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Progress Report

Frank and Kathy Accumulator

Ridgefield, Connecticut

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Your Recommended Plan: July 21, 2009

Your Review: January 1, 2010

The Progress Report is an excellent method of presenting the progress of each goal since the last review with your clients. Use this report as a springboard to discuss new strategies, products, and action steps.

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The order and content of the report can be modified. Once you feel comfortable with the chosen sections and layout, save it as a template.

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.

Introduction

Using the Update Plan feature, you can revise incomes, expenses, and current market values of assets without having to re-enter an entire plan. The updated information is used to determine if your clients are on track to meet their predefined goals. The Progress Report tracks year-over-year progress, comparing outcomes and flagging opportunities.

Periodic review of your financial plan

Financial planning can be a life-long process that assists you 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.

Even the best financial plan must be monitored on a regular basis to make sure you are continuing in the right direction. Changes in your personal circumstances, tax laws, and economic circumstances may have an important impact on your financial plan and may affect your ability to reach your goals.

Together, on July 21, 2009, we prepared a financial plan that identified your financial goals and priorities. As an integral part of your plan, we outlined financial strategies to help you reach your goals.

Using your financial plan as a reference point, and the data that you have provided regarding your current financial situation as of **January 1, 2010**, we have performed a review of your plan. This review assesses your progress in meeting the financial objectives identified in your financial plan and identifies adjustments that should be made to keep you on track.

As you review this report, consider the following terminology:

Solidify your understanding of these key definitions. They form the basis of comparison of results.

Your Initial Plan - represents information initially provided at the conception of your financial plan on July 21, 2009.

Your Recommended Plan - represents financial strategies identified to help you reach your goals as a result of the information provided for your initial financial plan on July 21, 2009.

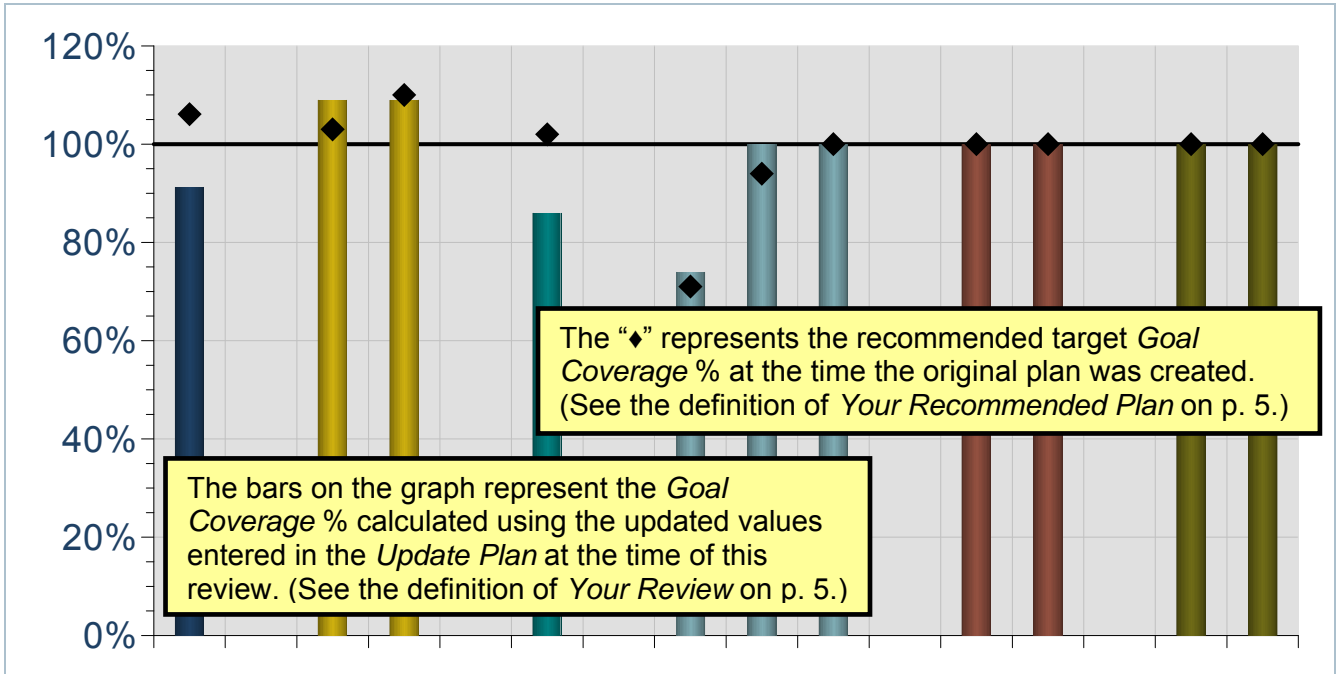
Your Review - represents updated information provided as part of the review of your financial plan on January 1, 2010.

