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Financial Needs Summary

Frank and Kathy Accumulator

Ridgefield, Connecticut

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February 10, 2010

A professional cover page
personalized for your clients.

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

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

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

The Projections Contained in this Report depend in part, on Personal Data that You Provide

The assumptions used in this financial plan are based on information provided and reviewed by you. These assumptions must be reconsidered on a frequent basis to ensure the results are adjusted accordingly. The smallest of changes in assumptions can have a dramatic impact on the outcome of this financial plan. Any inaccurate representation by you of any facts or assumptions used in this financial plan invalidates the results.

This Report is not a Comprehensive Financial Report and does not include, among other things, a Review of your Insurance Policies

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

NaviPlan does not Constitute Legal, Accounting, or Tax Advice

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

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

Discussion of the Limits of Financial Modeling

Inherent Limitations in Financial Model Results

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

Results May Vary With Each Use and Over Time

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

What is Financial Planning?

Financial planning can be a life-long process that assists you and your family in taking control of your financial future. By setting financial goals, developing and implementing financial strategies, and monitoring progress on a regular basis, the likelihood of achieving your results is greatly increased.

There are usually five steps in the preparation of a professional financial plan:

1. An Opening Interview to assess your current financial situation and to identify your priorities and concerns.
2. Gathering information to develop a Profile of your current situation, including a review of your financial information and relevant documents. We will analyze this data to be certain we understand your unique situation and how to address it.
3. Presenting the planning analysis during a strategy session allowing you to understand where you are in relation to where you want to be in the future.
4. Using the plan as a blueprint, develop an Implementation schedule and identify specific products and services to help you reach your goals.
5. The last step in the process is the Periodic Review of your financial situation. At a minimum, we recommend you assess the need for any changes annually. Even the best financial plan must be monitored on a regular basis to make sure you are continuing in the right direction.

Why develop a financial plan?

Most people find that managing their finances is a challenge. We face many opportunities, obstacles, and hazards along the way. We struggle with anxiety relating to our personal financial circumstances. Further, many families are too busy dealing with the challenges of day-to-day life to think about next month; let alone retirement, which may be twenty years or more into the future.

Reaffirm important reasons to have a financial plan; an advisor adds value to the process.

By developing a financial plan, you and your family:

- Will have a better understanding of your current financial situation.
- Determine attainable retirement, education, insurance, and other financial goals.
- Review goals, funding strategies, and alternatives where goals have to be compromised.
- Have the necessary financial resources set aside to fund your goals as they occur.
- Reduce the effect of unexpected events, such as disability, premature death, etc.

Net Worth

This net worth summary provides a snap shot showing a financial situation at a certain point in time. It includes what you own (assets), what you owe to creditors (liabilities), and the net value or difference between the two (net worth). In simple terms, the net worth statement shows how much money would be left if everything you owned was converted into cash and used to pay off your debts (before taxes).

The following information is a description of items likely to appear in the report below. Your report may contain some or all of the items listed:

- *Lifestyle* assets include your home, vacation homes and collectibles.
- *Non-Qualified* assets include stocks, bonds, mutual funds, investment real estate and annuities.
- *Qualified* assets include your retirement plans including IRAs and 401(k)s, and it may also contain certain education assets such as 529 Plans.
- *Liabilities* include your mortgages, loans, personal lines of credits and credit cards.
- *Cash Flow Surplus* is the amount of surplus funds from your cash flow statement. In other words, income you did not spend which may be representative of your checking account, for instance.

Net Worth Summary

As of January 1, 2010

Review totals to ensure all assets have been captured.

	Frank	Kathy	Joint	Total
Non-Qualified Assets				
Investment Portfolios		8,000	116,000	124,000
Other			125,000	125,000
Non-Qualified Annuities				
Qualified Assets				
IRAs / Spousal IRAs	149,000	40,000		189,000
Roth IRAs / Spousal Roth IRAs	150,000			150,000
401(k)	116,000	265,000		381,000
Other Qualified	35,000	27,000		62,000
Qualified Annuities				
Lifestyle Assets (residences, etc.)				
			500,000	500,000
Life Insurance Cash Value				
Liabilities				
			(315,000)	(315,000)
Total Net Worth	450,000	340,000	426,000	1,216,000

Use a snapshot of current net worth as a benchmark to highlight net worth changes over time.

Cash Flow

The cash flow report below outlines your current sources of income and expenses. Your income includes employment income, investment income and any other sources. Your expenses include your daily living expenses, debt payments including your mortgage, current investment contributions and insurance premiums.

Current Surplus/(Deficit) displays any excess cash available or shortfall at the end of the current year once all expenses have been covered and investments made. *Ending Surplus/(Deficit)* displays the final surplus or deficit at the end of the current year after adjustments to or from other family members. The family's ending surplus or deficit is the sum of the individual family member's ending surpluses or deficits.

Ensure incomes and expenses are accurately captured.

	Frank	Kathy	Family
Cash Inflows			
Employment Inflows	\$85,000	\$95,000	\$180,000
Investment Inflows	\$7,055	\$7,237	\$14,292
Total Cash Inflows	\$92,055	\$102,237	\$194,292
Cash Outflows			
Lifestyle Expenses	\$33,450	\$33,450	\$66,900
Taxes	\$25,280	\$27,498	\$52,778
Miscellaneous Expenses	\$2,760	\$2,340	\$5,100
Non-Qualified Contributions and Reinvestments	\$2,906	\$3,030	\$5,936
Qualified Contributions	\$6,000	\$9,600	\$15,600
Total Cash Outflows	\$70,396	\$75,918	\$146,314
Current Surplus/(Deficit)			47,978
Ending Surplus/(Deficit)			47,978

A surplus can represent an opportunity to invest more. A deficit may indicate a problem requiring further investigation.

Does the current surplus/deficit look reasonably close to what is normally left over at the end of the day?

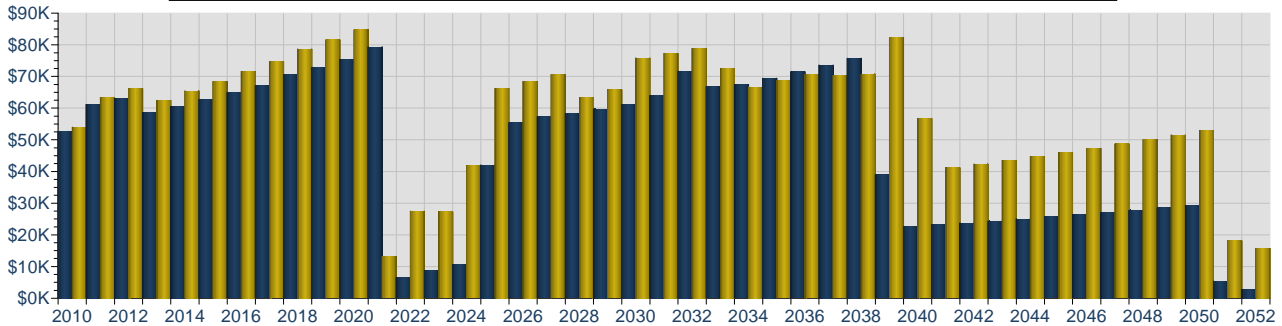
Consider the following:

- Continue to maintain a positive cash flow to generate the funds necessary to meet your goals.

Income Tax

The following graph compares the total tax between your current plan and your proposed plan. Total tax represents all income tax payable on taxable income from all sources during the current year.

Taxes projected in the Proposed Plan are higher due to higher asset values resulting from increased returns and savings recommendations.



	Current Plan	Proposed Plan
Taxes paid in current year	\$52,778	\$54,100
Taxes paid in first year of retirement (year)	\$6,515(2022)	\$13,156(2021)

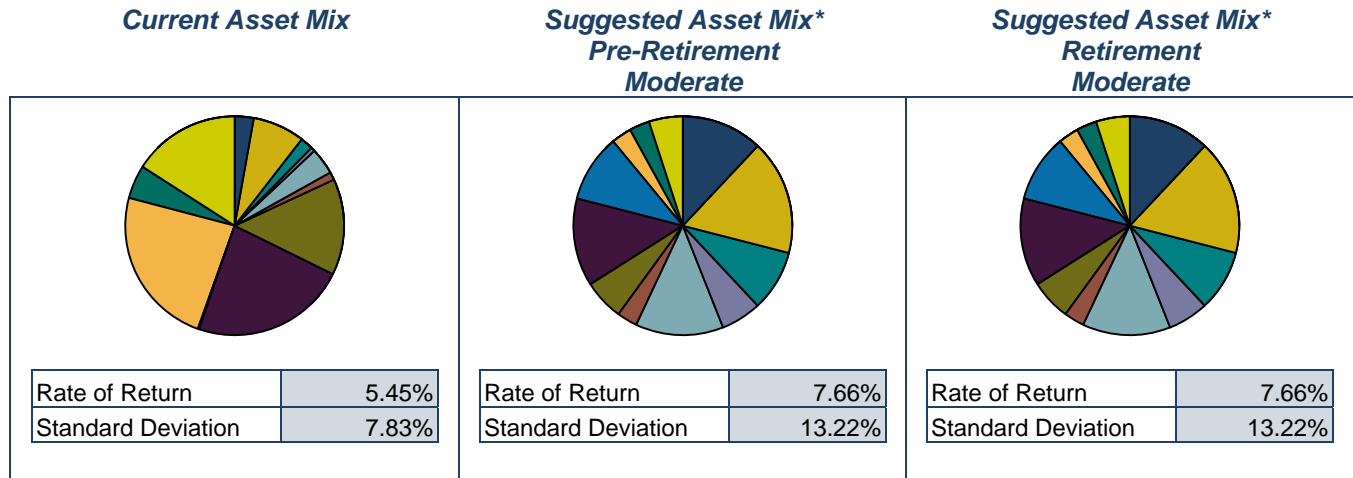
Consider the following:

- Prior to proceeding with any income tax recommendation, discuss your personal situation with your tax advisor.
- Assess options to reduce your tax liability so that you can apply savings to fund other goals.
- Evaluate your situation carefully and use tax-advantaged products and accounts as appropriate.
- Income identified as tax-free may still be subject to the Alternative Minimum Tax (AMT).
- Frank, consider making a contribution to a Traditional or Roth IRA. Depending on your adjusted gross income and participation in employer qualified plans, your contribution to a Traditional IRA may be deductible. There are \$1,000 catch-up provisions for persons age 50 or older; combined contribution limits for 2010 for both Traditional and Roth IRAs are \$6,000.
- Kathy, consider making a contribution to a Traditional or Roth IRA. Depending on your adjusted gross income and participation in employer qualified plans, your contribution to a traditional IRA may be deductible. Combined contribution limits for 2010 for both Traditional and Roth IRAs are \$5,000.

Asset Allocation

These pie graphs illustrate your current asset mix and suggested asset mix for your entire portfolio.

However, the suggested asset mix will not be used in the proposed plan. Due to modifications the assumed asset mix (for pre-retirement and retirement) on the following page will be used instead.



*Modifications have been made to the suggested asset mix.

Asset Class	Current Asset Mix		Suggested Asset Mix Pre-Retirement		Suggested Asset Mix Retirement
	(%)	(\$)	(%)	(\$)	(%)
Large Cap Growth Equity	2.8	25,270	12.0	108,720	12.0
Large Cap Value Equity	7.7	69,750	17.0	154,020	17.0
Mid Cap Equity	1.9	17,550	9.0	81,540	9.0
Small Cap Equity	0.6	5,020	6.0	54,360	6.0
International Equity	3.9	35,660	13.0	117,780	13.0
Emerging Markets Equity	1.2	11,270	3.0	27,180	3.0
Long Term Bonds	14.2	128,430	6.0	54,360	6.0
Intermediate Term Bonds	23.0	208,030	13.0	117,780	13.0
Short Term Bonds	0.2	1,400	10.0	90,600	10.0
High Yield Bonds	23.6	214,180	3.0	27,180	3.0
International Bonds	5.0	45,210	3.0	27,180	3.0
Cash	15.9	144,230	5.0	45,300	5.0
Total	100.0	906,000	100.0	906,000	100.0

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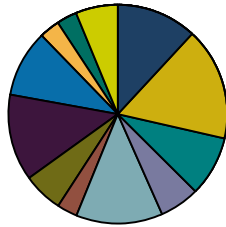
The suggested asset mix for the pre-retirement and retirement period is Moderate.

Important: The projections or other information generated by NaviPlan® version 11.2 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. The projections utilize return data that do not include fees or operating expenses, are not available for investment, and are shown for illustrative purposes only. If included, fees and other operating expenses would materially reduce these projections. See the Disclaimers section at the beginning of this document for more information.

Assumed Asset Mix for Entire Portfolio

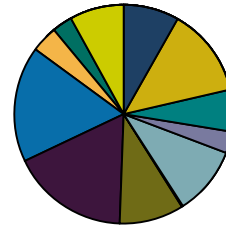
These pie graphs illustrate the Suggested asset mix for pre-retirement and the Assumed asset mix for retirement for your entire portfolio and will be used for the proposed plan.

**Suggested Asset Mix
Pre-Retirement
Moderate**



Rate of Return	7.60%
Standard Deviation	13.06%

**Assumed Asset Mix
Retirement
Blended Mix**



Rate of Return	6.23%
Standard Deviation	9.64%

The table below provides a breakdown of the percentages and dollar values for each asset class in the current and assumed portfolio. The *Change* column indicates the rebalancing required to reach the assumed asset mix.

Asset Class	Current Asset Mix		Change		Suggested Asset Mix Pre-Retirement		Assumed Asset Mix Retirement	
	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	
Large Cap Growth Equity	2.8	25,270	+9.1	+82,130	11.9	107,400	8.2	
Large Cap Value Equity	7.7	69,750	+9.0	+82,400	16.7	152,150	13.2	
Mid Cap Equity	1.9	17,550	+7.0	+63,000	8.9	80,550	6.2	
Small Cap Equity	0.6	5,020	+5.3	+48,680	5.9	53,700	3.2	
International Equity	3.9	35,660	+8.9	+80,690	12.8	116,350	10.1	
Emerging Markets Equity	1.2	11,270	+1.8	+15,580	3.0	26,850	0.2	
Long Term Bonds	14.2	128,430	-8.3	-74,730	5.9	53,700	9.5	
Intermediate Term Bonds	23.0	208,030	-10.2	-91,680	12.8	116,350	17.4	
Short Term Bonds	0.2	1,400	+9.7	+88,100	9.9	89,500	17.1	
High Yield Bonds	23.6	214,180	-20.6	-187,330	3.0	26,850	3.9	
International Bonds	5.0	45,210	-2.0	-18,360	3.0	26,850	3.0	
Cash	15.9	144,230	-9.7	-88,480	6.2	55,750	8.0	
Total	100.0	906,000	+0.0	+0	100.0	906,000	100.0	

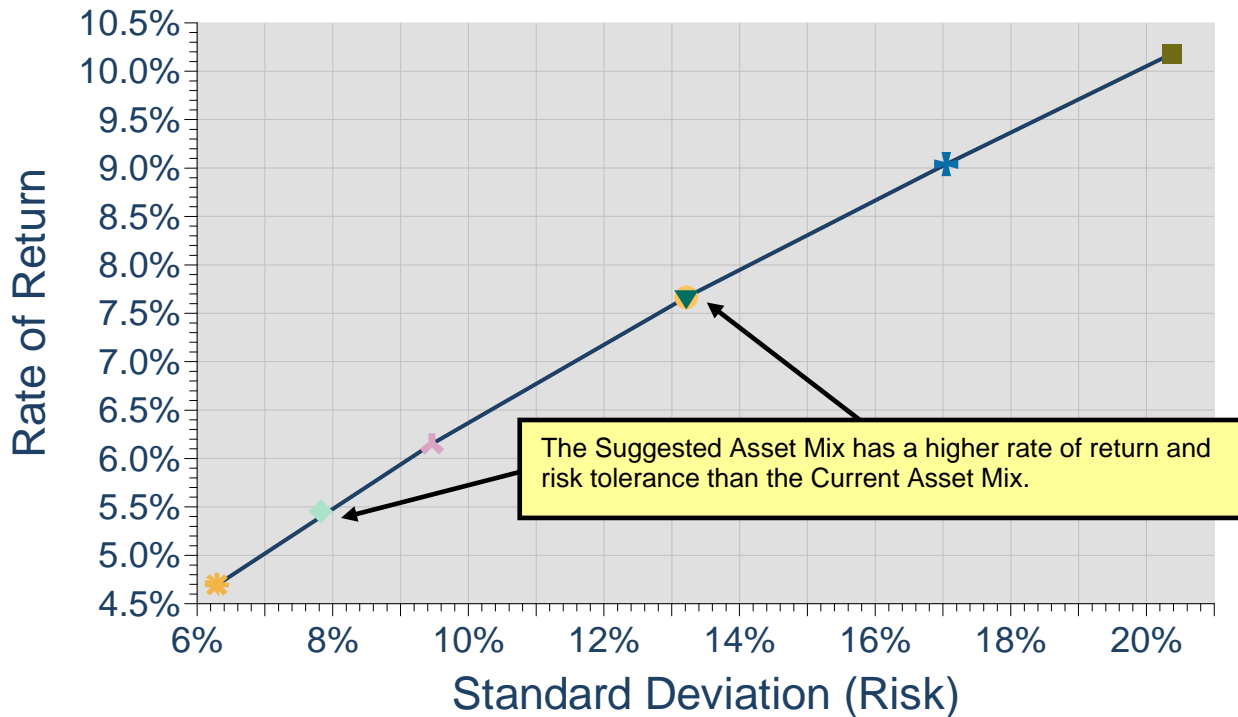
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Modifications required to the current portfolio to arrive at the asset mix in the suggested portfolio.

Efficient Frontier Analysis

The efficient frontier refers to all of the investment portfolios that provide the highest return for a given amount of risk (measured by standard deviation) and is shown in the graph below by a green line. A light blue diamond denotes your current portfolio. If the efficient frontier line is above your portfolio, you may be able to obtain a better rate of return for the level of risk you are willing to accept. The yellow circle denotes our proposed portfolio.

Alternative model portfolios are also plotted on this graph. These additional points on the graph illustrate the risk and return associated with the other portfolios. Remember, only those portfolios along the efficient frontier line provide you with the greatest potential return for a given level of risk.



— Efficient Frontier	✱ Conservative	✚ Moderate Aggressive
◆ Current - Rebalanced	✿ Moderate Conservative	■ Aggressive
● Suggested Asset Mix	▼ Moderate	

The table below provides the actual values for the points on the graph above.

