Personal Financial Plan

For

John and Mary Sample

October 21, 2013

Prepared by

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About Your Personal Financial Plan

We appreciate that you have questions and concerns as you work to attain and preserve financial security. Today's financial environment is complex and in many regards, uncertain. The decisions you make regarding work, spending, investment, and retirement, both now and in the future, will significantly affect your financial condition over the long term.

In an effort to aid you in learning, understanding, and formulating a personal basis for decision making, this 'Personal Financial Plan' is offered to help enhance your knowledge of various topics and communicate some of the intricacies of the financial world. The plan represents a framework to clarify and structure your financial matters.

This plan is based upon confidential information you provided regarding your present resources and objectives. While illustrations within this plan can be a valuable aid in the examination of your finances, it does not represent the culmination of your planning efforts. Financial planning is an ongoing process.

This hypothetical illustration of mathematical principles is custom made to model some potential situations and transitions you may face in your financial future. Hypothetical assumptions used in this illustration are specifically chosen to communicate and demonstrate your current financial position and highlight for discussion with your advisor the complex future interacting effects of combined incomes, expenses, savings, asset growth, taxes, retirement benefits, and insurance.

This document is not an advertisement or solicitation for any specific investment, investment strategy, or service. No recommendations or projections of specific investments or investment strategies are made or implied. Any illustrations of asset growth contained herein are strictly used to demonstrate mathematical concepts and relationships while presenting a balanced and complete picture of certain financial principles. Growth assumptions are applied to generalized accounts based upon differing tax treatment. Illustrations, charts and tables do not predict or project actual future investment performance, or imply that any past performance will recur.

This plan does not provide tax or legal advice, but may illustrate some tax rules or effects and mention potential legal options for educational purposes. Information contained herein is not a substitute for consultation with a competent legal professional or tax advisor and should only be used in conjunction with his or her advice.

The results shown in this illustration are not guarantees of, or projections of future performance. Results shown are for illustrative purposes only. This presentation contains forward-looking statements and there can be no guarantees that the views and opinions expressed will come to pass. Historical data shown represents past performance and does not imply or guarantee comparable future results. Information and statistical data contained herein have been obtained from sources believed to be reliable but in no way are guaranteed as to accuracy or completeness.

The Assumptions page contains information you provided that is used throughout the presentation. The asset listing herein is not an account statement and does not necessarily include current or complete balances, holdings, and returns. Please review the information for accuracy and notify your Financial Advisor promptly if discrepancies in the assumptions are present; discrepancies may materially alter the presentation.

Your actual future investment returns, tax levels and inflation are unknown. This illustration uses representative assumptions in a financial planning calculation model to generate a report for education and discussion purposes. Calculations and assumptions within this report may not reflect all potential fees, charges, and expenses that might be incurred over the time frame covered by these illustrations which, if included, would result in lower investment returns and less favorable illustration results. Do not rely upon the results of this report to predict actual future investment performance, market conditions, tax effects or inflation rates.

Summary

This report uses financial models to present a picture of your current financial situation and illustrations of possible directions your finances may take. Future economic and market conditions are unknown, and will change. The assumptions used are representative of economic and market conditions that could occur, and are designed to promote a discussion of appropriate actions that may need to be taken, now or in the future, to help you manage and maintain your financial situation under changeable conditions.

Your Current Situation:

- You have assets of approximately $433,000.
- You have liabilities of approximately $140,000.
- Your net worth is approximately $293,000.
- You now have $183,000 in working assets and are adding $16,000 per year.

Your Goals:

- John and Mary wants to retire at age 62 and Mary wants to retire at age 62.
- Monthly after-tax income needed at that time is $5,000 (in today's dollars).
- You will need the income until the last life expectancy of age 90.

Analysis Details:

- Asset Allocation: Type of Investor - Moderate
- Long-term care assets at risk: $781,738
- Net Estimated Life Insurance Needs Shortage for John and Mary: $40,000
- Net Estimated Life Insurance Needs Shortage for Mary: None
- John and Mary and Mary do not have Wills.
- John and Mary and Mary do not have Durable Powers of Attorney.
- John and Mary and Mary do not have Living Wills.
- John and Mary and Mary do not have Health Care Powers of Attorney.

Retirement Analysis

Using the information you provided, calculations have been made to estimate whether your current retirement program will meet your stated retirement goals. The analysis begins now and extends through life expectancy. It includes tax advantaged, taxable investments, defined benefit pensions, if applicable, and Social Security benefits. The analysis calculates growth and depletion of capital assets over time. This analysis is the basis for the following summarized statement.

Actions:

Using current data, estimates show you will have enough money to reach your retirement goals. Since it appears that you will have $3,407,200 left at your life expectancy, you may wish to consider: an earlier retirement, increased spending during retirement, or other ways to enhance your retirement years.

This report is for informational and educational purposes only. The information and assumptions used are estimates. The resulting calculations are designed to help illustrate financial concepts and general trends.

Assumptions

Client Information:

Names :		John and Mary Sample
First Name 1		John and Mary
First Name 2		Mary
Birthdate / Age 1	1/1/1965	48
Birthdate / Age 2	1/1/1965	48
Retirement Age 1		62
Retirement Age 2		62
Life Expectancy 1		85
Life Expectancy 2		90
Alternate life exp. 1		
Alternate life exp. 2		
Risk Tolerance Level		Moderate
Life Insurance 1		
Life Insurance 2		
Term Insurance 1		$300,000
Term Insurance 2		$100,000
Insurance cash value 1		
Insurance cash value 2		

Pension & Social Security Data (Annual):

Pension-Indv. 1	$42,000
Pension start age	55
Pension rate (pre ret.)	0.00%
Pension rate (ret.)	2.00%
Pension survivor %	50%
Pension-Indv. 2	
Pension start age	
Pension rate (pre ret.)	
Pension rate (ret.)	
Pension survivor %	
Soc Sec 1 Start age	62
Soc Sec 1 Rate	2.00%
Earned income 1	$90,000
Soc Sec 1 Amt. (if known)	
Soc Sec 2 Start age	62
Soc Sec 2 Rate	2.00%
Earned income 2	$40,000
Soc Sec 2 Amt. (if known)	

Estimated Education Costs

Total cost at 6% inf.	$198,675

Expenses & Inflation (Annual After-tax):

Expenses, (pre ret.)	$70,000
Expenses, Survivor (pre ret.)	$60,000
Expenses at Retirement	$60,000
Expenses, Survivor (ret.)	$50,000
Inflation, (pre ret.)	3.00%
Inflation, Survivor (pre ret.)	3.00%
Inflation at Retirement	3.00%
Inflation, Survivor (ret.)	3.00%

Asset Allocations:	**Current**	**Suggested**
Cash & Reserves	13.11%	15.00%
Income	24.04%	10.00%
Income & Growth	62.84%	20.00%
Growth	0.00%	30.00%
Aggressive Growth	0.00%	25.00%
Other	0.00%	0.00%
Precious Metals	0.00%	0.00%
Real Estate	0.00%	0.00%

Rate Assumptions (Before & After Retirement):

Taxable Returns	7.00%	7.00%
Tax-Deferred & Roth Returns	7.00%	7.00%
Tax-Free Returns	5.00%	5.00%
Return on Annuities	5.00%	5.00%
Effective Tax Rates	20.00%	20.00%
Cost Basis for Taxable Assets		100.00%
Cost Basis for Annuity Assets		100.00%
Additions Increase Rate: Taxable		3.00%
Additions Increase Rate: Tax-Def 1		3.00%
Additions Increase Rate: Tax-Def 2		3.00%

Other Incomes After-tax

Item Description	Start Year	Inc Rate	Number of years	Amount per year

Other Expenses After-tax:

Note: These assumptions are based upon information provided by you, combined with representative forward looking values intended to provide a reasonable financial illustration for education and discussion purposes. The investment returns, tax rates, benefit increase rates, inflation rates, and future expense values used in this report were selected based on your age, assets, income, goals and other information you provided. These assumptions do not presuppose or analyze any particular investments or investment strategy, or represent a guarantee of future results.

Net Worth Statement

John and Mary Sample

October 21, 2013

ASSETS

Savings And Investments		
Money Market Accounts/Funds	$20,000	
Annuities	30,000	
Municipal Bonds and Funds	10,000	
Stock Mutual Funds	5,000	
		$65,000
Retirement Accounts		
Qualified Plans-John and Mary	$100,000	
IRA Assets-Mary	14,000	
Roth Assets-John and Mary	2,000	
Roth Assets-Mary	2,000	
		$118,000
Other Assets		
Residence	$200,000	
Personal Property	20,000	
Auto	30,000	
		$250,000
	TOTAL ASSETS	**$433,000**

LIABILITIES

Residence Loan	$120,000	
Credit Card	5,000	
Auto Loans	15,000	
		$140,000

Net Worth (Assets less Liabilities) **$293,000**

Note: Potential taxes due on unrealized gains or assets in tax-deferred retirement plans are not accounted for in this Net Worth Statement. This asset information is based upon information you provided and sources believed to be reliable. The asset listing herein is not an account statement and does not necessarily include current or complete balances, holdings, and returns. Please review this information for accuracy.

Asset Worksheet

Description	Current Amount	Annual Additions*	Addition Period	Asset Class	Account Taxation	Asset Type
Cash	20,000			Cash	Taxable (J)	Money Market
Municipal Bond Fund	10,000			Income	Tax-Free (J)	Muni Bonds & Funds
Stock Mutual Funds	5,000	3,000	2013-2026	Inc./Gro.	Taxable (J)	Mutual Funds (Stock)
IRA	14,000			Income	IRA (2)	Stocks
457 Plan	20,000	1,000	2013-2026	Income	Tax-Deferred (1)	Mutual Funds (Stock)
401k	80,000	8,000	2013-2026	Inc./Gro.	Tax-Deferred (1)	Mutual Funds (Stock)
Annuity	30,000			Inc./Gro.	Annuity (1)	Annuities
Roth IRA	2,000	2,000	2013-2026	Cash	Roth IRA (1)	Money Market
Roth IRA	2,000	2,000	2013-2026	Cash	Roth IRA (2)	Money Market
Totals:	**$183,000**	**$16,000**				

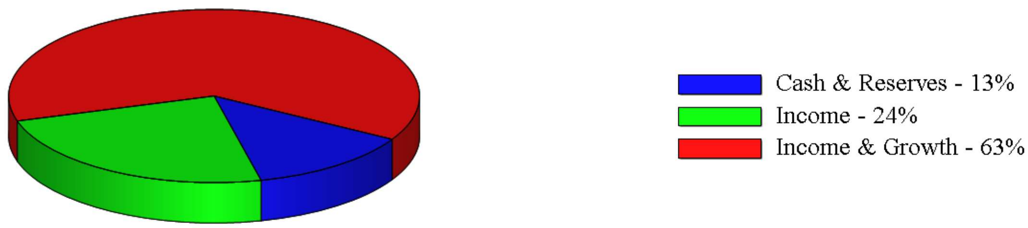
*Annual IRA addition amounts used in the analysis are limited to the maximums allowed by law.

Note: This asset information is based upon information you provided and sources believed to be reliable. The asset listing herein is not an account statement and does not necessarily include current or complete balances, holdings, and returns. Please review this information for accuracy.

Your Current Asset Allocation

The information from the Asset Worksheet was used to create the following chart.

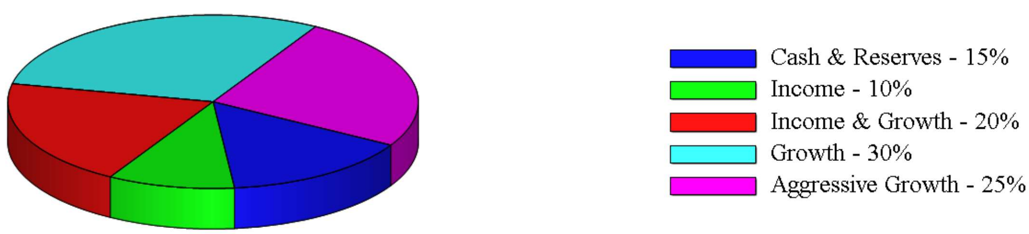
It is important to the success of your planning that your asset allocation is consistent with your goals. You should compare your current allocation to the Suggested Asset Allocation below which may be more appropriate and beneficial to your situation.



Suggested Asset Allocation

Based upon information you provided, we believe you should consider an investment mix similar to the one below.

We have illustrated a broad-based allocation. Effectiveness might be further increased by diversifying the types of securities held within the asset mix. See your Financial Advisor for further analysis.



Asset Allocation	Current		Suggested *		Change
Cash & Reserves	**$24,000**	***13%***	**$27,450 ****	***15%***	**$3,450**
Income	**44,000**	***24%***	**18,300**	***10%***	**(25,700)**
Income & Growth	**115,000**	***63%***	**36,600**	***20%***	**(78,400)**
Growth	**0**	***0%***	**54,900**	***30%***	**54,900**
Aggressive Growth	**0**	***0%***	**45,750**	***25%***	**45,750**
Other	**0**	***0%***	**0**	***0%***	**0**
Precious Metals	**0**	***0%***	**0**	***0%***	**0**
Real Estate	**0**	***0%***	**0**	***0%***	**0**
Total	**$183,000**	***100%***	**$183,000**	***100%***	**0**

* These suggested asset allocation percentages are representative portfolio target values.
** Does not include any provision for an Emergency Fund.
Note: Asset Allocation does not guarantee a profit or protect against loss in declining markets.

Retirement Profile

Developing A Retirement Plan

Developing a retirement plan means understanding your current situation, deciding among alternatives, and taking appropriate action today. *This report will help you define your current retirement goals, identify your current planning, and estimate the results for your review.*

Your Current Retirement Goals

	John and Mary	Mary
Age:	48	48
Retirement Age:	62	62
Years until Retirement:	14	14
Years of Retirement:	23	28
Annual Retirement Spending (After-tax):	**$60,000**	*(expressed in today's dollars)*

Additional Objectives

Please see the attached Education Funding Illustration.

Assumptions

	Pre-Retirement	*Retirement*
Inflation Rate:	3.0%	3.0%
Income Tax Rate (Average):	20.0%	20.0%
Return on Investments (Average):	6.6%	6.6%

Current residence(s) will be maintained. Related debt will be paid per existing mortgage(s).

Resources Available for Retirement

Funds to meet your goals can come from several sources: Personal Investing, Retirement Plans, Defined Benefit Pensions, Social Security, and Other Income.

Here is a summary of your situation.

