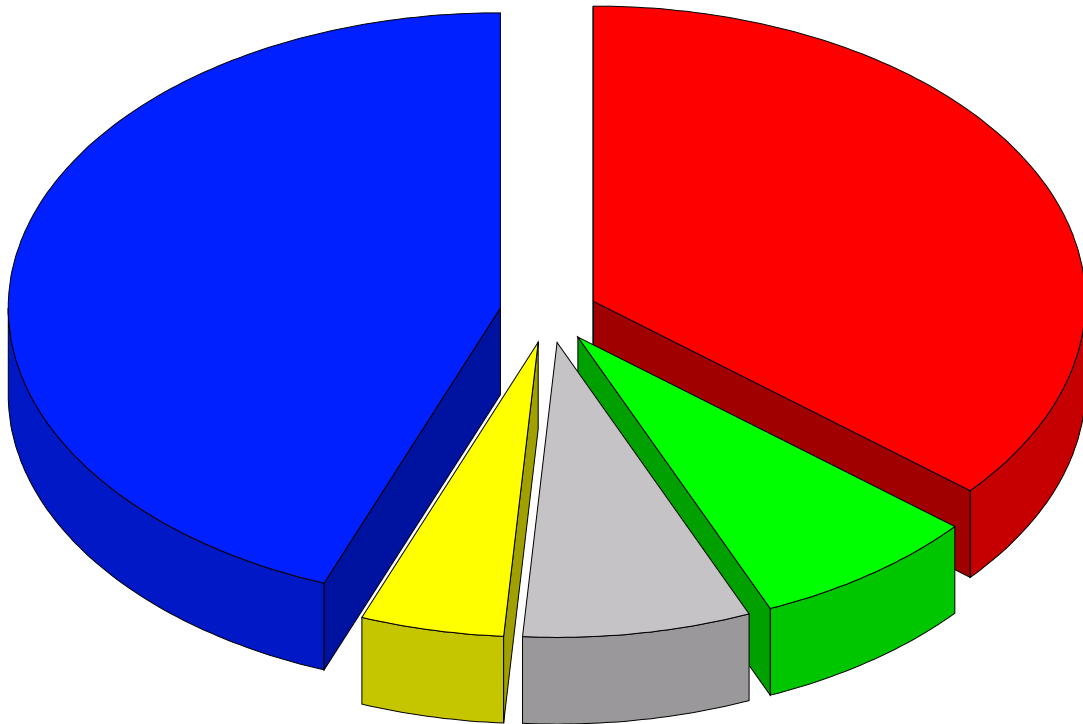
	Federal Income	18,247	30.3%
	FICA and Medicare	29,806	49.5%
	State Income	4,255	7.1%
	Local Income	2,159	3.6%
	Property	5,748	9.5%
Total:		60,215	100.0%

This report does not include sales and use taxes or personal property taxes.

CASH FLOW ANALYSIS

Monthly Gross Income	\$13,854	
Monthly Expenses		% of Total
Cash Reserves	0	0.00%
Investments	666	4.81%
Deferred Annuities	0	0.00%
Insurance Policies	0	0.00%
Qualified Plans	359	2.59%
Total Savings & Investments	\$1,025	7.40%
Federal Taxes	1,520	10.97%
State Income Taxes	354	2.56%
Local Income Taxes	179	1.29%
FICA and Medicare Taxes	2,483	17.92%
Property Taxes	479	3.46%
Total Taxes	\$5,017	36.22%
Life Insurance	58	0.42%
Disability / LTC Insurance	0	0.00%
Medical Insurance	425	3.07%
Homeowner's / Property Insurance	64	0.46%
Auto Insurance	124	0.90%
Other Insurance	0	0.00%
Total Insurance	\$671	4.84%
Mortgage Payments	1,923	13.88%
Liability Payments	586	4.23%
Food	700	5.05%
Medical / Dental	100	0.72%
Entertainment / Recreation / Vacation	500	3.61%
Charity/ Tithing/ Gifts	750	5.41%
Clothing	200	1.44%
Home Maintenance / Furnishings	125	0.90%
Utilities & Miscellaneous Costs	425	3.07%
Unreimbursed Employee Business Expenses	0	0.00%
Auto Maintenance & Leases	750	5.41%
Rent	0	0.00%
Education	50	0.36%
Other 1	0	0.00%
	0	0.00%
	0	0.00%
Total Standard of Living	\$6,109	44.10%
Total Monthly Expenses	\$12,822	92.55%
Unallocated Monthly Income	\$1,032	7.45%
Additional Monthly Amount to Save (as indicated on data form)	\$0	

CASH FLOW ANALYSIS - ANNUAL



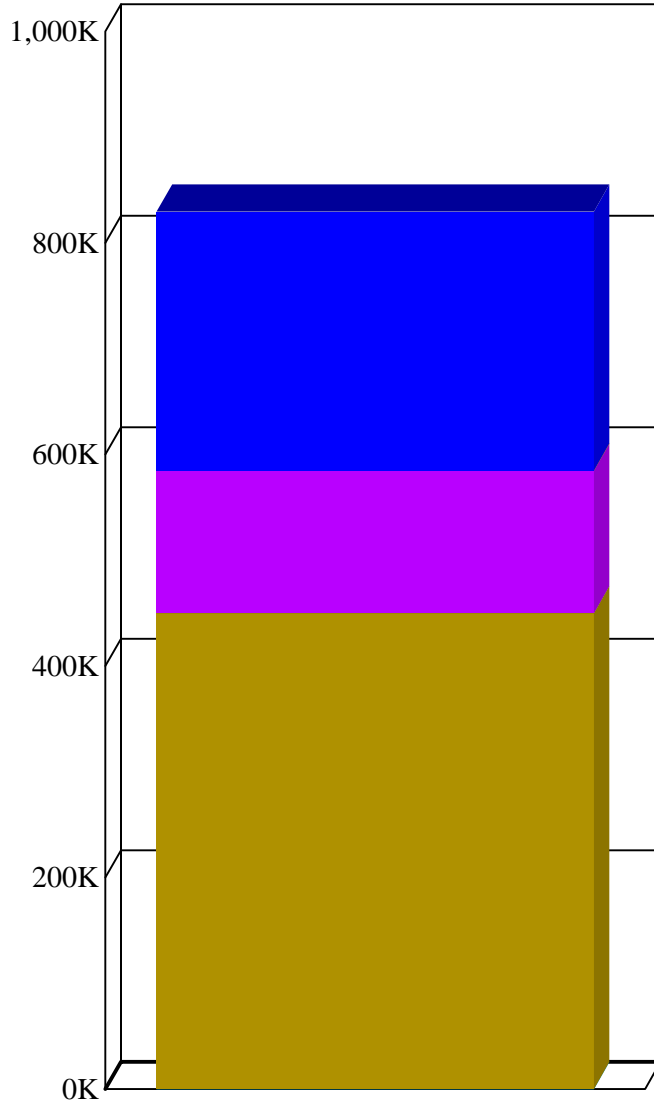
Taxes	5,017	36.2%
Savings	1,025	7.4%
Unallocated	1,032	7.4%
Insurance	671	4.8%
Standard of Living	6,109	44.1%
Total:	13,854	100.0%

NET WORTH STATEMENT

Investment Assets	Amount	% of Total
Cash (Checking, Savings, Money Mkt, T-Bill)	22,500	2.71%
Certificates of Deposit	0	0.00%
Life Insurance Cash Values	10,000	1.21%
Fixed Annuities	0	0.00%
Variable Annuities	0	0.00%
Stocks	0	0.00%
Bonds	0	0.00%
Mutual Funds	55,464	6.69%
Tangible Assets	0	0.00%
IRAs	31,432	3.79%
SEP-IRAs	0	0.00%
401(k), Profit Sharing Plans	125,152	15.09%
403(b) TSAs	0	0.00%
Keogh Plans	0	0.00%
457, Deferred Compensation Plans	0	0.00%
Other Qualified Plans	0	0.00%
Roth IRAs, Roth 401ks, 529 Plans	0	0.00%
Limited Partnerships	0	0.00%
Unit Investment Trusts	0	0.00%
Investment Real Estate	0	0.00%
Money Owed You	0	0.00%
Total Investment Assets	\$244,548	29.48%
Personal Assets		
Personal Real Estate (Market Value)	450,000	54.25%
Personal Property	135,000	16.27%
Total Personal Assets	\$585,000	70.52%
Total Business Assets	\$0	0.00%
Total Assets	\$829,548	100.00%
Investment Liabilities		
Investment Real Estate Mortgages	0	0.00%
Subordinate Loans against Investment Real Estate	0	0.00%
Loans Against Insurance Cash Values	0	0.00%
Loans or Debts Against Investments	0	0.00%
Total Investment Liabilities	0	0.00%
Personal Liabilities		
Real Estate Mortgages	77,000	78.73%
Subordinate Loans against Real Estate	0	0.00%
Consumer Debt	20,800	21.27%
Total Personal Liabilities	97,800	100.00%
Total Liabilities	\$97,800	100.00%
Net Worth	\$731,748	

NET WORTH STATEMENT CHART

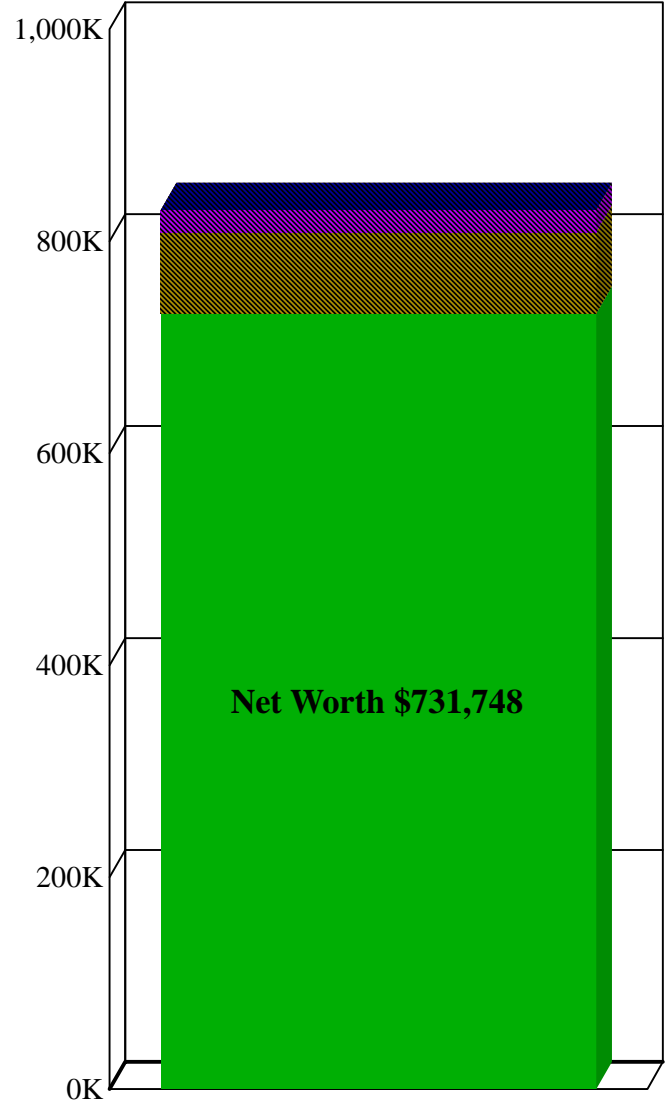
Assets



Investment Assets	244,548	29.5%
Investment Real Estate	0	0.0%
Personal Property	135,000	16.3%
Personal Real Estate	450,000	54.2%
Business Assets	0	0.0%

Total **\$829,548** **100%**

Liabilities & Net Worth



Investment Liabilities	0	0.0%
Investment RE Mortgages	0	0.0%
Consumer Debt	20,800	2.5%
Personal RE Mortgages	77,000	9.3%
Net Worth	731,748	88.2%

Total **\$829,548** **100%**

EARNINGS OF PRESENT INVESTMENT ASSETS

This is a list of your current investments as submitted on your data form. In cases where you did not clearly indicate a before-tax rate of return or yield, an estimate is used. The estimate reflects average rates of return for similar investments based upon published indices. Your marginal federal and state income tax rates are used to calculate current after-tax results. Past performance is no guarantee of future results.

Asset	Tax	Value	% of Total	Before Tax % Return	Tax % Yield	After Tax % Return	% Yield
Cash & Equivalents							
Savings	4	15,000	6.13	5.00	5.00	3.64	3.64
Money Market	4	5,000	2.04	2.00	2.00	1.46	1.46
Checking	4	2,500	1.02	1.00	1.00	0.73	0.73
Money Market Funds	6	12,694	5.19	2.50	2.50	2.50	2.50
FFB - CD	6	31,432	12.85	5.00	5.00	5.00	5.00
		66,626	27.24	4.15	4.15	3.79	3.79
Equity							
Large Cap Mutual Fund	4	32,967	13.48	9.00	2.00	8.45	1.46
Growth & Income Fund	4	22,497	9.20	8.00	1.00	7.73	0.73
		55,464	22.68	8.59	1.59	8.16	1.16
Fixed Income							
Whole Life Policy - Mary	1	4,000	1.64	5.00	0.00	5.00	0.00
XYZ Government Fund	6	112,458	45.99	5.00	0.00	5.00	0.00
Whole Life Policy - Martin	1	6,000	2.45	5.00	0.00	5.00	0.00
		122,458	50.08	5.00	0.00	5.00	0.00
Current Investment Assets		244,548					
Weighted Average Rate of Return				5.58%		5.39%	
Weighted Average Cash Yield					1.49%		1.30%
Marginal Tax Bracket		27.25%					

Tax Status:
 1 = Non - Taxable or Insurance
 2 = Federal Only

3 = State Only
 4 = Fully Taxable
 5 = Tax Deferred

6 = Deductible & Deferred
 7 = Tax Credit

PROJECTED CASH FLOW AND NET WORTH SUMMARY

Year	Age of Martin/Mary	Total Income	Expenses	Annual Taxes	Client Savings	Surplus or Deficit	Net Worth
2018	54 / 54	174,595	81,362	64,837	14,292	14,104	801,977
2019	55 / 55	181,989	83,373	68,649	14,745	15,222	876,897
2020	56 / 56	189,748	85,481	72,662	15,230	16,375	956,845
2021	57 / 57	175,884	79,245	76,630	15,746	4,263	1,033,631
2022	58 / 58	184,417	59,833	80,399	11,293	32,892	1,087,953
2023	59 / 59	193,321	62,196	84,169	11,829	35,127	1,145,647
2024	60 / 60	202,659	64,660	88,124	12,398	37,477	1,206,932
2025	61 / 61	227,420	82,188	93,644	13,002	38,586	1,257,077
2026	62 / 62	254,612	101,910	99,793	13,501	39,408	1,293,042
2027	63 / 63	265,301	104,920	104,589	13,855	41,937	1,330,455
2028	64 / 64	243,980	75,527	106,243	14,232	47,978	1,401,895
2029	65 / 65	255,777	78,522	111,474	14,946	50,835	1,477,743
2030	66 / 66	268,155	81,634	118,705	15,708	52,108	1,558,288
Total		\$2,817,858	\$1,040,851	\$1,169,918	\$180,777		

Total Income - income from all sources summarized on detail reports. *Expenses* - current budget adjusted for inflation, at client's rate, plus insurance premiums, and mortgage and liability payments during amortization. *Annual Taxes* - all taxes including income, capital gains, FICA and Medicare, and real estate (property). *Client Savings* - all before- and after- tax additions by the client(s) to investment assets plus reinvested yield. *Surplus or Deficit* - the difference between total income and savings plus total expenses. *Net Worth* - projected net worth on the end of the year.

PROJECTED INCOME SUMMARY

Year	Age of Martin/Mary	Earned Income	Pension Income	Anticipated Income	Investment Income	Total Income
2018	54 / 54	150,838	0	22,000	1,757	174,595
2019	55 / 55	158,006	0	22,000	1,983	181,989
2020	56 / 56	165,518	0	22,000	2,230	189,748
2021	57 / 57	173,388	0	0	2,496	175,884
2022	58 / 58	181,637	0	0	2,780	184,417
2023	59 / 59	190,281	0	0	3,040	193,321
2024	60 / 60	199,339	0	0	3,320	202,659
2025	61 / 61	208,833	0	0	18,587	227,420
2026	62 / 62	218,782	0	0	35,830	254,612
2027	63 / 63	229,208	0	0	36,093	265,301
2028	64 / 64	240,136	0	0	3,844	243,980
2029	65 / 65	251,589	0	0	4,188	255,777
2030	66 / 66	263,592	0	0	4,563	268,155
Total		\$2,631,147	\$0	\$66,000	\$120,711	\$2,817,858

Earned Income - total income from wages, salaries and bonus, or net self-employment income. *Pension Income* - income from Defined Benefit pension plans. *Anticipated Income* - income from other sources. *Investment Income* - total income from Investment Assets including interest, dividends, and asset liquidations. *Total Income* - total of all the columns.

PROJECTED INVESTMENT INCOME DETAIL

Year	Age Martin/Mary	Dividends & Interest	Cap Gains & Qualified Plans	Return of Basis & Tax -Free	Insurance & Annuity Income	Other	Total Income
2018	54 / 54	1,757	0	0	0	0	1,757
2019	55 / 55	1,983	0	0	0	0	1,983
2020	56 / 56	2,230	0	0	0	0	2,230
2021	57 / 57	2,496	0	0	0	0	2,496
2022	58 / 58	2,780	0	0	0	0	2,780
2023	59 / 59	3,040	0	0	0	0	3,040
2024	60 / 60	3,320	0	0	0	0	3,320
2025	61 / 61	3,620	7,933	7,034	0	0	18,587
2026	62 / 62	3,800	17,937	14,093	0	0	35,830
2027	63 / 63	3,819	18,805	13,469	0	0	36,093
2028	64 / 64	3,844	0	0	0	0	3,844
2029	65 / 65	4,188	0	0	0	0	4,188
2030	66 / 66	4,563	0	0	0	0	4,563
Total		\$41,440	\$44,675	\$34,596	\$0	\$0	\$120,711

Dividends & Interest - earnings on Investment Assets. *Cap Gains & Qualified Plans* - total income from assets subject to Capital Gains taxes plus total income from Qualified Plan assets. *Return of Basis & Tax-Free* - income that is not subject to income taxes such as the original investment, funds on which taxes have been paid, or qualified distributions from Roth or 529 accounts. *Insurance & Annuity Income* - loans on insurance policies, payments received from immediate annuities, or withdrawals from deferred annuities. *Other* - income not in another column. **Total Income** - total of all the columns.

PROJECTED EXPENSE DETAIL

Year	Age of Martin/Mary	Savings	Insurance Premiums	Mortgage Payments	Liability Payments	Standard of Living	Total Expense
2018	54 / 54	14,292	8,052	23,076	7,032	43,202	95,654
2019	55 / 55	14,745	8,343	23,076	7,032	44,922	98,118
2020	56 / 56	15,230	8,651	23,076	7,032	46,722	100,711
2021	57 / 57	15,746	8,968	19,645	2,043	48,589	94,991
2022	58 / 58	11,293	9,299	0	0	50,534	71,126
2023	59 / 59	11,829	9,644	0	0	52,552	74,025
2024	60 / 60	12,398	10,002	0	0	54,658	77,058
2025	61 / 61	13,002	10,374	0	0	71,814	95,190
2026	62 / 62	13,501	10,761	0	0	91,149	115,411
2027	63 / 63	13,855	11,164	0	0	93,756	118,775
2028	64 / 64	14,232	11,582	0	0	63,945	89,759
2029	65 / 65	14,946	12,019	0	0	66,503	93,468
2030	66 / 66	15,708	12,471	0	0	69,163	97,342
Total		\$180,777	\$131,330	\$88,873	\$23,139	\$797,509	\$1,221,628

Savings - all client(s) before- and after- tax additions to investment assets plus reinvested yield. *Insurance Premiums* - for all insurance. *Mortgage Payments* - total principal and interest payments for real estate mortgages during amortization. *Liability Payments* - total principal and interest payments during amortization. *Standard of Living* - projected from the Cash Flow Analysis, adjusted for the Client's inflation rate as applicable. *Total Expenses* - total of all columns.