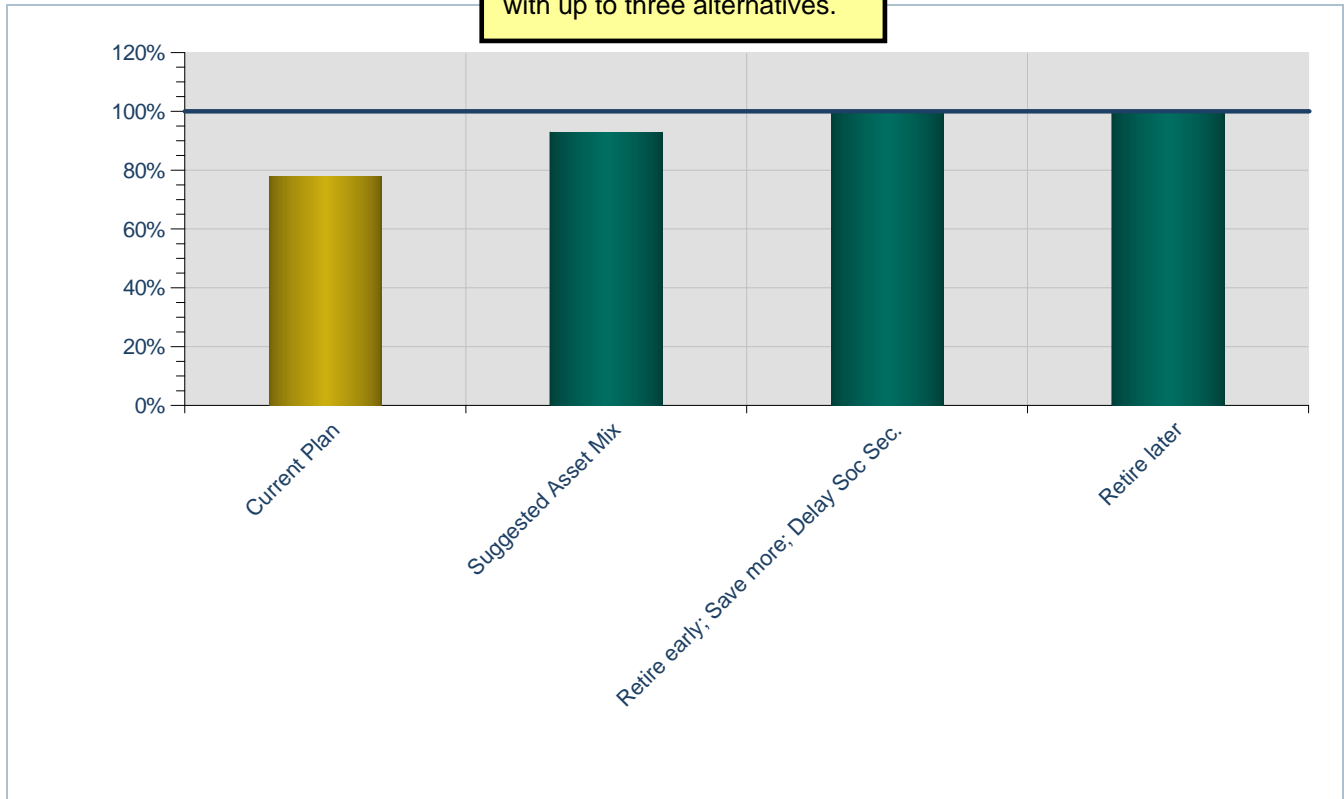
	Return	Risk
Current Asset Mix	5.45%	7.83%
Suggested Asset Mix	7.66%	13.22%
Conservative	4.69%	6.29%
Moderate Conservative	6.15%	9.46%
Moderate	7.66%	13.22%
Moderate Aggressive	9.04%	17.05%
Aggressive	10.18%	20.37%

Retirement Scenario Summary

The following information provides an overview of the selected retirement scenarios and their estimated effect on the Retirement goal. The following graph illustrates the ability of each scenario to achieve the Retirement goal.

Scenario Coverage

Compare the current situation with up to three alternatives.

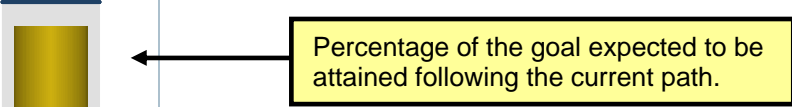


	Goal Coverage*	Net Worth at Retirement	Net Worth at Death	Year Capital Exhausted	% Fixed Needs Covered by Total Resources
Current Plan	78%	\$2,563,344	\$140,539	2039	87%
Suggested Asset Mix	93%	\$3,006,762	\$983,177	2048	95%
Retire early; Save more; Delay Soc Sec.	100%	\$3,117,058	\$2,177,556	Never	100%
Retire later	100%	\$3,489,613	\$3,034,142	Never	100%

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

Retirement - Current Plan

*78%



This scenario covers 78% of the desired Retirement goal objectives.

Percentage of the goal expected to be attained following the current path.

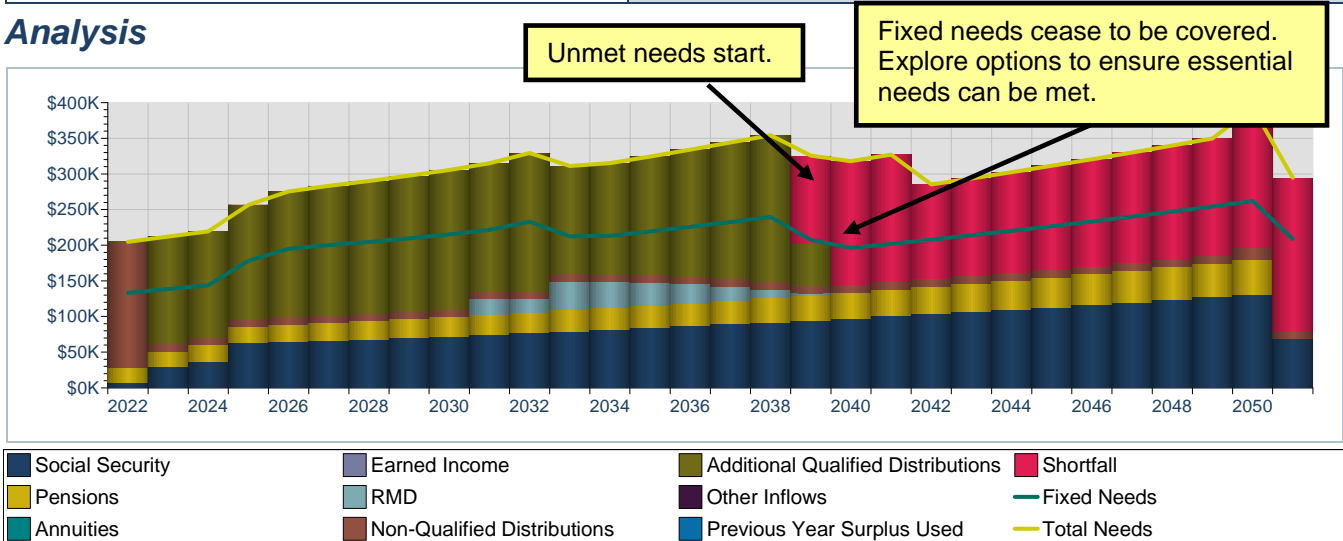
* This value indicates the percentage of your total retirement needs that can be covered by your total retirement resources during your retirement time period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

	Frank	Kathy
Retirement Age/Year	62 / 2022	60 / 2022
Life Expectancy	90 / 2050	90 / 2052
Desired Fixed Expenses Covered		100%
Desired Discretionary Expenses Covered		100%
Current Monthly Savings		\$2,000
Annual Inflation Rate		3.00%
Rate of Return pre retirement		5.56%
Rate of Return retirement		5.56%

Analysis



- Net Worth at Retirement: \$2,563,344
- Net Worth at Death: \$140,539
- Year Capital Exhausted: 2039
- % Fixed Needs Covered by Total Resources: 87%


Additional Assumptions

The following table details the additional assumptions used in the generation of this scenario:

Scenario Settings	Frank	Kathy
Capital Liquidation Order	Non-qualified, Roth, Qualified	
Social Security Start Age	62	62

Retirement - Retire early; Save more; Delay Soc Sec. (Recommended)

*100%



This scenario covers 100% of the desired Retirement goal objectives.

Retirement goal coverage based on recommendations.

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

Assumptions

Discuss key assumptions used in the proposal to achieve the retirement goal.