	Current Balances
Personal Investments	
Money Market Accounts/Funds	**$20,000**
Annuities	**30,000**
Municipal Bonds and Funds	**10,000**
Stock Mutual Funds	**5,000**
	$65,000
Retirement Plans	
Qualified Plans-John and Mary	**$100,000**
IRA Assets-Mary	**14,000**
Roth IRA/401k Assets-John and Mary	**2,000**
Roth IRA/401k Assets-Mary	**2,000**
	$118,000
Total Investment Assets	**$183,000**

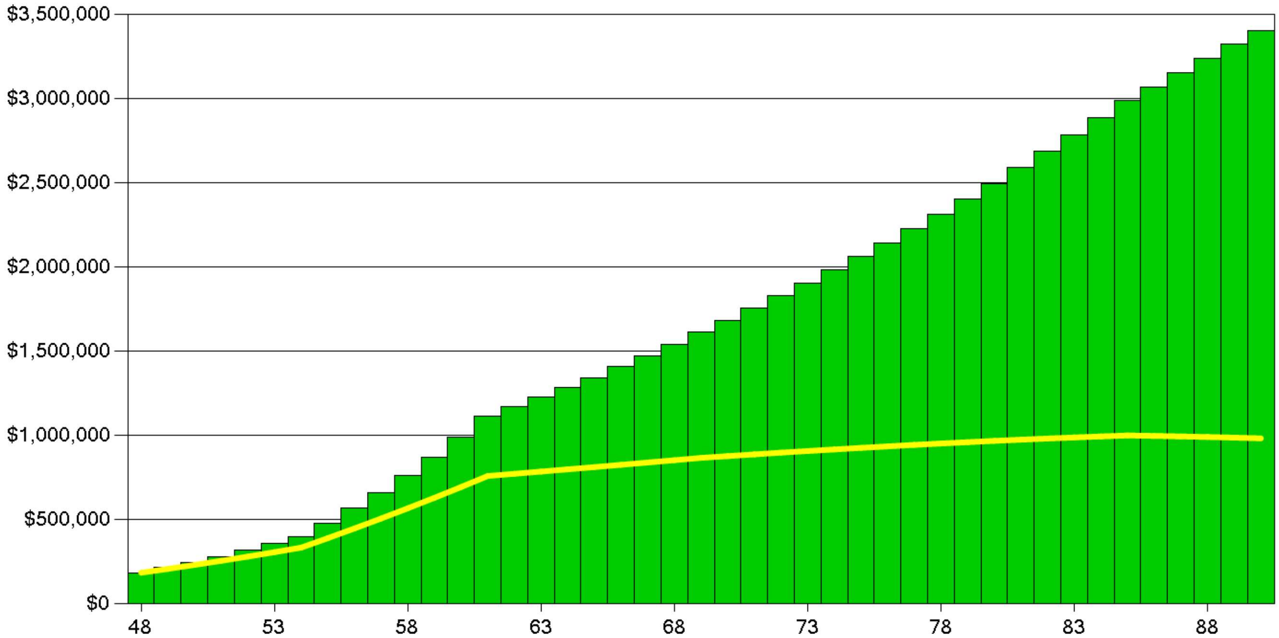
See Asset Worksheet for detailed annual savings information.

Social Security	**John and Mary**	**Mary**
Starting Age	62	62
Benefit at Starting Age (After-tax)	$21,137	$14,033

Pension Plans	**John and Mary**	**Mary**
Pension Amount	$33,600*	N/A
Pension Starting Age	55	
Increase Rate Pre-Retirement	0.0%	
Increase Rate in Retirement	2.0%	
Survivor Percentage	50%	

*Annual amount, after taxes.

Retirement Summary



Retirement Capital Illustration

The analysis begins at your current age and extends through your life expectancy. It includes all assets, both tax advantaged and taxable, all expenses, including education funding if applicable, other income and expense estimates, defined benefit pensions, and Social Security benefits. The graph illustrates the growth and depletion of capital assets as seen in Retirement Capital Analysis. The line within the graph illustrates the value of future retirement assets in today's dollars.

General Assumptions:

Rates of Return Before and After Retirement Used in Illustration:		
Taxable RORs:	7%	7%
Tax Def. RORs:	7%	7%
Tax Free RORs:	5%	5%
Annuity RORs:	5%	5%

Retirement Spending Needs*	$60,000
Survivor Spending Needs*	$50,000
Retirement Age	John and Mary - 62
Retirement Age	Mary - 62
Inflation - Current	3%
Inflation - Retirement	3%
Tax Rate - Current	20%
Tax Rate - Retirement	20%

* Spending needs are stated in today's after tax-dollars. See Assumptions page for complete listing of assumptions.

Actual future returns, taxes, expenses, and benefits are unknown. This illustration uses representative estimates and assumptions for educational and discussion purposes only. Do not rely on this report for investment analysis.

Retirement Capital Illustration Results:

Using current data, estimates show you will have enough money to reach your retirement goals. Since it appears that you will have $3,407,200 left at your life expectancy, you may wish to consider: an earlier retirement, increased spending during retirement, or other ways to enhance your retirement years.

Monte Carlo Simulation Explanation

The financial planning process can help you evaluate your status in relationship to your financial goals and objectives. In preparing a hypothetical financial illustration for discussion, a series of representative fixed assumptions are made, such as inflation rates, rates of return, retirement benefits and tax rates. While such static hypothetical illustrations are still useful for education and discussion purposes, they are based upon unchanging long-term assumptions. In fact, economic and financial environments are unpredictable and constantly changing.

Monte Carlo Simulation is one way to visualize the effect of unpredictable financial market volatility on your retirement plan. Monte Carlo Simulation introduces random uncertainty into the annual assumptions of a retirement capital illustration model, and then runs the model a large number of times. Observing results from all these changing results can offer a view of trends, patterns and potential ranges of future outcomes illustrated by the randomly changing simulation conditions. While Monte Carlo Simulation cannot and does not predict your financial future, it may help illustrate for you some of the many different possible hypothetical outcomes.

Monte Carlo Simulation Technique:

Based upon the trends, changes, and values shown in your hypothetical financial program, the simulation process uses a different random rate of return for each year of a new hypothetical financial plan. Ten thousand full financial plan calculations are performed utilizing the volatile annual rates of return. The result is ten thousand new hypothetical financial plan results illustrating possible future financial market environments.

By using random rates from a statistically appropriate collection of annual returns, and repeating the process thousands of times, the resulting collection can be viewed as a representative set of potential future results. The tendencies within the group of Monte Carlo Simulation results; the highs, lows and averages, offer insight into potential plan performance which may occur under various combinations of broad market conditions.

Note: No investment products, investment strategy or particular investment style is projected or illustrated by this process. Simulation results demonstrate effects of volatility on rate of return assumptions for education and discussion purposes only.

Standard Deviation:

The simulated level of volatility in future financial markets is represented by a Standard Deviation value. This statistical measure of variation is used within the Monte Carlo Simulation to indicate how dramatically return rates can change year by year. The Standard Deviation controls the magnitude of the random changes in each annual rate of return as it is varied each year above or below the average annual rate to simulate market volatility.

The simulation model uses a Standard Deviation based upon the rate of return assumptions used in the Retirement Capital Illustration, and limits the rate of return variation to plus or minus five standard deviations in any year. Low assumed return rates generate low Standard Deviation values, higher returns relate to higher Standard Deviations.

The Bold Line

The bold line in the Monte Carlo Simulation Results graph tracks the value of assets over the length of the illustration if all rates of return are held stable at the assumed rates of return (see Assumptions). The estimate uses annual expected portfolio rates of return and inflation rates to model the growth and use of assets as indicated under Assumptions. The bold line represents the values shown in the Retirement Capital Analysis.

Percentage of Monte Carlo Results Above Zero at Selected Ages

These results represent the percentage of Monte Carlo simulation outcomes that show positive retirement asset value remaining at different ages. A percentage above 70 at last life expectancy is an indication that the underlying retirement plan offers a substantial probability of success even under volatile market conditions. Additional ages shown give the percentage of simulation outcomes with positive asset amounts at various ages.

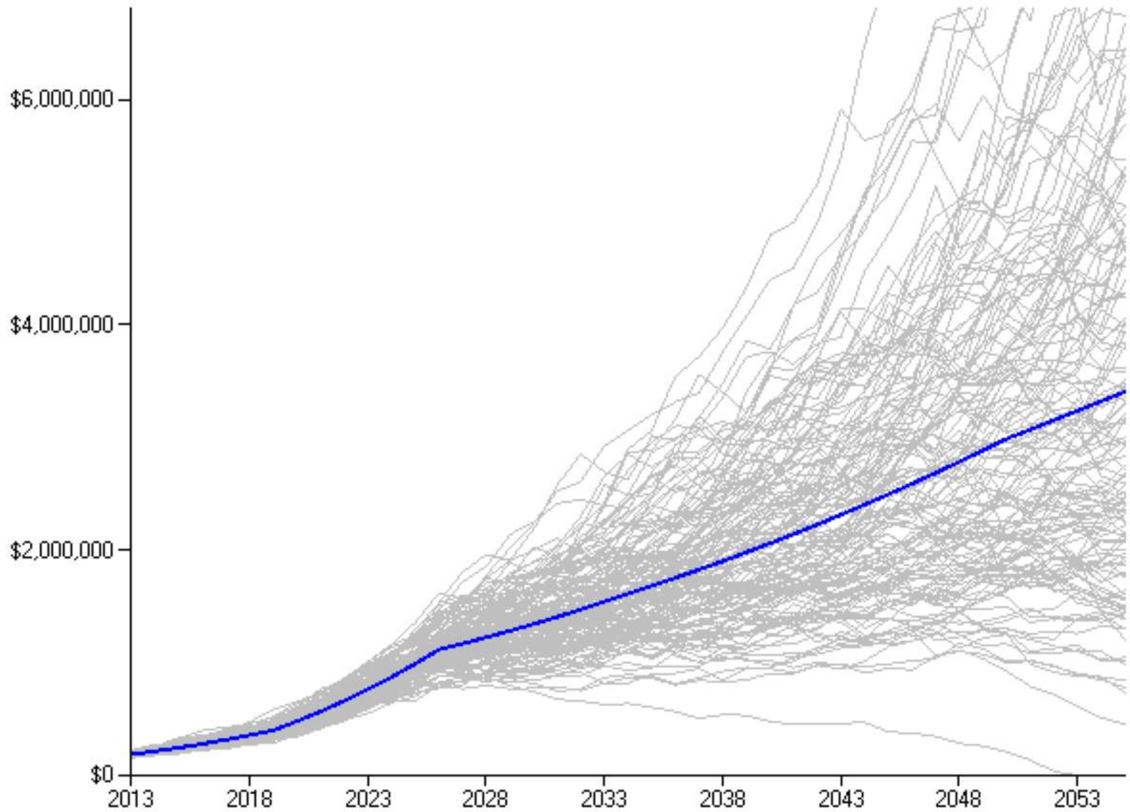
Monte Carlo Simulation Minimum, Average and Maximum Dollar Results

These values indicate the best, worst and average dollar results at the end of the ten thousand Monte Carlo Simulations. These show the range of results (high and low), and the average of all Monte Carlo results. All values are based on results at the life expectancy of the last to die.

IMPORTANT: The projections or other information generated by the Personal Financial Plan regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each Monte Carlo Simulation is unique; results vary with each use and over time.

Monte Carlo Retirement Simulation

Results from 10,000 Monte Carlo Simulation Trials



* The bold line is the estimated retirement capital value over time using fixed rates.

This Monte Carlo Retirement Simulation illustrates possible variations in growth and/or depletion of retirement capital under unpredictable future conditions. The simulation introduces uncertainty by fluctuating annual rates of return on assets. The graph and related calculations do not presuppose or analyze any particular investment or investment strategy. This long-term hypothetical model is used to help show potential effects of broad market volatility and the possible impact on your financial plans. This is not a projection, but an illustration of uncertainty.

The simulations begin in the current year and model potential asset level changes over time. Included are all capital assets, both tax advantaged and taxable, all expenses, including education funding if applicable, pension benefits, and Social Security benefits. Observing results from this large number of simulations may offer insight into the shape, trends, and potential range of future retirement plan outcomes under volatile market conditions.

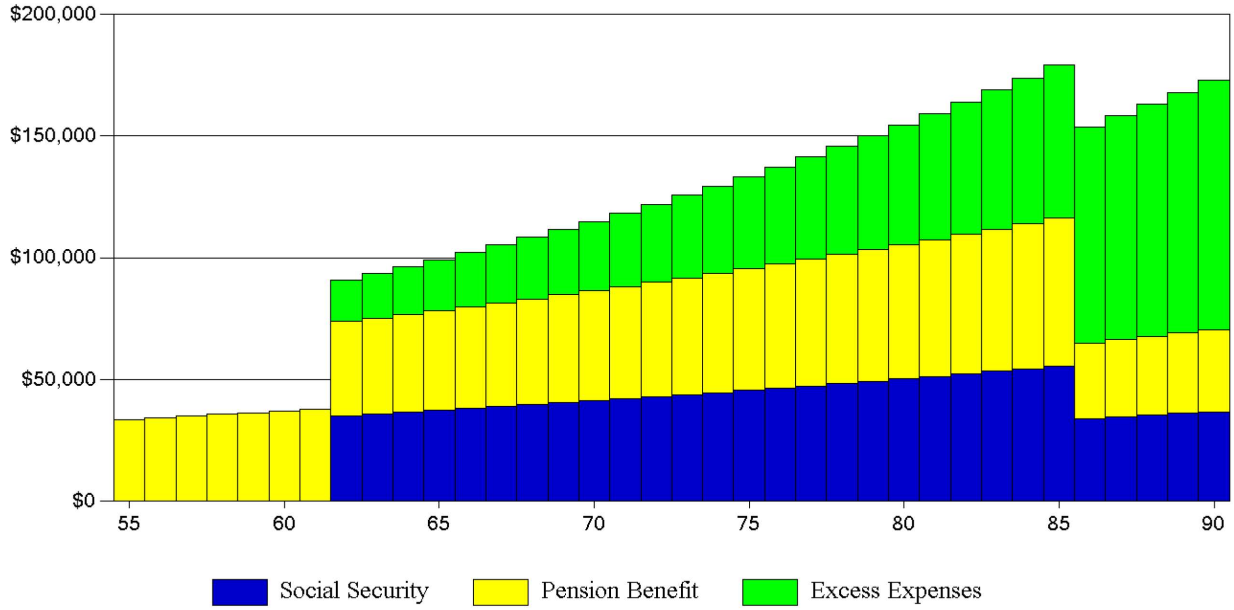
Retirement Capital Analysis Results, at Life Expectancy, of 10,000 Monte Carlo Simulations:

Percent with funds at last life expectancy	> 95%	Retirement Capital Estimate	$3,407,158
Percent with funds at age 81	> 95%	Minimum (Worst Case) result	$0
Percent with funds at age 71	> 95%	Average Monte Carlo result	$3,376,674
Percent with funds at age 62	> 95%	Maximum Monte Carlo result	$15,351,618

Life insurance proceeds are not included in the final year balances of these calculations.
Illustration based on random rates of return which average 6.6%, with a std. dev. of 6.5% (95% of values fall between -6.4% and 19.6%).