PROJECTED SAVINGS DETAIL

Year	Age of Martin/Mary	Pre-Tax Savings	After-Tax Savings	Reinvested Earnings	Total Client Savings	Employer Contributions	Total Savings
2018	54 / 54	4,535	8,000	1,757	14,292	2,267	16,559
2019	55 / 55	4,762	8,000	1,983	14,745	2,381	17,126
2020	56 / 56	5,000	8,000	2,230	15,230	2,500	17,730
2021	57 / 57	5,250	8,000	2,496	15,746	2,625	18,371
2022	58 / 58	5,513	3,000	2,780	11,293	2,756	14,049
2023	59 / 59	5,789	3,000	3,040	11,829	2,894	14,723
2024	60 / 60	6,078	3,000	3,320	12,398	3,039	15,437
2025	61 / 61	6,382	3,000	3,620	13,002	3,191	16,193
2026	62 / 62	6,701	3,000	3,800	13,501	3,350	16,851
2027	63 / 63	7,036	3,000	3,819	13,855	3,518	17,373
2028	64 / 64	7,388	3,000	3,844	14,232	3,694	17,926
2029	65 / 65	7,758	3,000	4,188	14,946	3,879	18,825
2030	66 / 66	8,145	3,000	4,563	15,708	4,072	19,780
Total		\$80,337	\$59,000	\$41,440	\$180,777	\$40,166	\$220,943

Pre-Tax Savings - contributions by client(s) to a qualified retirement plan account or Traditional IRA. *After-Tax Savings* - savings and additions made by client(s) after first paying applicable income taxes. *Reinvested Earnings* - all reinvested interest and dividends on Investment Assets. *Total Client Savings* - total saved by the client(s) in any manner. *Employer Contributions* - contributions by an employer to a qualified retirement plan for the client(s). *Total Savings* - all savings by or for the client(s).

PROJECTED TAX DETAIL

Year	Age of Martin/Mary	Federal Taxes	State & Local Taxes	Property Taxes	FICA & Medicare Taxes	Self-Emp Taxes	Total Taxes
2018	54 / 54	20,933	6,703	5,979	31,222	0	64,837
2019	55 / 55	22,698	7,026	6,219	32,706	0	68,649
2020	56 / 56	24,570	7,364	6,467	34,261	0	72,662
2021	57 / 57	26,547	7,719	6,726	35,638	0	76,630
2022	58 / 58	28,375	8,091	6,995	36,938	0	80,399
2023	59 / 59	30,114	8,479	7,275	38,301	0	84,169
2024	60 / 60	31,944	8,887	7,566	39,727	0	88,124
2025	61 / 61	35,002	9,552	7,869	41,221	0	93,644
2026	62 / 62	38,528	10,295	8,184	42,786	0	99,793
2027	63 / 63	40,873	10,781	8,511	44,424	0	104,589
2028	64 / 64	40,552	10,699	8,851	46,141	0	106,243
2029	65 / 65	43,103	11,213	9,205	47,953	0	111,474
2030	66 / 66	47,434	11,753	9,574	49,944	0	118,705
Total		\$430,673	\$118,562	\$99,421	\$521,262	\$0	\$1,169,918

Federal Taxes - total taxes paid to the federal government including, income, capital gains, or penalties. *State & Local Taxes* - income taxes paid to a state or locality on earned income. *Property Taxes* - taxes paid on real estate, inflated at the same rate as the property value grows. *FICA & Medicare Taxes* - employee portion of both FICA and Medicare taxes. *Self-Emp Taxes* - include tax on net self-employment income plus applicable FICA and Medicare taxes. *Total Taxes* - sum of all the columns.

PROJECTED ASSET DETAIL

Year	Age of Martin/Mary	Insurance/ Annuities	Real Estate	Qualified Ret. Plans	Business Assets	Investment Assets	Total Assets
2017							244,548
2018	54 / 54	10,498	0	170,898	0	91,606	273,002
2019	55 / 55	11,021	0	186,260	0	106,368	303,649
2020	56 / 56	11,571	0	202,739	0	122,346	336,656
2021	57 / 57	12,149	0	220,409	0	139,640	372,198
2022	58 / 58	12,755	0	239,348	0	153,360	405,463
2023	59 / 59	13,392	0	259,640	0	168,226	441,258
2024	60 / 60	14,060	0	281,371	0	184,337	479,768
2025	61 / 61	14,762	0	304,635	0	186,830	506,227
2026	62 / 62	15,499	0	329,532	0	172,528	517,559
2027	63 / 63	16,272	0	356,166	0	156,915	529,353
2028	64 / 64	17,085	0	384,650	0	172,414	574,149
2029	65 / 65	17,938	0	415,103	0	189,247	622,288
2030	66 / 66	18,834	0	447,648	0	207,533	674,015

Insurance/Annuities - total cash values of life insurance minus any loans plus the value of deferred annuities. *Real Estate* - sum of market values of investment real estate minus outstanding mortgages. *Qualified Ret Plans* - total of all qualified plan assets. *Business Assets* - estimated value of all businesses owned by the client(s). *Investment Assets* - all assets held to fund goals not listed in another column. This report only includes Real Estate and Business Assets available for retirement needs. *Total Assets* - total remaining investments assets on the end of the year

PROJECTED CASH FLOW AND INVESTMENT ASSETS SUMMARY

Year	Age of Martin/Mary	Total Income	Expenses	Annual Taxes	Client Savings	Year End Asset Value
2017						244,548
2018	54 / 54	174,595	81,362	64,837	14,292	273,002
2019	55 / 55	181,989	83,373	68,649	14,745	303,649
2020	56 / 56	189,748	85,481	72,662	15,230	336,656
2021	57 / 57	175,884	79,245	76,630	15,746	372,198
2022	58 / 58	184,417	59,833	80,399	11,293	405,463
2023	59 / 59	193,321	62,196	84,169	11,829	441,258
2024	60 / 60	202,659	64,660	88,124	12,398	479,768
2025	61 / 61	227,420	82,188	93,644	13,002	506,227
2026	62 / 62	254,612	101,910	99,793	13,501	517,559
2027	63 / 63	265,301	104,920	104,589	13,855	529,353
2028	64 / 64	243,980	75,527	106,243	14,232	574,149
2029	65 / 65	255,777	78,522	111,474	14,946	622,288
2030	66 / 66	268,155	81,634	118,705	15,708	674,015
Total		\$2,817,858	\$1,040,851	\$1,169,918	\$180,777	

***Total Income** - income from all sources summarized on detail reports. **Expenses** - current budget adjusted for inflation, at client's rate, plus insurance premiums, and mortgage and liability payments during amortization. **Annual Taxes** - all taxes including income, capital gains, FICA and Medicare, and real estate (property). **Client Savings** - all before- and after- tax additions by the client(s) to investment assets plus reinvested yield. **Year-End Asset Value** - total investment assets on the end of the year.*

EDUCATION FUNDING NEEDS ANALYSIS

The cost of higher education has increased dramatically, particularly at private colleges and universities. It may cost \$15,000 to \$40,000 per year in tuition, books, fees and room and board for a student to attend some private schools. This does not include transportation, clothing, laundry and incidental expenses that often equal or exceed the basic tuition. This can result in a financial drain for a family with college age children.

HOW MUCH SHOULD I SAVE?

The size of the fund depends on the number of children, their ages, educational plans, school selection, scholarships and student loans that may be available to them, student earnings and family income.

It also depends on the attitudes of the family toward education. Some people feel they should provide their children with all the education they can profit from and want. Others, however, feel that children should earn at least part of their educational expenses themselves. If costs are substantial, it may even be necessary to finance a major portion with student loans.

The following analysis calculates the amount necessary to meet your stated educational goals.

The total cost is the projected future cost using your rate of inflation for education expenses. We calculate the unfunded need by comparing the projected values of any assets earmarked for the goal to the total cost.

The present value of the unfunded need is the amount you must set aside today growing at your weighted average annual rate of return to meet the future need.

The requisite monthly amount will decrease as each school year passes, thereby reducing savings in remaining years to fund remaining years of school.

If a dependent is starting school immediately, the first year's costs are not in the projections.

This analysis is for illustrative purposes only, and calculates an estimated need. It may not reflect all the issues that are specific to your situation.

EDUCATION FUNDING NEEDS ANALYSIS SUMMARY

College Funding for Marty - Miami University

Age to Begin	18	Tuition Cost	\$8,496	Total Expenses	\$18,642
Years to Attend	4	Room & Board Expense	\$8,140	Contribution %	100.00%
Starting Year	2025	Mandatory Fees	\$2,006		
Ending Year	2029	Other Expenses	\$0		

Rates of Increase

College Tuition Inflation	7.00%
Investment Appreciation Rate	5.58%

Education Need vs Funding



EDUCATION FUNDING NEEDS ANALYSIS EARMARKED ASSETS

Description	Asset Description	Current Value	Rate of Return
College Funding for Marty - Miami University			
Growth & Income Fund	Mutual Fund	\$22,497	8.00%
		\$22,497	
Weighted Average Rate of Return for Education Funding Assets	8.00%		

EDUCATION FUNDING NEEDS ANALYSIS DETAIL

Description	Year	Total Cost	Cost Funded	Unfunded Need	Present Value	Monthly Required
College Funding for Marty - Miami University						
	2025	14,967	14,967	0	0	0
	2026	32,030	32,030	0	0	0
	2027	34,272	32,274	1,998	1,225	12
	2028	36,671	0	36,671	21,306	201
	2029	19,619	0	19,619	10,796	95
					\$33,327	\$308
Lump Sum Savings Required to Fund Education Goals					\$33,327	
Monthly Savings Required To Fund Education Goals						\$308

RETIREMENT PLANNING NEEDS ANALYSIS

For some people, retirement is that part of life they look toward after their working days are over. The reports in this section project all sources of income after you retire and compares that to your Retirement Income Objective.

EFFECTS OF INFLATION

The Effects of Inflation report explains the effect inflation has on your retirement income objective. It also shows you the purchasing power of your income objective in today's dollars.

RETIREMENT PLANNING ANALYSIS

The Retirement Planning Analysis report summarizes your retirement goal and calculates total income, expenses and taxes during your retirement period. It also estimates your Social Security Benefits if you chose to include them. The report considers the investment assets you currently have, adds planned future contributions and accumulates the funds at the rate of return shown.

If there is a shortfall of income during retirement, this report shows two alternatives for funding the shortfall. First covering the shortfall with an investment where all distributions are tax-free such as a Roth IRA or loans from a life insurance policy. The other alternative is in an investment where all distributions are fully taxed at ordinary income tax rates such as a qualified retirement plan. The answer typically lies somewhere on the continuum between these alternatives.

RETIREMENT PLANNING ANALYSIS DETAILS

The Retirement Planning Analysis Detail report details the year-by-year calculations of the Retirement Planning Analysis. It supports the graphs that picture your Income and After-Tax Expenses and the value of Retirement Assets. More detail reports may be included as appropriate.

GRAPHS

The graphs are a picture of the numbers in the Retirement Planning Analysis Detail report.

EFFECTS OF INFLATION ON YOUR MONTHLY GOALS

A practical financial analysis must take inflation into account when projecting financial requirements. All the objectives you supplied have been projected using your estimated rate of inflation. Some people find it difficult to believe the profound effect inflation has on income requirements and purchasing power. The following table illustrates the importance of considering inflation.

Assumed Annual Rate of Inflation: 4.00%

Age of Martin/Mary	Desired Monthly Income (Today's \$)	Desired Monthly Income (Inflated)	Purchasing Power of Desired Income
53 / 53	\$7,000	\$7,000	\$7,000
54 / 54	7,000	7,280	6,731
55 / 55	7,000	7,571	6,472
56 / 56	7,000	7,874	6,223
57 / 57	7,000	8,189	5,984
60 / 60	7,000	9,212	5,319
65 / 65	7,000	11,207	4,372
67 / 67	7,000	12,122	4,042
70 / 70	7,000	13,635	3,594
75 / 75	7,000	16,589	2,954
80 / 80	7,000	20,184	2,428
85 / 85	7,000	24,556	1,995
90 / 90	7,000	29,877	1,640

RETIREMENT PLANNING NEEDS ANALYSIS SUMMARY

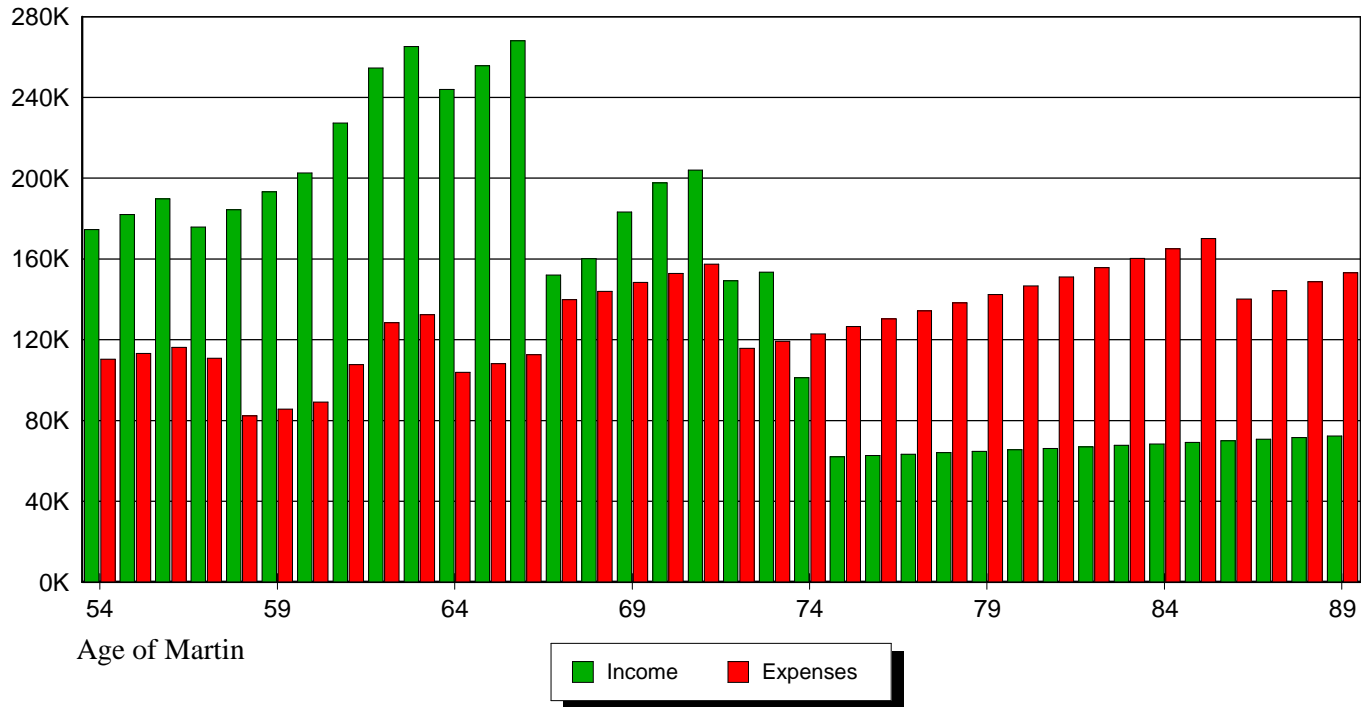
Assumptions	Martin	Mary
Current Age	53	53
Current Earned Income	108,000	36,000
Annual Salary Increase (%)	5.00%	4.00%
Retirement Age	67	67
Age to Start Social Security	67	67
Life Expectancy	90	90
Monthly Desired Income at Retirement (Current \$)	\$7,000	
Assumed Inflation Rate Pre-Retirement	4.00%	
Monthly Desired Income at Retirement (Inflated \$)	\$12,121	
Assumed Inflation Rate Post-Retirement	3.00%	
Expenses and Taxes During Retirement		
Estimated Expenses During Retirement	3,307,632	
Estimated Taxes During Retirement	504,717	
Total Expenses & Taxes	\$3,812,349	
Income Sources During Retirement		
Estimated Social Security Benefits	1,439,084	
COLA Adjustment for Social Security	1.00%	
Estimated Value of Defined Benefit Pensions	0	
Other Income Sources (Dividends, Interest, Anticipated Income, Money Owed You, Salary, Minimum Dist., Real Estate Income)	31,528	
Total Income Sources	\$1,470,612	
Investment Assets		
Current Investment Assets (Does not include Money Owed You)	244,548	
Current Weighted Average Rate Of Return	5.58%	
Capital Available at Beginning of First Retirement	674,015	
Asset Shortfall During Retirement (Unfunded Retirement Need)		\$1,510,052
To Meet Capital Need in a Non-Taxable Investment		
Assets Required at First Retirement to Meet Shortfall		\$682,717
Invest Now, at Current Rate		\$319,218
Invest Monthly until Retirement (in addition to current savings)		\$2,787
Invest Monthly until Retirement, Inflated Annually @ 4.00%		\$2,123
To Meet Capital Need in a Fully Taxed Investment		
Assets Required at First Retirement to Meet Shortfall		\$952,485
Invest Now, at Current Rate		\$445,356
Invest Monthly until Retirement (in addition to current savings)		\$3,889
Invest Monthly until Retirement, Inflated Annually @ 3.00%		\$2,962

Assets Required at First Retirement to Meet Shortfall is the total amount of assets required to provide the desired monthly income increasing at the assumed inflation rate during retirement. It includes taxes where applicable on both income and liquidation of assets.

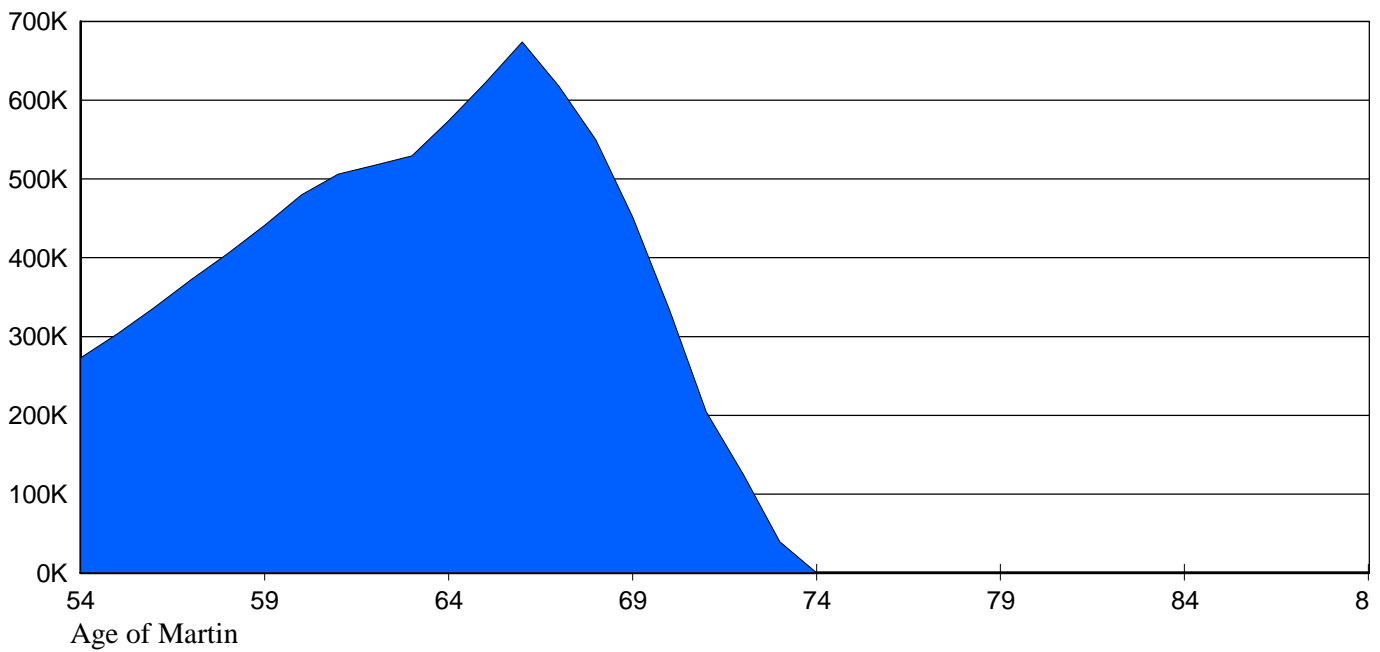
The assumed investment yields are for illustrative purposes only and make no guarantee of future results. The listed assumptions form the basis for all figures, calculations and projections.

