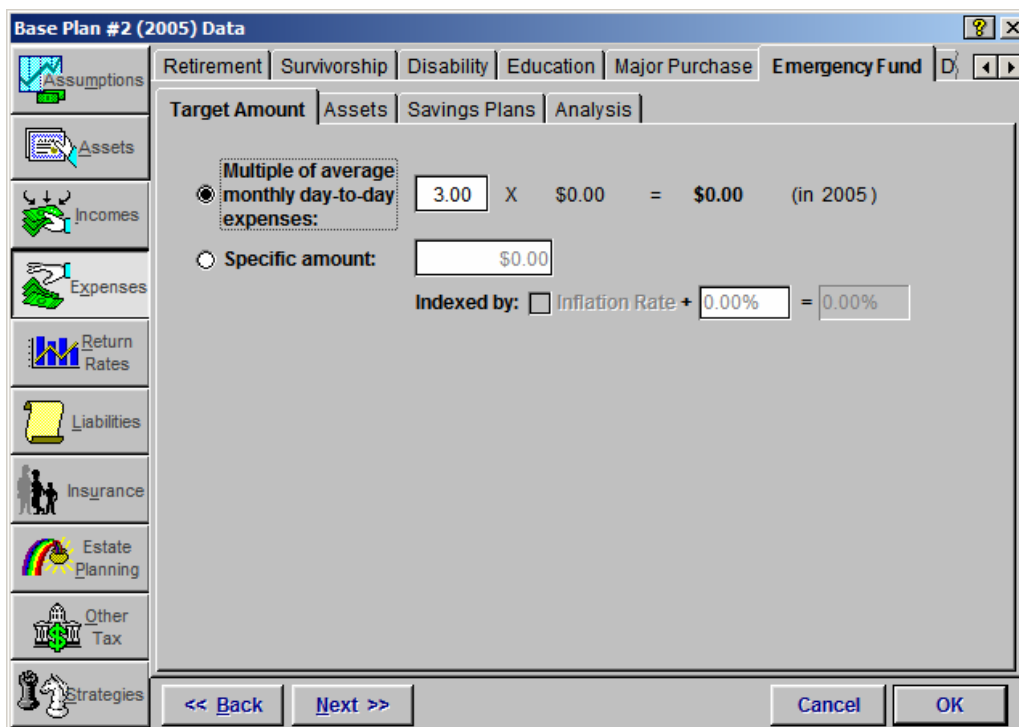


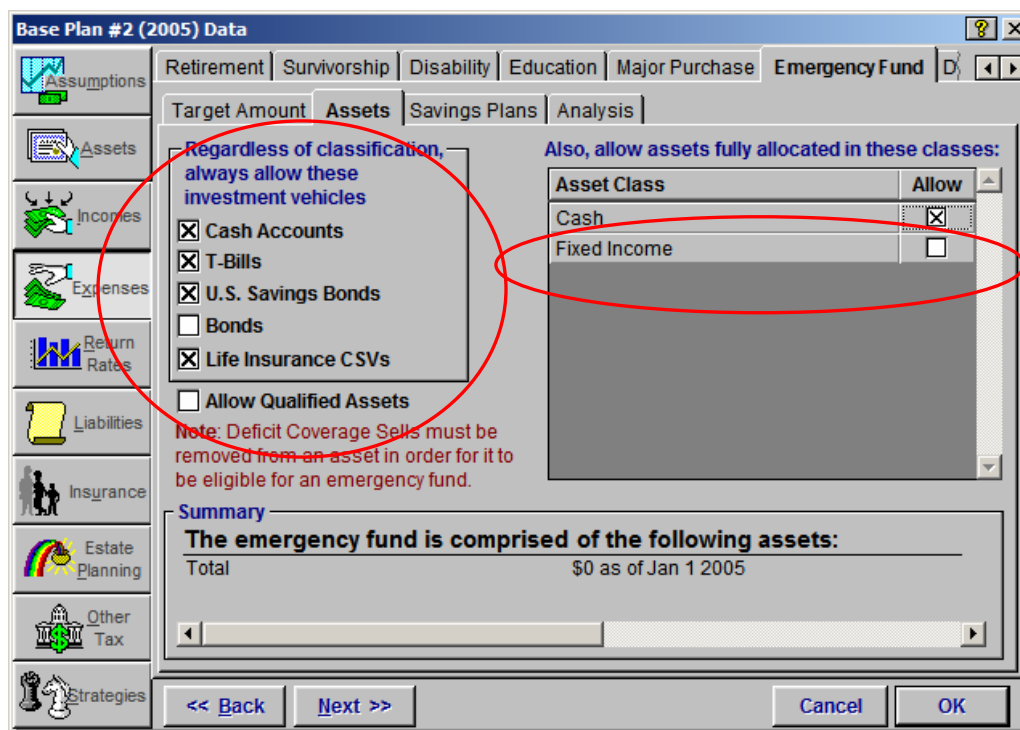
Working with the Emergency Fund feature

The *Emergency Fund* tab in the *Expenses* category is a new feature in NaviPlan Extended. You can use this feature to analyze whether or not an emergency fund is adequately funded for the duration of your clients' plan.

The emergency fund is typically considered adequately funded if it