IMPORTANT: The projections or other information generated in this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each report and over time. Results of this simulation are neither guarantees nor projections of future performance. Information is for illustrative purposes only. Do not rely upon the results of this report to predict actual future performance of any investment or investment strategy.

Retirement Expense Forecast



The Retirement Expense Forecast graph combines estimated Social Security benefits with defined pension benefits plotted with estimated annual living expenses in retirement. The graph begins at retirement age and continues to life expectancy. Future retirement expenses are estimated based on your objectives, adjusted for inflation over time. Survivor expense levels start the year after first life expectancy.

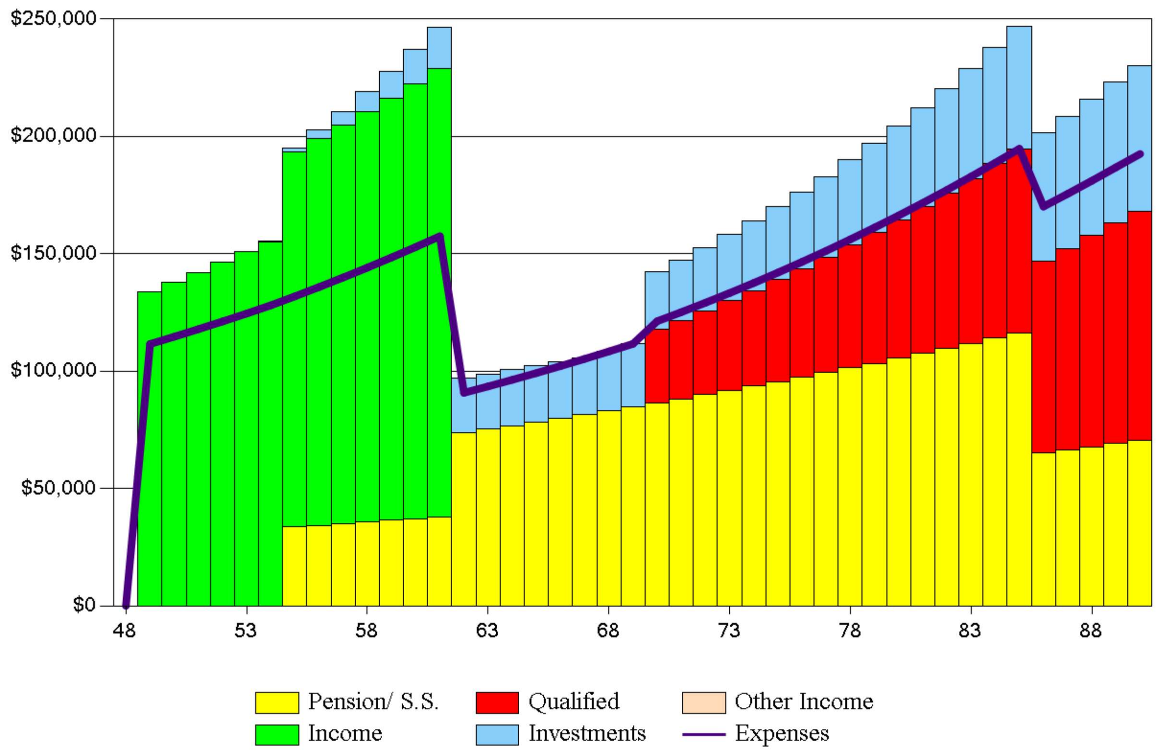
Social Security benefits, and annual adjustments for benefit growth, are estimated and illustrated over the anticipated lifetime. If the starting age selected for Social Security benefits is prior to normal benefit age, only a partial Social Security benefit may be available. Benefit amounts may decrease upon first death.

The Pension Benefit estimate combines any pension benefits and plots them starting at the age the benefit begins. At the death of the pension holder a surviving spouse might receive no continuing benefit, or only a portion of the benefit, causing a decrease in overall annual income.

Excess Expenses shown in the graph represent the amount of inflation adjusted annual living expenses that exceed the combined estimated Social Security and pension benefits. These are estimated amounts which will need to come from retirement savings to fund future expenses not covered by expected benefit income.

Note: Social Security and Pension benefit estimates are based upon information you provided. Estimates are not guarantees of future benefits amounts. Clients should not rely upon results of this report to predict actual future benefit amounts.

Cash Flow Summary



The bars in the above graph represent the amounts available from:

Earned income (wages and self-employment)
Social Security
Qualified plan additions and distributions
Investment additions and distributions
Misc - (inheritances, sale of residence, retirement account minimum distributions, life insurance)

The line illustrates the annual expenses including:

Personal living expenses
Planned debt expenses
Specified special expenses
Planned deposits to investment and retirement accounts
Miscellaneous expense items
Taxes

Note: The Cash Flow report provides the actual numbers that create the preceding Cash Flow Summary graph.

Cash Flow

Ages Indv. 1	2	Cash Flow Sources: Earned Income	Retire/Roth Accounts*	Investment Accounts*	Pension/ Soc Sec.	Other Income	Total Sources	Less Living Expense & Taxes	Shortage or Surplus
48	48		($4,000)				($4,000)		($4,000)
49	49	133,900	(13,390)	(1,104)			119,406	(97,026)	22,381
50	50	137,917	(13,790)	(912)			123,215	(99,936)	23,279
51	51	142,054	(14,205)	(703)			127,146	(102,934)	24,212
52	52	146,315	(14,632)	(474)			131,209	(106,022)	25,187
53	53	150,704	(15,069)	(224)			135,411	(109,203)	26,208
54	54	155,226	(15,522)	47			139,751	(112,479)	27,272
55	55	159,882	(15,987)	1,284	33,600		178,779	(115,854)	62,925
56	56	164,679	(16,467)	3,557	34,272		186,041	(119,329)	66,712
57	57	169,619	(16,961)	6,006	34,957		193,621	(122,909)	70,712
58	58	174,708	(17,469)	8,639	35,657		201,535	(126,596)	74,938
59	59	179,950	(17,994)	11,469	36,370		209,795	(130,394)	79,400
60	60	185,348	(18,534)	14,508	37,097		218,419	(134,306)	84,112
61	61	190,909	(19,091)	17,767	37,839		227,424	(138,335)	89,088
62 R	62 R			23,174	73,766		96,940	(90,748)	6,193
63	63			23,486	75,241		98,727	(93,470)	5,257
64	64			23,744	76,746		100,490	(96,274)	4,216
65	65			23,942	78,281		102,223	(99,162)	3,062
66	66			24,074	79,847		103,921	(102,136)	1,786
67	67			24,133	81,443		105,576	(105,200)	376
68	68			25,284	83,072		108,356	(108,356)	
69	69			26,872	84,734		111,606	(111,606)	
70	70		31,385	24,497	86,428		142,310	(121,231)	21,079
71	71		33,497	25,676	88,157		147,330	(125,101)	22,229
72	72		35,748	26,922	89,920		152,590	(129,103)	23,486
73	73		38,146	28,238	91,719		158,103	(133,241)	24,862
74	74		40,701	29,634	93,553		163,888	(137,520)	26,368
75	75		43,422	31,114	95,424		169,960	(141,945)	28,015
76	76		46,319	32,690	97,332		176,341	(146,522)	29,820
77	77		49,171	34,363	99,279		182,813	(151,209)	31,604
78	78		52,438	36,143	101,265		189,846	(156,103)	33,742
79	79		55,628	38,038	103,290		196,956	(161,109)	35,847
80	80		58,989	40,053	105,356		204,398	(166,280)	38,117
81	81		62,529	42,196	107,463		212,188	(171,622)	40,565
82	82		66,251	44,478	109,612		220,341	(177,140)	43,201
83	83		70,161	46,908	111,804		228,873	(182,838)	46,035
84	84		74,262	49,498	114,041		237,801	(188,722)	49,079
85 L	85		78,026	52,249	116,321		246,596	(194,691)	51,906
	86		81,905	54,518	65,037		201,460	(170,090)	31,370
	87		85,890	56,270	66,338		208,498	(175,498)	33,001
	88		89,968	58,114	67,664		215,746	(181,062)	34,683
	89		94,122	60,050	69,018		223,190	(186,785)	36,405
	90 L		97,466	62,062	70,398		229,926	(192,492)	37,434

*Scheduled distributions, interest, or cash dividends or amounts taken to meet the IRS minimum distribution requirements.

Note: Earned Income is reduced by qualified retirement account contributions in calculating the effect of income taxes. Pension, Social Security, and Other Income cash flow items are net of income taxes. The tax rate used is the average tax rate entered in the input.

Cash Flow Explanation

Cash flows are sources and uses of money. Primary sources of funds are income from work, Social Security, pensions, savings, insurance proceeds, and other income events. Regular living expenses, education costs, and other planned expenses are the primary use of funds.

The cash flow report pages are designed to be an alternate presentation of the financial information shown elsewhere in this report. The emphasis of the cash flow illustrations are the amounts and types of incomes and levels of expenses that occur during the illustration.

The Cash Flow Summary Graph illustrates four primary financial elements; income, investment, expenses, and cash sources. The different colored bars in the graph represent the level of cash flows that are occurring, and what accounts they are related to. The single solid line represents the annual expense level from now to the end of the illustration. Prior to retirement, bars above the expense level represent investments.

Portions of bars below the expense line represent sources of cash that are being used to pay for planned living expenses and to cover special expenses such as education. During the working years, income from employment is generally the primary source of cash to cover expenses. In retirement, Social Security, pension benefits, and cash withdrawn from investment accounts are the major sources of cash to cover expenses.

In general terms, the best case is to have the cash flow bars always at or above the expense line. This indicates that there is sufficient income, or investment asset sources, to meet living expenses and other planned needs. Gaps between the expense line and cash flow bars indicate calculated shortfalls of cash flow during those years.

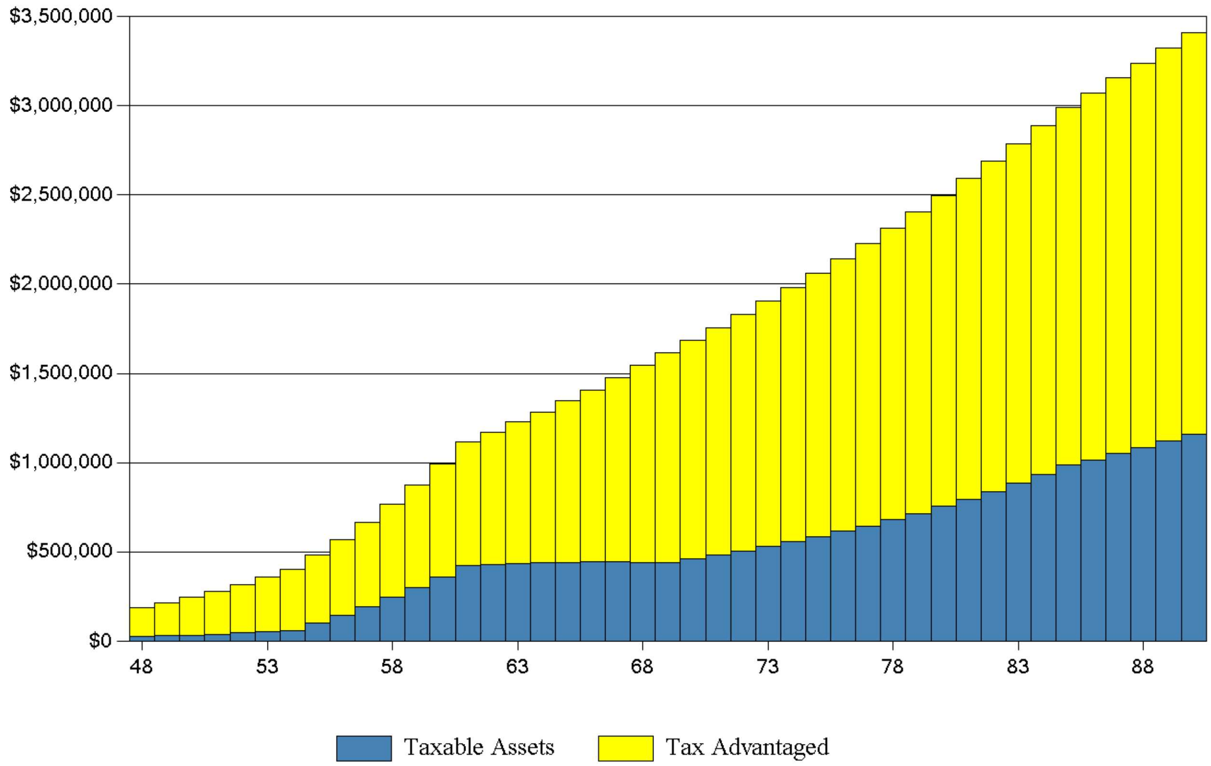
The cash flow numbers page contains the numerical information upon which the graph is based. This page shows the sources and uses of funds. The columns coincide with the bars and lines in the cash flow graph. Red numbers represent a use of cash, black a source.

The red numbers in the Retire/Roth or Investment Accounts columns are additions made to those accounts; these are investments and uses of funds. The black numbers in those columns represent withdrawals from the account; these are sources of funds to meet retirement needs.

All sources (and investment uses) are subtotaled in the Total Sources column. Tax estimates are based on earned income and investment income (adjusted for contributions to qualified retirement accounts) multiplied by the estimated net effective tax rates. The resulting tax estimate is added to inflation adjusted living expenses to create an estimated annual figure.

The combination of Total Sources and Living Expenses & Taxes can create a surplus or shortage. A shortage indicates that expenses exceed incomes and sources. A surplus can indicate that incomes exceed expenses. During retirement, if money is withdrawn at the same level of need, no surplus or shortage will occur.

Total Capital Assets



The Total Capital Assets graph displays taxable assets, combined with the value of the tax advantaged assets over time. The illustration shows assets from current age through life expectancy. Estimated capital growth is based on the rate of return for the assets, plus any annual additions or expenses. When the taxable accounts have been consumed, tax-advantaged accounts may be drawn on for additional funds.