RETIREMENT PLANNING NEEDS ANALYSIS SUMMARY CHARTS

Income vs Expenses



Year End Assets



RETIREMENT PLANNING NEEDS ANALYSIS DETAIL

Year	Age of Martin/Mary	Total Income	Expenses	Annual Taxes	Client Savings	Unfunded Retirement Need	Year-End Asset Value
2030	66 / 66						674,015
2031	67 / 67	152,053	139,860	12,193	0	0	617,671
2032	68 / 68	160,114	144,060	16,054	0	0	549,642
2033	69 / 69	183,257	148,380	34,877	0	0	451,941
2034	70 / 70	197,681	152,832	44,849	0	0	334,041
2035	71 / 71	204,100	157,416	46,684	0	0	204,392
2036	72 / 72	149,240	115,812	31,371	0	0	125,747
2037	73 / 73	153,487	119,280	32,061	0	0	39,525
2038	74 / 74	101,158	122,868	13,574	0	35,284	0
2039	75 / 75	61,986	126,552	13,627	0	78,193	0
2040	76 / 76	62,661	130,344	14,172	0	81,855	0
2041	77 / 77	63,348	134,256	14,738	0	85,646	0
2042	78 / 78	64,042	138,288	15,328	0	89,574	0
2043	79 / 79	64,747	142,428	15,941	0	93,622	0
2044	80 / 80	65,462	146,712	16,579	0	97,829	0
2045	81 / 81	66,187	151,104	17,244	0	102,161	0
2046	82 / 82	66,924	155,640	17,939	0	106,655	0
2047	83 / 83	67,671	160,308	18,661	0	111,298	0
2048	84 / 84	68,429	165,120	19,412	0	116,103	0
2049	85 / 85	69,201	170,076	20,193	0	121,068	0
2050	86 / 86	69,983	140,136	21,005	0	91,158	0
2051	87 / 87	70,778	144,348	21,849	0	95,419	0
2052	88 / 88	71,585	148,680	22,727	0	99,822	0
2053	89 / 89	72,406	153,132	23,639	0	104,365	0
Total		\$2,306,500	\$3,307,632	\$504,717	\$0	\$1,510,052	

Total Income - income from all sources summarized on detail reports. **Expenses** - the Retirement Income Objective or the current budget adjusted for the client's assumed inflation. **Annual Taxes** - all taxes including income, capital gains, real estate, FICA and Medicare, and real estate (property). **Client Savings** - all before- and after- tax additions by the client(s) to investment assets plus excess income or earnings on the Surplus Account. **Unfunded Retirement Need** - the projected shortfall after liquidating available investment assets. **Year-End Asset Value** - investment assets remaining and available to meet future retirement needs.

RETIREMENT PLANNING NEEDS ANALYSIS INCOME DETAIL

Year	Age of Martin/Mary	Earned Income	Social Security	Pension Income	Anticipated Income	Investment Income	Total Income
2031	67 / 67	0	55,960	0	0	96,093	152,053
2032	68 / 68	0	56,519	0	0	103,595	160,114
2033	69 / 69	0	57,085	0	0	126,172	183,257
2034	70 / 70	0	57,656	0	0	140,025	197,681
2035	71 / 71	0	58,233	0	0	145,867	204,100
2036	72 / 72	0	58,814	0	0	90,426	149,240
2037	73 / 73	0	59,403	0	0	94,084	153,487
2038	74 / 74	0	59,997	0	0	41,161	101,158
2039	75 / 75	0	60,596	0	0	1,390	61,986
2040	76 / 76	0	61,202	0	0	1,459	62,661
2041	77 / 77	0	61,815	0	0	1,533	63,348
2042	78 / 78	0	62,433	0	0	1,609	64,042
2043	79 / 79	0	63,058	0	0	1,689	64,747
2044	80 / 80	0	63,688	0	0	1,774	65,462
2045	81 / 81	0	64,324	0	0	1,863	66,187
2046	82 / 82	0	64,968	0	0	1,956	66,924
2047	83 / 83	0	65,617	0	0	2,054	67,671
2048	84 / 84	0	66,273	0	0	2,156	68,429
2049	85 / 85	0	66,937	0	0	2,264	69,201
2050	86 / 86	0	67,606	0	0	2,377	69,983
2051	87 / 87	0	68,282	0	0	2,496	70,778
2052	88 / 88	0	68,964	0	0	2,621	71,585
2053	89 / 89	0	69,654	0	0	2,752	72,406
Total		\$0	\$1,439,084	\$0	\$0	\$867,416	\$2,306,500

Earned Income - total income from wages, salaries and bonus, or net self-employment income. *Social Security* - Social Security benefits received by the client(s). *Pension Income* - income from Defined Benefit pension plans. *Anticipated Income* - income from other sources. *Investment Income* - total income from Investment Assets including interest, dividends, required minimum distributions (RMDs), and asset liquidations. *Total Income* - total of all the columns.

RETIREMENT PLANNING NEEDS ANALYSIS INVESTMENT INCOME DETAIL

Year	Age of A / B	Dividends & Interest	Capital Gains	Qualified Plans	Return of Basis & Tax-Free	Insurance & Annuity Income	Other	Total Income
2031	67 / 67	4,969	34,794	0	56,330	0	0	96,093
2032	68 / 68	2,566	67,805	0	33,224	0	0	103,595
2033	69 / 69	724	27,544	86,654	11,250	0	0	126,172
2034	70 / 70	0	0	140,025	0	0	0	140,025
2035	71 / 71	0	0	145,867	0	0	0	145,867
2036	72 / 72	0	0	90,426	0	0	0	90,426
2037	73 / 73	20	0	91,987	2,077	0	0	94,084
2038	74 / 74	20	0	11,157	2,167	27,817	0	41,161
2039	75 / 75	0	0	0	0	1,390	0	1,390
2040	76 / 76	0	0	0	0	1,459	0	1,459
2041	77 / 77	0	0	0	0	1,533	0	1,533
2042	78 / 78	0	0	0	0	1,609	0	1,609
2043	79 / 79	0	0	0	0	1,689	0	1,689
2044	80 / 80	0	0	0	0	1,774	0	1,774
2045	81 / 81	0	0	0	0	1,863	0	1,863
2046	82 / 82	0	0	0	0	1,956	0	1,956
2047	83 / 83	0	0	0	0	2,054	0	2,054
2048	84 / 84	0	0	0	0	2,156	0	2,156
2049	85 / 85	0	0	0	0	2,264	0	2,264
2050	86 / 86	0	0	0	0	2,377	0	2,377
2051	87 / 87	0	0	0	0	2,496	0	2,496
2052	88 / 88	0	0	0	0	2,621	0	2,621
2053	89 / 89	0	0	0	0	2,752	0	2,752
Total		\$8,299	\$130,143	\$566,116	\$105,048	\$57,810	\$0	\$867,416

Dividends & Interest - earnings on Investment Assets. *Capital Gains* - total income from assets subject to Capital Gains taxes. *Qualified Plans* - total distributions from qualified assets. *Return of Basis & Tax-Free* - income that is not subject to income taxes such as the original investment, funds on which taxes have been paid, or qualified distributions from Roth or 529 accounts. *Insurance & Annuity Income* - loans on insurance policies, payments received from immediate annuities, or withdrawals from deferred annuities. *Other* - income not in another column. *Total Income* - total of all the columns.

RETIREMENT PLANNING NEEDS ANALYSIS EXPENSE DETAIL

Year	Age of Martin/Mary	Savings	Insurance Premiums	Mortgage Payments	Liability Payments	Standard of Living	Total Expense
2031	67 / 67	0	11,496	0	0	128,364	139,860
2032	68 / 68	0	11,821	0	0	132,239	144,060
2033	69 / 69	0	12,154	0	0	136,226	148,380
2034	70 / 70	0	12,499	0	0	140,333	152,832
2035	71 / 71	0	12,853	0	0	144,563	157,416
2036	72 / 72	0	13,218	0	0	102,594	115,812
2037	73 / 73	0	13,592	0	0	105,688	119,280
2038	74 / 74	0	13,980	0	0	108,888	122,868
2039	75 / 75	0	14,378	0	0	112,174	126,552
2040	76 / 76	0	14,789	0	0	115,555	130,344
2041	77 / 77	0	15,212	0	0	119,044	134,256
2042	78 / 78	0	15,648	0	0	122,640	138,288
2043	79 / 79	0	16,096	0	0	126,332	142,428
2044	80 / 80	0	16,558	0	0	130,154	146,712
2045	81 / 81	0	17,033	0	0	134,071	151,104
2046	82 / 82	0	17,525	0	0	138,115	155,640
2047	83 / 83	0	18,029	0	0	142,279	160,308
2048	84 / 84	0	18,549	0	0	146,571	165,120
2049	85 / 85	0	19,086	0	0	150,990	170,076
2050	86 / 86	0	19,636	0	0	120,500	140,136
2051	87 / 87	0	20,203	0	0	124,145	144,348
2052	88 / 88	0	20,790	0	0	127,890	148,680
2053	89 / 89	0	21,394	0	0	131,738	153,132
Total		\$0	\$366,539	\$0	\$0	\$2,941,093	\$3,307,632

Savings - all before- and after- tax additions by the client(s) to investment assets plus excess income or earnings on the Surplus Account. *Insurance Premiums* - for all insurance. *Mortgage Payments* - total principal and interest payments for real estate mortgages during amortization. *Liability Payments* - total principal and interest payments during amortization. *Standard of Living* - difference between Total Expenses and the listed amounts in other columns. *Total Expense* - retirement objective for desired after-tax income inflated at the client's inflation rate or total of the client(s) inflated budget.

RETIREMENT PLANNING NEEDS ANALYSIS TAX DETAIL

Year	Age Martin/Mary	Federal Taxes	State & Local Taxes	Property Taxes	FICA & Medicare Taxes	Self-Emp Taxes	Total Taxes
2031	67 / 67	258	1,978	9,957	0	0	12,193
2032	68 / 68	2,147	3,552	10,355	0	0	16,054
2033	69 / 69	19,205	4,903	10,769	0	0	34,877
2034	70 / 70	27,979	5,670	11,200	0	0	44,849
2035	71 / 71	29,176	5,860	11,648	0	0	46,684
2036	72 / 72	15,045	4,212	12,114	0	0	31,371
2037	73 / 73	15,189	4,274	12,598	0	0	32,061
2038	74 / 74	0	472	13,102	0	0	13,574
2039	75 / 75	0	0	13,627	0	0	13,627
2040	76 / 76	0	0	14,172	0	0	14,172
2041	77 / 77	0	0	14,738	0	0	14,738
2042	78 / 78	0	0	15,328	0	0	15,328
2043	79 / 79	0	0	15,941	0	0	15,941
2044	80 / 80	0	0	16,579	0	0	16,579
2045	81 / 81	0	2	17,242	0	0	17,244
2046	82 / 82	0	7	17,932	0	0	17,939
2047	83 / 83	0	12	18,649	0	0	18,661
2048	84 / 84	0	17	19,395	0	0	19,412
2049	85 / 85	0	22	20,171	0	0	20,193
2050	86 / 86	0	27	20,978	0	0	21,005
2051	87 / 87	0	32	21,817	0	0	21,849
2052	88 / 88	0	37	22,690	0	0	22,727
2053	89 / 89	0	42	23,597	0	0	23,639
Total		\$108,999	\$31,119	\$364,599	\$0	\$0	\$504,717

Federal Taxes - total taxes paid to the federal government including, income, capital gains, or penalties. *State & Local Taxes* - income taxes paid to a state or locality on earned income. *Property Taxes* - taxes paid on real estate, inflated at the same rate as the property value grows. *FICA & Medicare Taxes* - employee portion of both FICA and Medicare taxes. *Self-Emp Taxes* - include tax on net self-employment income plus applicable FICA and Medicare taxes. *Total Taxes* - total of all the columns.

RETIREMENT PLANNING NEEDS ANALYSIS SAVINGS DETAIL

Year	Age of Martin/Mary	Pre-Tax Savings	After-Tax Savings	Reinvested Earnings	Total Client Savings	Employer Contributions	Total Savings
2031	67 / 67	0	0	0	0	0	0
2032	68 / 68	0	0	0	0	0	0
2033	69 / 69	0	0	0	0	0	0
2034	70 / 70	0	0	0	0	0	0
2035	71 / 71	0	0	0	0	0	0
2036	72 / 72	0	0	0	0	0	0
2037	73 / 73	0	0	0	0	0	0
2038	74 / 74	0	0	0	0	0	0
2039	75 / 75	0	0	0	0	0	0
2040	76 / 76	0	0	0	0	0	0
2041	77 / 77	0	0	0	0	0	0
2042	78 / 78	0	0	0	0	0	0
2043	79 / 79	0	0	0	0	0	0
2044	80 / 80	0	0	0	0	0	0
2045	81 / 81	0	0	0	0	0	0
2046	82 / 82	0	0	0	0	0	0
2047	83 / 83	0	0	0	0	0	0
2048	84 / 84	0	0	0	0	0	0
2049	85 / 85	0	0	0	0	0	0
2050	86 / 86	0	0	0	0	0	0
2051	87 / 87	0	0	0	0	0	0
2052	88 / 88	0	0	0	0	0	0
2053	89 / 89	0	0	0	0	0	0
Total		\$0	\$0	\$0	\$0	\$0	\$0

Pre-Tax Savings - contributions by client(s) to a qualified retirement plan account or Traditional IRA. *After-Tax Savings* - savings and additions made by client(s) after first paying applicable income taxes. *Reinvested Earnings* - all reinvested interest and dividends on Investment Assets. *Total Client Savings* - total saved by the client(s) in any manner. *Employer Contributions* - contributions by an employer to a qualified retirement plan for the client(s). *Total Savings* - all savings by or for the client(s).

RETIREMENT PLANNING NEEDS ANALYSIS FUNDING DETAIL

Year	Age Martin/Mary	Annual Shortfall	Assets Liquidated	Retirement Unfunded Need	Excess From Liquidation	Year End Asset Value
2030	66 / 66					674,015
2031	67 / 67	89,051	89,051	0	0	617,671
2032	68 / 68	95,406	95,406	0	0	549,642
2033	69 / 69	101,361	101,361	0	0	451,941
2034	70 / 70	106,376	106,376	0	0	334,041
2035	71 / 71	99,575	99,575	0	0	204,392
2036	72 / 72	62,345	62,345	0	2,057	125,747
2037	73 / 73	68,614	68,614	0	2,146	39,525
2038	74 / 74	75,510	40,684	35,284	0	0
2039	75 / 75	79,583	1,390	78,193	0	0
2040	76 / 76	83,314	1,459	81,855	0	0
2041	77 / 77	87,179	1,533	85,646	0	0
2042	78 / 78	91,183	1,609	89,574	0	0
2043	79 / 79	95,311	1,689	93,622	0	0
2044	80 / 80	99,603	1,774	97,829	0	0
2045	81 / 81	104,024	1,863	102,161	0	0
2046	82 / 82	108,611	1,956	106,655	0	0
2047	83 / 83	113,352	2,054	111,298	0	0
2048	84 / 84	118,259	2,156	116,103	0	0
2049	85 / 85	123,332	2,264	121,068	0	0
2050	86 / 86	93,535	2,377	91,158	0	0
2051	87 / 87	97,915	2,496	95,419	0	0
2052	88 / 88	102,443	2,621	99,822	0	0
2053	89 / 89	107,117	2,752	104,365	0	0
Total		\$2,202,999	\$693,405	\$1,510,052	\$4,203	

Annual Shortfall - calculated shortfall between all income and expenses plus taxes during retirement. *Assets Liquidated* - value of assets liquidated to meet a shortfall. *Retirement Unfunded Need* - amount of shortfall that remains unfunded after liquidating available assets. *Excess From Liquidation* - funds left over if Plan Builder liquidates more of an asset than needed. This typically occurs when taxes are overestimated, or if an asset cannot be partially liquidated such as real estate or a business. *Year-End Asset Value* - total remaining investments assets on the end of the year.

RETIREMENT PLANNING NEEDS ANALYSIS ASSET DETAIL

Year	Age of Martin/Mary	Insurance/ Annuities	Real Estate	Qualified Ret. Plans	Business Assets	Investment Assets	Total Assets
2030	66 / 66						674,015
2031	67 / 67	19,775	0	469,592	0	128,304	617,671
2032	68 / 68	20,763	0	492,623	0	36,256	549,642
2033	69 / 69	21,800	0	430,141	0	0	451,941
2034	70 / 70	22,889	0	311,152	0	0	334,041
2035	71 / 71	24,032	0	180,360	0	0	204,392
2036	72 / 72	25,233	0	98,457	0	2,057	125,747
2037	73 / 73	26,494	0	10,885	0	2,146	39,525
2038	74 / 74	0	0	0	0	0	0
2039	75 / 75	0	0	0	0	0	0
2040	76 / 76	0	0	0	0	0	0
2041	77 / 77	0	0	0	0	0	0
2042	78 / 78	0	0	0	0	0	0
2043	79 / 79	0	0	0	0	0	0
2044	80 / 80	0	0	0	0	0	0
2045	81 / 81	0	0	0	0	0	0
2046	82 / 82	0	0	0	0	0	0
2047	83 / 83	0	0	0	0	0	0
2048	84 / 84	0	0	0	0	0	0
2049	85 / 85	0	0	0	0	0	0
2050	86 / 86	0	0	0	0	0	0
2051	87 / 87	0	0	0	0	0	0
2052	88 / 88	0	0	0	0	0	0
2053	89 / 89	0	0	0	0	0	0

Insurance/Annuities - total cash values of life insurance minus any loans plus the value of deferred annuities. *Real Estate* - sum of market values of investment real estate minus outstanding mortgages. *Qualified Ret Plans* - total of all qualified plan assets. *Business Assets* - estimated value of all businesses owned by the client(s). *Investment Assets* - all assets held to fund goals not listed in another column. This report only includes Real Estate and Business Assets available for retirement needs. *Total Assets* - total remaining investments assets on the end of the year.

RETIREMENT CASH FLOW AND NET WORTH SUMMARY

Year	Age of Martin/Mary	Total Income	Expenses	Annual Taxes	Client Savings	Surplus or Deficit	Net Worth
2031	67 / 67	152,053	139,860	12,193	0	0	1,531,914
2032	68 / 68	160,114	144,060	16,054	0	0	1,495,054
2033	69 / 69	183,257	148,380	34,877	0	0	1,429,769
2034	70 / 70	197,681	152,832	44,849	0	0	1,345,582
2035	71 / 71	204,100	157,416	46,684	0	0	1,250,994
2036	72 / 72	149,240	115,812	31,371	0	2,057	1,208,813
2037	73 / 73	153,487	119,280	32,061	0	2,146	1,160,513
2038	74 / 74	101,158	122,868	13,574	0	-35,284	1,160,427
2039	75 / 75	61,986	126,552	13,627	0	-78,193	1,201,444
2040	76 / 76	62,661	130,344	14,172	0	-81,855	1,244,101
2041	77 / 77	63,348	134,256	14,738	0	-85,646	1,288,465
2042	78 / 78	64,042	138,288	15,328	0	-89,574	1,334,603
2043	79 / 79	64,747	142,428	15,941	0	-93,622	1,382,587
2044	80 / 80	65,462	146,712	16,579	0	-97,829	1,432,490
2045	81 / 81	66,187	151,104	17,244	0	-102,161	1,484,389
2046	82 / 82	66,924	155,640	17,939	0	-106,655	1,538,364
2047	83 / 83	67,671	160,308	18,661	0	-111,298	1,594,498
2048	84 / 84	68,429	165,120	19,412	0	-116,103	1,652,877
2049	85 / 85	69,201	170,076	20,193	0	-121,068	1,713,592
2050	86 / 86	69,983	140,136	21,005	0	-91,158	1,776,735
2051	87 / 87	70,778	144,348	21,849	0	-95,419	1,842,404
2052	88 / 88	71,585	148,680	22,727	0	-99,822	1,910,700
2053	89 / 89	72,406	153,132	23,639	0	-104,365	1,981,727
Total		\$2,306,500	\$3,307,632	\$504,717	\$0		

Total Income - income from all sources summarized on detail reports. *Expenses* - current budget adjusted for inflation, at client's rate, plus insurance premiums, and mortgage and liability payments during amortization. *Annual Taxes* - all taxes including income, capital gains, FICA and Medicare, and real estate (property). *Client Savings* - all before- and after- tax additions by the client(s) to investment assets plus excess income or earnings on the Surplus Account. *Surplus or Deficit* - the difference between total income and savings plus total expenses. *Net Worth* - projected net worth on the end of the year.

