Personal Financial Plan

For

John and Mary Sample

July 20, 2020

Prepared by

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This presentation provides a general overview of some aspects of your personal financial position. It is designed to provide educational and / or general information and is not intended to provide specific legal, accounting, investment, tax or other professional advice. For specific advice on these aspects of your overall financial plan, consult with your professional advisors. Asset or portfolio earnings and / or returns shown, or used in the presentation, are not intended to predict nor guarantee the actual results of any investment products or particular investment style.

IMPORTANT: The projections or other information generated by Money Tree's Silver regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Additionally, it is important to note that information in this report is based upon financial figures input on the date above; results provided may vary with subsequent uses and over time.

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 wants to retire at age 64 and Mary wants to retire at age 62.
- Monthly after-tax income needed at that time is $4,396 (in today's dollars).
- You will need the income until the last life expectancy of age 90.

Analysis Details:

- Asset Allocation: Type of Investor - Somewhat Aggressive
- Long-term care assets at risk: $781,738
- Net Estimated Life Insurance Needs Shortage for John: $37,000
- Net Estimated Life Insurance Needs Shortage for Mary: None
- John and Mary do not have Wills.
- John and Mary do not have Durable Powers of Attorney.
- John and Mary do not have Living Wills.
- John 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 $732,400 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.

This report, and its hypothetical illustrations, are intended to form a basis for further discussion with your legal, accounting, and financial advisors.
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Assumptions

Client Information:	John	Mary
Birth Date	1/1/1968	1/1/1970
Age	52	50
Retirement Age	64	62
Life Expectancy	85	90
Alternate Life Expectancy		
Life Insurance		
Term Insurance	$300,000	$100,000
Insurance Cash Values		

Asset Allocations:	Current	Suggested
Cash & Reserves	13.11%	5.00%
Income	24.04%	0.00%
Income &	62.84%	15.00%
Growth	0.00%	40.00%
Aggressive	0.00%	40.00%
Other	0.00%	0.00%
Risk Tolerance	Somewhat Aggressive	

Income (Annual)	John	Mary
Earned Income	$90,000	$30,000
Social Security		
Start Age	62	62
Increase Rate	2.25%	2.25%
Pension 1	$12,800	$7,200
Start Age	62	60
Increase Rate (Pre. Ret.)	0.00%	0.00%
Increase Rate (Ret.)	2.00%	2.00%
Pension Survivor %	0%	50%
Pension 2		
Start Age		
Increase Rate (Pre. Ret.)		
Increase Rate (Ret.)		
Pension Survivor %		

Other Expenses (After-Tax)

Item Description	Start Year	Inc. Rate	Number of Years	Amount per Year
European	2022	3.0%	1	($20,000)
Replace Roof	2020	3.0%	1	($8,000)
Redo Kitchen	2018	3.0%	1	($12,000)

Rate Assumptions	Pre-Ret.	Ret.
Taxable Returns	7.00%	6.00%
Tax-Deferred & Roth Returns	7.00%	6.00%
Tax-Free Returns	5.00%	5.00%
Return on Annuities	7.00%	7.00%
Effective Tax Rates	25.00%	20.00%
Cost Basis for Taxable Assets		100.00%
Cost Basis for Annuity Assets		100.00%
Additions Increase Rate: Taxable		3.00%
Additions Incr Rate: Tax-Def	3.00%	3.00%

Expenses (After-Tax)	Pre-Ret.	Ret.
Expenses	$65,000	$52,750
Survivor Expenses	$55,000	$45,000
Inflation Rate	2.50%	3.00%
Survivor Inflation Rate	2.50%	3.00%

Estimated Education Costs

Total Costs at 6% Inflation $198,677

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.

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Net Worth Statement

John and Mary Sample

July 20, 2020

ASSETS

Savings And Investments

Money Market Accounts/Funds	$20,000	
Annuities	30,000	
Municipal Bonds and Funds	10,000	
Stock Mutual Fund / ETF	5,000	
		$65,000

Retirement Accounts

Qualified Plans-John	$100,000	
IRA Assets-Mary	14,000	
Roth Assets-John	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 Mortgage	$120,000	
Credit Card Debt	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.

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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	2020-2031	Inc./Gro.	Taxable (J)	Mutual Funds (Stock)
IRA	14,000			Income	IRA (2)	Stocks
401k	20,000	1,000	2020-2031	Income	Tax-Deferred (1)	Bond Mutual Funds
401k	80,000	8,000	2020-2031	Inc./Gro.	Tax-Deferred (1)	Mutual Funds (Stock)
Annuity	30,000			Inc./Gro.	Annuity (1)	Annuities
Roth IRA	2,000	2,000	2020-2031	Cash	Roth IRA (1)	Money Market
Roth IRA	2,000	2,000	2020-2031	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.