Generally, the IRS requires that by age 70 1/2, minimum distributions must be made from qualified tax-deferred accounts. These annual distributions must be made on a schedule calculated to consume the account balances during the life expectancy. Money distributed from these tax-deferred accounts will first be used to meet current spending needs. Excess funds will be reinvested into taxable accounts.

Retirement Capital Analysis

Ages*		Retirement Spending Needs	Sources of Annual Income ** Social Security Indv. 1	Social Security Indv. 2	Pension Income Indv. 1	Pension Income Indv. 2	Education & Other Inc/Exp***	Net Surplus or (Shortage)	Annual Additions To Assets	**Retirement Capital** $183,000
48	48								4,000	187,000
49	49								16,480	215,975
50	50								16,973	247,384
51	51								17,483	281,407
52	52								18,009	318,236
53	53								18,547	358,073
54	54								19,104	401,141
55	55				33,600			33,600	19,677	482,212
56	56				34,272			34,272	20,267	569,624
57	57				34,957			34,957	20,875	663,806
58	58				35,657			35,657	21,501	765,214
59	59				36,370			36,370	22,147	874,337
60	60				37,097			37,097	22,811	991,695
61	61				37,839			37,839	23,497	1,117,838
62 R	62 R	(90,748)	21,137	14,033	38,596			(16,982)		1,171,207
63	63	(93,470)	21,560	14,314	39,368			(18,229)		1,226,867
64	64	(96,274)	21,991	14,600	40,155			(19,528)		1,284,936
65	65	(99,162)	22,431	14,892	40,958			(20,881)		1,345,535
66	66	(102,136)	22,879	15,190	41,777			(22,290)		1,408,799
67	67	(105,200)	23,337	15,494	42,613			(23,757)		1,474,867
68	68	(108,356)	23,804	15,803	43,465			(25,284)		1,543,888
69	69	(111,606)	24,280	16,120	44,335			(26,872)		1,616,024
70	70	(114,954)	24,765	16,442	45,221			(28,526)		1,684,770
71	71	(118,402)	25,261	16,771	46,126			(30,245)		1,755,706
72	72	(121,954)	25,766	17,106	47,048			(32,034)		1,828,860
73	73	(125,612)	26,281	17,448	47,989			(33,893)		1,904,263
74	74	(129,380)	26,807	17,797	48,949			(35,827)		1,981,936
75	75	(133,261)	27,343	18,153	49,928			(37,837)		2,061,897
76	76	(137,258)	27,890	18,516	50,926			(39,926)		2,144,158
77	77	(141,375)	28,448	18,887	51,945			(42,096)		2,228,773
78	78	(145,616)	29,017	19,264	52,984			(44,351)		2,315,699
79	79	(149,984)	29,597	19,650	54,043			(46,694)		2,404,987
80	80	(154,483)	30,189	20,043	55,124			(49,127)		2,496,634
81	81	(159,117)	30,793	20,443	56,227			(51,654)		2,590,631
82	82	(163,890)	31,408	20,852	57,351			(54,278)		2,686,961
83	83	(168,806)	32,037	21,269	58,498			(57,002)		2,785,597
84	84	(173,870)	32,677	21,695	59,668			(59,830)		2,886,504
85 L	85	(179,086)	33,331	22,129	60,862			(62,765)		2,989,750
	86	(153,709)		33,997	31,039			(88,672)		3,071,808
	87	(158,320)		34,677	31,660			(91,982)		3,154,677
	88	(163,069)		35,371	32,293			(95,405)		3,238,245
	89	(167,961)		36,078	32,939			(98,943)		3,322,387
	90 L	(172,999)		36,800	33,598			(102,601)		3,407,158

*R=Retirement age, L=Life expectancy.** Pensions & 85% of S.S. reduced 20.00% for income taxes. *** Includes life insurance and education costs.
Note: This report is based upon assumed inflation rates of 3.00% and 3.00% (before and after retirement). Actual future inflation rates are unknown.

Taxable Savings & Investment Accounts

Ages 1 & 2		Account Additions	Annual Growth	Income Tax On Account*	From Tax-Advantaged Assets Distri-butions	From Tax-Advantaged Assets Income Tax	Paid out or received for cash flow	**Account Balance** $25,000**
48	48							25,000
49	49	3,090	1,858	(372)				29,576
50	50	3,183	2,182	(436)				34,504
51	51	3,278	2,530	(506)				39,806
52	52	3,377	2,905	(581)				45,506
53	53	3,478	3,307	(661)				51,629
54	54	3,582	3,739	(748)				58,202
55	55	3,690	5,379	(1,076)			33,600	99,794
56	56	3,800	8,318	(1,664)			34,272	144,520
57	57	3,914	11,477	(2,295)			34,957	192,573
58	58	4,032	14,869	(2,974)			35,657	244,156
59	59	4,153	18,509	(3,702)			36,370	299,485
60	60	4,277	22,412	(4,482)			37,097	358,789
61	61	4,406	26,594	(5,319)			37,839	422,308
62 R	62 R		28,967	(5,793)			(16,982)	428,500
63	63		29,357	(5,871)			(18,229)	433,757
64	64		29,680	(5,936)			(19,528)	437,972
65	65		29,927	(5,985)			(20,881)	441,033
66	66		30,092	(6,018)			(22,290)	442,817
67	67		30,166	(6,033)			(23,757)	443,193
68	68		30,139	(6,028)			(25,284)	442,019
69	69		30,001	(6,000)			(26,872)	439,147
70	70		30,621	(6,124)	31,386	(6,277)	(28,526)	460,226
71	71		32,095	(6,419)	33,498	(6,700)	(30,245)	482,455
72	72		33,652	(6,730)	35,748	(7,150)	(32,034)	505,941
73	73		35,298	(7,060)	38,147	(7,629)	(33,893)	530,802
74	74		37,042	(7,408)	40,701	(8,140)	(35,827)	557,169
75	75		38,893	(7,779)	43,423	(8,685)	(37,837)	585,184
76	76		40,862	(8,172)	46,320	(9,264)	(39,926)	615,004
77	77		42,954	(8,591)	49,171	(9,834)	(42,096)	646,607
78	78		45,179	(9,036)	52,439	(10,488)	(44,351)	680,349
79	79		47,548	(9,510)	55,628	(11,126)	(46,694)	716,195
80	80		50,066	(10,013)	58,990	(11,798)	(49,127)	754,312
81	81		52,745	(10,549)	62,529	(12,506)	(51,654)	794,877
82	82		55,597	(11,119)	66,252	(13,250)	(54,278)	838,078
83	83		58,635	(11,727)	70,162	(14,032)	(57,002)	884,113
84	84		61,873	(12,375)	74,263	(14,853)	(59,830)	933,192
85 L	85		65,311	(13,062)	78,026	(15,605)	(62,765)	985,097
	86		68,147	(13,629)	81,905	(16,381)	(88,672)	1,016,466
	87		70,338	(14,068)	85,891	(17,178)	(91,982)	1,049,466
	88		72,643	(14,529)	89,969	(17,994)	(95,405)	1,084,150
	89		75,063	(15,013)	94,122	(18,824)	(98,943)	1,120,554
	90 L		77,577	(15,515)	97,466	(19,493)	(102,601)	1,157,987

* Estimated taxes include tax due on income and on sales of assets. Starting cost basis is estimated at 100.00%.

** This report is based on assumed growth rates of 7.00% and 7.00%, and inflation rates of 3.00% and 3.00% (before and after retirement). Account additions are calculated to increase at 3.00% per year for each individual.

Tax-Deferred Annuities

Ages 1 & 2		Account Additions	Annual Growth	Account Withdrawals	Balance* $30,000	Cumulative Growth	Taxable Withdrawal	Income Tax Due
48	48				30,000			
49	49		1,500		31,500	1,500		
50	50		1,575		33,075	3,075		
51	51		1,654		34,729	4,729		
52	52		1,736		36,465	6,465		
53	53		1,823		38,288	8,288		
54	54		1,914		40,203	10,203		
55	55		2,010		42,213	12,213		
56	56		2,111		44,324	14,324		
57	57		2,216		46,540	16,540		
58	58		2,327		48,867	18,867		
59	59		2,443		51,310	21,310		
60	60		2,566		53,876	23,876		
61	61		2,694		56,569	26,569		
62 R	62 R		2,828		59,398	29,398		
63	63		2,970		62,368	32,368		
64	64		3,118		65,486	35,486		
65	65		3,274		68,760	38,760		
66	66		3,438		72,198	42,198		
67	67		3,610		75,808	45,808		
68	68		3,790		79,599	49,599		
69	69		3,980		83,579	53,579		
70	70		4,179		87,758	57,758		
71	71		4,388		92,146	62,146		
72	72		4,607		96,753	66,753		
73	73		4,838		101,590	71,590		
74	74		5,080		106,670	76,670		
75	75		5,334		112,004	82,004		
76	76		5,600		117,604	87,604		
77	77		5,880		123,484	93,484		
78	78		6,174		129,658	99,658		
79	79		6,483		136,141	106,141		
80	80		6,807		142,948	112,948		
81	81		7,147		150,095	120,095		
82	82		7,505		157,600	127,600		
83	83		7,880		165,480	135,480		
84	84		8,274		173,754	143,754		
85 L	85		8,688		182,442	152,442		
	86		9,122		191,564	161,564		
	87		9,578		201,142	171,142		
	88		10,057		211,199	181,199		
	89		10,560		221,759	191,759		
	90 L		11,088		232,847	202,847		

* This report is based on assumed growth rates of 5.00% and 5.00%, with inflation rates of 3.00% and 3.00% (before and after retirement). Starting Cost basis is 100.00%. Account additions are calculated to increase 3.00% per year.

Tax-Deferred Retirement Accounts

	Individual 1 Accounts					Individual 2 Accounts			
Age	Account Additions	Annual Growth	With-drawals	**Balance*** $100,000	Age	Account Additions	Annual Growth	With-drawals	**Balance*** $14,000
48				100,000	48				14,000
49	9,270	7,325		116,595	49		980		14,980
50	9,548	8,496		134,639	50		1,049		16,029
51	9,835	9,769		154,243	51		1,122		17,151
52	10,130	11,152		175,525	52		1,201		18,352
53	10,433	12,652		198,610	53		1,285		19,637
54	10,746	14,279		223,635	54		1,375		21,012
55	11,069	16,042		250,746	55		1,471		22,483
56	11,401	17,951		280,098	56		1,574		24,057
57	11,743	20,018		311,859	57		1,684		25,741
58	12,095	22,254		346,208	58		1,802		27,543
59	12,458	24,671		383,337	59		1,928		29,471
60	12,832	27,283		423,452	60		2,063		31,534
61	13,217	30,104		466,773	61		2,207		33,741
62 R		32,674		499,447	62 R		2,362		36,103
63		34,961		534,408	63		2,527		38,630
64		37,409		571,817	64		2,704		41,334
65		40,027		611,844	65		2,893		44,227
66		42,829		654,673	66		3,096		47,323
67		45,827		700,500	67		3,313		50,636
68		49,035		749,535	68		3,545		54,181
69		52,468		802,003	69		3,793		57,974
70		55,116	(29,270)	827,849	70		3,984	(2,116)	59,842
71		56,856	(31,240)	853,465	71		4,110	(2,258)	61,694
72		58,576	(33,339)	878,702	72		4,234	(2,410)	63,518
73		60,264	(35,575)	903,391	73		4,356	(2,572)	65,303
74		61,909	(37,958)	927,342	74		4,475	(2,744)	67,034
75		63,497	(40,495)	950,343	75		4,590	(2,927)	68,697
76		65,012	(43,197)	972,158	76		4,700	(3,123)	70,274
77		66,446	(45,857)	992,748	77		4,803	(3,315)	71,762
78		67,781	(48,904)	1,011,625	78		4,900	(3,535)	73,127
79		68,998	(51,878)	1,028,745	79		4,988	(3,750)	74,365
80		70,087	(55,013)	1,043,819	80		5,066	(3,977)	75,455
81		71,026	(58,314)	1,056,531	81		5,134	(4,215)	76,374
82		71,795	(61,785)	1,066,540	82		5,190	(4,466)	77,098
83		72,368	(65,432)	1,073,476	83		5,231	(4,730)	77,599
84		72,719	(69,257)	1,076,939	84		5,257	(5,006)	77,849
85 L		72,839	(72,766)	1,077,012	85		5,265	(5,260)	77,854
			(1,077,012)		86	1,077,012	77,974	(81,905)	1,150,935
					87		77,559	(85,891)	1,142,604
					88		76,833	(89,969)	1,129,469
					89		75,769	(94,122)	1,111,115
					90 L		74,367	(97,466)	1,088,016

* This report is based on assumed growth rates of 7.00% and 7.00%, and inflation rates of 3.00% and 3.00% (before and after retirement). Account deposits are calculated to increase 3.00% and 3.00% per year (Individual 1 and 2). Company contributions to Roth 401k accounts show as account additions to Tax Deferred accounts.

Tax-Free Accounts

Age Indv 1	Age Indv 2	Combined ROTH IRA Accounts: Additions Indv. 1	Additions Indv. 2	Annual Growth	With-drawals	Balance* $4,000	Other Tax Free Assets: Account Additions	Annual Growth	With-drawals	Balance* $10,000
48	48	2,000	2,000			8,000				10,000
49	49	2,060	2,060	704		12,824		500		10,500
50	50	2,121	2,121	1,046		18,112		525		11,025
51	51	2,185	2,185	1,421		23,902		551		11,576
52	52	2,251	2,251	1,831		30,234		579		12,154
53	53	2,318	2,318	2,279		37,148		608		12,761
54	54	2,388	2,388	2,768		44,690		638		13,399
55	55	2,459	2,459	3,300		52,908		670		14,068
56	56	2,533	2,533	3,881		61,854		703		14,771
57	57	2,609	2,609	4,512		71,584		739		15,509
58	58	2,687	2,687	5,199		82,156		775		16,284
59	59	2,768	2,768	5,945		93,636		814		17,098
60	60	2,851	2,851	6,754		106,092		855		17,952
61	61	2,937	2,937	7,632		119,598		898		18,849
62 R	62 R			8,372		127,968		942		19,791
63	63			8,958		136,924		990		20,780
64	64			9,585		146,508		1,039		21,819
65	65			10,256		156,762		1,091		22,909
66	66			10,973		167,734		1,145		24,054
67	67			11,741		179,474		1,203		25,256
68	68			12,563		192,036		1,263		26,518
69	69			13,443		205,478		1,326		27,843
70	70			14,383		219,860		1,392		29,235
71	71			15,390		235,250		1,462		30,696
72	72			16,468		251,716		1,535		32,230
73	73			17,620		269,336		1,612		33,841
74	74			18,854		288,188		1,692		35,533
75	75			20,173		308,360		1,777		37,309
76	76			21,585		329,944		1,865		39,174
77	77			23,096		353,040		1,959		41,132
78	78			24,713		377,752		2,057		43,188
79	79			26,443		404,194		2,159		45,347
80	80			28,294		432,486		2,267		47,614
81	81			30,274		462,760		2,381		49,994
82	82			32,393		495,152		2,500		52,493
83	83			34,661		529,812		2,625		55,117
84	84			37,087		566,898		2,756		57,872
85 L	85			39,683		606,580		2,894		60,765
	86			42,461		649,040		3,038		63,803
	87			45,433		694,472		3,190		66,993
	88			48,613		743,085		3,350		70,342
	89			52,016		795,100		3,517		73,859
	90 L			55,657		850,757		3,693		77,551

* Roth growth rates: 7.00% and 7.00%, Tax-Free: 5.00% and 5.00%, inflation rates: 3.00% and 3.00% (before and after retirement). Account deposits are calculated to increase 3.00% and 3.00% per year (Individual 1 and 2).