Keep in mind that any changes in your personal or financial situation that require an amendment or modification of your goals and objectives will warrant the creation of a new financial plan, in which we will develop and implement financial strategies based on your revised goals and objectives.

Provide value and deepen your client relationships by tracking the progress of the plan. The *Progress Report* provides the opportunity to demonstrate your ongoing commitment to your clients' financial success. Use it as the basis for periodic follow-up with your clients.

Goal Achievement

The *Overall Goal Achievement* illustrates the percentage of each goal that may be covered based on the projection of the capital and savings as of Your Review. In the *Overall Goal Achievement* Your Review includes the implementation of all suggested asset mixes. It indicates your increased or decreased ability to achieve your goals when compared to the projections calculated in Your Recommended Plan.



Goal Description	Goal Amount from Your Recommended Plan	Goal Achievement			Status
		Your Recommended Plan	Your Review	Increase/Decrease (%)	
Retirement	\$133,600/yr	106%	91%	-15%	Setback
James' Education Goal	\$15,750/yr	103%	109%	6%	Opportunity
Tasha's Education Goal	\$15,750/yr	110%	109%	-1%	On track
Vacation Timeshare	\$36,050	102%	86%	-16%	Setback
Life Insurance (Frank dies)	\$402,989	71%	74%	3%	On track
Life Insurance (Kathy dies)	\$129,146	94%	100%	6%	Opportunity
Life Insurance (Frank and Kathy die)	\$102,549	100%	100%	0%	On track
Disability Insurance (Frank)	\$5,981/mth	100%	100%	0%	On track
Disability Insurance (Kathy)	\$8,261/mth	100%	100%	0%	On track
Long Term Care Insurance (Frank)	\$325/day	100%	100%	0%	On track
Long Term Care Insurance (Kathy)	\$300/day	100%	100%	0%	On track

Values have been updated based on projections or other information generated or obtained in the plan. Original values you provided may have changed due to those updates.

The ♦ in the above graph represent the *Goal Achievement* percentage from the recommendations in Your Recommended Plan

The status of the goals assumes all the strategies in the *Recommended Plan* were implemented.

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The following ranges determine whether each goal is on track and what you are working towards, or whether action should be taken to adjust your financial strategies to achieve your goals. Note that the *Status* considers the ongoing progression towards your goal achievement and will continually evolve.

Opportunity

Opportunity represents overfunded goals. Consider using the excess amounts to support underfunded goals.

If the existing strategies in Your Recommended Plan or Your Review allow you to achieve your goal, and if there is an increase of greater than 5% in goal achievement, this is considered an opportunity. The goal may be overfunded and present an occasion for further planning. We will examine other strategies that you may be able to apply.

Setback

If the plan has several **setbacks** at unacceptable levels, re-planning should be considered.

If the existing strategies in Your Review do not allow you to achieve your goal, and if there is a decrease of greater than 5% in goal achievement, this is considered a setback. The goal may not be adequately funded. We will review possible strategies to help remedy the problem.

On track

If the existing strategies in Your Review have not yet allowed you to achieve your goal, but you are progressing towards the goal with limited difficulty then we recommend that you carry on with the strategies in your plan.

Retirement

Based on the updated information in Your Review, your ability to cover retirement needs represents a **setback**. Your ability to cover retirement needs has **decreased by 15%**.

You may wish to consider one of the following:

- Support the goal at 91%
- Save an additional \$1,751 per month
- Invest a lump sum today of \$172,009
- Retire in the year 2023 at age 64 for Frank and in 2023 at age 62 for Kathy at 100%

If the *Goal Coverage %* is no longer at an acceptable level, re-planning should be considered.

James' Education Goal

Based on the updated information in Your Review, your ability to cover James' Education Goal represents an **opportunity**. Your ability to cover education expenses has increased by **6%** for James' Education Goal.

You may wish to consider one of the following for James' Education Goal:

- Support the goal education costs at 109% (\$18,105) per year
- Support the goal education costs at 100% (\$19,734) and use the excess of \$3,984 for another goal experiencing a **setback**
- Save the additional amount

In this example, the excess funds could be used to partially fund the retirement or vacation timeshare goal or could be maintained as a buffer in case market values fluctuate.