QUALIFIED PLAN / TAX DEFERRED INVESTMENT ANALYSIS

The benefits of tax deductibility and deferral inherent with IRAs are also available through other IRS approved programs, referred to as qualified plans. Qualified plans have higher contribution limits than do IRAs, making the difference even greater. Investments in fixed and variable annuities and cash-value life insurance policies, while not tax-deductible, do provide tax deferral.

	Martin
Pretax Annual Return	5.58%
Federal Income Tax Bracket	25.00%
State Income Tax Bracket	3.00%
Before-Tax contribution	\$6,500 *
Marginal Combine Tax Bracket	27.25%

If your contribution is made with after-tax dollars, the comparable amount available would be \$4,729. The comparable after-tax return would be 4.06%.

Age of Martin	Ordinary Investment	Nondeductible IRA / Annuity	Fully Deductible IRA / Qualified Plan
54	\$4,729	\$4,729	\$6,500
55	9,649	9,721	13,363
56	14,770	14,993	20,608
57	20,098	20,558	28,258
58	25,643	26,434	36,335
60	37,417	39,187	53,866
65	71,296	77,845	107,003
67	86,851	96,496	132,640
70	112,634	128,560	176,715

* An individual over 50 years old may make an additional \$1,000 catch-up contribution for a maximum of \$6,500 to an IRA or \$6,000 to a qualified retirement plan for a maximum of \$24,000. A 6% penalty is imposed on excess contributions.

The hypothetical investment results are for illustrative purposes only and are not representative of past or future investment results. Actual investment results may be more or less than those shown. This does not represent any specific product.

IRA withdrawals before 59 1/2 are generally subject to a 10% penalty, with some exceptions such as for first time home buyers and the certain medical expenses. The money in an IRA is subject to minimum distributions after the age of 70 1/2. Withdrawals made from an IRA are generally fully taxable at the marginal tax bracket of the individual. Failure to take the minimum distribution can result in a 50% excise tax penalty on the amount not taken.

IRA CONTRIBUTION ANALYSIS

Every working individual is eligible to have an Individual Retirement Account (IRA), a tax-favored savings and investment plan. You may contribute up to \$5,500* each year to this account and, depending on your income and filing status, subtract up to 100% of your contribution from your taxable income on your federal and (where allowed) state income tax. No taxes are payable on your IRA until you withdraw your money and withdrawals generally must start when you reach age 70 1/2.

A married couple may be able to contribute up to \$5,500 to a spousal IRA if the couple has enough earned income. The phase-out limits that apply to deductible contributions also apply to the spousal IRA.

	Martin	Mary
Federal Income Tax Bracket	25.00%	25.00%
State Income Tax Bracket	3.00%	3.00%
Marginal Combined Tax Bracket	27.25%	27.25%
Earned Income	\$108,000	\$36,000
Modified AGI	\$141,854	\$141,854
Filing Status	Married Joint	Married Joint
Qualified Plan Participant?	Yes	No
Eligible to Contribute	\$6,500	\$6,500
Eligible to Deduct	\$0	\$6,500

* An individual over 50 years old may make an extra \$1,000 catch-up contribution to an IRA for a maximum contribution of \$6,500. There is a 6% penalty for contributions that exceed the annual contribution limit.

Filing Status	Modified AGI Phase-Out Range
<i>MFJ (participating)</i>	99,000 - 119,000
<i>MFJ (non-participating spouse)</i>	186,000 - 196,000
<i>MFS</i>	0 - 10,000
<i>Single or Head of Household</i>	62,000 - 72,000

IRA withdrawals before 59 1/2 are generally subject to a 10% penalty, with some exceptions such as for first time home buyers and the certain medical expenses. The money in an IRA is subject to minimum distributions after age 70 1/2. Withdrawals made from an IRA are generally fully taxable at the marginal tax bracket of the individual. Failure to take the minimum distribution can result in a 50% excise tax penalty on the amount not taken.

LIFE INSURANCE NEEDS ANALYSIS

In today's economy, the death of one individual can cause a great financial hardship for survivors. On the following pages is an analysis of your insurance needs. Using your current insurance information, we calculated the additional money needed, in today's dollars, if any, to provide for your needs and goals after your death. For illustrative purposes, we assume that your death occurs this year.

In calculating your needs, we analyze two areas. First, we find out if there are enough funds to cover the immediate expenses. The second part of the analysis calculates the value of the loss of income. The total amount of life insurance needed includes any shortfall of assets to cover immediate expenses plus enough money to replace the lost income. From this total, we subtract any life insurance in force and any available assets to calculate the needed life insurance.

Immediate expenses include burial costs and final expenses. You may need more funds for mortgage or debt liquidation and funding educational expenses. You may also need an emergency cash reserve for survivors. Finally we estimate probate fees and estate taxes. Immediate Cash Needs At Death is the difference between the immediate expenses and the total life insurance available plus liquid assets.

Next we calculate the value of the lost income for each of three periods: Until Children are 18, Until Retirement of the surviving spouse, and During Retirement of surviving spouse.

If the surviving spouse has earned income, the calculation includes that as well as applicable Social Security Benefits, and the income produced by assets remaining after settlement of the estate of the deceased. We use your Survivor Income Objective or your budget information with suitable adjustments (such as mortgages paid) as the basis for the annual income need. The first year's total expenses include immediate expenses, income needed to preserve standard of living, and applicable taxes. In succeeding years, if total income is less than expenses and taxes, then you will need to liquidate assets to provide income until they are gone.

The conclusion on the Life Insurance Needs Detail report is the Total Additional Capital (Lump Sum Needed to Fund Survivor's Income and Meet Immediate Cash Needs. This is the additional amount of money that you would need to have, invested at the Assumed Investment Appreciation Rate listed in the report, to meet your goals and the income needs of survivors.

Once we know how much life insurance you need, we can evaluate what type policy best suits your current financial situation. In making this decision, we consider your cash flow, other investments and savings pattern.

This analysis is for illustrative purposes only, and calculates an approximate need. It may not reflect all the issues that are specific to your situation. You should discuss all of your individual needs with your insurance agent to make sure that you satisfy all your wishes.

CURRENT LIFE INSURANCE POLICIES

Life Insurance on Martin

Group Term Insurance

Martin's Group

Beneficiary Mary

Face Value \$216,000 Monthly Premium \$0

Cash Value \$0 Annual Return

Loans \$0 Loan Rate

Whole Life Insurance

Whole Life Policy - Martin

Beneficiary Mary

Face Value \$50,000 Monthly Premium \$39

Cash Value \$6,000 Annual Return 5.00%

Loans \$0 Loan Rate 0.00%

Total Face Value \$266,000

Total Cash Value \$6,000

Life Insurance on Mary

Whole Life Insurance

Whole Life Policy - Mary

Beneficiary Martin

Face Value \$50,000 Monthly Premium \$19

Cash Value \$4,000 Annual Return 5.00%

Loans \$0 Loan Rate 0.00%

Total Face Value \$50,000

Total Cash Value \$4,000

LIFE INSURANCE NEEDS ANALYSIS SUMMARY

In the Event of Martin's Death with Spouse as Beneficiary

	Martin	Mary
Current Age	53	53
Assumed Life Expectancy	54	90
Current Earned Income	108,000	36,000
Life Insurance (Face Amount, Less Loans)	266,000	
Insured Mortgages	0	
Insured Consumer Debt	0	
Total Life Insurance	\$266,000	
Total Liquid Assets	\$132,652	
Immediate Expenses		
Burial Costs & Final Expenses	12,000	
Mortgages	77,000	
Consumer Debt	7,800	
Children's Education	61,606	
Cash Reserves (6 months)	36,000	
Probate Costs (4.00%)	1,000	
Estate Taxes	561	
Total Immediate Expenses	\$195,967	
Immediate Cash Needs At Death	\$0	
Income Sources For Survivor(s) (in First Year)		
Earned Income	37,439	
Social Security Benefits	24,106	
Pension Benefits	0	
Other Income	22,000	
Investment Income	7,831	
Remaining Investment Assets	\$321,978	
(invested to provide income to survivor(s))		
Rates of Increase		
Assumed Investment Appreciation Rate Pre-retirement	5.58%	
Assumed Investment Appreciation Rate Post-retirement	5.58%	
Rate of Inflation Pre-Retirement	4.00%	
Rate of Inflation Post-Retirement	3.00%	
Adjustment to Standard of Living	100.00%	
Required Capital to Fund Survivor's Income Needs		
Additional Capital Needed (With Children)	0	
Additional Capital Needed (Until Retirement)	0	
Additional Capital Needed (During Retirement)	435,152	
Total Additional Capital (Lump Sum) Needed to Fund Survivor's Income and Meet Immediate Cash Needs	\$435,152	

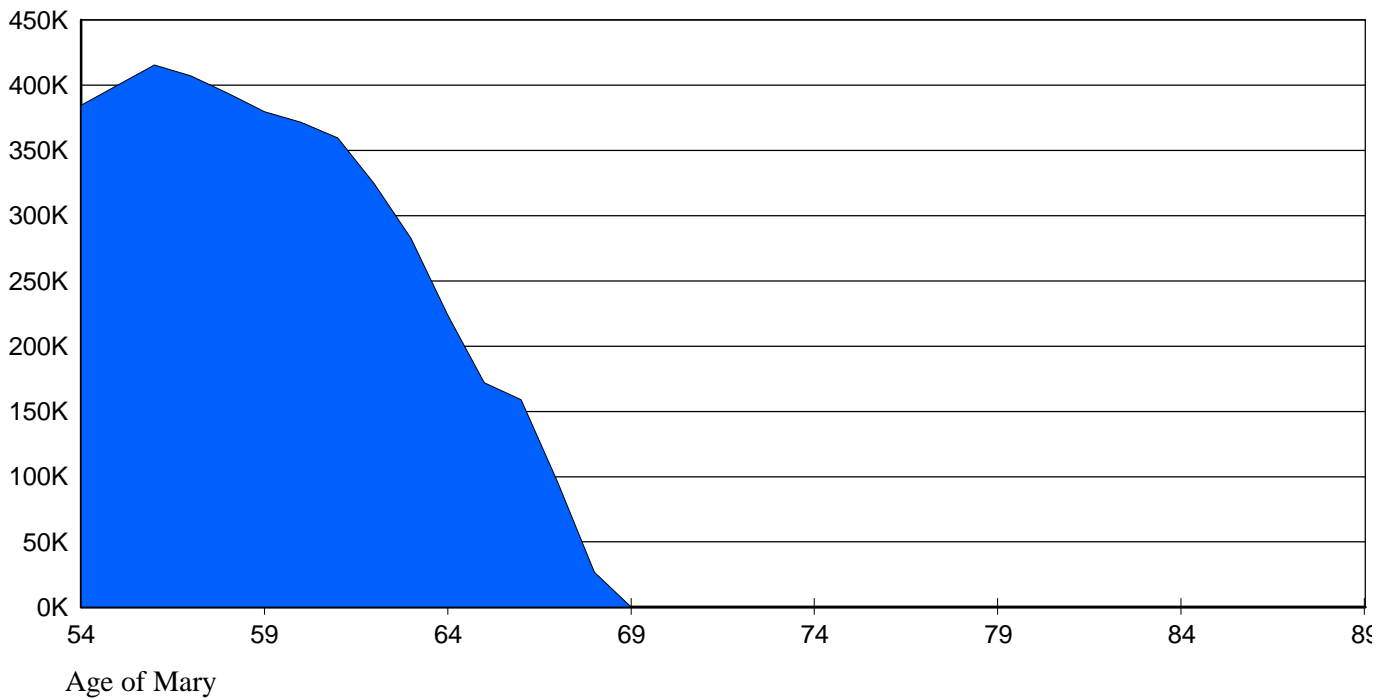
LIFE INSURANCE NEEDS ANALYSIS CHARTS

In the Event of Martin's Death with Spouse as Beneficiary

Income vs Expenses & Taxes



Year End Assets



LIFE INSURANCE NEEDS ANALYSIS ANNUAL DETAIL

In the Event of Martin's Death with Spouse as Beneficiary

Year	Age of Mary	Earned Income	Social Security	Unearned Income	Expenses & Taxes	Unfunded Need	Need Today's Dollars
2018	54	37,439	24,106	29,831	91,376	0	0
2019	55	38,937	24,347	31,751	95,035	0	0
2020	56	40,495	24,591	33,272	98,358	0	0
2021	57	42,114	24,837	36,245	103,196	0	0
2022	58	43,799	25,085	37,571	106,455	0	0
2023	59	45,551	25,335	38,915	109,801	0	0
2024	60	47,373	34,408	33,750	115,531	0	0
2025	61	49,268	33,957	37,854	121,079	0	0
2026	62	51,239	7,369	59,931	118,539	0	0
2027	63	53,288	6,590	64,016	123,894	0	0
2028	64	55,420	5,772	76,575	137,724	0	0
2029	65	57,637	25,272	66,370	148,241	0	0
2030	66	59,942	25,524	24,483	109,796	0	0
2031	67	0	25,780	70,530	96,255	0	0
2032	68	0	26,038	73,423	99,403	0	0
2033	69	0	26,298	27,802	88,110	34,010	14,265
2034	70	0	26,561	435	88,415	61,419	24,401
2035	71	0	26,826	457	91,181	63,898	24,044
2036	72	0	27,094	480	94,025	66,451	23,683
2037	73	0	27,365	504	96,971	69,102	23,326
2038	74	0	27,639	529	99,997	71,829	22,965
2039	75	0	27,916	556	103,128	74,656	22,608
2040	76	0	28,195	583	106,351	77,573	22,250
2041	77	0	28,477	613	109,679	80,589	21,893
2042	78	0	28,762	643	113,115	83,710	21,539
2043	79	0	29,049	675	116,658	86,934	21,186
2044	80	0	29,340	709	120,311	90,262	20,835
2045	81	0	29,633	745	124,084	93,706	20,487
2046	82	0	29,929	782	127,968	97,257	20,139
2047	83	0	30,229	821	131,987	100,937	19,797
2048	84	0	30,531	862	136,131	104,738	19,456
2049	85	0	30,837	905	140,402	108,660	19,118

LIFE INSURANCE NEEDS ANALYSIS ANNUAL DETAIL (continued)

Year	Age of Mary	Earned Income	Social Security	Unearned Income	Expenses & Taxes	Unfunded Need	Need Today's Dollars
2050	86	0	31,145	950	144,811	112,716	18,784
2051	87	0	31,457	998	149,360	116,905	18,452
2052	88	0	31,771	1,048	154,052	121,233	18,124
2053	89	0	32,089	1,100	158,897	125,708	17,800
Totals		\$622,502	\$950,154	\$756,714	\$4,170,316	\$1,842,293	

Additional Capital Needed

\$435,152

***Earned Income** - survivor's income from wages, salaries and bonus, or net self-employment income. **Social Security** - estimated survivors' Social Security benefits received. **Unearned Income** - all other sources of income including survivor benefits, asset liquidations, required minimum distributions (RMDs) from retirement plans, interest, dividends, and other anticipated income. **Expenses & Taxes** - annual Survivor Income Objective. **Unfunded Need** - the projected shortfall after liquidating available investment assets. **Need Today's Dollars** - the present value of the unfunded need. This is the life insurance needed, at the survivor's assumed rate of return, to meet the shortfall in the given year.*

LIFE INSURANCE NEEDS ANALYSIS ANNUAL INCOME DETAIL**In the Event of Martin's Death with Spouse as Beneficiary**

Year	Age of Mary	Earned Income	Social Security	Pension Income	Anticipated Income	Investment Income	Total Income
2018	54	37,439	24,106	0	22,000	7,831	91,376
2019	55	38,937	24,347	0	22,000	9,751	95,035
2020	56	40,495	24,591	0	22,000	11,272	98,358
2021	57	42,114	24,837	0	0	36,245	103,196
2022	58	43,799	25,085	0	0	37,571	106,455
2023	59	45,551	25,335	0	0	38,915	109,801
2024	60	47,373	34,408	0	0	33,750	115,531
2025	61	49,268	33,957	0	0	37,854	121,079
2026	62	51,239	7,369	0	0	59,931	118,539
2027	63	53,288	6,590	0	0	64,016	123,894
2028	64	55,420	5,772	0	0	76,575	137,767
2029	65	57,637	25,272	0	0	66,370	149,279
2030	66	59,942	25,524	0	0	24,483	109,949
2031	67	0	25,780	0	0	70,530	96,310
2032	68	0	26,038	0	0	73,423	99,461
2033	69	0	26,298	0	0	27,802	54,100
2034	70	0	26,561	0	0	435	26,996
2035	71	0	26,826	0	0	457	27,283
2036	72	0	27,094	0	0	480	27,574
2037	73	0	27,365	0	0	504	27,869
2038	74	0	27,639	0	0	529	28,168
2039	75	0	27,916	0	0	556	28,472
2040	76	0	28,195	0	0	583	28,778
2041	77	0	28,477	0	0	613	29,090
2042	78	0	28,762	0	0	643	29,405
2043	79	0	29,049	0	0	675	29,724
2044	80	0	29,340	0	0	709	30,049
2045	81	0	29,633	0	0	745	30,378
2046	82	0	29,929	0	0	782	30,711
2047	83	0	30,229	0	0	821	31,050
2048	84	0	30,531	0	0	862	31,393
2049	85	0	30,837	0	0	905	31,742
2050	86	0	31,145	0	0	950	32,095

LIFE INSURANCE NEEDS ANALYSIS ANNUAL INCOME DETAIL (continued)

Year	Age of Mary	Earned Income	Social Security	Pension Income	Anticipated Income	Investment Income	Total Income
2051	87	0	31,457	0	0	998	32,455
2052	88	0	31,771	0	0	1,048	32,819
2053	89	0	32,089	0	0	1,100	33,189
Totals		\$622,502	\$950,154	\$0	\$66,000	\$690,714	\$2,329,370

Earned Income - survivor's income from wages, salaries, bonus or net self-employment income. *Social Security* - estimated survivors' Social Security benefits received. *Pension Income* - survivor's income from Defined Benefit pension plans. *Anticipated Income* - income from other sources. *Investment Income* - includes interest, dividends, required minimum distributions (RMDs), and asset liquidations. *Total Income* - total of all the columns.