Insurance Summary

Company Name		
Insured	Indv 1	Indv 2
Owner	Indv 1	Indv 2
Beneficiary	Indv 2	Indv 1
Type	Term	Term
Death Benefit	$300,000	$100,000
Annual Premium		
Total Premiums Paid		
Current Cash Values		

Insurance Included in Estate:

John and Mary predeceases Mary

	John and Mary	Mary
Policy 1 -	$300,000	$0
Policy 2 -	0	100,000
	$300,000	$100,000

Mary predeceases John and Mary

	Mary	John and Mary
Policy 1 -	$0	$300,000
Policy 2 -	100,000	0
	$100,000	$300,000

Survivor Needs Analysis

In the event of an untimely death, survivors may be left without the household income needed to sustain their existing lifestyle. Life insurance coverage is recommended in an amount that will ensure sufficient ongoing income, as well as cover immediate needs, such as final expenses.

Determining proper levels of life insurance involves a comparison of current and future household expense levels with expected surviving spouse's earnings plus survivor benefits. Other resources are also taken into account such as: liquid assets, investments, pension, and retirement accounts.

Insurance needs estimates are the calculated lump sum amounts which would provide a source of future cash flow to supplement the anticipated household income. The insurance levels suggested are just general guides and may not include all factors affecting your own situation.

Spending needs for this report are based upon $60,000 per year, inflated at 3% each year until retirement and $50,000 per year, inflated at 3% each year during retirement.

Life Insurance Basic Needs Estimate on John and Mary:

Present Value:	Anticipated Spending Needs	$1,369,566	
	Education Expenses	107,200	
	Final Expenses	25,000	
	Other Expenses	0	$1,501,766
	Mary's Employment	($374,228)	
	Social Security Benefits	(454,084)	
	Pension Benefits	(290,910)	
	Other Incomes	(0)	($1,119,222)

Net Estimated Survivor Need Shortage	$382,543
Currently Existing Liabilities	140,000
Assets Available to Offset Shortage	(183,000)
Current Life Insurance Coverage	(300,000)
Suggested Additional Life Insurance Coverage	**$39,543**

Note: Estimated insurance requirements can vary over time due to changes in asset levels, special expenses, education expenses, estate planning, and spouse's retirement needs. Additional insurance, held outside of an insurance trust, may have estate tax consequences. It may be prudent to purchase an amount of insurance appropriate to prepare for potential higher coverage needs. Consult with your financial advisor about factors that may suggest additional insurance coverage.

Survivor Needs Analysis

In the event of an untimely death, survivors may be left without the household income needed to sustain their existing lifestyle. Life insurance coverage is recommended in an amount that will ensure sufficient ongoing income, as well as cover immediate needs, such as final expenses.

Determining proper levels of life insurance involves a comparison of current and future household expense levels with expected surviving spouse's earnings plus survivor benefits. Other resources are also taken into account such as: liquid assets, investments, pension, and retirement accounts.

Insurance needs estimates are the calculated lump sum amounts which would provide a source of future cash flow to supplement the anticipated household income. The insurance levels suggested are just general guides and may not include all factors affecting your own situation.

Spending needs for this report are based upon $60,000 per year, inflated at 3% each year until retirement and $50,000 per year, inflated at 3% each year during retirement.

Life Insurance Basic Needs Estimate on Mary:

Present Value:	Anticipated Spending Needs	$1,290,215	
	Education Expenses	107,200	
	Final Expenses	25,000	
	Other Expenses	0	$1,422,415
	John and Mary's Employment	($842,013)	
	Social Security Benefits	(336,569)	
	Pension Benefits	(412,459)	
	Other Incomes	(0)	($1,591,041)

Net Estimated Survivor Need Shortage	($168,626)
Currently Existing Liabilities	140,000
Assets Available to Offset Shortage	(183,000)
Current Life Insurance Coverage	(100,000)
Suggested Additional Life Insurance Coverage	**$0**

Note: Estimated insurance requirements can vary over time due to changes in asset levels, special expenses, education expenses, estate planning, and spouse's retirement needs. Additional insurance, held outside of an insurance trust, may have estate tax consequences. It may be prudent to purchase an amount of insurance appropriate to prepare for potential higher coverage needs. Consult with your financial advisor about factors that may suggest additional insurance coverage.

Survivor Needs Calculation for Mary, To Estimate Life Insurance Required on John and Mary

NPV's*	($1,369,566)	($107,200)	($25,000)	$374,228	$454,084	$290,910	($382,543)
Age	After Tax Spending Need	Education Costs	Other Inc/Exp**	After Tax Emp. Income	After Tax SS Benefits	After Tax Pension Inc.	Estimated Inc. Shortage
48	(60,000)		(25,000)	32,000	39,342	13,574	(84)
49	(61,800)			32,960	40,129	13,846	25,134
50	(63,654)			33,949	40,931	14,123	25,349
51	(65,564)			34,967	41,750	14,405	25,559
52	(67,531)			36,016	42,585	14,693	25,764
53	(69,556)			37,097	37,224	14,987	19,751
54	(71,643)	(15,791)		38,210	37,968	15,287	4,030
55	(73,792)	(22,554)		39,356	38,727	15,592	(2,671)
56	(76,006)	(23,908)		40,537	39,502	15,904	(3,971)
57	(78,286)	(25,342)		41,753		16,222	(45,653)
58	(80,635)	(26,863)		43,005		16,547	(47,946)
59	(83,054)	(28,474)		44,295		16,878	(50,355)
60	(85,546)	(30,183)		45,624		17,215	(52,889)
61	(88,112)			46,993		17,560	(23,559)
62	(75,629)				21,137	17,911	(36,582)
63	(77,898)				21,560	18,269	(38,070)
64	(80,235)				21,991	18,634	(39,610)
65	(82,642)				22,431	19,007	(41,205)
66	(85,122)				22,879	19,387	(42,855)
67	(87,675)				23,337	19,775	(44,563)
68	(90,306)				23,804	20,170	(46,332)
69	(93,015)				24,280	20,574	(48,161)
70	(95,805)				24,765	20,985	(50,055)
71	(98,679)				25,261	21,405	(52,014)
72	(101,640)				25,766	21,833	(54,041)
73	(104,689)				26,281	22,270	(56,138)
74	(107,830)				26,807	22,715	(58,308)
75	(111,064)				27,343	23,169	(60,552)
76	(114,396)				27,890	23,633	(62,874)
77	(117,828)				28,448	24,106	(65,275)
78	(121,363)				29,017	24,588	(67,759)
79	(125,004)				29,597	25,079	(70,328)
80	(128,754)				30,189	25,581	(72,984)
81	(132,617)				30,793	26,093	(75,732)
82	(136,595)				31,408	26,614	(78,572)
83	(140,693)				32,037	27,147	(81,510)
84	(144,914)				32,677	27,690	(84,547)
85	(149,261)				33,331	28,243	(87,687)
86	(153,739)				33,997	28,808	(90,933)
87	(158,351)				34,677	29,384	(94,289)
88	(163,102)				35,371	29,972	(97,759)
89	(167,995)				36,078	30,572	(101,345)
90	(173,035)				36,800	31,183	(105,052)

* Net Present Values for this illustration are calculated using an after-tax discount rate of 6% (Education Costs at 6%)

** First year expenses include allowances for final expenses and emergency funds in the amount of $25,000.

Survivor Needs Calculation for John and Mary, To Estimate Life Insurance Required on Mary

NPV's*	($1,290,215)	($107,200)	($25,000)	$842,013	$336,569	$412,459	$168,626
Age	After Tax Spending Need	Education Costs	Other Inc/Exp**	After Tax Emp. Income	After Tax SS Benefits	After Tax Pension Inc.	Estimated Inc. Shortage
48	(60,000)		(25,000)	72,000	25,617		12,617
49	(61,800)			74,160	26,129		38,489
50	(63,654)			76,385	26,652		39,383
51	(65,564)			78,676	27,185		40,298
52	(67,531)			81,037	27,729		41,235
53	(69,556)			83,468	24,243		38,154
54	(71,643)	(15,791)		85,972	24,728		23,266
55	(73,792)	(22,554)		88,551	25,222	33,600	51,027
56	(76,006)	(23,908)		91,207	25,727	34,272	51,292
57	(78,286)	(25,342)		93,944		34,957	25,273
58	(80,635)	(26,863)		96,762		35,657	24,921
59	(83,054)	(28,474)		99,665		36,370	24,507
60	(85,546)	(30,183)		102,655		37,097	24,023
61	(88,112)			105,734		37,839	55,461
62	(75,629)				21,137	38,596	(15,897)
63	(77,898)				21,560	39,368	(16,971)
64	(80,235)				21,991	40,155	(18,089)
65	(82,642)				22,431	40,958	(19,253)
66	(85,122)				22,879	41,777	(20,465)
67	(87,675)				23,337	42,613	(21,725)
68	(90,306)				23,804	43,465	(23,037)
69	(93,015)				24,280	44,335	(24,400)
70	(95,805)				24,765	45,221	(25,819)
71	(98,679)				25,261	46,126	(27,293)
72	(101,640)				25,766	47,048	(28,826)
73	(104,689)				26,281	47,989	(30,419)
74	(107,830)				26,807	48,949	(32,074)
75	(111,064)				27,343	49,928	(33,794)
76	(114,396)				27,890	50,926	(35,580)
77	(117,828)				28,448	51,945	(37,436)
78	(121,363)				29,017	52,984	(39,363)
79	(125,004)				29,597	54,043	(41,364)
80	(128,754)				30,189	55,124	(43,441)
81	(132,617)				30,793	56,227	(45,597)
82	(136,595)				31,408	57,351	(47,836)
83	(140,693)				32,037	58,498	(50,158)
84	(144,914)				32,677	59,668	(52,568)
85	(149,261)				33,331	60,862	(55,069)

* Net Present Values for this illustration are calculated using an after-tax discount rate of 6% (Education Costs at 6%)

** First year expenses include allowances for final expenses and emergency funds in the amount of $25,000.

Disability Income Insurance

Disability due to illness or injury can devastate your financial plans. At a time when you are unable to work for a living, household expenses may actually increase while your income decreases. You could be forced to deplete funds that might have been saved for your retirement years.

Generally, the goal of disability insurance is to replace the after-tax earnings of the insured wage earner and to allow you and your family to maintain your current lifestyle. Based on your current situation, you would need to replace the following income if you were disabled.

John and Mary		**Mary**	
Current Income:	$90,000/Yr.	Current Income:	$40,000/Yr.
Replacement Ratio*:	65%	Replacement Ratio*:	65%
Suggested Need:	$59,000/Yr.	Suggested Need:	$26,000/Yr.

* Current underwriting standards allow only a portion of Current Income to be replaced.

In addition, there are many factors which could affect the amount of the Suggested Need noted above. You should review these items before making your final decision. These factors include:

- Investment Income
- Investment Assets
- Retirement Assets
- Spouse's Salary
- Pension Income
- Other Income
- Changes in Living Expenses
- Inflation
- Funds required for retirement/education or other needs
- Length of Time Until Retirement
- Changes in Taxes
- Social Security Disability Benefits
- Employer Disability Benefits

Note: Consult with your financial advisor about factors that may suggest additional insurance coverage.

Long-Term Care

Long-Term Care Defined

Long-term care is sustained medical or custodial care in a hospital, nursing facility, or equivalent care at home. This care meets the needs of people when, for some reason, they cannot care for themselves. Long-term care insurance provides coverage for costs when the need for care extends beyond a pre-determined period. Benefits start when certain conditions and time frames specified by a long-term care insurance policy are met.

Generally the needs requirements to obtain insurance benefits fall into two categories:

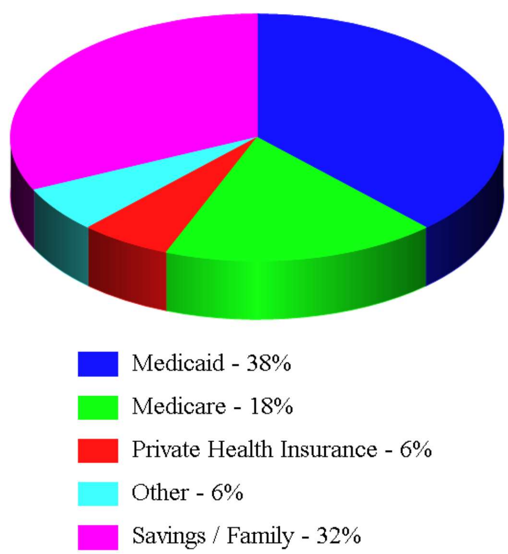
An inability to perform two or more Activities of Daily Living (or ADLs).	Activities of Daily Living (ADLs) are basic functions of daily independent living and includes: Dressing Toileting Bathing Transferring Eating Continence
Impaired Cognitive Ability	Loss of mental function can result from stroke, dementia or Alzheimer's Disease. Alzheimer's Disease is a disorder that progressively affects one's ability to carry out daily activities.

The Cost of Waiting to Plan

- 40% of all long-term care recipients are under the age of 65.
- Over 45% of seniors who reach age 65 will spend some time in a nursing home.
- Over 70% of seniors who reach age 65 will need some form of home health care in their lifetime.
- One out of every four families provides care to an elderly relative or loved one.
- 25% will stay in a Nursing Facility for more than one full year.
- The average nursing home stay is 2.5 years and the average Alzheimer's stay is 7 years.

Without benefits from long-term care insurance or a comparable plan, the cost of providing these services could devastate your lifetime savings, or a relative's life savings. On average, one year in a nursing home costs in the area of $57,000 and can easily exceed $100,000.