The following table details the key assumptions used in the generation of this scenario:

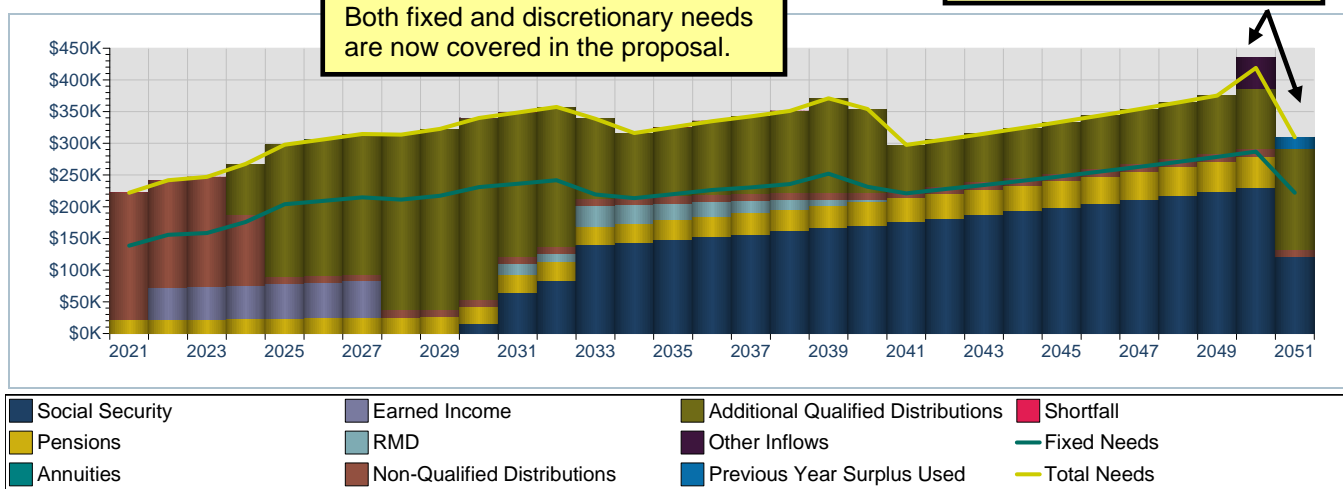
	Frank	Kathy
Retirement Age/Year	61 / 2021	59 / 2021
Life Expectancy	90 / 2050	90 / 2052
Desired Fixed Expenses Covered		100%
Desired Discretionary Expenses Covered		100%
Additional Lump-Sum Savings		\$0
Current Monthly Savings		\$2,000
Change in Monthly Savings		\$1,817
Total Monthly Savings		\$3,817
Annual Inflation Rate		3.00%
Rate of Return pre retirement		7.66%
Rate of Return retirement		6.15%

Note: Numbers in bold indicate a change from the Current Plan.

Note: Information in the table above is for the February 1, 2010 period. Any strategies occurring in the future are illustrative only.

Life insurance proceeds on first death are used to meet needs in following years.

Analysis



- Net Worth at Retirement: \$3,117,058
- Net Worth at Death: \$2,177,556
- Year Capital Exhausted: Never
- % Fixed Needs Covered by Total Resources: 100%

Additional Assumptions

The following table details the additional assumptions used in the generation of this scenario:

Scenario Settings	Frank	Kathy
Capital Liquidation Order	Non-qualified, Qualified, Roth	
Social Security Start Age	70	70
Additional Annual Retirement Incomes (Frank)	\$35,000	
Indexed at	3.00%	
Start Age/End Age	63 - 68	
Additional Annual Retirement Expenses (Joint)		\$10,000
Indexed at		3.00%
Start Age/End Age		Ret - 74
Annual amount to Annuitize to during Retirement		\$0

Note: Numbers in bold indicate a change from the Current Plan

James' Education Goal

You have indicated you wish to establish an investment plan to fund the following education goal:

Description	Member	Current Age	Education Starts at	Estimated Costs/yr	Years Of Education	Index Rate*	Est. Actual Cost
James' Education Goal	James	14	18	\$15,000	4	5.00%	\$78,585

*The index rate refers to the inflation rate of the individual education goals.

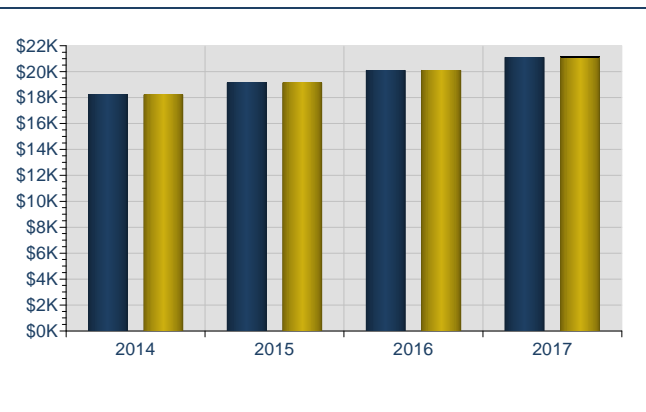
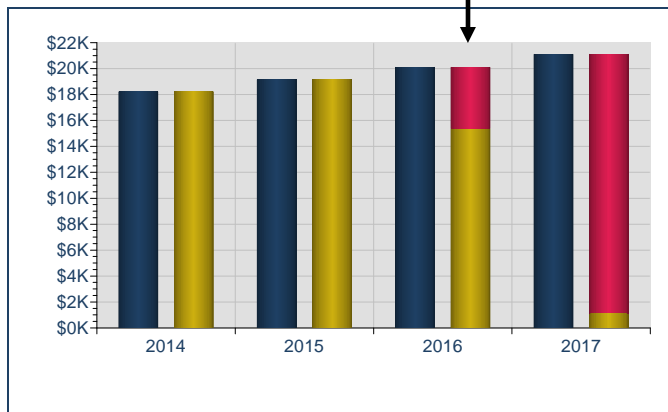
The graphs below illustrate your education scenarios. The graph on the left displays your current education needs vs. abilities, without additional savings and a rate of return of **5.09%**. The graph on the right displays your proposed education needs vs. abilities, and a rate of return of **7.66%**.

Education Needs Vs. Abilities

Current Plan

Proposed Plan

Shortfall starts in year three.



Desired Needs
 Ability to Cover Needs
 Shortfall
 Surplus

	Current Plan	Proposed Plan
Available Assets	\$35,000	\$35,000
Return Rate	5.09%	7.66%
Assumed Monthly Savings	\$100	\$277
Required Additional Monthly Savings	\$262	\$0
Required Additional Lump Sum Savings	\$19,492	\$0

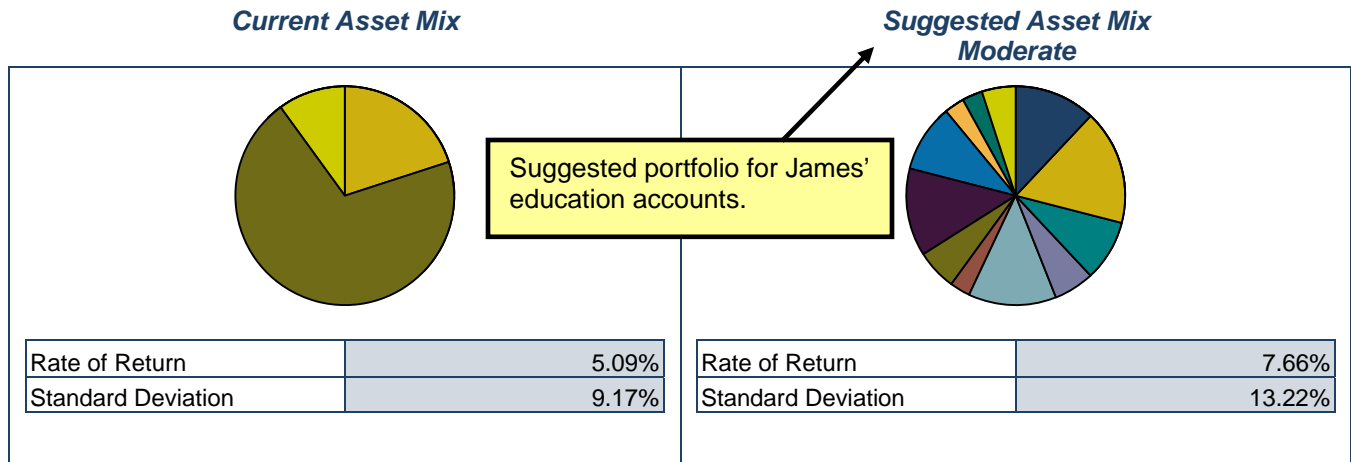
Consider the following:

- Alternatively, increase your monthly savings by \$262 to fund your education goal.
- Consider allocating additional assets to meet your education goals.
- If you have not already reviewed the benefits of a Coverdell Education Savings Account, consult with your tax advisor to determine your eligibility to contribute to this type of account.
- Review opportunities and eligibility for scholarship programs and financial aid. Keep in mind that not all financial aid is based on need.

Determine the solution that works best: save more, reduce the goal, earn more, or a combination of all three.

Asset Allocation for James' Education Goal

These pie graphs illustrate your current asset mix and suggested asset mix for your education goal.



The table below provides a breakdown of the percentages and dollar values for each asset class in the current and suggested portfolio. The *Change* column indicates the rebalancing required to reach the suggested asset mix.