Tasha's Education Goal

Congratulations, based on the updated information in Your Review, Tasha's Education Goal is **on track**.

Vacation Timeshare

Based on the updated information in Your Review, your ability to cover your Vacation Timeshare represents a **setback**. Your ability to cover major purchase expenses has **decreased by 16%** for Vacation Timeshare.

You may wish to consider one of the following for your Vacation Timeshare:

- Support the goal at 86% (\$31,933)
- Save an additional \$69 per month
- Invest a lump sum today of \$5,223

Life Insurance if Frank dies

Congratulations, based on the updated information in Your Review, your ability to cover life insurance needs if Frank dies is **on track**.

Life Insurance if Kathy dies

Based on the updated information in Your Review, your ability to cover life insurance needs should Kathy die, represents an **opportunity**.

A change in asset valuations may affect life insurance coverage.

Life Insurance if Frank and Kathy die

Congratulations, based on the updated information in Your Review, your ability to cover life insurance needs if Frank and Kathy die is **on track**.

Disability Insurance if Frank is disabled

Congratulations, based on the updated information in Your Review, your ability to cover disability needs should Frank become disabled is **on track**. Your ability to cover expenses should Frank become disabled has remained consistent.

Disability Insurance if Kathy is disabled

Congratulations, based on the updated information in Your Review, your ability to cover disability needs should Kathy become disabled is **on track**. Your ability to cover expenses should Kathy become disabled has remained consistent.

Long-term care if Frank needs long-term care

Congratulations, based on the updated information in Your Review, your ability to cover long-term care needs should Frank need long-term care is **on track**. Your ability to cover expenses should Frank need long-term care has remained consistent.

Long-term care if Kathy needs long-term care

Congratulations, based on the updated information in Your Review, your ability to cover long-term care needs should Kathy need long-term care is **on track**. Your ability to cover expenses should Kathy need long-term care has remained consistent.

Net Worth

Net worth is the total amount left over after you subtract your liabilities (what you owe) from your assets (what you own).

In preparing your initial financial plan on July 21, 2009, we used current account valuations, applicable assumptions based on historical data, and your evaluations of your future situation.

Net worth assumptions change over time as your personal circumstances, tax laws, and economic conditions evolve. In order to monitor and evaluate your assumptions, we have prepared the following Net Worth Statement as of Your Review, January 1, 2010. It shows the original asset and liability values in Your Initial Plan along with their updated values as of Your Review, January 1, 2010.

NET WORTH STATEMENT

	Your Initial Plan 2009	Your Review 2010	% Change	How Updated?
Non-Qualified Assets				
330 Main St	128,775	130,050	1.0%	Manually
Vacation Timeshare Savings	12,301	13,286	8.0%	Manually
Fleet Bank Savings	6,217	6,250	0.5%	Manually
Ridgefield Bank	8,290	8,333	0.5%	Manually
Joint Savings	104,812	107,701	2.8%	Manually
Vacation Timeshare Fund		635		
Tasha's Education Goal Fund		1,017		
Retirement Fund		8,449		
James' Education Goal Fund		1,144		
Emergency Fund		1,832		
Total Non-Qualified Assets	260,395	278,729	7.0%	
Qualified Assets				
Frank's 401(k)	262,984	268,231	2.0%	Manually
Frank's Roth IRA	38,527	38,500	-0.1%	Manually
Frank's Spousal Roth IRA		511		
James' Education Plan Acct #5678	36,880	45,000	22.0%	Manually
Kathy's IRA	16,512	17,202	4.2%	Manually
Kathy's 401(k)	267,768	280,000	4.6%	Manually
Kathy's Spousal Roth IRA		511		
Tasha's Education Plan Acct #1234	30,516	35,500	16.3%	Manually
Total Qualified Assets	653,187	685,455	4.9%	
Lifestyle Assets				
Personal Use Property (i.e. car, boat)	103,020	104,040	1.0%	Manually
Residence (i.e. home)	412,080	416,160	1.0%	Manually
Total Lifestyle Assets	515,100	520,200	1.0%	
Total Assets	1,428,682	1,484,384	3.9%	
Liabilities				
Line of Credit	(15,000)	(15,000)	0.0%	
Mortgage	(290,607)	(287,284)	-1.1%	Manually
Total Liabilities	(305,607)	(302,284)	-1.1%	
Total Net Worth	\$1,123,075	\$1,182,100	5%	

These figures represent the additional savings assumed to have been implemented in the Recommended Plan.

Accounts can be updated manually if the actual return rate was different than the assumed return rate.