Depending on the care required, most of these expenses are paid for by the patient or their family. Medicare may contribute toward the first 100 days expenses in a skilled care facility. There are no Medicaid benefits available for intermediate term or custodial care, unless the state finds the patient to be impoverished under local guidelines. Even then, care options would be restricted to care facilities that accept the very limited benefit payments Medicaid offers.



Medicaid and Medicare Facts

- **Medicaid is a welfare program designed as an emergency safety net to pay health care costs of the poor.**
- **Medicare is part of Social Security, and helps pay for the general health care needs of retired persons.**
- **Medicare typically only pays for doctors, hospitals, and short recuperative stays in nursing facilities.**
- **Private health insurance is designed for medical (doctors, hospitals, etc) not long-term care expenses.**
- **Most people end up relying on their own or relatives resources to pay for long-term care expenses.**

Long-Term Care Need Analysis

Long-term care (LTC) requires long-term planning. LTC insurance is available to cover these expenses, protect your assets, your independence, and control the quality of the care you receive. You are able to choose the specified daily benefit level, as well as the types of medical and care services covered.

When is the best time to purchase LTC insurance? Generally, the premiums stay level once the policy is purchased, much like level term insurance. In practice, the earlier you buy a policy, the lower the premium. Since the odds of becoming disabled increase with age, purchasing coverage before the age of 55 is good planning. Consider the premium cost of several coverage levels to determine which is right for your budget.

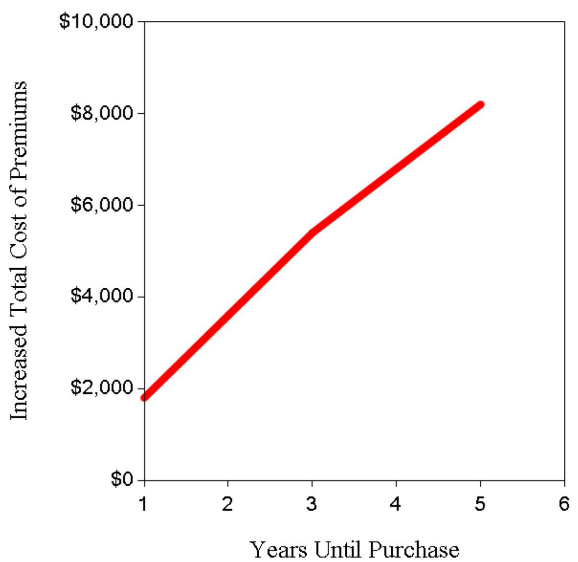
Needs Estimate

These estimated long-term care cost examples are based upon your financial information. Consider the numbers here to be a starting point for analysis and discussion of your long-term care insurance needs.

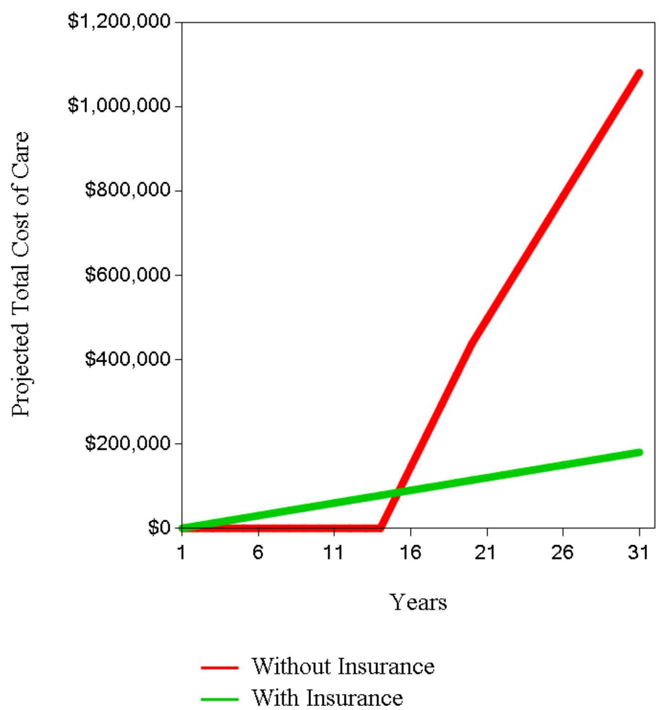
	John and Mary	Mary
Estimated daily care cost	$200	$200
Estimated annual care costs	$73,000	$73,000
Estimated years of care	5	5
Assumed inflation rate	5%	5%

Current financial assets exposed to potential long-term care expense risk : **$183,000**

Cumulative Cost of Waiting to Purchase



Total Cost of Long-Term Care



Depending on your age, a delay in arranging a Long-term care policy can mean substantially higher premiums. This graph illustrates the cost of waiting to purchase a Long-term care policy.

A Long-term care policy can stabilize and moderate the potentially damaging costs of nursing home care. This graph displays potential cost differential and value of having a Long-term insurance plan in place.

Long-Term Care Unprotected Need

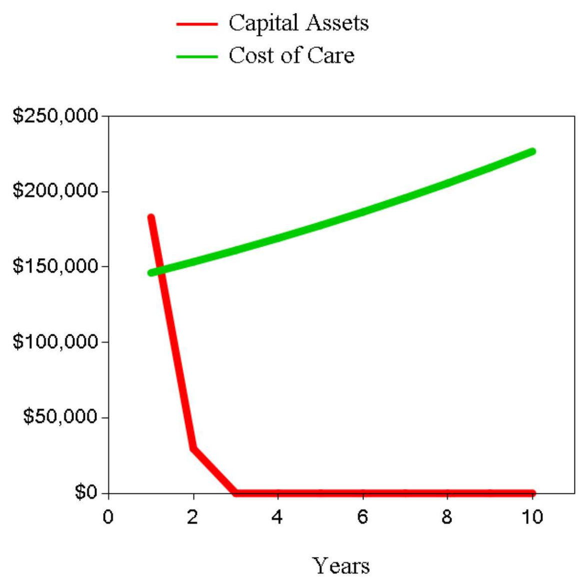
This future long-term care needs chart displays the annual future amount of long-term care needed vs. your assets available. Total Long-Term Care Need is based upon average care requirements. Assets to Liquidate are your non-qualified working assets. Your Unprotected Need is estimated to be $781,738 based upon these estimates:

Long-Term Care Need Calculation

Total Long-Term Care Need:	$806,738
Assets to Liquidate:	$25,000
Unprotected Need:	$781,738

Favorable income tax treatment is available for policies meeting certain requirements. In those cases, premiums, with certain limitations, may be deducted as medical expenses for those who itemize their deductions.

Potential Asset Value Erosion



Alternative Options to Long-Term Care Insurance

Self-Insurance

This alternative to purchasing LTC insurance is using your existing investments to pay for long-term care if needed. This would be appropriate if sufficient assets are available and the potential loss of those assets to heirs is acceptable. Of course this means that you are willing to liquidate your assets, and if you don't have sufficient funds, you transfer the financial burden to your loved ones. While this alternative may be more flexible, the LTC insurance would be more beneficial if the coverage is eventually needed.

Qualify for Medicaid

Medicaid was enacted to provide health care services for the impoverished. Recent legislation has made it extremely difficult for a person of modest means to qualify for Medicaid benefits by gifting or otherwise disposing of personal assets for less than fair market value.

Summary

Be aware that the potential loss of financial assets to pay for long-term care costs is due to increasing life expectancies and advances in medical treatment for the elderly. This presents a risk to your lifetime savings and financial future. LTC insurance is available at varying levels of coverage and corresponding premiums to meet these risks. LTC insurance can allow you to maintain your desired level of independence and preserve personal assets. However, premium costs will be a significant factor in your decision. Consider discussing your LTC insurance needs and options with an insurance specialist who can explain specific policy details. Fully understanding available options can help you find the best choice for you and your family's future.

Estate Planning

While a very complex topic, estate planning is a critical component of any well developed financial plan. To be effective, this planning needs to be carefully coordinated with the other areas of planning such as Insurance, Retirement, Investments, etc. The primary goal of this section is to highlight estate planning concepts, and help illustrate potential benefits of implementing basic estate planning techniques available today.

Estate tax rules changed in 2012. To fairly illustrate concepts and estimated future estate taxes, this report illustrates estate taxes based upon existing estate law as enacted. For 2013 and beyond, the new estate rules set a $5 million unified federal estate and gift tax exemption (adjusted annually for inflation) and a new top estate tax rate of 40%. The updated rules provide continuing portability of unused estate tax exclusions to surviving spouses. Executors must file an estate tax return electing “Deceased Spouse Unused Exclusion Amount” (DSUEA) be used by surviving spouse. Note that estate law is uncertain and may potentially change again sometime in the future.

Estate Tax

Minimizing estate tax exposure is generally a primary goal of most clients. History is full of examples of estates decimated by unnecessary estate taxes and expenses. We will provide you with an analysis of your current situation and illustrate suggestions to minimize your current and future estate tax exposure. Some of the basic planning techniques we will consider are the use of:

Unlimited Marital Deduction
Maximizing use of Applicable Exclusion Amount
Unlimited Charitable Deductions
Annual Gift Exclusion
Revocable Living Trusts
Irrevocable Life Insurance Trusts

Other Financial Goals

Other financial goals to consider in your planning are:

Estate liquidity
Managing probate, administrative and other expenses
Minimizing Income Tax

Non-Financial Goals

The non-financial aspects of estate planning are just as important as the various financial goals described above. They will often be of a very personal nature and should be customized to fit into your overall plan. Generally, this can be accomplished by discussing these goals noted above. We will be able to point out only general concepts in this report. However, some of the non-financial goals for you to consider are:

Caring for dependents or minor children
Distribution of property to heirs
Maintaining control over assets
Lifetime planning issues such as incapacity and health care powers

Summary

Protecting your estate requires careful planning. The diverse skills required to coordinate a plan might require a team approach consisting of your financial planner, attorney, insurance specialist, accountant, and investment advisor. The illustrations provided here are intended as tools to help you and your team make informed decisions. In addition, your situation will most likely change with time. Therefore, you will need to monitor your estate planning situation periodically and make amendments as required.

This report is a hypothetical illustration and does not constitute legal or tax advice. You should always obtain legal counsel and professional tax advice before taking action affecting your estate planning.

Your Current Situation

The recommendations in this report are based on information that you provided. Before reviewing the estate plan or implementing any of the recommendations that follow, please verify the following data and assumptions.

Basic Data

	John and Mary	Mary
Age	48	48
Age at Death for this Illustration	48	48

General Assumptions

Administrative & probate expenses as a percentage of estate assets:	4.00%
Estimated final expenses	$7,500

Existing Estate Planning

Will	No	No
Revocable Living Trust	No	No
Marital Trust Provisions	No	No
Credit Shelter Trust Provisions	No	No
QTIP Trust Provisions	No	No
Generation Skip Trust Provisions	No	No
Irrevocable Life Insurance Trust	No	No
Durable General Power of Attorney	No	No
Durable Health Care Power of Attorney	No	No
Living Will	No	No
Existing percentage of Estate in Living Trust	0%	0%

Previous Gifting Detail

Previous Taxable Gifts	$0	$0
Previous Gift Taxes Paid	$0	$0

Current Estate Summary

- John and Mary's gross estate consists of $504,500 and Mary's consists of $188,500.
- Potential federal estate taxes currently range from $0 to $0.
- Administrative, probate, and final expenses could total from $55,146 to $67,281.
- Additional planning could save up to $48,817 in estate taxes and other costs.

Estate Net Worth Statement

ASSETS			Joint/	
Savings and Investments	**John and Mary**	**Mary**	**Community**	**Total**
Money market accounts/funds			$20,000	$20,000
Municipal bonds and funds			10,000	10,000
Stock mutual funds			5,000	5,000
Annuities	30,000			30,000
	$30,000	$0	$35,000	$65,000
Retirement Accounts				
Qualified Plans - John and Mary	$100,000			$100,000
Roth IRA Assets - John and Mary	2,000			2,000
Roth IRA Assets - Mary		2,000		2,000
IRA Assets - Mary		14,000		14,000
	$102,000	$16,000	$0	$118,000
Other Assets				
Residence			$200,000	$200,000
Personal Property			20,000	20,000
Auto			30,000	30,000
	$0	$0	$250,000	$250,000
TOTAL ASSETS	**$132,000**	**$16,000**	**$285,000**	**$433,000**
LIABILITIES				
Residence Loan			$120,000	$120,000
Credit Card			5,000	5,000
Auto Loans			15,000	15,000
TOTAL LIABILITIES	**$0**	**$0**	**$140,000**	**$140,000**
NET WORTH	**$132,000**	**$16,000**	**$145,000**	**$293,000**
ADJUSTMENTS				
Life insurance in estate	$300,000	$100,000		
Estate share of joint property	72,500	72,500		
ESTATE NET WORTH	**$504,500**	**$188,500**		

Current Situation - Flowchart

John and Mary Predeceases Mary

John and Mary's Estate
$504,500

At John and Mary's Death

The Marital Deduction allows unlimited assets to pass to a spouse without estate taxation.

Proceeds from life insurance on John and Mary would transfer to beneficiaries.

Marital Transfer
$474,020

At Mary's Death

Mary's own assets, plus the assets transferred from John and Mary will be included in Mary's taxable estate.

Proceeds from life insurance on Mary would be subject to estate tax.

Mary's Estate
$662,520

To Beneficiaries*
$625,719

* After total costs and taxes of $67,281

Mary Predeceases John and Mary

Mary's Estate
$188,500

At Mary's Death

The Marital Deduction allows unlimited assets to pass to a spouse without estate taxation.

Proceeds from life insurance on Mary would transfer to beneficiaries.

Marital Transfer
$170,660

At John and Mary's Death

John and Mary's own assets, plus the assets transferred from Mary will be included in John and Mary's taxable estate.

Proceeds from life insurance on John and Mary would be subject to estate tax.

John and Mary's Estate
$675,160

To Beneficiaries*
$637,854

* After total costs and taxes of $55,146

Note: The Taxpayer Relief Act of 2012 provides portability of unused estate tax exclusion amounts between spouses (DSUEA). To utilize DSUEA, executors must file an estate tax return at the time of the first spousal death enumerating DSUEA and electing that the DSUEA be used by the surviving spouse.