Asset Class	Current Asset Mix		Change		Suggested Asset Mix	
	(%)	(\$)	(%)	(\$)	(%)	(\$)
Large Cap Growth Equity			+12.0	+4,200	12.0	4,200
Large Cap Value Equity	20.0	7,000	-3.0	-1,050	17.0	5,950
Mid Cap Equity			+9.0	+3,150	9.0	3,150
Small Cap Equity			+6.0	+2,100	6.0	2,100
International Equity			+13.0	+4,550	13.0	4,550
Emerging Markets Equity			+3.0	+1,050	3.0	1,050
Long Term Bonds	70.0	24,500	-64.0	-22,400	6.0	2,100
Intermediate Term Bonds			+13.0	+4,550	13.0	4,550
Short Term Bonds			+10.0	+3,500	10.0	3,500
High Yield Bonds			+3.0	+1,050	3.0	1,050
International Bonds			+3.0	+1,050	3.0	1,050
Cash	10.0	3,500	-5.0	-1,750	5.0	1,750
Total	100.0	35,000	+0.0	+0	100.0	35,000

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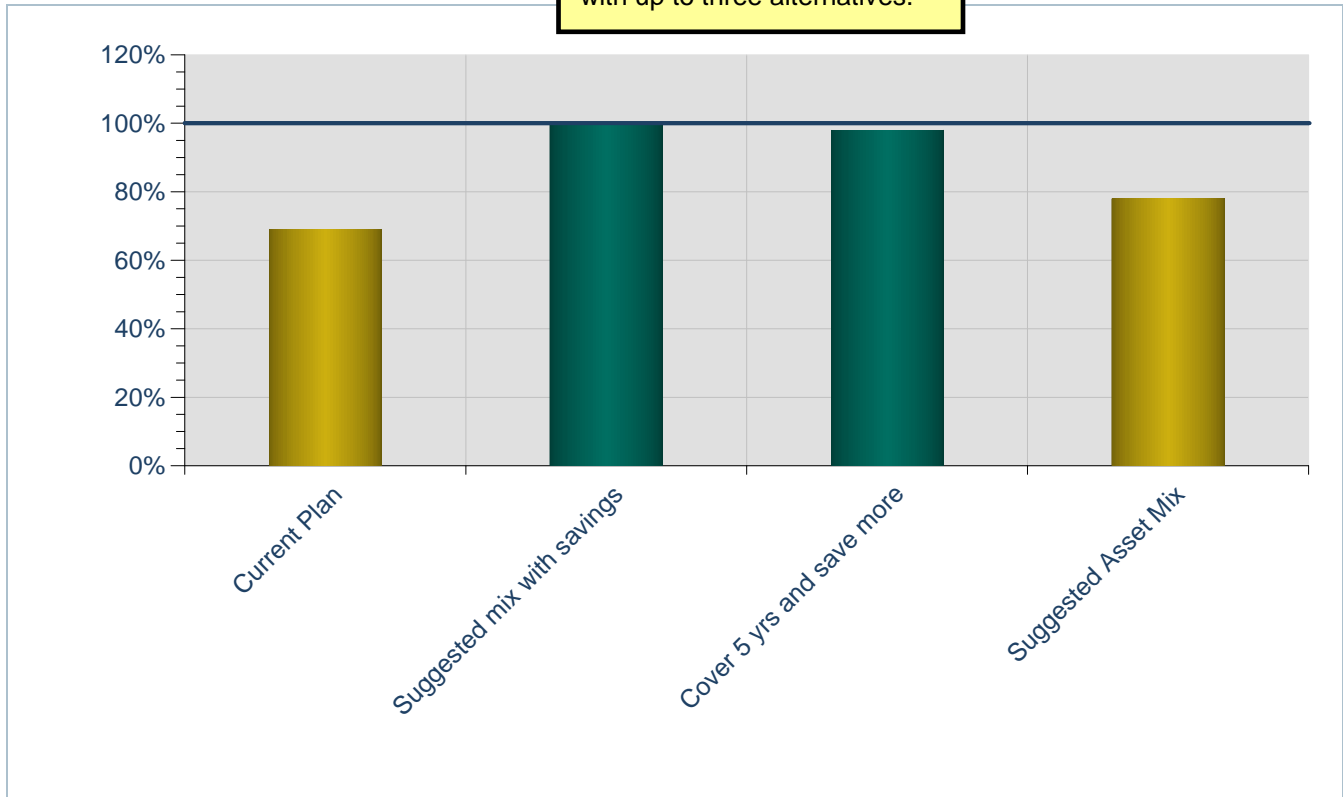
Modifications required to the current portfolio to arrive at the asset mix in the suggested portfolio.

James' Education Goal Scenario Summary

The following information provides an overview of the selected scenarios and their estimated effect on the James' Education Goal. The following graph illustrates the ability of each scenario to achieve the James' Education Goal.

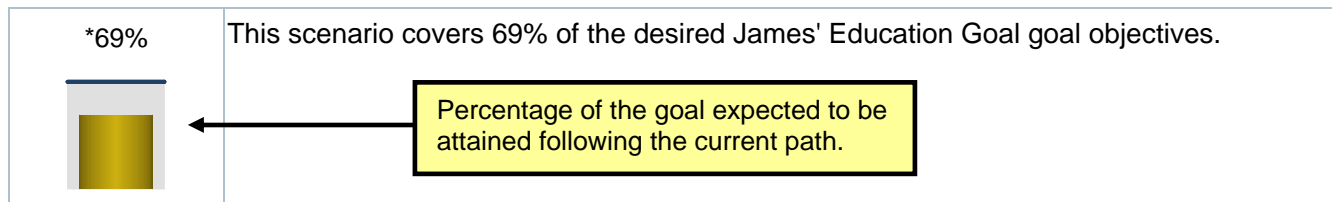
Scenario Coverage

Compare the current situation with up to three alternatives.



	Goal Coverage	Capital at Start of Goal	Capital at End of Goal	Year Capital Exhausted
Current Plan	69%	\$48,008	\$0	2017
Suggested mix with savings	100%	\$62,157	\$0	2017
Cover 5 yrs and save more	98%	\$70,558	\$0	2018
Suggested Asset Mix	78%	\$52,631	\$0	2017

James' Education Goal - Current Plan



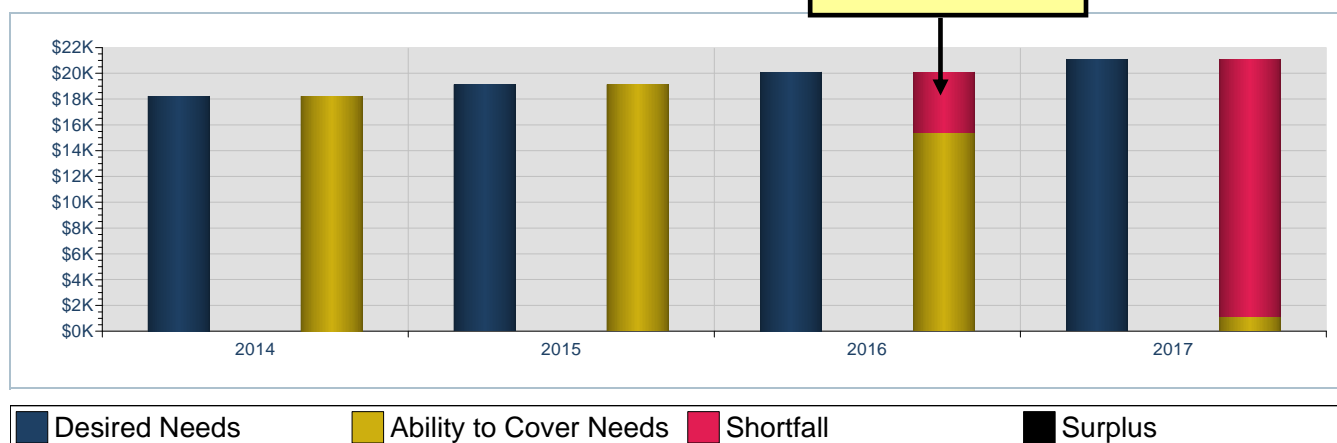
*This represents your total education needs covered by your total education resources during the education period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

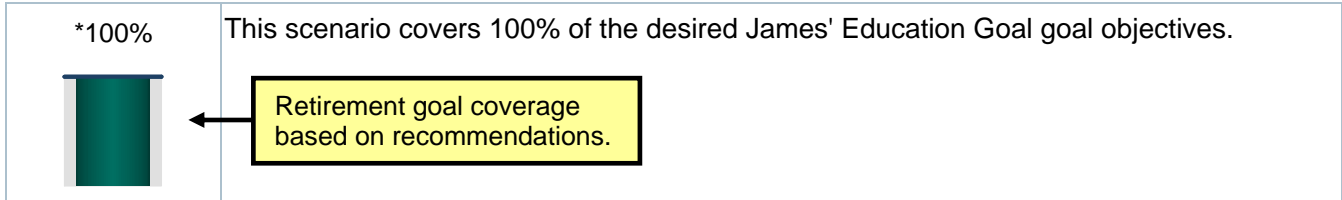
Desired Expenses Covered (Annual Goal Amount)	100% (\$18,233)
Start Year (Duration)	2014 (4 years)
Current Monthly Savings	\$100
Index Rate	5.00%
Rate of Return	5.09%

Analysis



- Capital at Start of Goal: \$48,008
- Capital at End of Goal: \$0
- Year Capital Exhausted: 2017

James' Education Goal - Suggested mix with savings (Recommended)



*This represents your total education needs covered by your total education resources during the education period.

Discuss key assumptions used to achieve the education goal.