comes within 5% of its target amount. This amount can be specified as a multiple of expenses, or a specific dollar amount, entered on the *Expenses* category – *Emergency Fund* tab – *Target Amount* subtab.



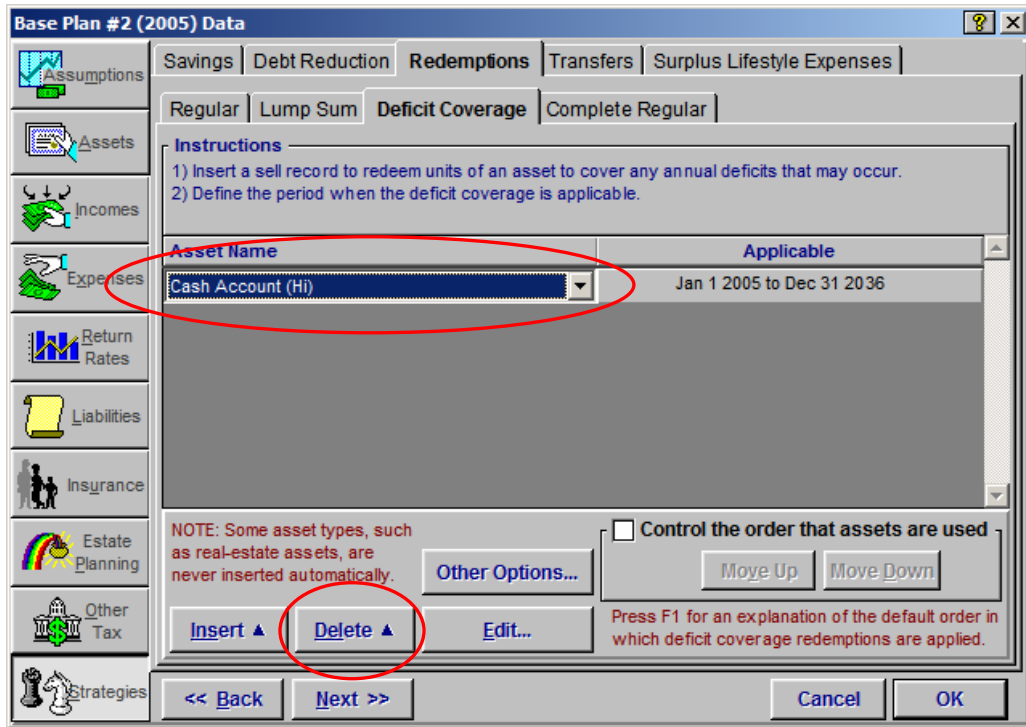
On the Assets subtab, the assets you specify can be either qualified or non-qualified. You can also specify assets fully allocated to a specific asset class.