Current Situation - Estimate

John and Mary Predeceases Mary

Estate	John and Mary's Death	Mary's Death
Separate property	$30,000	$0
50% of jointly owned & community property	142,500	142,500
Retirement Accounts	102,000	16,000
Life Insurance	300,000	100,000
Debt	(70,000)	(70,000)
Marital Transfer	0	474,020
	$504,500	$662,520
Deductions and Expenses		
Marital Transfer	($474,020)	$0
Administrative, Probate and Final Expenses	(30,480)	(36,801)
	($504,500)	($36,801)
Federal Taxable Estate	$0	$625,719
Federal Estate Tax		
Federal Estate Tax	$0	($202,316)
Applicable Credit Amount	0	202,316
Federal Estate Tax	$0	$0

Mary Predeceases John and Mary

Estate	Mary's Death	John and Mary's Death
Separate property	$0	$30,000
50% of jointly owned & community property	142,500	142,500
Retirement Accounts	16,000	102,000
Life Insurance	100,000	300,000
Debt	(70,000)	(70,000)
Marital Transfer	0	170,660
	$188,500	$675,160
Deductions and Expenses		
Marital Transfer	($170,660)	$0
Administrative, Probate and Final Expenses	(17,840)	(37,306)
	($188,500)	($37,306)
Federal Taxable Estate	$0	$637,854
Federal Estate Tax		
Federal Estate Tax	$0	($206,806)
Applicable Credit Amount	0	206,806
Federal Estate Tax	$0	$0

Note: The Taxpayer Relief Act of 2012 provides portability of unused estate tax exclusion amounts between spouses. To utilize the “Deceased Spouse Unused Exclusion Amount” (DSUEA) executors must file an estate tax return at the time of the first spousal death enumerating DSUEA and electing that the DSUEA be used by the surviving spouse.

Your Alternate Estate Planning Structure

Summary of Alternative Estate Results

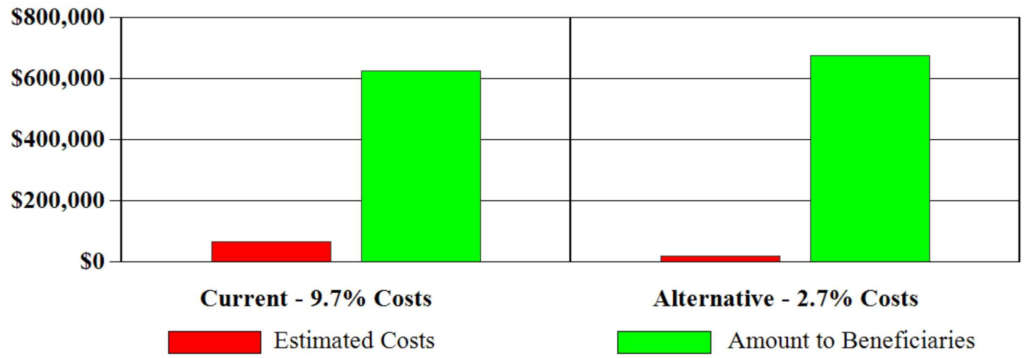
This report reviews and compares the cumulative impact of the suggested estate planning alternatives upon your estate. The Suggested Alternative Flowchart diagram which follows this page illustrates how the improved estate structure reduces the amount of your estate exposed to estate taxes. In your specific case, you may be able to reduce your estate costs and taxes by up to 73%. These savings directly translate into additional assets available for beneficiaries.

Note: In 2012 estate tax rules changed. To fairly illustrate concepts and estimate potential future estate taxes, this report illustrates estate tax rates and rules based on existing estate law as enacted assuming no changes are made to current regulations and laws. Keep in mind that estate tax law is uncertain and may change in the future.

Currently, your combined total estate is estimated to be $693,000. Using estimated estate settlement costs of $67,281, you would pass approximately $625,719 to your beneficiaries.

With proper implementation of suggested alternative estate structures, your current estimated estate settlement costs may be reduced to approximately $18,464. This would allow you to save $48,817 in taxes and expenses, transferring $674,536 to your beneficiaries.

Impact of Planning upon Estate Costs



Alternative Wills and Trusts

By implementing suggested alternative estate strategies, you may significantly increase the assets passing to your beneficiaries at death and reduce your estimated estate settlement costs.

Your current estate documents:

- None

Suggested additional/alternative estate documents:

- A Will for each spouse if necessary
- Revised asset ownership to balance property if necessary
- A Revocable Living Trust for each spouse
- Fund the Revocable Living Trusts
- Marital Trust provisions
- Credit Shelter Trust provisions
- Irrevocable Life Insurance Trusts*
- Durable General Powers of Attorney
- Durable Health Care Powers of Attorney
- Living Wills

* Please note that Irrevocable Life Insurance Trusts may not be needed in all cases. Please consult your attorney.

Alternative Situation - Flowchart

John and Mary Predeceases Mary

John and Mary's Estate
$189,500

At John and Mary's Death

Credit Shelter Trust
$179,924

Life Insurance Trust
$300,000

The Living Trust creates a Credit Shelter Trust with up to $5,250,000. Any remaining assets would be placed in a Marital Trust for Mary's primary financial needs. Mary also has access to the Credit Shelter Trust assets if needed.

Proceeds from life insurance policies on John and Mary owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

Marital Trust/Transfer
$0

At Mary's Death

Mary's Estate
$103,500

Life Insurance Trust
$100,000

Mary's assets, the remaining assets held in the Marital Trust and Credit Shelter Trust would transfer to specified beneficiaries.

Proceeds from life insurance policies on Mary owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

To Beneficiaries*
$674,536

* After total costs and taxes of $18,464

Mary Predeceases John and Mary

Mary's Estate
$103,500

At Mary's Death

Credit Shelter Trust
$94,612

Life Insurance Trust
$100,000

The Living Trust creates a Credit Shelter Trust with up to $5,250,000. Any remaining assets would be placed in a Marital Trust for John and Mary's primary financial needs. John and Mary also has access to the Credit Shelter Trust assets if needed.

Proceeds from life insurance policies on Mary owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

Marital Trust/Transfer
$0

At John and Mary's Death

John and Mary's Estate
$189,500

Life Insurance Trust
$300,000

John and Mary's assets, the remaining assets held in the Marital Trust and Credit Shelter Trust would transfer to specified beneficiaries.

Proceeds from life insurance policies on John and Mary owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

To Beneficiaries*
$674,536

* After total costs and taxes of $18,464

Note: The Taxpayer Relief Act of 2012 provides portability of unused estate tax exclusion amounts between spouses (DSUEA). To utilize DSUEA, executors must file an estate tax return at the time of the first spousal death enumerating DSUEA and electing that the DSUEA be used by the surviving spouse.

Alternative Situation - Estimate

John and Mary Predeceases Mary

Estate	John and Mary's Death	Mary's Death
Separate property (assets balanced)	$157,500	$157,500
Retirement Accounts	102,000	16,000
Life Insurance	0	0
Debt	(70,000)	(70,000)
Marital Transfer	0	0
	$189,500	$103,500
Deductions and Expenses		
Marital Transfer	$0	$0
Administrative, Probate and Final Expenses	(9,576)	(8,888)
	($9,576)	($8,888)
Federal Taxable Estate	$179,924	$94,612
Federal Estate Tax		
Federal Estate Tax	($48,376)	($22,291)
Applicable Credit Amount	48,376	22,291
Federal Estate Tax	$0	$0

Mary Predeceases John and Mary

Estate	Mary's Death	John and Mary's Death
Separate property (assets balanced)	$157,500	$157,500
Retirement Accounts	16,000	102,000
Life Insurance	0	0
Debt	(70,000)	(70,000)
Marital Transfer	0	0
	$103,500	$189,500
Deductions and Expenses		
Marital Transfer	$0	$0
Administrative, Probate and Final Expenses	(8,888)	(9,576)
	($8,888)	($9,576)
Federal Taxable Estate	$94,612	$179,924
Federal Estate Tax		
Federal Estate Tax	($22,291)	($48,376)
Applicable Credit Amount	22,291	48,376
Federal Estate Tax	$0	$0

Note: The Taxpayer Relief Act of 2012 provides portability of unused estate tax exclusion amounts between spouses. To utilize the “Deceased Spouse Unused Exclusion Amount” (DSUEA) executors must file an estate tax return at the time of the first spousal death enumerating DSUEA and electing that the DSUEA be used by the surviving spouse.

Estate Tax Estimate

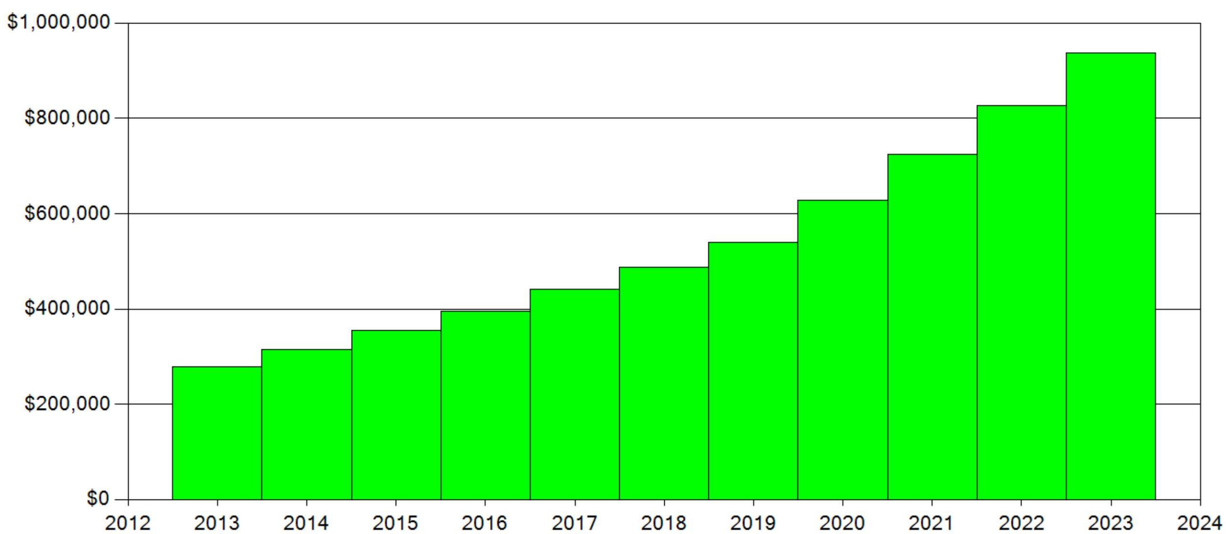
Taxpayer Relief Act of 2012

In 2012 estate tax rules changed. For 2013 and beyond, the new estate tax rules set a $5 million unified federal estate and gift tax exemption that is adjusted annually for inflation, and establishes a new top estate tax rate of 40%. The updated estate rules provide for continuing the portability of any unused estate tax exclusions to surviving spouses. To utilize DSUEA (Deceased Spouse Unused Exclusion Amount) executors must file an estate tax return at the time of the first spousal death enumerating DSUEA and electing that the DSUEA be used by the surviving spouse.

An Estimate of Your Estate Tax Exposure Using Suggested Planning

We have taken information provided about your current estate net worth to estimate your estate tax exposure under the new law over the next several years. We make some general assumptions regarding the growth of assets. Also, as previously suggested in this analysis, we assume that each individual has funded a credit shelter trust utilizing the applicable exclusion amounts available to them (currently $5,250,000 per person in 2013). We also assume that any life insurance benefits are kept out of the taxable estate. The graph below shows your estimated estate tax exposure (red) and your estate remainder after taxes (green) at each year end. Keep in mind estate law is uncertain and may potentially change again sometime in the future.

Estimated Estate Growth vs. Federal Estate Tax



Year End	Retirement Capital	Other Assets	Debts & Expenses	Adjustments *	Estate Tax Base	Exclusion Amounts	Estimated Estate Tax
2013	$187,000	$250,000	($157,936)	$0	$279,064	$10,500,000	$0
2014	215,975	257,500	(158,228)	0	315,247	10,500,000	0
2015	247,384	265,225	(158,541)	0	354,068	10,500,000	0
2016	281,407	273,182	(158,877)	0	395,712	10,500,000	0
2017	318,236	281,377	(159,237)	0	440,376	10,500,000	0
2018	358,073	289,819	(159,623)	0	488,269	10,500,000	0
2019	401,141	298,513	(160,037)	0	539,617	10,500,000	0
2020	482,212	307,468	(160,757)	0	628,923	10,500,000	0
2021	569,624	316,693	(161,531)	0	724,786	10,500,000	0
2022	663,806	326,193	(162,360)	0	827,639	10,500,000	0
2023	765,214	335,979	(163,250)	0	937,943	10,500,000	0

*Adjustments include charitable deductions or previous taxable gifts that have been included in your estate plan analysis.

Education Funding Illustration

John and Mary Sample

Assuming an inflation rate of 6%, the total projected cost of education will be $198,675

If you can invest your education funds at 6%* after taxes you may ...
- Make a single deposit now in the amount of $107,198
- Make level annual payments in the amount of ... $12,063
- Make level monthly payments in the amount of ... $1,005

* This hypothetical rate of return is for illustrative purposes and does not represent a particular investment.

Student Name	Starting Year	Number of Years	Per Year in Today's $	Total Cost at 6% Inf.	Current College Funds Saved	529 Plan	One Time Deposit	Annual Deposits
Janie	2018	4	$15,000	$87,813	$20,000	No	$43,599	$6,624
John	2022	4	15,000	110,862			63,599	7,157
				$198,675	$20,000		$107,198	$13,781 **

The following schedule demonstrates the option of making level annual payments until the last year of education expenses. Any current funds saved will be utilized as educational expenses are incurred.