Values have been updated based on projections or other information generated or obtained in the plan. Original values you provided may have changed due to those updates.

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Cash Flow

The Cash Flow section provides another opportunity to discuss budgetary plans and possible concerns. Is there excess cash that could be used to correct a setback?

Cash flow management takes into account all sources of incomes and expenses. Your cash flow surplus or deficit is determined by adding all of your cash inflows, then subtracting all of your cash outflows, which include lifestyle expenses, savings, and taxes.

We have prepared the following *Cash Flow Details* report as of Your Review, January 1, 2010. It shows the original cash flows in Your Initial Plan, July 21, 2009 along with their updated values as of Your Review, January 1, 2010. Based on the information you have provided, you currently have a cash flow surplus of \$34,450. This is a **31.9% decrease** from Your Initial Plan.

Cash Flow Details Report

	Your Initial Plan 2009	Your Review 2010	% Change
Cash Inflows			
Employment Inflows			
Salary	\$175,100	\$180,353	+3.0%
Bonus	\$0	\$15,914	
Total	\$175,100	\$196,267	+12.1%
Investment Inflows			
From Assets			
Interest	\$4,890	\$5,098	+4.2%
Dividends	\$0	\$154	
Capital Gains (Short Term)	\$0	\$617	
Rental	\$10,200	\$10,404	+2.0%
Miscellaneous			
Interest	\$0	\$13	
Dividends	\$0	\$10	
Capital Gains (Short Term)	\$0	\$40	
Total	\$15,090	\$16,336	+8.3%
Total Cash Inflows	\$190,190	\$212,602	+11.8%
Cash Outflows			
Lifestyle Expenses			
Regular	\$43,260	\$44,558	+3.0%
Mortgage Interest-Deductible	\$17,452	\$17,048	-2.3%
Mortgage Principal	\$6,548	\$6,952	+6.2%
Loan Interest-Non Deductible	\$900	\$900	+0.0%
Total	\$68,160	\$69,458	+1.9%
Taxes			
Federal Tax	\$26,969	\$31,771	+17.8%
State Tax	\$7,227	\$8,516	+17.8%
Social Security Tax - employment	\$10,856	\$11,977	+10.3%
Medicare Tax - employment	\$2,539	\$2,846	+12.1%
Total	\$47,591	\$55,109	+15.8%
Miscellaneous Expenses			
Disability Insurance Premiums	\$1,800	\$4,200	+133.3%
Life Insurance Premiums	\$0	\$1,500	
Long-term Care Insurance premiums	\$1,260	\$1,260	+0.0%
Reinvested Accrued Investment Expense	\$0	\$63	
Total	\$3,060	\$7,023	+129.5%
Non-Qualified Contributions and Reinvestments			
Regular	\$4,720	\$31,417	+565.6%

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	Your Initial Plan 2009	Your Review 2010	% Change
Qualified Contributions			
Spousal Roth IRA Contributions	\$0	\$2,400	
401(k) Contributions	\$13,596	\$10,200	-25.0%
529 Plan Contributions	\$2,472	\$2,546	+3.0%
Total	\$16,068	\$15,146	-5.7%
Total Cash Outflows	\$139,599	\$178,153	+27.6%
Current Surplus/(Deficit)	\$50,591	\$14,450	-31.9%
Previous Surplus/(Deficit)	\$0	\$0	+0.0%
Ending Surplus/(Deficit)	\$50,591	\$34,450	-31.9%

Values have been updated based on projections or other information generated or obtained in the plan. Original values you provided may have changed due to those updates.

The increase in cash outflow for 2010 is due to increased savings recommended to cover **setbacks** outlined in this review.

Asset Allocation

Review the current asset mix. If it is still not aligned with the recommended risk and return rates, this is another opportunity to discuss asset allocation.

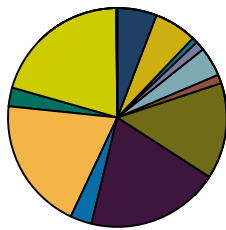
Asset allocation is the process of aligning your risk tolerances, financial objectives, and investment time horizon to applicable investment portfolios. Changes in market conditions can greatly affect the performance of your investment portfolio and the success of your financial goals. It is important to review your asset allocation mix periodically to ensure that you are maximizing the return of your investment portfolio given your personal risk tolerance and investment time horizons.