LIFE INSURANCE NEEDS ANALYSIS SUMMARY

In the Event of Mary's Death with Spouse as Beneficiary

	Mary	Martin
Current Age	53	53
Assumed Life Expectancy	54	90
Current Earned Income	36,000	108,000
Life Insurance (Face Amount, Less Loans)	50,000	
Insured Mortgages	0	
Insured Consumer Debt	0	
Total Life Insurance	\$50,000	
Total Liquid Assets	\$31,432	
Immediate Expenses		
Burial Costs & Final Expenses	12,000	
Mortgages	77,000	
Consumer Debt	20,800	
Children's Education	61,606	
Cash Reserves (6 months)	36,000	
Probate Costs (4.00%)	1,000	
Estate Taxes	0	
Total Immediate Expenses	\$208,406	
Immediate Cash Needs At Death	\$126,974	
Income Sources For Survivor(s) (in First Year)		
Earned Income	113,399	
Social Security Benefits	12,771	
Pension Benefits	0	
Other Income	22,000	
Investment Income	1,759	
Remaining Investment Assets (invested to provide income to survivor(s))	\$260,630	
Rates of Increase		
Assumed Investment Appreciation Rate Pre-retirement	5.58%	
Assumed Investment Appreciation Rate Post-retirement	5.58%	
Rate of Inflation Pre-Retirement	4.00%	
Rate of Inflation Post-Retirement	3.00%	
Adjustment to Standard of Living	100.00%	
Required Capital to Fund Survivor's Income Needs		
Additional Capital Needed (With Children)	0	
Additional Capital Needed (Until Retirement)	0	
Additional Capital Needed (During Retirement)	0	
Total Additional Capital (Lump Sum) Needed to Fund Survivor's Income and Meet Immediate Cash Needs	\$126,974	

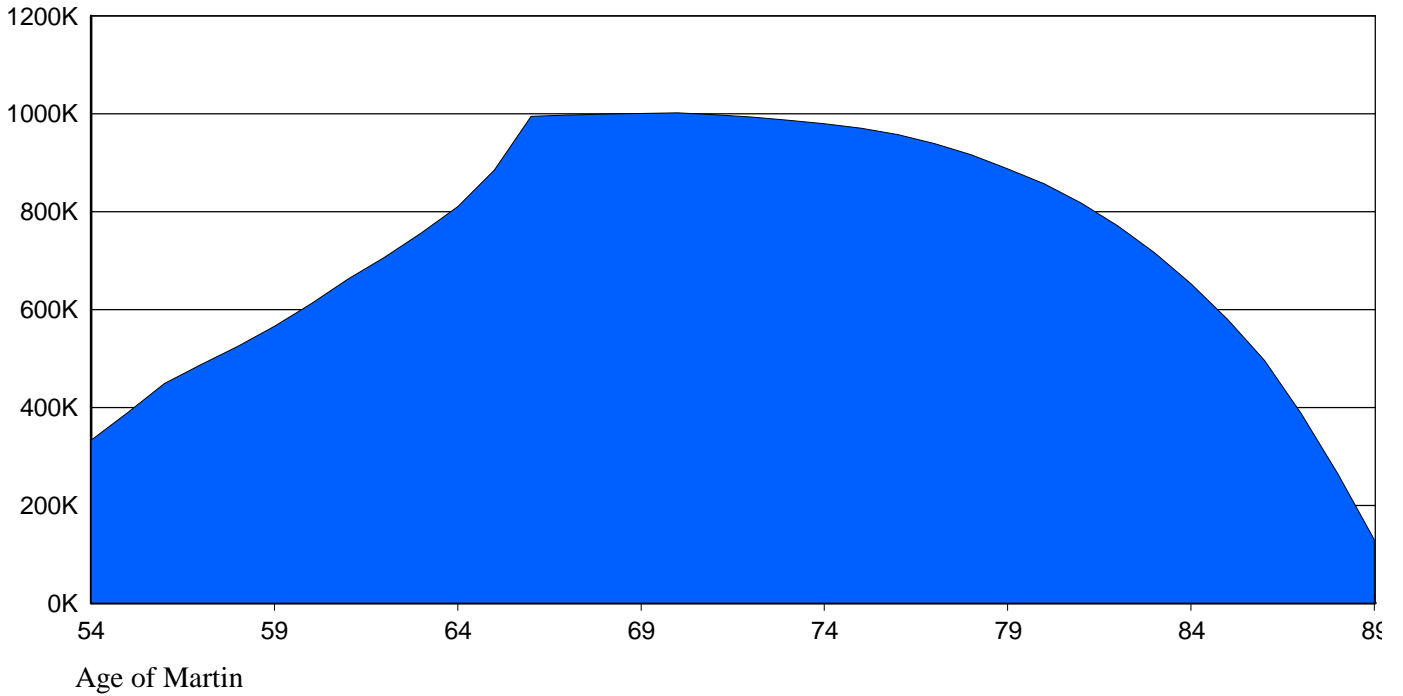
LIFE INSURANCE NEEDS ANALYSIS CHARTS

In the Event of Mary's Death with Spouse as Beneficiary

Income vs Expenses & Taxes



Year End Assets



LIFE INSURANCE NEEDS ANALYSIS ANNUAL DETAIL

In the Event of Mary's Death with Spouse as Beneficiary

Year	Age of Martin	Earned Income	Social Security	Unearned Income	Expenses & Taxes	Unfunded Need	Need Today's Dollars
2018	54	113,399	12,771	23,759	123,339	0	0
2019	55	119,069	12,898	24,922	128,588	0	0
2020	56	125,023	13,027	25,398	133,872	0	0
2021	57	131,274	13,158	3,904	142,275	0	0
2022	58	137,838	13,290	4,191	147,525	0	0
2023	59	144,730	13,422	4,461	152,974	0	0
2024	60	151,966	13,557	4,763	158,665	0	0
2025	61	159,565	13,692	5,098	164,594	0	0
2026	62	167,543	0	5,471	167,567	0	0
2027	63	175,920	0	5,777	173,948	0	0
2028	64	184,716	0	6,123	180,606	0	0
2029	65	193,952	18,646	6,512	192,618	0	0
2030	66	203,650	18,833	7,082	170,802	0	0
2031	67	0	36,580	45,019	81,599	0	0
2032	68	0	36,946	47,110	84,056	0	0
2033	69	0	37,316	49,270	86,586	0	0
2034	70	0	37,689	51,513	89,202	0	0
2035	71	0	38,066	58,644	96,710	0	0
2036	72	0	38,446	61,312	99,758	0	0
2037	73	0	38,831	64,089	102,920	0	0
2038	74	0	39,219	66,953	106,172	0	0
2039	75	0	39,611	69,928	109,539	0	0
2040	76	0	40,007	76,169	116,176	0	0
2041	77	0	40,408	80,963	121,371	0	0
2042	78	0	40,812	84,466	125,278	0	0
2043	79	0	41,220	88,063	129,283	0	0
2044	80	0	41,632	87,926	129,558	0	0
2045	81	0	42,048	95,355	137,403	0	0
2046	82	0	42,469	99,200	141,669	0	0
2047	83	0	42,893	103,180	146,073	0	0
2048	84	0	43,322	107,281	150,603	0	0
2049	85	0	43,756	111,457	155,213	0	0

LIFE INSURANCE NEEDS ANNUAL DETAIL (continued)

Year	Age of Martin	Earned Income	Social Security	Unearned Income	Expenses & Taxes	Unfunded Need	Need Today's Dollars
2050	86	0	44,193	115,745	159,938	0	0
2051	87	0	44,635	133,680	177,955	0	0
2052	88	0	45,081	142,118	186,830	0	0
2053	89	0	45,532	147,773	192,881	0	0
Totals		\$2,008,645	\$1,084,006	\$2,114,675	\$4,964,146	\$0	

Additional Capital Needed**\$0**

***Earned Income** - survivor's income from wages, salaries and bonus, or net self-employment income. **Social Security** - estimated survivors' Social Security benefits received. **Unearned Income** - all other sources of income including survivor benefits, asset liquidations, required minimum distributions (RMDs) from retirement plans, interest, dividends, and other anticipated income. **Expenses & Taxes** - annual Survivor Income Objective. **Unfunded Need** - the projected shortfall after liquidating available investment assets. **Need Today's Dollars** - the present value of the unfunded need. This is the life insurance needed, at the survivor's assumed rate of return, to meet the shortfall in the given year.*

LIFE INSURANCE NEEDS ANALYSIS ANNUAL INCOME DETAIL

In the Event of Mary's Death with Spouse as Beneficiary

Year	Age of Martin	Earned Income	Social Security	Pension Income	Anticipated Income	Investment Income	Total Income
2018	54	113,399	12,771	0	22,000	1,759	149,929
2019	55	119,069	12,898	0	22,000	2,922	156,889
2020	56	125,023	13,027	0	22,000	3,398	163,448
2021	57	131,274	13,158	0	0	3,904	148,336
2022	58	137,838	13,290	0	0	4,191	155,319
2023	59	144,730	13,422	0	0	4,461	162,613
2024	60	151,966	13,557	0	0	4,763	170,286
2025	61	159,565	13,692	0	0	5,098	178,355
2026	62	167,543	0	0	0	5,471	173,014
2027	63	175,920	0	0	0	5,777	181,697
2028	64	184,716	0	0	0	6,123	190,839
2029	65	193,952	18,646	0	0	6,512	219,110
2030	66	203,650	18,833	0	0	7,082	229,565
2031	67	0	36,580	0	0	45,019	81,599
2032	68	0	36,946	0	0	47,110	84,056
2033	69	0	37,316	0	0	49,270	86,586
2034	70	0	37,689	0	0	51,513	89,202
2035	71	0	38,066	0	0	58,644	96,710
2036	72	0	38,446	0	0	61,312	99,758
2037	73	0	38,831	0	0	64,089	102,920
2038	74	0	39,219	0	0	66,953	106,172
2039	75	0	39,611	0	0	69,928	109,539
2040	76	0	40,007	0	0	76,169	116,176
2041	77	0	40,408	0	0	80,963	121,371
2042	78	0	40,812	0	0	84,466	125,278
2043	79	0	41,220	0	0	88,063	129,283
2044	80	0	41,632	0	0	87,926	129,558
2045	81	0	42,048	0	0	95,355	137,403
2046	82	0	42,469	0	0	99,200	141,669
2047	83	0	42,893	0	0	103,180	146,073
2048	84	0	43,322	0	0	107,281	150,603
2049	85	0	43,756	0	0	111,457	155,213
2050	86	0	44,193	0	0	115,745	159,938

LIFE INSURANCE NEEDS ANALYSIS ANNUAL INCOME DETAIL (continued)

Year	Age of Martin	Earned Income	Social Security	Pension Income	Anticipated Income	Investment Income	Total Income
2051	87	0	44,635	0	0	133,680	178,315
2052	88	0	45,081	0	0	142,118	187,199
2053	89	0	45,532	0	0	147,773	193,305
Totals		\$2,008,645	\$1,084,006	\$0	\$66,000	\$2,048,675	\$5,207,326

Earned Income - survivor's income from wages, salaries, bonus or net self-employment income. *Social Security* - estimated survivors' Social Security benefits received. *Pension Income* - survivor's income from Defined Benefit pension plans. *Anticipated Income* - income from other sources. *Investment Income* - includes interest, dividends, required minimum distributions (RMDs), and asset liquidations. *Total Income* - total of all the columns.

ESTATE PLANNING ANALYSIS

This portion of your financial plan contains an analysis of your present estate settlement arrangements. Our purpose is to discover the expected settlement expenses and reveal any potential problems in your present plan. This section will provide facts on which to base decisions about changes in your estate plan. For an estate plan to be effective, it should meet the following objectives:

1. Discover the most useful means of owning property
2. Simplify disposing of your estate in a manner that meets your objectives
3. Provide enough money to meet known and expected settlement expenses due to death
4. Preserve the assets you have worked hard to accumulate
5. Provide funds for educational expenses and for debt repayment
6. Provide a satisfactory income for your survivors
7. Reduce estate and income taxes, administrative expenses, executor's fees and attorney fees

ESTATE PLANNING TAX ANALYSIS

The Estate Planning Tax Analysis summarizes the costs of settling the estate given your current arrangements. This report calculates expenses at the first death and then projects assets and expenses to the selected age for the second death.

We can vary the estate arrangement, the inflation assumptions and year of death assumptions as well as specific personal and charitable bequests to test the effectiveness of any proposed estate plan arrangement.

LIQUIDITY ANALYSIS SUMMARY AND DETAIL

These reports compare the liquid assets, those easy to convert to cash quickly and inexpensively, to the costs associated with settling an estate. Each asset is "discounted" to a liquidated value to reflect the costs incurred with converting a specific asset to cash.

If you said you did not want to sell certain assets to pay for estate expenses, those assets will not be on these reports.

CHARTS AND FLOWCHARTS

Various charts illustrate the numbers of the previous reports.

ESTATE PLANNING ANALYSIS (continued)

LIFE INSURANCE NEEDS ANALYSIS

If applicable, reports detailing the sufficiency of existing life insurance will show if you need more life insurance to provide income for your survivors.

LIFE INSURANCE NEEDS ANALYSIS CAPITAL NEEDS SUMMARY

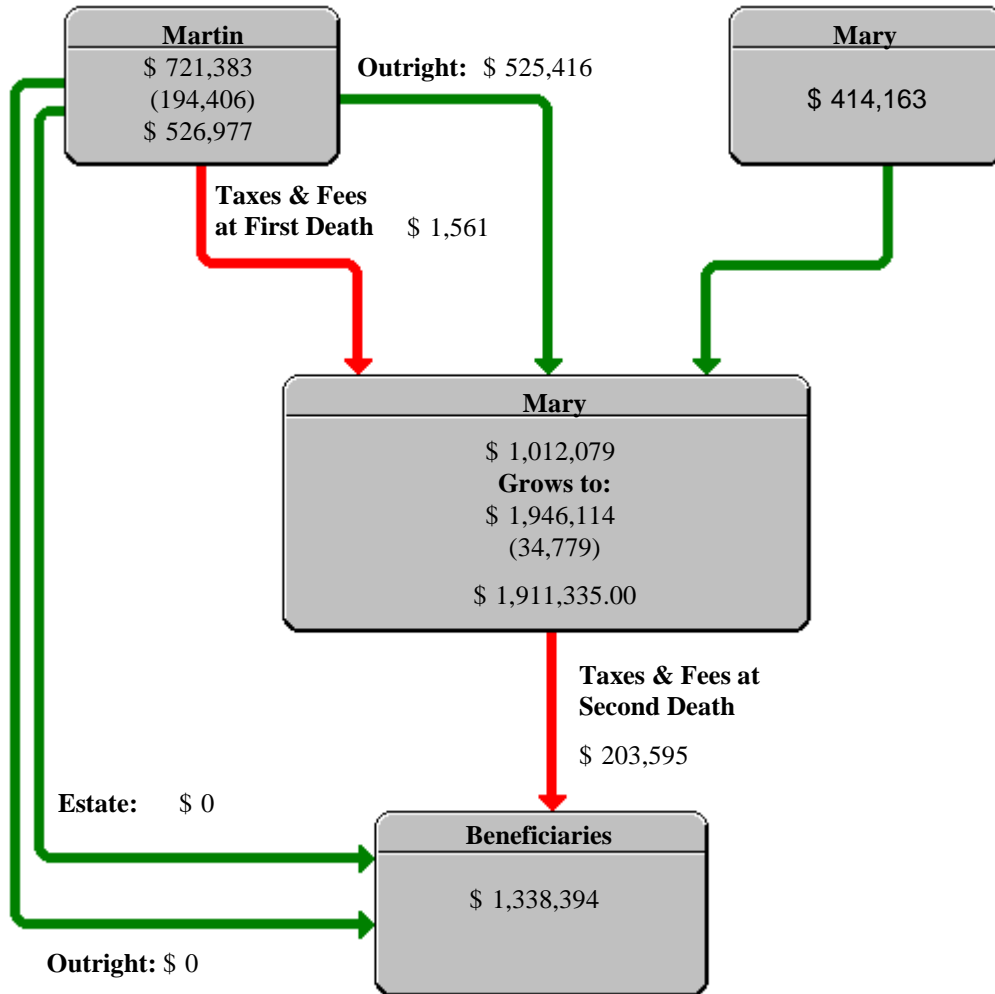
This report can provide the total amount of life insurance needed to take care of settlement expenses, to provide survivor income and to ensure funds are available to make planned charitable bequests.

ESTATE SETTLEMENT FLOWCHART

Settlement Option: Spouse

First Death: 2018 (Martin, age 55)

Second Death: 2054 (Mary, age 91)



ESTATE PLANNING TAX ANALYSIS

Decedent: Martin, age 54 - Spouse

Gross Estate	Martin, age 54	Mary, age 90
Real Estate	0	1,846,727
Stocks and Bonds	0	0
Mortgages, Notes and Cash	7,500	0
Insurance on Decedent's Life	266,000	26,887
Jointly Owned Property	260,231	0
Other Miscellaneous Property	62,500	72,500
Transfers During Decedent's Life	0	0
Retirement Plans and Annuities	125,152	0
Total Gross Estate	\$721,383	\$1,946,114

Deductions

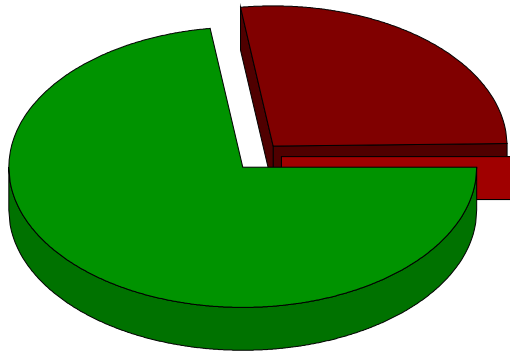
Funeral Expenses	12,000	34,779
Administrative Expenses	1,000	114,289
Debts of the Decedent	3,900	0
Mortgages and Liens	38,500	0
Bequests to Surviving Spouse	565,877	0
Charitable Bequests	0	0
State Inheritance Tax	0	0
Total Allowable Deductions	\$621,277	\$149,068

Tax Computation

Taxable Estate	\$100,106	\$1,797,046
Tentative Tax	0	0
Tax on Estate Value in Excess of \$10,000,000	0	0
Gross Estate Tax	0	0
Allowable Unified Tax Credit	219,095	446,931
Credit for State Inheritance Tax	561	89,306
Net Estate Tax	0	0
Generation Skipping Transfer Tax	0	0
State Inheritance Tax	561	561
Total Estate Transfer Taxes	\$561	\$561

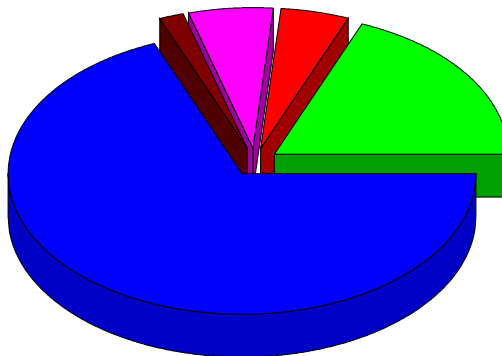
ESTATE PLANNING ANALYSIS CHARTS

Martin, Age 54 - Spouse



Spouse	\$525,416	72.8%
QTIP/QDOT	\$0	0.0%
Family	\$0	0.0%
Non-Family	\$0	0.0%
Credit Shelter Trust	\$0	0.0%
GST	\$0	0.0%
Charity	\$0	0.0%
Debts, Expenses	\$194,406	26.9%
Probate, Fees	\$1,000	0.1%
Taxes	\$561	0.1%
Prior Lifetime Gifts	\$0	0.0%
Liquidity Shrinkage	\$0	0.0%
Irrevocable Trust	\$0	0.0%
Total:	\$721,383	100.0%