Annual Breakdown of Educational Funding

Year	Additions to fund	Paid to school from fund	Ending Balance at 6%*
2014	$12,063		$33,986
2015	12,063		48,812
2016	12,063		64,527
2017	12,063		81,185
2018	12,063	20,073	77,566
2019	12,063	21,278	72,451
2020	12,063	22,554	65,677
2021	12,063	23,908	57,062
2022	12,063	25,342	46,410
2023	12,063	26,863	33,506
2024	12,063	28,474	18,120
2025	12,063	30,183	

** Annual deposit total shown may be higher than the level payment amount, but decreases as each student graduates.

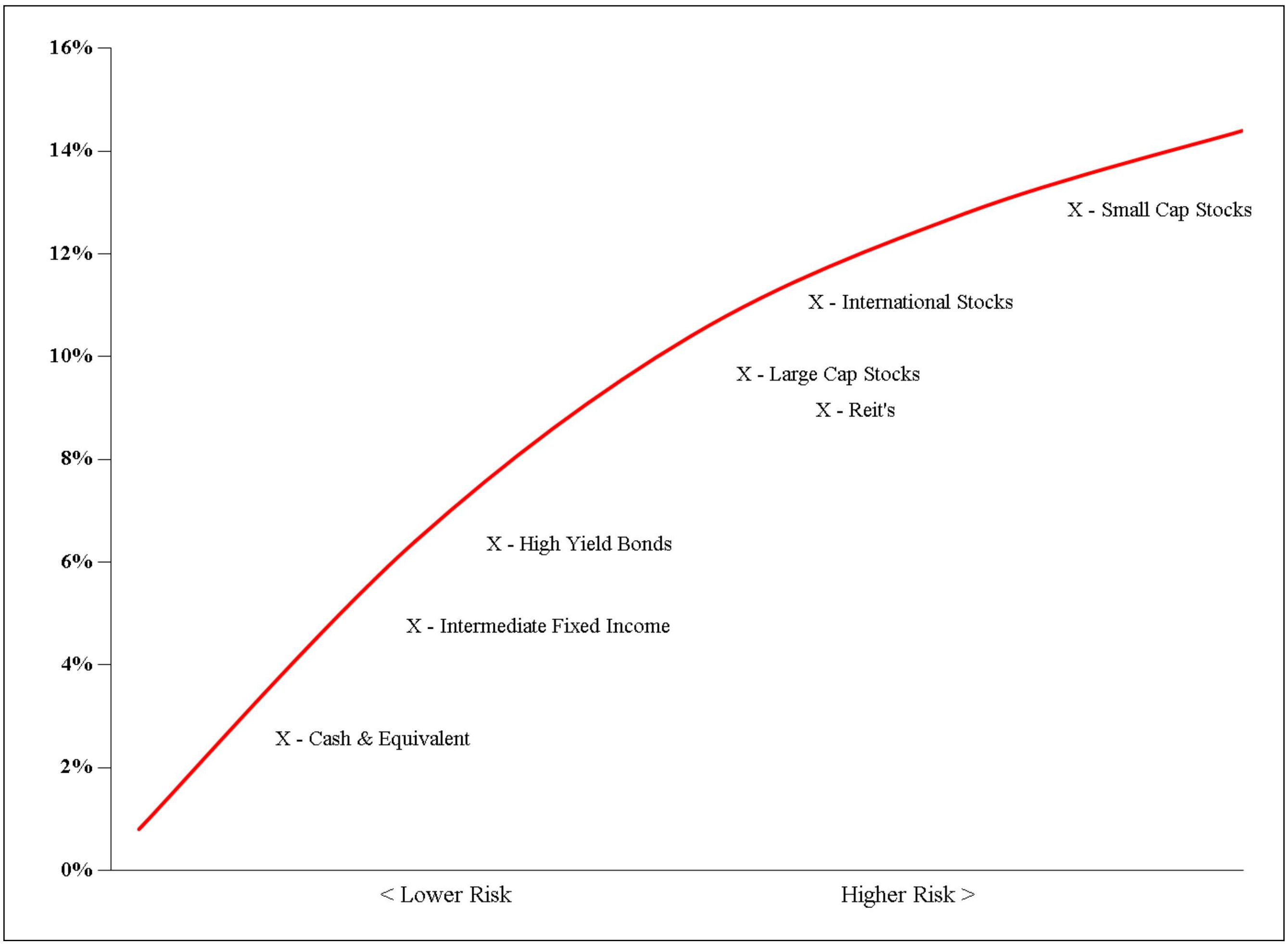
Investment Planning

ASSET ALLOCATION

Asset allocation is an important underlying principal in portfolio design because it helps to manage investment risk while attempting to maximize returns. There are basically three forms of investment risk. Credit Risk is the possibility of loss due to the underlying investment losing all of its value, for example, in a bankrupt company. Market Risk is the inherent volatility in the price and performance of investments in stocks, bonds, commodities, real estate or any other markets. Purchasing Power or Inflation Risk is the risk of an investment's value eroding over time due to an appreciation in the cost of living. Asset allocation is an attempt to utilize historical characteristics of markets to construct a portfolio that reflects the return potential of these markets. It also attempts to diversify some of the volatility risk across several asset classes, thus reducing the risk of any one big loss of principal, or any opportunity missed by not having a position in the appropriate markets.

The identification of an efficient set of portfolios is the first step in portfolio management. This set is represented by the Efficient Frontier, a graph of the lowest possible risk that can be attained for a portfolio's given expected return. The fundamental idea behind the Efficient Frontier is that, for any risk level, investors will be interested only in that portfolio with the highest expected return. This principal was set forth in a mathematical model constructed by Harry Markowitz in 1952, for which he earned a 1990 Nobel Prize for economics. Later studies, presented by Brinson, Hood, Singer Beebower, sought to determine why large pools of capital earn different rates of return. This research led to the conclusion that while only 6% of the returns in a portfolio were due to individual security selection and 2% to market timing, 92% of the returns were due to proper asset allocation.

THE EFFICIENT FRONTIER



This report, and its hypothetical illustrations, are intended to form a basis for further discussion with your legal, accounting, and financial advisors. Actual future investment returns, taxes and inflation are unknown. Do not rely upon this report to predict future investment performance.

Investment Planning

MARKET RISK AND DIVERSIFICATION

Investment markets are unpredictable, particularly in the short-term. Since volatility can be managed and reduced, but never eliminated, investors should be concerned with how their portfolio is constructed to diminish market risk.

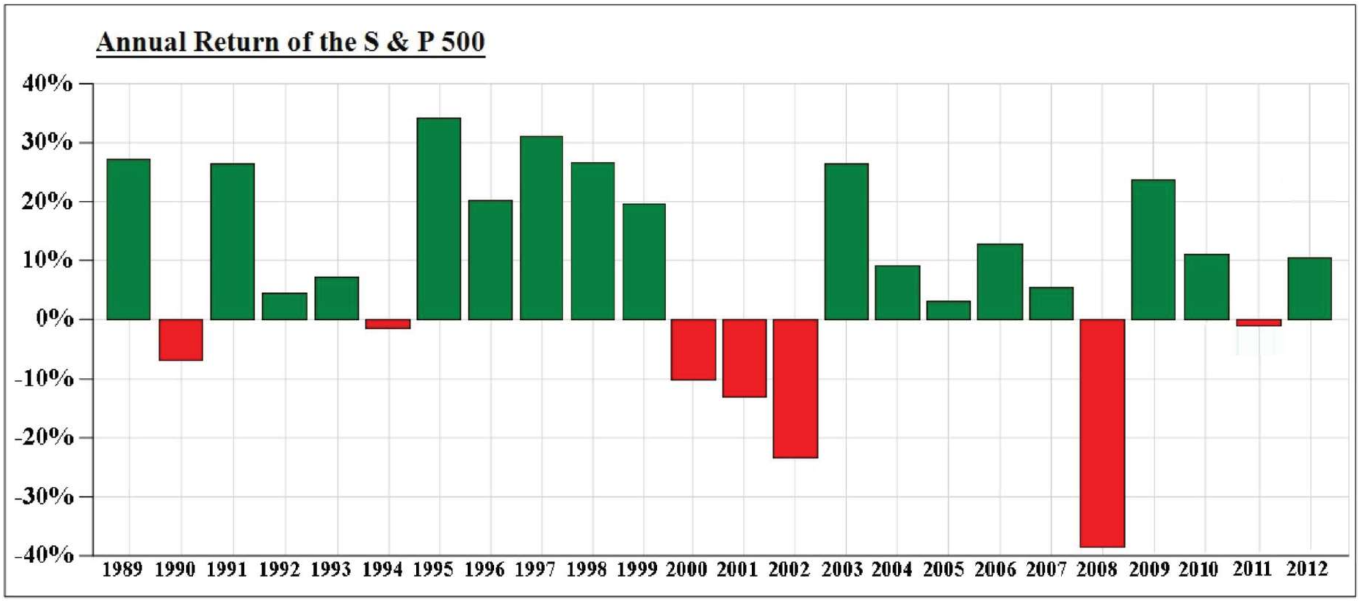
Diversification is an aid in reducing market risk. Diversification may be approached several ways. The first approach is diversification across asset classes. There are distinctions between large, mid, and small cap stocks based on the market capitalization of the companies. There are distinctions between growth stocks, with high price-to-earnings ratios, and value stocks, with price-to-earnings ratios similar or below the market averages. These asset classes may act dissimilarly in the market, each responding to macro-economic factors in its own way. Asset classes that react to market movements differently are said to have little correlation. Therefore, investing in diverse domestic equity asset classes, ones with little correlation between them, may lend stability of the performance of a portfolio.

International equity asset classes also react dissimilarly to market conditions. European markets are more closely tied to economic forces outside of the United States and may behave differently than their American counterparts. Emerging market economies in Latin America, Asia and Eastern Europe, are also subject to distinct economic conditions, and as a result will experience different results in many cases. Including international equity classes in a portfolio may further diversify market risk.

Another approach to diversification may be to invest in different types of assets, such as bonds or real estate. Because these assets do not have the same investment characteristics as equities, the movement of both types of assets within one portfolio should vary diametrically, thus providing stability to overall performance.

A third approach to diversification involves investing in different industries or companies in the equity markets, and different issuers or maturities in the bond markets. This may help to balance fluctuations in a portfolio due to such factors as seasonality or interest rate changes.

It is important to remember that although volatility involves risk, it is also the engine that drives superior investment returns. U.S. Treasury bills are not very volatile, but they offer low investment return. Small cap high growth stocks are very volatile, but offer superior return potential. It is important to discuss how you can best manage volatility with your Financial Advisor, and determine together which approach is best suited to your particular circumstances.



Investment Planning

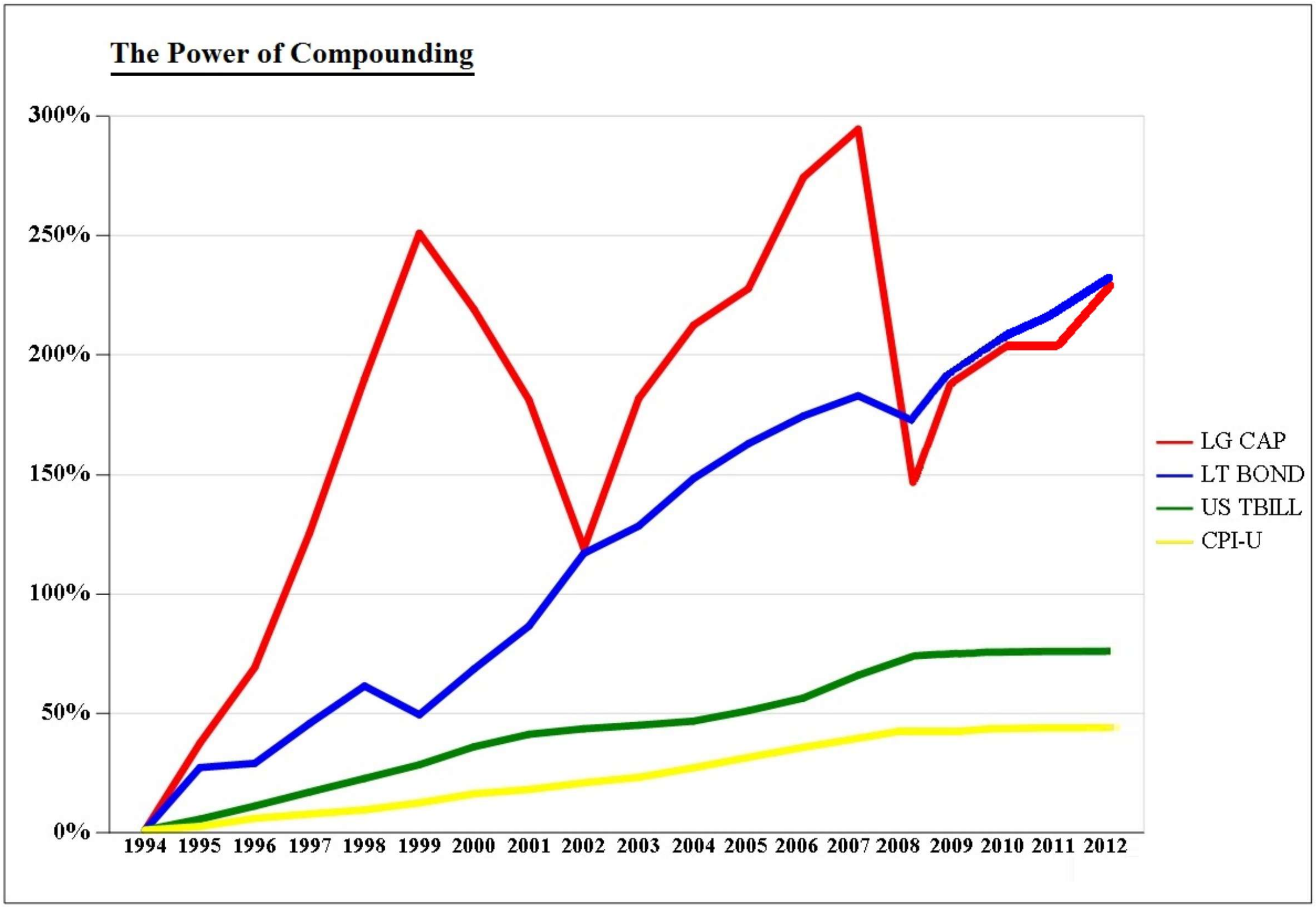
INVESTMENT RETURNS AND THE POWER OF COMPOUNDING

One of the most important elements of achieving superior investment results is to allow the power of compounding to work for you. Given the inherent volatility of the investment markets, returns can vary substantially from year to year. When allowed to build upon themselves over an extended period, returns may become substantial. Often investors become impatient and are unwilling to allow time to work for them. But time, coupled with compounding, is the underlying engine for superior investment return potential.

Compounding is achieved in two basic ways. First, reinvesting dividends and interest payments; more money is put to work in the original investment. This allows new money to work with old money, and over time compounding power accelerates the investment performance. The second method of compounding is dollar cost averaging. This is simply making additional contributions to investments on a regular basis, such as monthly contributions to a 401(k) retirement plan. Because investment markets fluctuate, security prices may be lower than when the first investment dollars were contributed. This allows some of the investment to be purchased at lower prices, thus lowering the average cost of the entire investment. Conversely, when the market creates higher prices, fewer shares are purchased, thus achieving a favorable average cost per share. Of course, such a method cannot guarantee a profit or protect against loss in a declining market.

Asset classes that carry higher levels of risk do not necessarily assure higher returns over time. Generally, relatively volatile asset classes, such as stocks, exhibit higher compound growth potential than do relatively less volatile asset classes such as cash and bonds. Your Financial Advisor can assist you in determining the best method to assure that your portfolio take advantage of the power of compounding.

The chart below shows simple comparison between a few asset classes and their compounding.



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