Asset Allocation as of Your Review

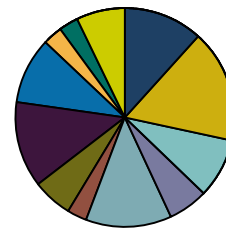
Based on our analysis of your current asset mix as of January 1, 2010, you may be incurring less risk than your risk tolerance indicates you would be comfortable with in your investment portfolio. We recommend rebalancing your portfolio to more closely represent your risk tolerance and time horizon.

Your Review's Current Asset Mix

Your Review's Suggested Asset Mix Moderate



The current asset mix has a lower rate of return and standard deviation than the suggested asset mix which is based on the clients' risk tolerance and time horizon.



Rate of Return	5.33%
Standard Deviation	7.87%

Rate of Return	7.55%
Standard Deviation	12.93%

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	Your Review's Current Asset Mix		Change		Your Review's Suggested Asset Mix	
	(%)	(\$)	(%)	(\$)	(%)	(\$)
Large Cap Growth Equity	5.8	48,503	+5.9	+49,383	11.7	97,886
Large Cap Value Equity	6.3	52,632	+10.4	+86,040	16.6	138,672
Mid Cap Equity	0.8	6,399	+8.0	+67,016	8.8	73,415
Small Cap Equity	1.4	11,642	+4.5	+37,302	5.9	48,943
International Equity	4.3	36,257	+8.4	+69,787	12.7	106,044
Emerging Markets Equity	1.3	11,239	+1.6	+13,233	2.9	24,472
Long Term Bonds	14.2	118,072	-8.3	-69,129	5.9	48,943
Intermediate Term Bonds	19.7	164,011	-7.0	-57,967	12.7	106,044
Short Term Bonds	3.2	26,359	+6.6	+55,213	9.8	81,572
High Yield Bonds	19.6	163,567	-16.7	-139,096	2.9	24,472
International Bonds	2.8	23,601	+0.1	+871	2.9	24,472
Cash	20.4	170,021	-13.3	-110,821	7.1	59,200
Unclassified	0.2	1,832	-0.2	-1,832		
Total	100.0	834,134	+0.0	+0	100.0	834,134

Portfolio adjustments needed to reach the suggested asset mix.

Conclusion

We have prepared Your Review in conjunction with information that you have provided regarding your current financial situation as of **January 1, 2010**. Progress towards your financial goals and objectives has been evaluated by comparing your current information to the data outlined in Your Recommended Plan created on **July 21, 2009**. For goals that are not on track, we have identified possible strategies that should be considered to keep you on course with meeting your goals.

Now that you have an overview of your financial progress, where do you go from here? These are our recommendations:

- **Review this document** and ensure you understand the information contained in the report. Be sure to ask us questions on areas that need clarification.
- **Assess the original objectives.** Are they realistic? Have they changed since the implementation of Your Recommended Plan? If significant changes to your personal or financial situation call for adjustments to your goals and objectives, consider a revision of your financial plan which can include the development and implementation of new financial strategies. We will work together in this process.
- **Review various strategies** that will help you stay on track with achieving your goals. Determine a time frame for these strategies.
- **Decide on a course of action.** Together, we will evaluate the alternative that is consistent with your objectives and your financial ability.

Personal financial management is a continuous process. Your goals, tax laws, and market conditions change over time. Since decisions are made based on the best information available at the time, your personal financial plan must evolve as well. The most important thing is to have a plan with which you can work. Review it regularly—at least once a year.

A plan review is a worthwhile exercise. Markets and life situations are in constant flux, and NaviPlan's plan review process and *Progress Report* are powerful, time-saving tools that allow you to proactively manage these changes with your clients. Use these tools to facilitate necessary discussions that provide assurance that the plan is indeed on track, highlight the changes needed to achieve financial objectives, and uncover new information that may reveal further opportunities. A plan review positions you, the advisor, as a partner in your client's financial success.

Important Terminology

Relevant terms that are used frequently throughout the report are defined here.

Your Initial Plan

Your Initial Plan represents information provided and reviewed by you as of your financial plan's creation.

Your Recommended Plan

Your Recommended Plan represents your implemented financial plan, which identifies your financial goals and priorities, and outlines financial strategies to help you reach your goals. It serves as a reference point for evaluating your progress toward meeting your financial objectives.

Your Review

Your Review consists of updated information reviewed by you as of your review date. It represents your current financial situation and serves as the basis for evaluating your progress toward meeting your financial goals as outlined in Your Recommended Plan.

Rate of return (current asset mix)

The dollar-weighted average rate of return of the assets in the Current Asset Mix.

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)

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.

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.

Investment profile

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

Portfolio

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

Time horizon

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

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 report.

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.