Mary's Subsequent Death, Age 90 - Outright to Family



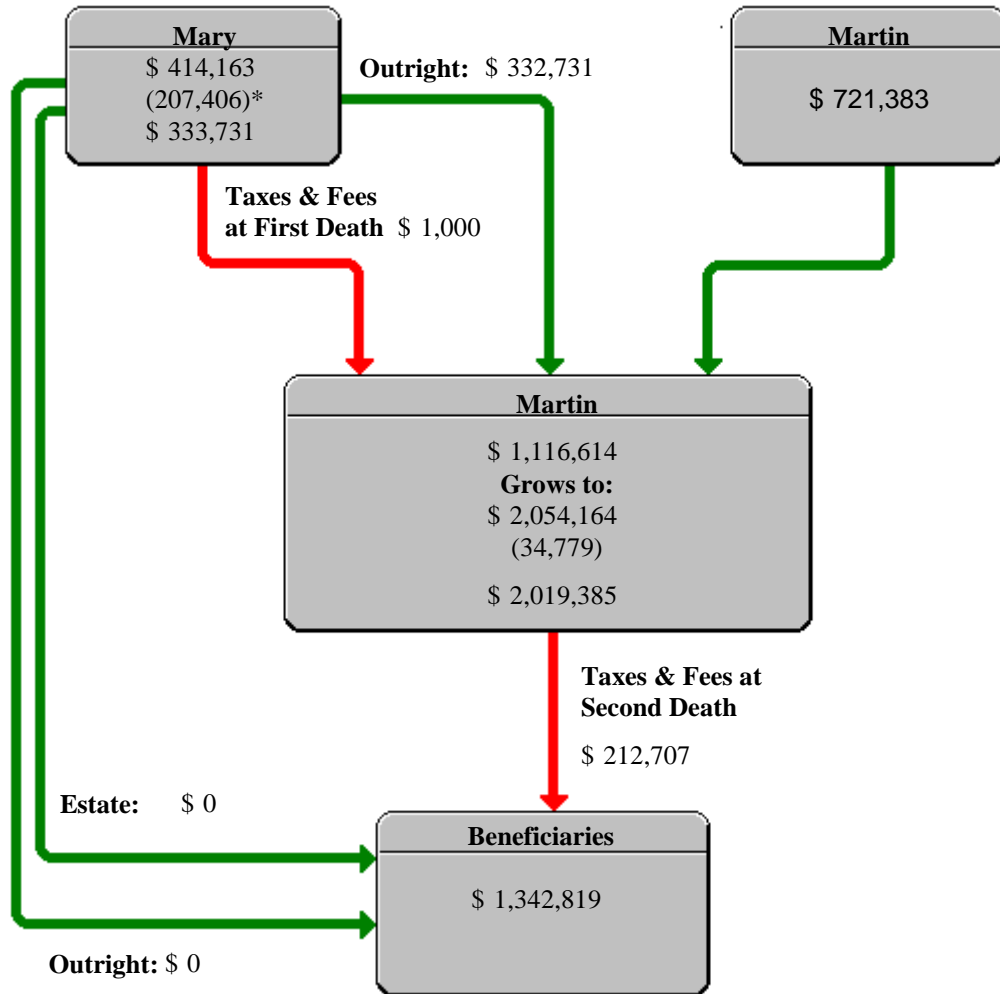
Spouse	\$0	0.0%
QTIP/QDOT	\$0	0.0%
Family	\$1,338,394	68.8%
Non-Family	\$0	0.0%
Credit Shelter Trust	\$0	0.0%
GST	\$0	0.0%
Charity	\$0	0.0%
Debts, Expenses	\$34,779	1.8%
Probate, Fees	\$114,289	5.9%
Taxes	\$89,306	4.6%
Prior Lifetime Gifts	\$0	0.0%
Liquidity Shrinkage	\$369,346	19.0%
Irrevocable Trust	\$0	0.0%
Total:	\$1,946,114	100.0%

ESTATE SETTLEMENT FLOWCHART

Settlement Option: Spouse

First Death: 2018 (Mary, age 55)

Second Death: 2054 (Martin, age 91)



**Assumes that any Liquidity Shortfall as detailed on the Estate Liquidity Analysis does get funded*

ESTATE PLANNING TAX ANALYSIS

Decedent: Mary, age 54 - Spouse

Gross Estate	Mary, age 54	Martin, age 90
Real Estate	0	1,846,727
Stocks and Bonds	0	0
Mortgages, Notes and Cash	0	424
Insurance on Decedent's Life	50,000	50,000
Jointly Owned Property	260,231	0
Other Miscellaneous Property	72,500	62,500
Transfers During Decedent's Life	0	0
Retirement Plans and Annuities	31,432	94,513
Total Gross Estate	\$414,163	\$2,054,164

Deductions

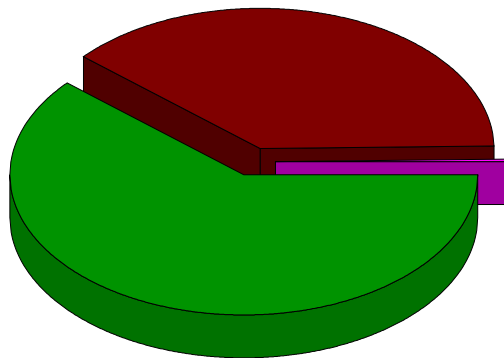
Funeral Expenses	12,000	34,779
Administrative Expenses	1,000	115,725
Debts of the Decedent	16,900	0
Mortgages and Liens	38,500	0
Bequests to Surviving Spouse	372,631	0
Charitable Bequests	0	0
State Inheritance Tax	0	0
Total Allowable Deductions	\$441,031	\$150,504

Tax Computation

Taxable Estate	\$0	\$1,903,660
Tentative Tax	0	0
Tax on Estate Value in Excess of \$10,000,000	0	0
Gross Estate Tax	0	0
Allowable Unified Tax Credit	219,095	446,931
Credit for State Inheritance Tax	0	96,982
Net Estate Tax	0	0
Generation Skipping Transfer Tax	0	0
State Inheritance Tax	0	0
Total Estate Transfer Taxes	\$0	\$0

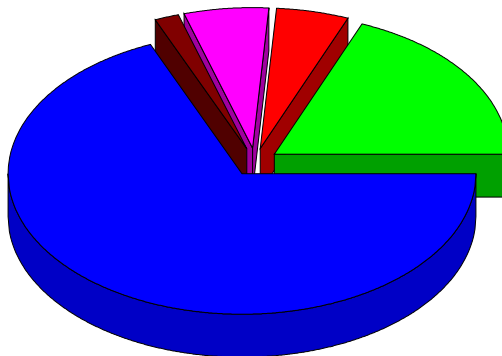
ESTATE PLANNING ANALYSIS CHARTS

Mary, Age 54 - Spouse



Spouse	\$332,731	61.5%
QTIP/QDOT	\$0	0.0%
Family	\$0	0.0%
Non-Family	\$0	0.0%
Credit Shelter Trust	\$0	0.0%
GST	\$0	0.0%
Charity	\$0	0.0%
Debts, Expenses	\$207,406	38.3%
Probate, Fees	\$1,000	0.2%
Taxes	\$0	0.0%
Prior Lifetime Gifts	\$0	0.0%
Liquidity Shrinkage	\$0	0.0%
Irrevocable Trust	\$0	0.0%
Total:	\$541,137	100.0%

Martin's Subsequent Death, Age 90 - Outright to Family



Spouse	\$0	0.0%
QTIP/QDOT	\$0	0.0%
Family	\$1,342,819	68.5%
Non-Family	\$0	0.0%
Credit Shelter Trust	\$0	0.0%
GST	\$0	0.0%
Charity	\$0	0.0%
Debts, Expenses	\$34,779	1.8%
Probate, Fees	\$115,725	5.9%
Taxes	\$96,982	4.9%
Prior Lifetime Gifts	\$0	0.0%
Liquidity Shrinkage	\$369,346	18.8%
Irrevocable Trust	\$0	0.0%
Total:	\$1,959,651	100.0%

DISABILITY INCOME NEEDS ANALYSIS

Because members of your household may be dependent on the income of either wage earner, the financial impact of a disability can be devastating. If you are unable to work, the resulting loss of income can interfere with your family's capacity to meet its monthly expenses or save for retirement income needs.

Consider these statistics based upon the Commissioner's Disability Table:

- Between ages 35 and 65 seven out of ten people will be disabled for three-months or longer.
- One of seven employees will be disabled for five-years or more before retirement.
- At age 32, a disability of three months or longer is six times more likely than death.

For illustrative purposes, we assume that a disability occurs this year and all projections begin next year. This analysis shows the shortfall in your income during a permanent disability, using your current standard of living and available income sources. Although your income may stop, your family's monthly expenses will continue during your disability, and occasionally, may even increase.

If you become disabled, there are five possible ways to deal with the financial issues:

1. Personal savings and investments - but according to a 2004 A.G. Edwards survey, more than 70% of working Americans do not have enough savings to meet short-term emergencies.
2. Borrow - but from whom? Families may have limited resources. Lending institutions make loans based on income. If you become disabled, a significant portion of your income could be lost.
3. Sell assets - which ones and at what price? You rarely receive true value in a forced sale.
4. Social Security - this can help but it only replaces a portion of your earned income.
5. Transfer the risk - a practical and prudent alternative is to transfer the risk to an insurance company.

Because this analysis assumes complete and total disability, we include Social Security disability benefits in your analysis as a default. It can be difficult for many people to qualify for Social Security disability benefits and those who do qualify often face a long waiting period, during which they may exhaust their assets. In addition, Social Security benefits may reduce the benefits paid by some disability income policies. We can remove the estimated benefit, at your direction, so you can see a worst possible case scenario.

Disability income insurance typically pays a monthly benefit if you are unable to work because of an accident or illness. Benefits begin following the applicable waiting period. The benefit period may be for a period such as two or five years, or to age 65.

Other considerations may affect your choice of suitable disability insurance. These include your occupation, age, health, and other circumstances. We can work together to develop a disability program that will help you accomplish your financial objectives should you be unable to work because of disability.

This analysis is for illustrative purposes only, and designed to calculate an estimated need. It may not reflect all the issues that are specific to your situation. You should discuss all of your individual needs with your insurance agent to make sure you are able to satisfy your wishes.

CURRENT DISABILITY INCOME INSURANCE

Disability Insurance on Martin

Martin's Group Short Term Disability

Monthly Benefit	\$9,000
Annual Increase	0.00%
Waiting Period, in Months	0
Maximum Benefit Period	3 Months
Monthly Premium	0

Multiple disability policies may be subject to coordination of benefits provisions. The result is a benefit when both policies are paying that is smaller than the total benefit provided by each policy.

DISABILITY INCOME NEEDS ANALYSIS SUMMARY

In the Event of Martin's Disability

Annual Available Income

Earned Income	37,439
Rate of Increase	4.00%
Disability Income Benefits	27,000
Estimated Social Security Benefits	47,534
Other Income	23,757

Total Income **\$135,730**

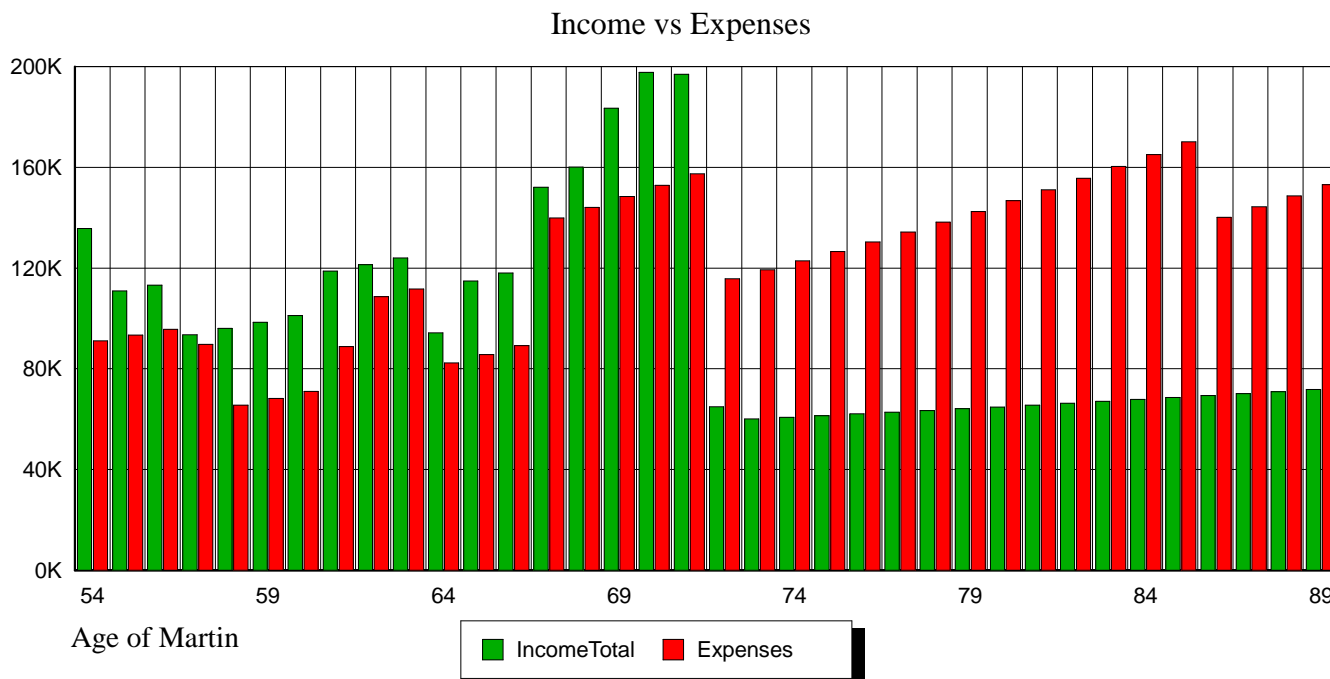
Pre-Retirement Rate of Inflation	4.00%
Post-Retirement Rate of Inflation	3.00%

Annual Expenses

Savings and Investments	9,759
Standard-of-Living Costs (100% of current)	73,308
Insurance	8,052

Total Expenses **\$91,119**

Surplus in Year of Disability **\$44,611**



This report assumes a COMPLETE and PERMANENT disability. Social Security benefits are included in the calculation unless the client asked to ignore any Social Security benefits.

DISABILITY INCOME NEEDS ANALYSIS ANNUAL DETAIL

In the Event of Martin's Disability

Year	Age of Martin/Mary	Total Income	Total Expense	Total Taxes	Savings	Shortfall	Surplus
2018	54 / 54	135,730	83,119	28,790	8,000	0	15,821
2019	55 / 55	110,929	85,356	21,679	8,000	4,106	0
2020	56 / 56	113,215	87,711	22,814	8,000	5,310	0
2021	57 / 57	93,584	81,741	23,999	8,000	20,156	0
2022	58 / 58	96,043	62,613	25,233	3,000	0	5,197
2023	59 / 59	98,536	65,236	26,508	3,000	0	3,792
2024	60 / 60	101,138	67,980	27,836	3,000	0	2,322
2025	61 / 61	118,805	85,808	30,676	3,000	679	0
2026	62 / 62	121,375	105,710	29,704	3,000	17,039	0
2027	63 / 63	124,030	108,739	30,825	3,000	18,534	0
2028	64 / 64	94,260	79,371	31,403	3,000	19,514	0
2029	65 / 65	114,844	82,710	34,941	3,000	5,807	0
2030	66 / 66	118,053	86,197	37,299	3,000	8,443	0
2031	67 / 67	152,074	139,860	12,214	0	0	0
2032	68 / 68	160,064	144,060	16,004	0	0	0
2033	69 / 69	183,531	148,380	35,151	0	0	0
2034	70 / 70	197,713	152,832	44,881	0	0	0
2035	71 / 71	196,935	157,416	39,519	0	0	0
2036	72 / 72	64,988	115,812	12,114	0	62,938	0
2037	73 / 73	60,107	119,280	12,598	0	71,771	0
2038	74 / 74	60,758	122,868	13,102	0	75,212	0
2039	75 / 75	61,419	126,552	13,627	0	78,760	0
2040	76 / 76	62,088	130,344	14,172	0	82,428	0
2041	77 / 77	62,769	134,256	14,738	0	86,225	0
2042	78 / 78	63,457	138,288	15,328	0	90,159	0
2043	79 / 79	64,156	142,428	15,941	0	94,213	0
2044	80 / 80	64,865	146,712	16,579	0	98,426	0
2045	81 / 81	65,585	151,104	17,242	0	102,761	0
2046	82 / 82	66,315	155,640	17,934	0	107,259	0
2047	83 / 83	67,057	160,308	18,656	0	111,907	0
2048	84 / 84	67,809	165,120	19,407	0	116,718	0

DISABILITY INCOME NEEDS ANALYSIS ANNUAL DETAIL (continued)

In the Event of Martin's Disability

Year	Age of Martin/Mary	Total Income	Total Expense	Total Taxes	Savings	Shortfall	Surplus
2049	85 / 85	68,574	170,076	20,188	0	121,690	0
2050	86 / 86	69,350	140,136	21,000	0	91,786	0
2051	87 / 87	70,139	144,348	21,844	0	96,053	0
2052	88 / 88	70,939	148,680	22,722	0	100,463	0
2053	89 / 89	71,754	153,132	23,634	0	105,012	0

This report assumes a COMPLETE and PERMANENT disability. Social Security benefits are included in the calculation unless the client asked to ignore any Social Security benefits potentially available.

***Total Income** - income from all sources including asset liquidations. **Total Expense** - the total of all expenses including insurance premiums, mortgage, and liability payments. **Total Taxes** - FICA, Federal, State, and Local Income taxes plus Property taxes. **Savings** - after-tax savings. **Shortfall** - the amount which Expenses + Taxes + Savings are larger than income. This amount represents potential disability insurance needs to maintain your standard of living in the event of a disability. If Total Income is larger than Expenses + Taxes + Saving, **Surplus** - amount by which income exceeds expenses and taxes.*

DISABILITY INCOME NEEDS ANALYSIS ANNUAL INCOME DETAIL

In the Event of Martin's Disability

Year	Age of Martin/Mary	Earned Income	Disability Income	Social Security	Unearned Income	Investment Income	Total Income
2018	54 / 54	37,439	27,000	47,534	22,000	1,757	135,730
2019	55 / 55	38,937	0	48,009	22,000	1,983	110,929
2020	56 / 56	40,495	0	48,490	22,000	2,230	113,215
2021	57 / 57	42,114	0	48,974	0	2,496	93,584
2022	58 / 58	43,799	0	49,464	0	2,780	96,043
2023	59 / 59	45,551	0	49,945	0	3,040	98,536
2024	60 / 60	47,373	0	50,445	0	3,320	101,138
2025	61 / 61	49,268	0	50,950	0	18,587	118,805
2026	62 / 62	51,239	0	34,306	0	35,830	121,375
2027	63 / 63	53,288	0	34,649	0	36,093	124,030
2028	64 / 64	55,420	0	34,996	0	3,844	94,260
2029	65 / 65	57,637	0	53,019	0	4,188	114,844
2030	66 / 66	59,942	0	53,548	0	4,563	118,053
2031	67 / 67	0	0	55,436	0	96,638	152,074
2032	68 / 68	0	0	55,990	0	104,074	160,064
2033	69 / 69	0	0	56,550	0	126,981	183,531
2034	70 / 70	0	0	57,116	0	140,597	197,713
2035	71 / 71	0	0	57,687	0	139,248	196,935
2036	72 / 72	0	0	58,263	0	6,725	64,988
2037	73 / 73	0	0	58,846	0	1,261	60,107
2038	74 / 74	0	0	59,435	0	1,323	60,758
2039	75 / 75	0	0	60,029	0	1,390	61,419
2040	76 / 76	0	0	60,629	0	1,459	62,088
2041	77 / 77	0	0	61,236	0	1,533	62,769
2042	78 / 78	0	0	61,848	0	1,609	63,457
2043	79 / 79	0	0	62,467	0	1,689	64,156
2044	80 / 80	0	0	63,091	0	1,774	64,865
2045	81 / 81	0	0	63,722	0	1,863	65,585
2046	82 / 82	0	0	64,359	0	1,956	66,315
2047	83 / 83	0	0	65,003	0	2,054	67,057
2048	84 / 84	0	0	65,653	0	2,156	67,809
2049	85 / 85	0	0	66,310	0	2,264	68,574

DISABILITY INCOME NEEDS ANALYSIS ANNUAL INCOME DETAIL (continued)

In the Event of Martin's Disability

Year	Age of Martin/Mary	Earned Income	Disability Income	Social Security	Unearned Income	Investment Income	Total Income
2050	86 / 86	0	0	66,973	0	2,377	69,350
2051	87 / 87	0	0	67,643	0	2,496	70,139
2052	88 / 88	0	0	68,318	0	2,621	70,939
2053	89 / 89	0	0	69,002	0	2,752	71,754

This report assumes a COMPLETE and PERMANENT disability. Social Security benefits are included in the calculation unless the client asked to ignore any Social Security benefits.

Earned Income - total income from wages, salaries and bonus, or net self-employment income. **Social Security** - estimated disability Social Security benefits received. **Unearned Income** - total income from Investment Assets including interest, dividends, required minimum distributions, and asset liquidations.