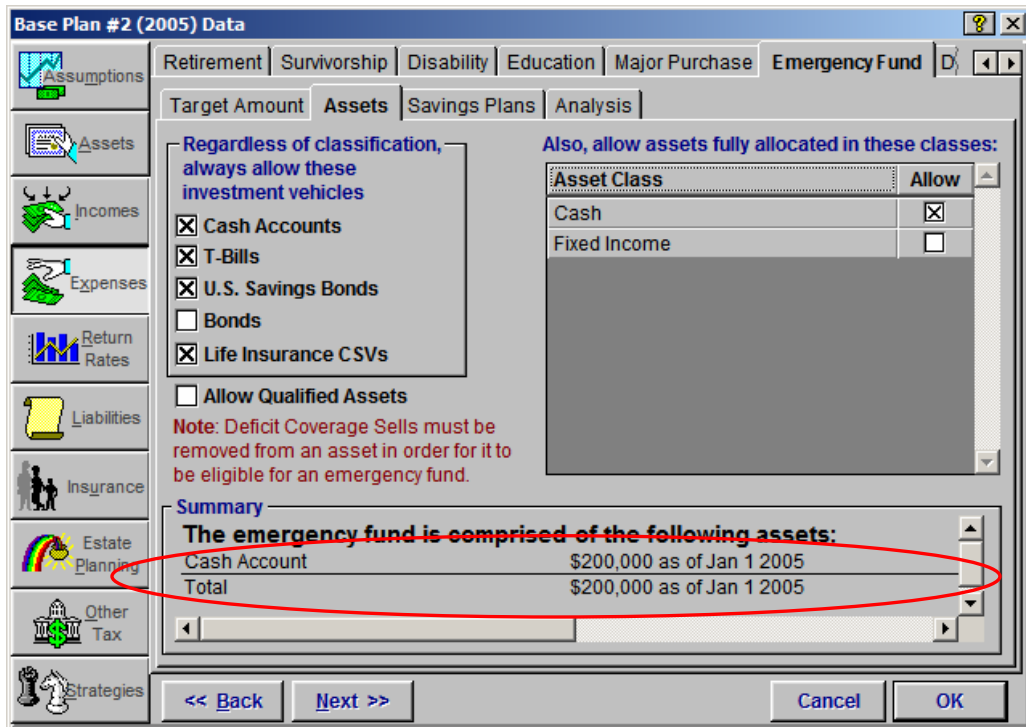
For example, select the **Cash Accounts** check box because it is made of 100% cash weightings. Notice that under *Summary*, the *Cash Account* is not listed. The reason for this is that there is currently a redemption strategy for this asset.

All of the asset types listed above are available for deficit coverage by default, so the deficit coverage strategy must be removed before these funds can be considered part of the emergency fund assets.

Remove the deficit coverage strategy by going to the Strategies category, and then selecting the **Redemptions** tab – **Deficit Coverage** subtab. Select the account you want to remove, and then click the Delete button.



Once you delete the *Cash Account* from deficit coverage, it becomes available for your emergency fund. Go back to the **Expenses** category – **Emergency Fund** tab – **Assets** subtab to see the account listed under *Summary*.



You can specify a new savings strategy for a particular asset on the *Emergency Fund* tab – *Savings Plans* subtab.

Go to the **Analysis** subtab to determine if your selected asset is adequate for your clients' emergency fund needs.

Year	Emergency Fund Target	Amount Allocated	Amount Over/(Under)	% Over/(Under)
2005	\$0	\$200,000	\$200,000	0%
2006	\$0	\$200,000	\$200,000	0%
2007	\$0	\$200,000	\$200,000	0%
2008	\$0	\$200,000	\$200,000	0%
2009	\$0	\$200,000	\$200,000	0%
2010	\$0	\$200,000	\$200,000	0%
2011	\$0	\$200,000	\$200,000	0%
2012	\$0	\$200,000	\$200,000	0%
2013	\$0	\$200,000	\$200,000	0%
2014	\$0	\$200,000	\$200,000	0%
2015	\$0	\$200,000	\$200,000	0%
2016	\$0	\$200,000	\$200,000	0%
2017	\$0	\$200,000	\$200,000	0%

The Emergency Fund is underfunded in 0 of 32 years, adequately funded in 32 of 32 years, and overfunded in 0 of 32 years.

The *Analysis* tells us that the fund is underfunded in 0 out of 32 years, and overfunded in 32 out of 32 years, so you need to do some additional planning to create a more balanced emergency fund for your clients.