Assumptions

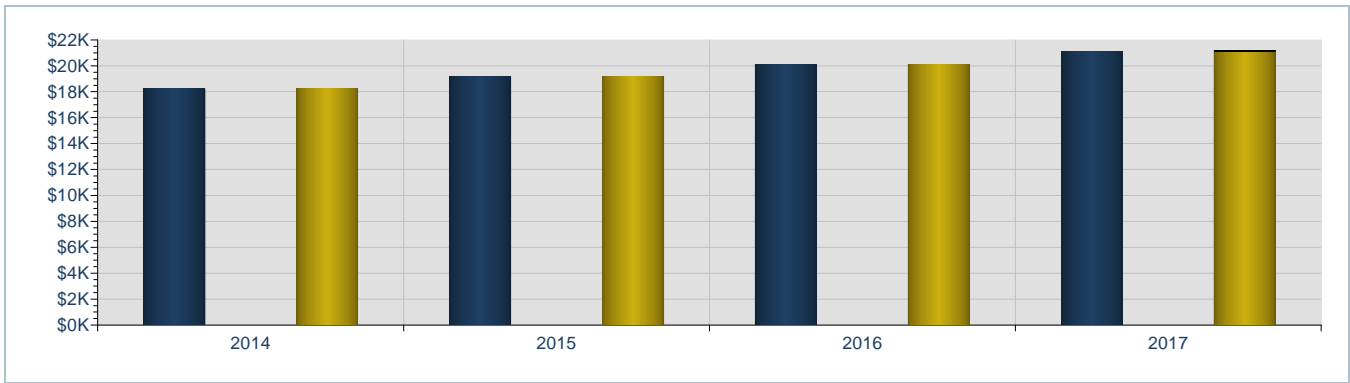
The following table details the key assumptions used in the generation of this scenario:

Desired Expenses Covered (Annual Goal Amount)	100% (\$18,233)
Start Year (Duration)	2014 (4 years)
Additional Lump-Sum Savings	\$0
Current Monthly Savings	\$100
Change in Monthly savings	\$177
Total Monthly Savings	\$277
Index Rate	5.00%
Investment Objective (ROR)	Moderate (7.66%)

Note: Numbers in bold indicate a change from the Current Plan.

Note: Information in the table above is for the February 1, 2010 period. Any strategies occurring in the future are not displayed in this table.

Analysis



- Capital at Start of Goal: \$62,157
- Capital at End of Goal: \$0
- Year Capital Exhausted: 2017

When an account balance remains at the end of a goal it can be used as a cushion for unexpected expenses or directed toward another goal.

Monte Carlo Analysis

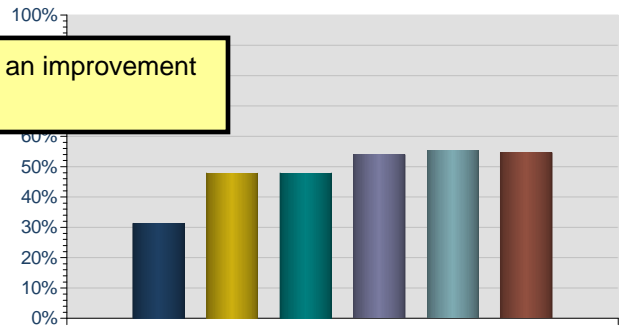
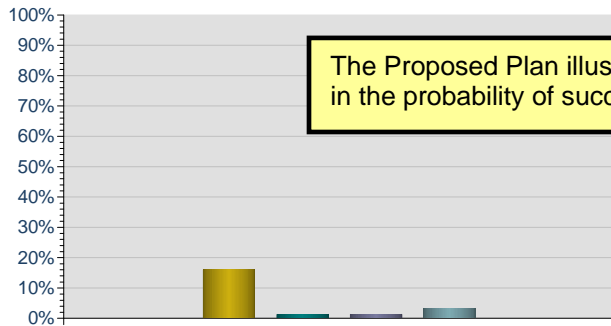
Explain how the variability of financial markets might affect financial objectives.

Monte Carlo Analysis expands the traditional financial planning analysis by adding uncertainty into the plan. This analysis takes into consideration that it is difficult to accurately predict annual return rate expectations. While return rate expectations over the long term can be reasonably predicted, the actual pattern over the short term is difficult to predict and may often appear random. Monte Carlo analyzes your financial plan by randomizing the return rates with the normal expected range each year and performing this analysis multiple times to simulate a number of possible financial outcomes.

The following graphs and tables summarize the probability of the success of each of your goals:

Current Plan

Proposed Plan



The Proposed Plan illustrates an improvement in the probability of success.

All Goals - 0.00%	Tasha's Education Goal - 1.33%
Retirement Goal - 16.00%	James' Education Goal - 3.33%
All Education Goals - 1.33%	Vacation Timeshare - 0.00%

All Goals - 31.33%	Tasha's Education Goal - 54.00%
Retirement Goal - 48.00%	James' Education Goal - 55.33%
All Education Goals - 48.00%	Vacation Timeshare - 54.67%

Current Plan

Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
All Goals	0.00%			
Retirement Goal	16.00%	(\$724,846)	(\$99,344)	\$3,114,532
All Education Goals	1.33%			
Tasha's Education Goal	1.33%	\$39,208	\$53,655	\$68,840
James' Education Goal	3.33%	\$41,528	\$53,566	\$68,752
Vacation Timeshare	0.00%	\$21,097	\$22,256	\$23,449

Proposed Plan

Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
All Goals	31.33%			
Retirement Goal	48.00%	(\$239,564)	\$1,652,947	\$15,341,017
All Education Goals	48.00%			
Tasha's Education Goal	54.00%	\$67,585	\$93,369	\$134,532
James' Education Goal	55.33%	\$58,690	\$79,596	\$109,789
Vacation Timeshare	54.67%	\$34,496	\$45,437	\$58,170

Consider the following:

- Do your investments provide you with sufficient cash flow over the entire planning horizon?
- Do you have adequate investments to cover shorter-term objectives such as children's education and major purchase and expense items?
- Is the level of risk for your investments appropriate? Could you satisfy your financial objectives with a lower level of risk?

Disability Insurance - Frank

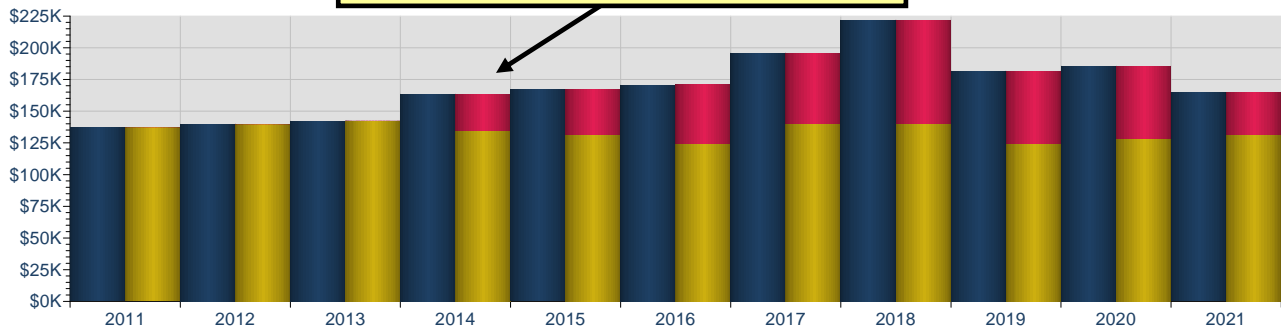
Disability insurance pays benefits when you are unable to earn an income because of a disabling injury or sickness as defined in the policy. Most disability policies pay a benefit that replaces a portion of your earned income (usually 50 percent to 70 percent) when you are unable to work due to an injury or sickness as defined in the disability policy. Generally, long-term disability benefits are paid monthly. A disability insurance policy can help ensure there is sufficient income replacement to maintain your standard of living when you are unable to work.

The following graphs provide an analysis of each of the years in your disability coverage situation. The top graph displays your current disability needs vs. abilities without additional savings. The bottom graph displays your proposed attainable goal.

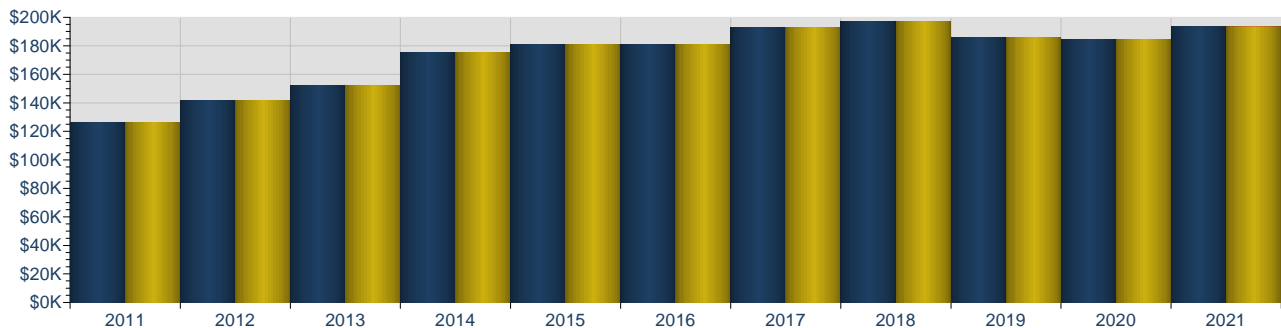
Disability Needs Vs. Abilities

Current Plan

Acquiring additional disability insurance may cover some or all of the projected shortfall.