Expenses & Taxes - the total of all expenses including insurance premiums, mortgage and liability payments, FICA, Federal, State, and Local Income taxes plus Property taxes. **Unfunded Need** - the projected shortfall after liquidating available investment assets. **Need Today's Dollars** - the present value of the

DISABILITY INCOME NEEDS ANALYSIS SUMMARY

In the Event of Mary's Disability

Annual Available Income

Earned Income	113,399
Rate of Increase	5.00%
Disability Income Benefits	0
Estimated Social Security Benefits	25,064
Other Income	23,757

Total Income **\$162,220**

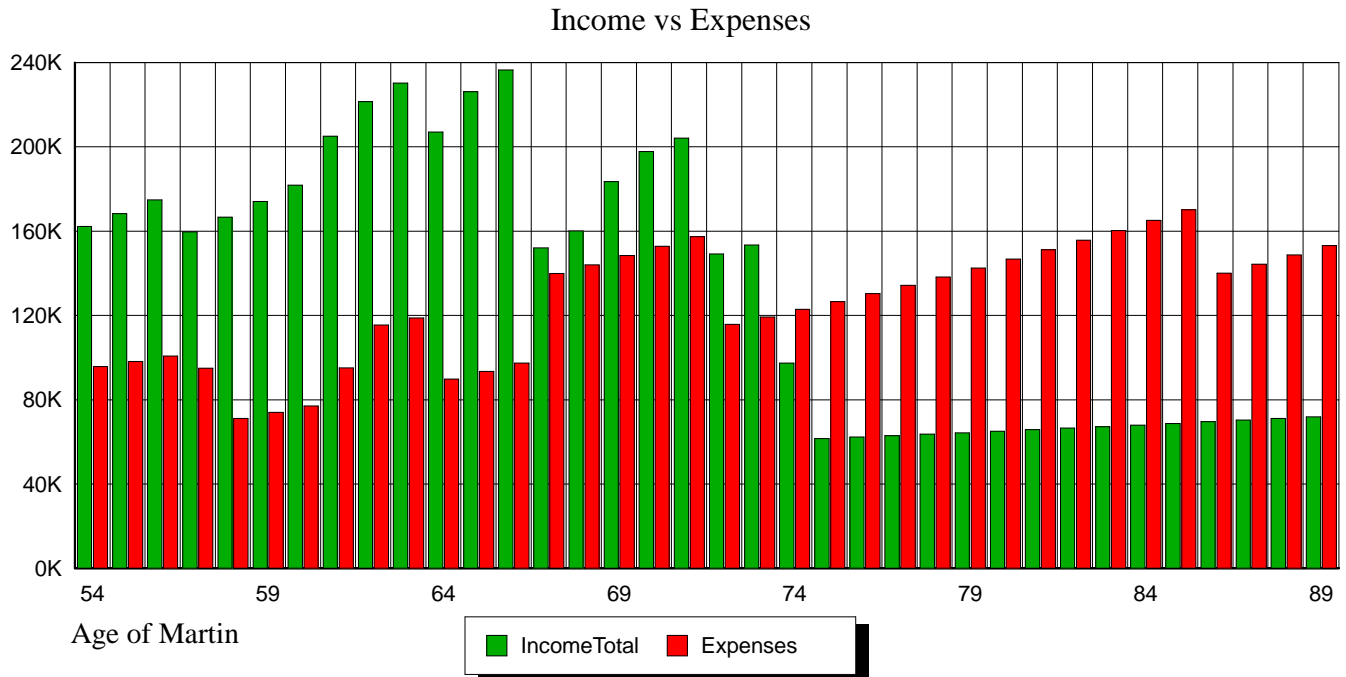
Pre-Retirement Rate of Inflation	4.00%
Post-Retirement Rate of Inflation	3.00%

Annual Expenses

Savings and Investments	14,294
Standard-of-Living Costs (100% of current)	73,308
Insurance	8,052

Total Expenses **\$95,654**

Surplus in Year of Disability **\$66,566**



This report assumes a COMPLETE and PERMANENT disability. Social Security benefits are included in the calculation unless the client asked to ignore any Social Security benefits.

DISABILITY INCOME NEEDS ANALYSIS ANNUAL DETAIL

In the Event of Mary's Disability

Year	Age of Martin/Mary	Total Income	Total Expense	Total Taxes	Savings	Shortfall	Surplus
2018	54 / 54	162,220	87,654	52,270	14,802	0	7,494
2019	55 / 55	168,366	90,118	55,405	15,143	0	7,700
2020	56 / 56	174,820	92,711	58,712	15,500	0	7,897
2021	57 / 57	159,593	86,991	61,945	15,875	5,218	0
2022	58 / 58	166,699	68,126	64,885	11,269	0	22,419
2023	59 / 59	174,112	71,025	67,916	11,683	0	23,488
2024	60 / 60	181,892	74,058	71,038	12,117	0	24,679
2025	61 / 61	205,024	92,190	75,690	12,573	0	24,571
2026	62 / 62	221,471	112,411	78,736	13,051	0	17,273
2027	63 / 63	230,292	115,775	82,405	13,554	0	18,558
2028	64 / 64	207,022	86,759	82,863	14,082	0	23,318
2029	65 / 65	226,103	90,468	88,999	14,637	0	31,999
2030	66 / 66	236,455	94,342	94,517	15,217	0	32,379
2031	67 / 67	152,068	139,860	12,208	0	0	0
2032	68 / 68	160,079	144,060	16,019	0	0	0
2033	69 / 69	183,444	148,380	35,064	0	0	0
2034	70 / 70	197,703	152,832	44,871	0	0	0
2035	71 / 71	204,123	157,416	46,707	0	0	0
2036	72 / 72	149,255	115,812	31,391	0	0	2,052
2037	73 / 73	153,504	119,280	32,076	0	0	2,148
2038	74 / 74	97,339	122,868	13,417	0	38,946	0
2039	75 / 75	61,598	126,552	13,627	0	78,581	0
2040	76 / 76	62,269	130,344	14,172	0	82,247	0
2041	77 / 77	62,952	134,256	14,738	0	86,042	0
2042	78 / 78	63,642	138,288	15,328	0	89,974	0
2043	79 / 79	64,342	142,428	15,941	0	94,027	0
2044	80 / 80	65,054	146,712	16,579	0	98,237	0
2045	81 / 81	65,775	151,104	17,242	0	102,571	0
2046	82 / 82	66,508	155,640	17,936	0	107,068	0
2047	83 / 83	67,251	160,308	18,657	0	111,714	0
2048	84 / 84	68,005	165,120	19,408	0	116,523	0

DISABILITY INCOME NEEDS ANALYSIS ANNUAL DETAIL (continued)

In the Event of Mary's Disability

Year	Age of Martin/Mary	Total Income	Total Expense	Total Taxes	Savings	Shortfall	Surplus
2049	85 / 85	68,772	170,076	20,189	0	121,493	0
2050	86 / 86	69,550	140,136	21,001	0	91,587	0
2051	87 / 87	70,340	144,348	21,845	0	95,853	0
2052	88 / 88	71,143	148,680	22,723	0	100,260	0
2053	89 / 89	71,960	153,132	23,636	0	104,808	0

This report assumes a COMPLETE and PERMANENT disability. Social Security benefits are included in the calculation unless the client asked to ignore any Social Security benefits.

***Total Income** - income from all sources including asset liquidations. **Total Expense** - the total of all expenses including insurance premiums, mortgage, and liability payments. **Total Taxes** - FICA, Federal, State, and Local Income taxes plus Property taxes. **Savings** - after-tax savings. **Shortfall** - the amount which Expenses + Taxes + Savings are larger than income. This amount represents potential disability insurance needs to maintain your standard of living in the event of a disability. If Total Income is larger than Expenses + Taxes + Saving, **Surplus** - amount by which income exceeds expenses and taxes.*

DISABILITY INCOME NEEDS ANALYSIS ANNUAL INCOME DETAIL

In the Event of Mary's Disability

Year	Age of Martin/Mary	Earned Income	Disability Income	Social Security	Unearned Income	Investment Income	Total Income
2018	54 / 54	113,399	0	25,064	22,000	1,757	162,220
2019	55 / 55	119,069	0	25,314	22,000	1,983	168,366
2020	56 / 56	125,023	0	25,567	22,000	2,230	174,820
2021	57 / 57	131,274	0	25,823	0	2,496	159,593
2022	58 / 58	137,838	0	26,081	0	2,780	166,699
2023	59 / 59	144,730	0	26,342	0	3,040	174,112
2024	60 / 60	151,966	0	26,606	0	3,320	181,892
2025	61 / 61	159,565	0	26,872	0	18,587	205,024
2026	62 / 62	167,543	0	18,098	0	35,830	221,471
2027	63 / 63	175,920	0	18,279	0	36,093	230,292
2028	64 / 64	184,716	0	18,462	0	3,844	207,022
2029	65 / 65	193,952	0	27,963	0	4,188	226,103
2030	66 / 66	203,650	0	28,242	0	4,563	236,455
2031	67 / 67	0	0	55,601	0	96,467	152,068
2032	68 / 68	0	0	56,157	0	103,922	160,079
2033	69 / 69	0	0	56,719	0	126,725	183,444
2034	70 / 70	0	0	57,286	0	140,417	197,703
2035	71 / 71	0	0	57,859	0	146,264	204,123
2036	72 / 72	0	0	58,437	0	90,818	149,255
2037	73 / 73	0	0	59,022	0	94,482	153,504
2038	74 / 74	0	0	59,612	0	37,727	97,339
2039	75 / 75	0	0	60,208	0	1,390	61,598
2040	76 / 76	0	0	60,810	0	1,459	62,269
2041	77 / 77	0	0	61,419	0	1,533	62,952
2042	78 / 78	0	0	62,033	0	1,609	63,642
2043	79 / 79	0	0	62,653	0	1,689	64,342
2044	80 / 80	0	0	63,280	0	1,774	65,054
2045	81 / 81	0	0	63,912	0	1,863	65,775
2046	82 / 82	0	0	64,552	0	1,956	66,508
2047	83 / 83	0	0	65,197	0	2,054	67,251
2048	84 / 84	0	0	65,849	0	2,156	68,005
2049	85 / 85	0	0	66,508	0	2,264	68,772

DISABILITY INCOME NEEDS ANALYSIS ANNUAL INCOME DETAIL (continued)

In the Event of Mary's Disability

Year	Age of Martin/Mary	Earned Income	Disability Income	Social Security	Unearned Income	Investment Income	Total Income
2050	86 / 86	0	0	67,173	0	2,377	69,550
2051	87 / 87	0	0	67,844	0	2,496	70,340
2052	88 / 88	0	0	68,522	0	2,621	71,143
2053	89 / 89	0	0	69,208	0	2,752	71,960

This report assumes that a disability will be both COMPLETE and PERMANENT. As such, Social Security benefits are included in the calculation unless the client asked to ignore any Social Security benefits potentially available.

***Earned Income** - total income from wages, salaries and bonus, or net self-employment income. **Disability Income** - benefits received from Disability Insurance policies. **Social Security** - estimated disability Social Security benefits received. **Unearned Income** - total income from other sources such as anticipated future income and pensions. **Investment Income** - includes interest, dividends, required minimum distributions (RMDs), and asset liquidations. **Total Income** - total of all the columns.*

LONG TERM CARE NEEDS ANALYSIS

An analysis of your long-term care insurance needs is an important part of retirement planning. This report shows how a long-term health need could exhaust your assets. Some patients who need care exhaust their life savings within months of entering a convalescent care facility. Others seriously erode their sources of retirement income.

The costs associated with long-term health care include much more than just nursing home care for the aged. Today's long-term refers to a broad range of health care, personal care, rehabilitation, and social services for ill or disabled people who need help with their daily activities. In addition, because of recent Medicare changes, convalescent nursing-facility care and rehabilitation therapy after patients leave the hospital.

Most Americans mistakenly believe they will never need long-term care; however, at least 70% of people over age 65 will require some long term care.¹

Although many people believe Medicare will pay their expenses, Medicare only finances about 20 percent of national long-term care spending.² Health insurance policies also provide little long-term care protection. As a result, unless one meets Medicaid qualifications, the patients and their family members must pay long-term care costs. Many care facilities do not accept Medicaid patients; this can force the patient to compromise the quality of care they receive.

Long-term care insurance usually provides a named daily benefit for covered care. After a waiting period, the policy will pay the stated amount during the benefit period in the contract. This insurance picks up where traditional health insurance, Medicare and Medigap benefits stop. An insurance professional can work with you to choose a policy that will protect your assets while providing for long-term care needs.

The pages that follow show the potential problem should you need long-term care. First we take a look at the income and projected assets in the first year of need. Then we project income and expenses for the healthy spouse's life expectancy, if there is one, to show how your assets may be exhausted by the costs associated with a long-term care stay. We also include graphs that reflect the numbers in the reports.

¹US department of Health and Human Services

²Testimony of Josefina L. Carbonell, the U.S. HHS Assistant Secretary of Aging, before U.S. Senate Subcommittee on Security and Aging, May 17, 2005.

This analysis is for illustrative purposes only, and designed to calculate an estimated need. It may not reflect all the issues that are specific to your situation. You should discuss all of your individual needs with your insurance agent to make sure that you can satisfy all your wishes.

LONG TERM CARE NEEDS ANALYSIS SUMMARY

In the Event Martin Requires Care

Age When Care Is Needed	70
Length of Care, in Months	36
Monthly Cost of Care	\$6,448

Monthly Expenses

Monthly Income Needed (Today's \$)	\$7,000
Standard-of-Living Multiplier	100.00%
Monthly Income Needed at Retirement	\$11,655

Rates of Increase

Pre-Retirement Inflation	4.00%
Post-Retirement Inflation	3.00%
Social Security COLA	1.00%
Medical Cost Inflation	6.00%

Investment Information

Investment Assets	\$244,548
Assumed Investment Appreciation Rate	5.58%

Anticipated Income in Year Care Begins

Pension Income	\$0
Social Security Income	\$57,656
Long Term Care Insurance	\$0

Annual Deficit in Year Care Begins **\$0**

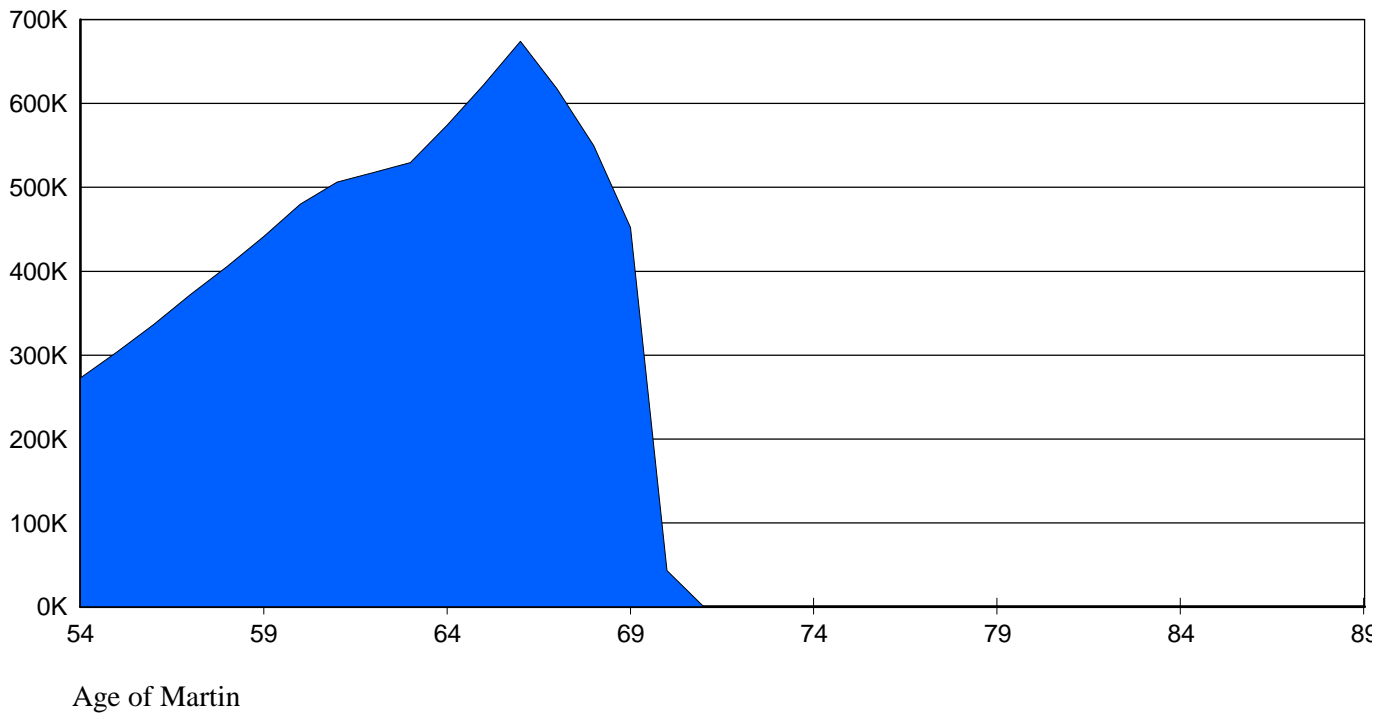
LONG TERM CARE NEEDS ANALYSIS CHARTS

In the Event Martin Requires Care

Income vs Expenses & Taxes



Year End Assets



LONG TERM CARE NEEDS ANALYSIS ANNUAL DETAIL

In the Event Martin Requires Care

Year	Age of Martin/Mary	Total Income	LTC Benefits	Expenses & Taxes	Cost of Care	Unfunded Need	Year-End Asset Value
2018	54 / 54	174,595	0	160,491	0	0	273,002
2019	55 / 55	181,989	0	166,767	0	0	303,649
2020	56 / 56	189,748	0	173,373	0	0	336,656
2021	57 / 57	175,884	0	171,621	0	0	372,198
2022	58 / 58	184,417	0	151,525	0	0	405,463
2023	59 / 59	193,321	0	158,194	0	0	441,258
2024	60 / 60	202,659	0	165,182	0	0	479,768
2025	61 / 61	227,420	0	188,834	0	0	506,227
2026	62 / 62	254,612	0	215,204	0	0	517,559
2027	63 / 63	265,301	0	223,364	0	0	529,353
2028	64 / 64	243,980	0	196,002	0	0	574,149
2029	65 / 65	255,777	0	204,942	0	0	622,288
2030	66 / 66	268,155	0	216,047	0	0	674,015
2031	67 / 67	152,053	0	152,053	0	0	617,671
2032	68 / 68	160,114	0	160,114	0	0	549,642
2033	69 / 69	183,257	0	183,257	0	0	451,941
2034	70 / 70	488,402	0	291,840	196,562	0	43,320
2035	71 / 71	103,235	0	170,150	208,355	275,270	0
2036	72 / 72	60,015	0	127,926	220,857	288,768	0
2037	- / 73	101,835	0	108,022	0	6,187	0
2038	- / 74	39,748	0	111,688	0	71,940	0
2039	- / 75	40,167	0	115,168	0	75,001	0
2040	- / 76	40,590	0	118,752	0	78,162	0
2041	- / 77	41,021	0	122,441	0	81,420	0
2042	- / 78	41,455	0	126,262	0	84,807	0
2043	- / 79	41,895	0	130,190	0	88,295	0
2044	- / 80	42,341	0	134,251	0	91,910	0
2045	- / 81	42,793	0	138,445	0	95,652	0
2046	- / 82	43,251	0	142,762	0	99,511	0
2047	- / 83	43,714	0	147,214	0	103,500	0

LONG TERM CARE NEEDS ANALYSIS ANNUAL DETAIL (continued)

In the Event Martin Requires Care

Year	Age of Martin/Mary	Total Income	LTC Benefits	Expenses & Taxes	Cost of Care	Unfunded Need	Year-End Asset Value
2048	- / 84	44,184	0	151,815	0	107,631	0
2049	- / 85	44,661	0	156,555	0	111,894	0
2050	- / 86	45,143	0	161,445	0	116,302	0
2051	- / 87	45,633	0	166,499	0	120,866	0
2052	- / 88	46,129	0	171,708	0	125,579	0
2053	- / 89	46,632	0	177,070	0	130,438	0
Total						\$625,774	