Proposed Plan



Disability Insurance Assumptions

Existing and proposed investment plans will be maintained unless these goals have been reduced or eliminated. This means that any assets that you have linked with other goals (e.g. retirement, education, major purchase) will continue to be used to help fund those goals.

Objectives	Current	Proposed
Retirement Age/Year for Disability Analysis	62 / 2022	61 / 2021
Life Expectancy for Disability Analysis	90 / 2050	90 / 2050
Analyze Disability Through	61	61
Total Rate of Return on Surpluses and Liquidations		
Pre-Retirement	5.00%	5.00%
Retirement	5.00%	5.00%
Existing Disability Insurance	\$1,125	\$3,821
Additional Disability Insurance		
Disability Benefit	\$0	\$2,696
Premium	\$0	\$100
Additional Monthly Disability Coverage Required*	\$3,012	\$0
Income prior to Disability (includes investment income)	\$92,539	\$94,410
Deficit in the first year of disability	\$0	\$0

Note: Numbers in bold indicate a change from the Current Plan.

* Depending on the circumstances, you may not be able to purchase this amount of disability insurance.

Consider the following

- Frank, you should review your existing disability income protection policy (e.g. cost of living adjustment, period coverage, elimination period).
- Review disability benefits available through your employer.

Life Insurance - Frank

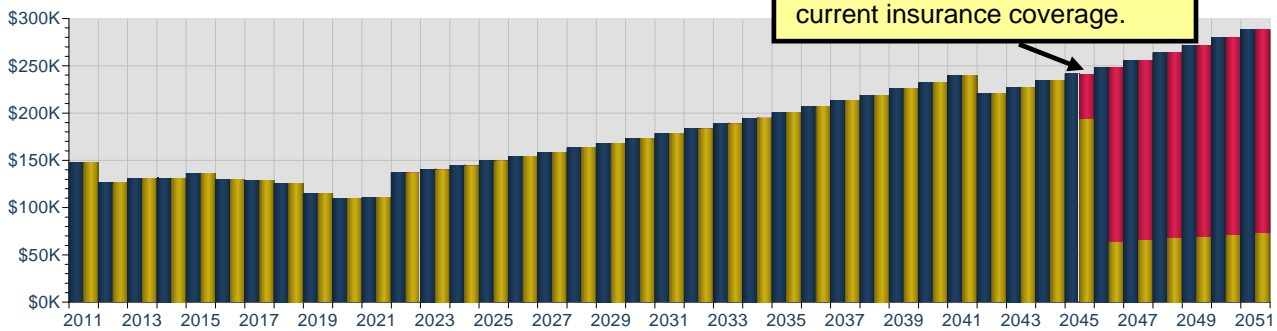
A life insurance analysis should ensure that when a death occurs in your family, there is sufficient income and capital to cover the cash flow needs for the surviving family members over the entire planning period. When you are young, a major reason for survivorship planning is to provide financial protection for your dependent family. Without the continued benefit of your income, your family may not be able to afford ongoing expenses for housing, transportation, food, clothing, etc. There may also be additional expenses for childcare. Post-secondary education and retirement needs will also continue to exist.

When you are older, the major goal of survivorship planning may be to protect the value of your estate from declining due to estate tax, income tax and other costs. This type of income replacement provides cash flow to meet these needs, which would otherwise have to be covered by redeeming your existing assets.

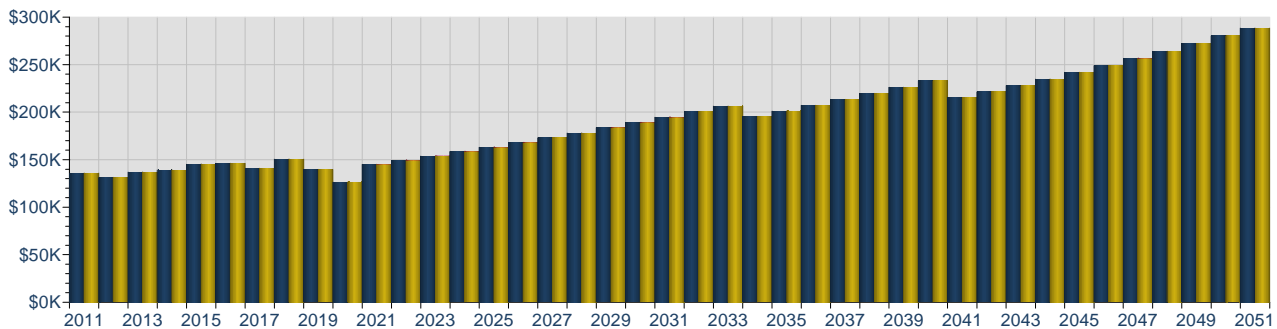
In the event of Frank's death, you want to ensure Kathy has enough income and capital to cover both the family's expenses and any investment plans needed to fund your goals.

Life Insurance Needs Vs. Abilities

Current Plan



Proposed Plan



Objectives	Current	Proposed
Retirement Age/Year for the Survivor	60 / 2022	59 / 2021
Survivor Life Expectancy	90 / 2052	90 / 2052
Total Rate of Return on Life Insurance Proceeds, Surpluses and Liquidations		
Pre-Retirement	5.00%	5.00%
Retirement	5.00%	5.00%
Existing Life Insurance	\$225,000	\$275,000
Additional Life Insurance		
Death Benefit	\$0	\$50,000
Premium	\$0	\$50
Additional Life Insurance Required	\$291,252	\$0

The following report provides an overview of your life insurance if Frank were to die at the end of this year (2010), using assumptions from the Proposed Plan.

Lump sum needs include final expenses and other needs at death. Capital needed to meet cash flow deficits is the lump sum you would require to meet your survivor's needs for their expected lifetime, or the estate needs to provide for your children.

Life Insurance Summary

	Current	Proposed
Life Insurance Coverage	\$225,000	\$275,000
Immediate Capital Needs		
Burial Expense	\$10,000	\$10,000
Probate Expenses	\$217	\$54
Admin. Expenses	\$217	\$54
Mortgage	\$293,881	\$293,881
Line of Credit	\$15,002	\$15,002
Resources to meet Immediate Needs		
Pre-Death Cash Flow Surplus	(\$21,659)	(\$5,400)
Life Insurance Proceeds	(\$225,000)	(\$275,000)
Redeemed From Assets (net of tax)	(\$72,657)	(\$38,591)
Additional Coverage for Immediate Needs	\$0	\$0
Capital needed to meet future cash flow shortfalls	\$317,571	\$10,052
Life Insurance Proceeds	\$0	\$0
Reinvested Surplus	(\$26,319)	(\$10,052)
Additional Coverage for Future Shortfalls	\$291,252	\$0
Additional Recommended Coverage	\$291,252	\$0

↑
Additional life insurance needed to provide income until mortality.

Consider the following:

- Frank, maintain your existing life insurance coverage and review your needs periodically.

Estate Planning

The benefits of estate planning may include a reduction in estate taxes and increases in net amounts to heirs and charity.

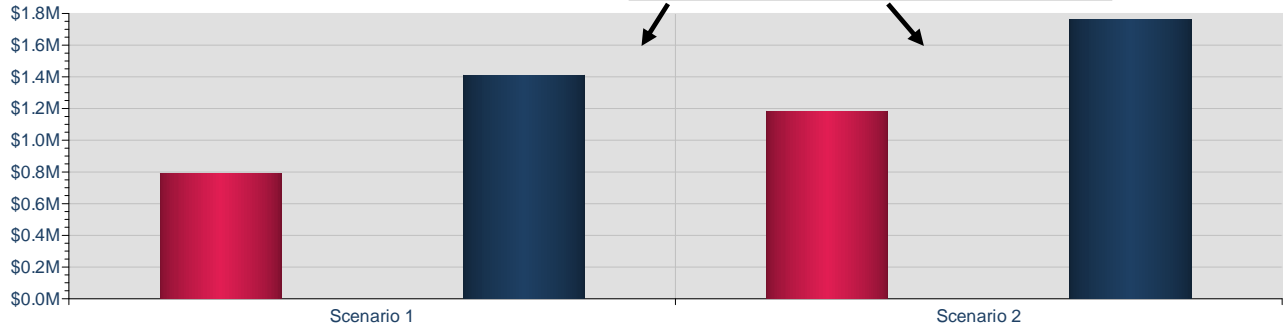
If Frank were to die in 2019, and Kathy were to die in 2024.

Estate planning is the process of developing and implementing documents and strategies to ensure the distribution of your property during your life and after your death according to your goals and objectives. Without such a plan, you may lose control of the distribution and taxation of your assets and leave those decisions to chance and outside forces.

The following table and graph show a quick comparison of the estate planning strategies demonstrated in your analysis.

Estate Planning Comparison Summary

Clients can easily compare possible estate planning scenarios.



■ Total Taxes
 ■ Net to Heirs
 ■ Net to Charity

Except where noted below, all scenarios are derived from the Proposed Plan.

Scenario	Description	Total Taxes	Net to Heirs	Net to Charity	Total to Heirs and Charity
1	* Existing Estate Scenario(Current Plan)	\$789,813	\$1,411,286	\$0	\$1,411,286
2	* Existing Estate Scenario	\$1,185,857	\$1,761,501	\$0	\$1,761,501

* = Recommended Scenario

*Indicates the recommended estate planning strategy. In some cases, the impact of this strategy will be shown for both your Current and Proposed plan.