***Total Income** - income from all sources, including asset liquidations, interest, and dividends less any Long-Term Care Insurance Payouts. **LTC Benefits** - the total payout from all Long-Term Care policies. **Expenses and Taxes** - all expenses, insurance premiums, mortgages, liability payments, and taxes excluding any Long-Term Care Medical expenses. **Cost of Care** - medical costs associated with a Long Term Care event. **Unfunded need** - the total amount of expenses not covered by asset liquidations. **Year-End Asset Value** - total of remaining assets on the end of the year*

LONG TERM CARE NEEDS ANALYSIS ANNUAL INCOME DETAIL

In the Event Martin Requires Care

Year	Age of Martin/Mary	Earned Income	Social Security	Pension Income	Anticipated Income	Investment Income	Total Income
2018	54 / 54	150,838	0	0	22,000	1,757	174,595
2019	55 / 55	158,006	0	0	22,000	1,983	181,989
2020	56 / 56	165,518	0	0	22,000	2,230	189,748
2021	57 / 57	173,388	0	0	0	2,496	175,884
2022	58 / 58	181,637	0	0	0	2,780	184,417
2023	59 / 59	190,281	0	0	0	3,040	193,321
2024	60 / 60	199,339	0	0	0	3,320	202,659
2025	61 / 61	208,833	0	0	0	18,587	227,420
2026	62 / 62	218,782	0	0	0	35,830	254,612
2027	63 / 63	229,208	0	0	0	36,093	265,301
2028	64 / 64	240,136	0	0	0	3,844	243,980
2029	65 / 65	251,589	0	0	0	4,188	255,777
2030	66 / 66	263,592	0	0	0	4,563	268,155
2031	67 / 67	0	55,960	0	0	96,093	152,053
2032	68 / 68	0	56,519	0	0	103,595	160,114
2033	69 / 69	0	57,085	0	0	126,172	183,257
2034	70 / 70	0	57,656	0	0	430,746	488,402
2035	71 / 71	0	58,233	0	0	45,002	103,235
2036	72 / 72	0	58,814	0	0	1,201	60,015
2037	- / 73	0	38,831	0	0	63,004	101,835
2038	- / 74	0	39,219	0	0	529	39,748
2039	- / 75	0	39,611	0	0	556	40,167
2040	- / 76	0	40,007	0	0	583	40,590
2041	- / 77	0	40,408	0	0	613	41,021
2042	- / 78	0	40,812	0	0	643	41,455
2043	- / 79	0	41,220	0	0	675	41,895
2044	- / 80	0	41,632	0	0	709	42,341
2045	- / 81	0	42,048	0	0	745	42,793
2046	- / 82	0	42,469	0	0	782	43,251
2047	- / 83	0	42,893	0	0	821	43,714
2048	- / 84	0	43,322	0	0	862	44,184

LONG TERM CARE NEEDS ANALYSIS ANNUAL INCOME DETAIL (continued)

In the Event Martin Requires Care

Year	Age of Martin/Mary	Earned Income	Social Security	Pension Income	Anticipated Income	Investment Income	Total Income
2049	- / 85	0	43,756	0	0	905	44,661
2050	- / 86	0	44,193	0	0	950	45,143
2051	- / 87	0	44,635	0	0	998	45,633
2052	- / 88	0	45,081	0	0	1,048	46,129
2053	- / 89	0	45,532	0	0	1,100	46,632

***Earned Income** - total income from wages, salaries and bonus, or net self-employment income. **Social Security** - Social Security Benefits received by the client(s). **Pension Income** - income from Defined Benefit pension plans. **Anticipated Income** - income from other sources. **Investment Income** - total income from Investment Assets including interest, dividends, minimum required distributions, and asset liquidations. **Total Income** - total of all the columns.*

LONG TERM CARE NEEDS ANALYSIS SUMMARY

In the Event Mary Requires Care

Age When Care Is Needed	70
Length of Care, in Months	36
Monthly Cost of Care	\$6,448

Monthly Expenses

Monthly Income Needed (Today's \$)	\$7,000
Standard-of-Living Multiplier	100.00%
Monthly Income Needed at Retirement	\$11,655

Rates of Increase

Pre-Retirement Inflation	4.00%
Post-Retirement Inflation	3.00%
Social Security COLA	1.00%
Medical Cost Inflation	6.00%

Investment Information

Investment Assets	\$244,548
Assumed Investment Appreciation Rate	5.58%

Anticipated Income in Year Care Begins

Pension Income	\$0
Social Security Income	\$57,656
Long Term Care Insurance	\$0

Annual Deficit in Year Care Begins **\$0**

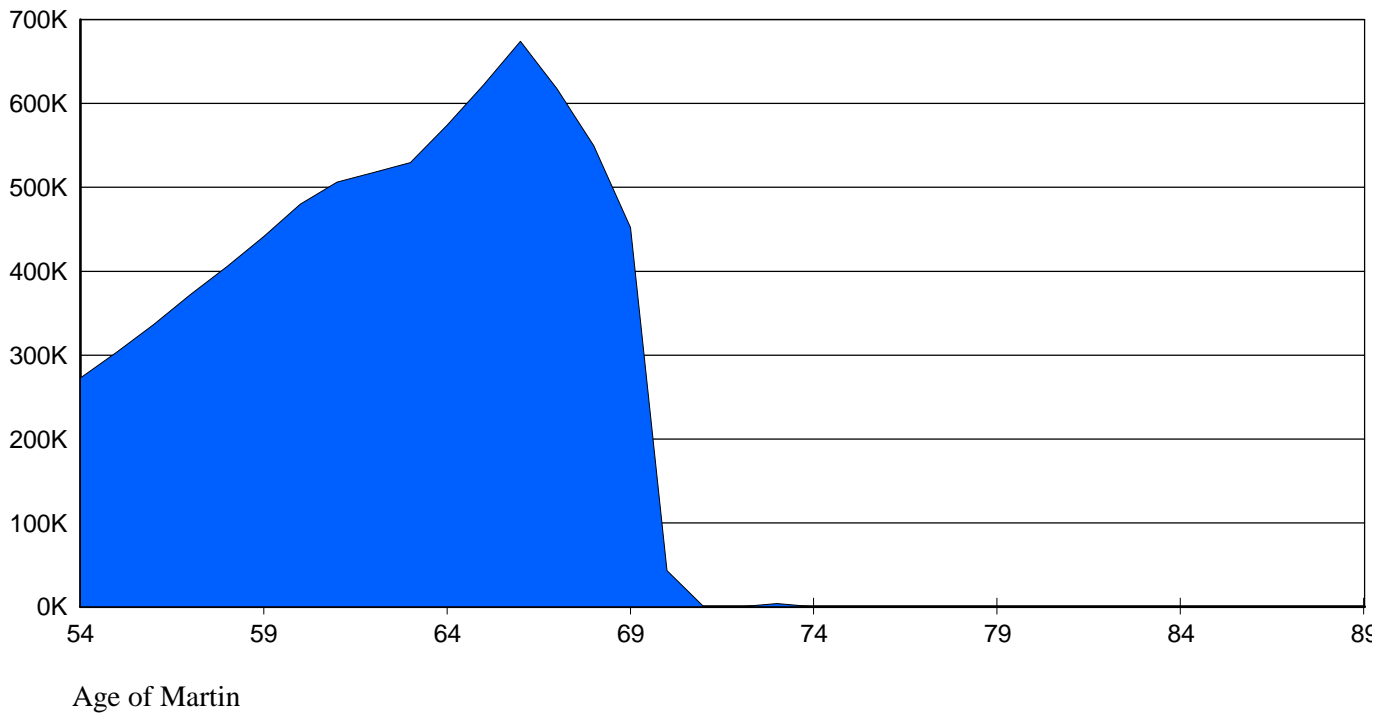
LONG TERM CARE NEEDS ANALYSIS CHARTS

In the Event Mary Requires Care

Income vs Expenses & Taxes



Year End Assets



LONG TERM CARE NEEDS ANALYSIS ANNUAL DETAIL

In the Event Mary Requires Care

Year	Age of Martin/Mary	Total Income	LTC Benefits	Expenses & Taxes	Cost of Care	Unfunded Need	Year-End Asset Value
2018	54 / 54	174,595	0	160,491	0	0	273,002
2019	55 / 55	181,989	0	166,767	0	0	303,649
2020	56 / 56	189,748	0	173,373	0	0	336,656
2021	57 / 57	175,884	0	171,621	0	0	372,198
2022	58 / 58	184,417	0	151,525	0	0	405,463
2023	59 / 59	193,321	0	158,194	0	0	441,258
2024	60 / 60	202,659	0	165,182	0	0	479,768
2025	61 / 61	227,420	0	188,834	0	0	506,227
2026	62 / 62	254,612	0	215,204	0	0	517,559
2027	63 / 63	265,301	0	223,364	0	0	529,353
2028	64 / 64	243,980	0	196,002	0	0	574,149
2029	65 / 65	255,777	0	204,942	0	0	622,288
2030	66 / 66	268,155	0	216,047	0	0	674,015
2031	67 / 67	152,053	0	152,053	0	0	617,671
2032	68 / 68	160,114	0	160,114	0	0	549,642
2033	69 / 69	183,257	0	183,257	0	0	451,941
2034	70 / 70	488,402	0	291,840	196,562	0	43,320
2035	71 / 71	103,235	0	170,150	208,355	275,270	0
2036	72 / 72	60,015	0	104,766	220,857	265,608	0
2037	73 / -	108,022	0	108,022	0	0	4,066
2038	74 / -	44,145	0	111,689	0	67,544	0
2039	75 / -	40,445	0	115,168	0	74,723	0
2040	76 / -	40,883	0	118,752	0	77,869	0
2041	77 / -	41,328	0	122,441	0	81,113	0
2042	78 / -	41,778	0	126,262	0	84,484	0
2043	79 / -	42,234	0	130,190	0	87,956	0
2044	80 / -	42,697	0	134,251	0	91,554	0
2045	81 / -	43,166	0	138,445	0	95,279	0
2046	82 / -	43,643	0	142,762	0	99,119	0
2047	83 / -	44,126	0	147,214	0	103,088	0

LONG TERM CARE NEEDS ANALYSIS ANNUAL DETAIL (continued)

In the Event Mary Requires Care

Year	Age of Martin/Mary	Total Income	LTC Benefits	Expenses & Taxes	Cost of Care	Unfunded Need	Year-End Asset Value
2048	84 / -	44,616	0	151,815	0	107,199	0
2049	85 / -	45,115	0	156,555	0	111,440	0
2050	86 / -	45,620	0	161,445	0	115,825	0
2051	87 / -	46,133	0	166,499	0	120,366	0
2052	88 / -	46,654	0	171,708	0	125,054	0
2053	89 / -	47,184	0	177,070	0	129,886	0
Total						\$625,774	

***Total Income** - income from all sources, including asset liquidations, interest, and dividends less any Long-Term Care Insurance Payouts. **LTC Benefits** - the total payout from all Long-Term Care policies. **Expenses and Taxes** - all expenses, insurance premiums, mortgages, liability payments, and taxes excluding any Long-Term Care Medical expenses. **Cost of Care** - medical costs associated with a Long Term Care event. **Unfunded need** - the total amount of expenses not covered by asset liquidations. **Year-End Asset Value** - total of remaining assets on the end of the year*

LONG TERM CARE NEEDS ANALYSIS ANNUAL INCOME DETAIL

In the Event Mary Requires Care

Year	Age of Martin/Mary	Earned Income	Social Security	Pension Income	Anticipated Income	Investment Income	Total Income
2018	54 / 54	150,838	0	0	22,000	1,757	174,595
2019	55 / 55	158,006	0	0	22,000	1,983	181,989
2020	56 / 56	165,518	0	0	22,000	2,230	189,748
2021	57 / 57	173,388	0	0	0	2,496	175,884
2022	58 / 58	181,637	0	0	0	2,780	184,417
2023	59 / 59	190,281	0	0	0	3,040	193,321
2024	60 / 60	199,339	0	0	0	3,320	202,659
2025	61 / 61	208,833	0	0	0	18,587	227,420
2026	62 / 62	218,782	0	0	0	35,830	254,612
2027	63 / 63	229,208	0	0	0	36,093	265,301
2028	64 / 64	240,136	0	0	0	3,844	243,980
2029	65 / 65	251,589	0	0	0	4,188	255,777
2030	66 / 66	263,592	0	0	0	4,563	268,155
2031	67 / 67	0	55,960	0	0	96,093	152,053
2032	68 / 68	0	56,519	0	0	103,595	160,114
2033	69 / 69	0	57,085	0	0	126,172	183,257
2034	70 / 70	0	57,656	0	0	430,746	488,402
2035	71 / 71	0	58,233	0	0	45,002	103,235
2036	72 / 72	0	58,814	0	0	1,201	60,015
2037	73 / -	0	38,831	0	0	69,191	108,022
2038	74 / -	0	39,219	0	0	4,926	44,145
2039	75 / -	0	39,611	0	0	834	40,445
2040	76 / -	0	40,007	0	0	876	40,883
2041	77 / -	0	40,408	0	0	920	41,328
2042	78 / -	0	40,812	0	0	966	41,778
2043	79 / -	0	41,220	0	0	1,014	42,234
2044	80 / -	0	41,632	0	0	1,065	42,697
2045	81 / -	0	42,048	0	0	1,118	43,166
2046	82 / -	0	42,469	0	0	1,174	43,643
2047	83 / -	0	42,893	0	0	1,233	44,126
2048	84 / -	0	43,322	0	0	1,294	44,616

LONG TERM CARE NEEDS ANALYSIS ANNUAL INCOME DETAIL (continued)

In the Event Mary Requires Care

Year	Age of Martin/Mary	Earned Income	Social Security	Pension Income	Anticipated Income	Investment Income	Total Income
2049	85 / -	0	43,756	0	0	1,359	45,115
2050	86 / -	0	44,193	0	0	1,427	45,620
2051	87 / -	0	44,635	0	0	1,498	46,133
2052	88 / -	0	45,081	0	0	1,573	46,654
2053	89 / -	0	45,532	0	0	1,652	47,184

***Earned Income** - total income from wages, salaries and bonus, or net self-employment income. **Social Security** - Social Security Benefits received by the client(s). **Pension Income** - income from Defined Benefit pension plans. **Anticipated Income** - income from other sources. **Investment Income** - total income from Investment Assets including interest, dividends, minimum required distributions, and asset liquidations. **Total Income** - total of all the columns.*

ASSET ALLOCATION ANALYSIS

Academic studies conducted over the last twenty years have shown that the asset allocation decision is the most important variable in determining the return from a portfolio of securities. This means the importance of the percentage of your dollars that are invested in stocks, bonds, real estate and cash may far outweigh the effects of the individual security decisions. Your asset allocation is more critical to your long range portfolio goals than the individual securities choices over which you have agonized time and time again.

The purpose of the asset allocation decision is to weigh the expected rewards from an investment against the risk associated with that decision. This information, in conjunction with the investor's tolerance for risk, is the primary consideration necessary to determine a proper asset allocation mix.

This mix will depend on an individual's circumstances. For example, a young, single individual with a steady income can afford to take more risk in an asset allocation mix than can a person who is retired with little excess income.

Most investors recognize the importance of having an equity position in their portfolio. It is a potential means of achieving capital appreciation, which can offset the negative influence of inflation on personal wealth. However, equities carry an expensive price tag, which is that they can also generate losses over certain periods of time. This element of risk and volatility is what investors hope to eliminate using asset allocation.

By allocating investment dollars among many categories of assets, you diversify your portfolio. This reduces, but does not eliminate risk. Generally, as the economics and the politics of the world change, certain types of assets will perform well; others will perform extremely well, while some will perform poorly. You will have periods of time when equities do poorly. However, this poor performance might be offset by increasing values for bonds or T Bills.

ALLOCATION TECHNIQUES

There are two primary ways of allocating assets. The first method is to use a stable policy over time. Based on your income needs and risk tolerance, you might pursue a balanced strategy. This might require putting twenty five percent of your dollars in each category of assets, such as stocks, bonds, cash and real estate. Then each quarter or year, you re-balance those dollars back to your original allocation of twenty five percent in each category. This forces you to sell some of the best performing assets, while buying more of the weakest performers. This allocation system can eliminate the need to make decisions on the expected return for each category and instead allows for more stable returns over long periods.

The second means of allocating assets is through an active strategy. In this method, you first determine your tolerance for risk and your long-term goals. Then you allocate ranges of your total portfolio you will invest in each category. Thus, if you need a good mix of growth and income, you might allow your investment in stocks to range from 35% to 65% of your portfolio based on the market. You would develop these ranges for each asset category.

ASSET ALLOCATION ANALYSIS (continued)

This active strategy involves making a prediction of the performance you expect from each category of asset over the next year. If you believe we are in a period of time that is very conducive to good returns from stocks, you would put the maximum amount of dollars into common stocks or common stock mutual funds.

Therefore, you would be lowering the amount of dollars invested in other asset categories. Likewise, if you believe that we are in a period of great risk for the markets, you would put more dollars into cash as a means of protecting your portfolio.

As you can see, this active strategy requires a lot of homework and a good knowledge of the financial markets and what affects them. It is a higher risk strategy, because if you make the wrong decision, you put your portfolio at a greater risk than if you had pursued a stable strategy.

CONTROLLING RISK

Asset allocation can be used to control risk or to increase risk, depending on how you use it. A stable, fixed allocation reduces risk by allowing you to be involved in each market all of the time. An active strategy increases risk since you are making commitments on particular asset categories based upon your outlook for those categories.

This can be beneficial by protecting your assets in weak markets and allowing faster growth in strong markets, but it can prove to be seriously detrimental if you make the wrong decision.

Therefore, this is an individual decision that is different for everyone. It requires a good understanding of your goals and your tolerance for risk. It also requires an honest answer as to how well you will stay very current with the financial markets.

ASSET ALLOCATION REPORTS

The reports in this section show the allocation of your current portfolio both in a tabular report and in colorful graphs. Recommendations detail the suggested portfolio allocation based upon the information you provided.

Asset Allocation involves distributing funds among diversified asset categories of investments such as equities fixed income and cash equivalents. It is a tool of the Modern Portfolio Theory that allows an investor to classify, estimate and control both the kind and the amount of expected risk and return but it is not a guarantee against loss.

ASSET ALLOCATION ANALYSIS (continued)

HISTORICAL COMPARISONS - ANNUAL PERCENTAGE RETURNS

The following chart, adjusted for inflation, shows some of the fluctuations of different asset categories.

Year	Large Company Stocks	Government Bonds	U.S. Treasury Bills
2015	1.34	2.14	0.05
2014	13.69	2.54	0.03
2013	32.39	2.35	0.06
2012	16.00	1.80	0.06
2011	2.11	2.78	0.09
2010	12.80	3.22	0.14
2009	26.46	3.26	0.15
2008	-37.00	3.66	1.37
2007	3.49	4.63	4.36
2006	15.80	4.80	4.73
2005	4.91	7.81	3.15
2004	10.87	4.29	1.37
2003	28.70	4.27	1.01
2002	-22.10	4.61	1.61
2001	-11.88	5.02	3.40
2000	-9.11	6.03	5.89
1999	21.04	5.65	4.68
1998	28.58	5.26	4.86
1997	33.36	6.35	5.26
1996	23.07	6.44	5.21
1995	37.43	6.57	5.60
1994	1.31	7.09	3.90
1993	9.99	5.87	2.90

Sources: Large Company Stocks - S&P 500
Government Bonds - 10-year US Government Bonds
US Treasury Bills - 3-month T-Bills

ACTION PLAN

- Increase before-tax rate of return on invested assets to 7.25% prior to retirement and maintain a 6.5% rate of return on invested assets during retirement.

- Increase Martin's contribution to his 401(k) by 5%, with employer matching 50%

- Make annual contributions to Mary's IRA of \$325 per month and increase as allowed

- Increase monthly non-qualified savings by \$500 per month

- Reposition college savings to achieve 9% total rate of return

- Invest an additional \$75 per month in repositioned college savings fund

- Martin should apply for an additional \$750,000 of Life Insurance

- Martin should consider purchasing more Disability Insurance to cover current expenditures so investments can be made to cover the potential shortfall in later years.

ACTION PLAN (continued)

- Mary should consider purchasing Disability Insurance to cover current expenditures so investments could be made to cover the potential shortfall in later years.

- Martin and Mary should begin to think about future Long Term Care needs