Beneficiary	Existing Estate Scenario	
	Current Plan	Existing Estate Scenario
Other		
Tasha	12,000	12,000
James	8,400	8,400
Cancer Society		
Frank's Net Estate		
Kathy's Net Estate	1,390,886	1,741,101
Total	1,411,286	1,761,501

Consider the following

- Make sure you have up-to-date wills to help ensure that assets will be distributed according to your wishes.
- Review the importance of having Durable Powers of Attorney, Health Care Proxies/Declarations and/or Living Wills.
- Carefully examine the estate implications of your retirement plan assets. Remember that these assets may be subject to both federal estate and income tax upon death.

Activity Report

Summarize transactions for the recommended plan.

The following report shows the actions proposed by the needs analysis in italics, based on the strategies proposed in the previous sections of this report. Please remember your financial situation and assumptions are likely to change over time. You should review your financial plan at least once a year or more frequently if you experience any material changes in your personal situations, to help ensure your plan remains on track and to refine your overall strategy and its implementation details, if necessary.

Activity for 2010

Investments:

Asset	Contributor	Amount	Comment
<i>Emergency Fund (Joint/Non-Qualified)</i>	<i>Joint</i>	<i>\$1,177</i>	<i>Regular Investment Plan (\$98/month)</i>
<i>James' Education Goal Fund (Joint/Non-Qualified)</i>	<i>Joint</i>	<i>\$2,129</i>	<i>Regular Investment Plan (\$177/month)</i>
Joint Savings (Non-Qualified)	Joint	\$1,800	Regular Investment Plan (\$150/month)
<i>Retirement Fund (Joint/Non-Qualified)</i>	<i>Joint</i>	<i>\$21,810</i>	<i>Regular Investment Plan (\$1,817/month)</i>
Vacation Timeshare Savings (Joint/Non-Qualified)	Joint	\$1,200	Regular Investment Plan (\$100/month)
<i>Tasha's Education Goal Fund (Joint/Non-Qualified)</i>	<i>Joint</i>	<i>\$2,058</i>	<i>Regular Investment Plan (\$172/month)</i>
<i>Vacation Timeshare Fund (Joint/Non-Qualified)</i>	<i>Joint</i>	<i>\$1,739</i>	<i>Regular Investment Plan (\$145/month)</i>
Frank's 401(k)	Frank	\$4,800	Regular Investment Plan (\$400/month)
Frank's 401(k) (0% of Salary)	Employer	\$4,800	Regular Investment Plan (\$400/month)
Kathy's 401(k)	Kathy	\$8,400	Regular Investment Plan (\$700/month)
Kathy's 401(k) (0% of Salary)	Employer	\$4,200	Regular Investment Plan (\$350/month)
James' Education Plan Acct #5678 (Frank/529 Plan for James)	Frank	\$1,200	Regular Investment Plan (\$100/month)
Tasha's Education Plan Acct #1234 (Kathy/529 Plan for Tasha)	Kathy	\$1,200	Regular Investment Plan (\$100/month)
Total		\$56,513	

Insurance:

Policy	Payer	Premium	Coverage
Additional Life Insurance (Frank/Whole Life)	Frank	\$600	Life Insurance \$50,000
Additional Life Insurance (Kathy/Whole Life)	Kathy	\$600	Life Insurance \$107,487
Life Insurance (Frank/Term 10 Life)	Frank	\$960	Life Insurance \$225,000
Life Insurance (Kathy/Term 10 Life)	Kathy	\$600	Life Insurance \$95,000
Frank's GRP STD Policy (Frank)	Frank	\$480	Disability Insurance \$900
Frank's GRP LTD Policy (Frank)	Frank	\$300	Disability Insurance \$1,200
Kathy's GRP STD Policy (Kathy)	Kathy	\$540	Disability Insurance \$1,800
Kathy's GRP LTD Policy (Kathy)	Kathy	\$360	Disability Insurance \$2,500
Additional Disability Insurance (Frank)	Frank	\$1,200	Disability Insurance \$3,595
Additional Disability Insurance (Kathy)	Kathy	\$1,200	Disability Insurance \$3,648
LTC Insurance (Frank)	Frank	\$720	Long-term Care Insurance \$150
LTC Insurance (Kathy)	Kathy	\$540	Long-term Care Insurance \$150
Total		\$8,100	

Conclusion

Now that you have reviewed the Financial Needs Summary report for both your current and proposed analysis, where do you go from here? Our recommendations are as follows:

- 1. Review this document** and ensure you understand the information contained in the report. In particular, review the Action Plan section. Be sure to ask questions on areas that need clarification.
- 2. Implement the Plan.** We will discuss a schedule to implement the action plan items we have agreed on. We need to establish a reliable follow-up method for strategies that start at a future date. Make sure it is clear who is responsible for implementing the task. Which items are you responsible for initiating? Which actions are the responsibilities of your other professional advisors: attorney, accountant, etc.? A checklist for these tasks is useful.
- 3. Review your plan** on a regular basis, generally once a year. In addition, review it whenever a major change occurs in your family like changes in employment, birth of a child, new income or expenses, etc. You may need to adjust your plan in light of any new circumstances.

A final thought!

Remember to maintain a long-term focus with your plan. Do not expect to anticipate every curve in the road, but be prepared to adjust your plan when necessary. Your financial plan is not a single event but a journey that may cover ten, twenty and thirty years or longer.

Prepare next steps and set up next meeting.

Important Terminology

Current Plan

The Current Plan and the Recommended Plan form the basis of comparison throughout the report. Review these definitions.

The Current Plan consists of information provided and reviewed by you and serves as the basis for some of the assumptions used in the Proposed Plan.

Proposed Plan or Recommended Plan

The Proposed Plan or Recommended Plan is a system-generated plan that is projected based on achieving your stated goals by applying the additional assumptions contained within the recommended scenarios.

Scenarios

A scenario is a modification of assumptions based on the Current Plan. A recommended scenario is incorporated into the Proposed Plan or Recommended Plan.

Rate of return (Current - Not Rebalanced)

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

Rate of return (Current - Rebalanced)

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

Rate of return (suggested asset mix)

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

Rate of return (assumed asset mix)

Common terms are defined for reference when reading the report.

The dollar-weighted average rate of return of the assets in the Proposed Plan based on the assumptions defined in the proposed/recommended scenarios. A goal-based rate of return (assumed asset mix) represents the dollar-weighted average rate of return of the assets linked to that particular goal, based on the assumptions defined in the proposed/recommended scenario.

Rate of return (proposed plan)

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

Standard deviation

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

Unlinked accounts

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

Plan Data Summary

The Current Plan is based on these assumptions. Ensure this data is accurate.

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

Regular Income

Income Source	Member	Applicable	Amount	Indexed
Frank's Salary	Frank	Jan 1 2010 to Dec 31 2021	\$85,000/yr	Inflation
Kathy's Salary	Kathy	Jan 1 2010 to Dec 31 2021	\$95,000/yr	Inflation

Defined Benefit Pension Plans - Estimate Benefit

Description:	Pension	Annual Benefit:	\$15,000
Plan Owner:	Frank	Indexed by:	3.00%
Pct. payable to survivor:	0.00%		

Social Security Retirement Benefits

Member	Start Age/Date	Calculated Monthly Benefit (% / \$)	Indexed	Eligible for Spousal Benefits
		OR Est. Monthly Benefit (today's \$)		
Frank	Retirement	100% / \$1,635	Inflation	Yes
Kathy	Retirement	100% / \$1,705	Inflation	Yes

Social Security Survivor Benefits

Member	Monthly Benefit to Survivor and Eligible Dependents (% / \$)	Monthly Benefit to Survivor at Retirement	Spouse's Revised Start Date During Retirement	Indexed
		(%/\$)		
Frank	100% / \$3,499	100% / \$1,668	Retirement	Inflation
Kathy	100% / \$3,647	100% / \$1,862	Retirement	Inflation

Regular Expenses

Expense	Member	Applicable	Amount	Indexed	Fixed Expense
Housing (e.g. utilities, repairs)	Joint	Jan 1 2010 to Dec 31 2021	\$3,500/mo	Inflation	Yes
Retirement goal expense	Joint	Jan 1 2022 to Dec 31 2052	\$70,000/yr	Inflation	Yes
Ongoing Expenses	Tasha	Not applicable	\$10,000/yr	Inflation	No
LTC Expense	Frank	Not applicable	\$200/day	Inflation	No
LTC Expense	Kathy	Not applicable	\$200/day	Inflation	No
Travel	Joint	Jan 1 2022 to Dec 31 2041	\$20,000/yr	Inflation	No
Discretionary expenses	Joint	Jan 1 2022 to Dec 31 2052	\$30,000/yr	Inflation	No
Ongoing Expenses	James	Not applicable	\$10,000/yr	Inflation	No
Property Taxes for Residence	Joint	Dec 31 1999 to Never	\$600/year	Inflation	Yes

2010 Tax-Deferred Roth Conversions

Owner	Taxable Conversion Amount
Frank	\$50,000

Delivery Acknowledgement

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

Frank Accumulator

Client signature(s) acknowledge the review and acceptance of the information contained in this proposal.

Kathy Accumulator

Date:

Please Note...

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

***For details on reports, calculations, and useful tips in interpreting results in NaviPlan Standard, refer to the *EISI Knowledge Base* at: <http://knowledge.eisi.com/> Search for '*Functional Documentation*'. ***