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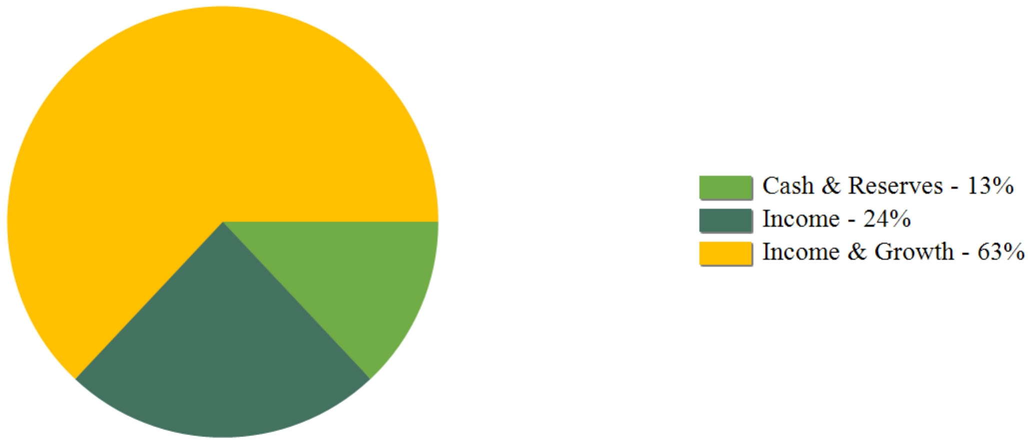
Your Current Asset Allocation

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

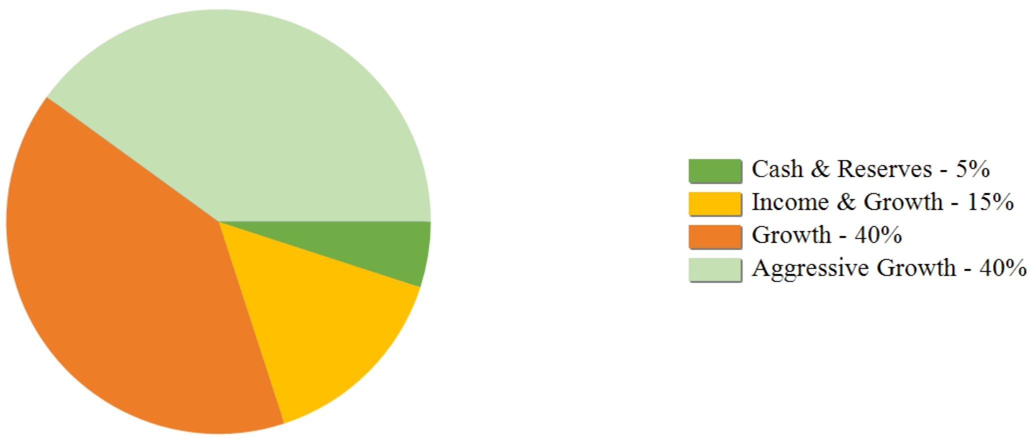
It is important to the success of your planning that your asset allocation is consistent with your goals. You should compare your current allocation to the Suggested Asset Allocation below which may be more appropriate and beneficial to your situation.



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%***	**$9,150 ****	***5%***	**($14,850)**
Income	**44,000**	***24%***	**0**	***0%***	**(44,000)**
Income & Growth	**115,000**	***63%***	**27,450**	***15%***	**(87,550)**
Growth	**0**	***0%***	**73,200**	***40%***	**73,200**
Aggressive Growth	**0**	***0%***	**73,200**	***40%***	**73,200**
Other	**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.

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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	Mary
Age:	52	50
Retirement Age:	64	62
Years until Retirement:	12	12
Years of Retirement:	21	28
Annual Retirement Spending (After-tax):	**$52,750**	*(expressed in today's dollars)*

Additional Objectives Please see the attached Education Funding Illustration.

Other Expenses

European vacation:	($20,000)/year starting 2022, increase rate of 3%, for 1 year.
Replace Roof:	($8,000)/year starting 2020, increase rate of 3%, for 1 year.
Redo Kitchen:	($12,000)/year starting 2018, increase rate of 3%, for 1 year.

Assumptions	*Pre-Retirement*	*Retirement*
Inflation Rate:	2.5%	3.0%
Income Tax Rate (Average):	25.0%	20.0%
Return on Investments (Average):	6.9%	6.1%

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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 Fund / ETF	**5,000**
	$65,000
Retirement Plans	
Qualified Plans-John	**$100,000**
IRA Assets-Mary	**14,000**
Roth Assets-John	**2,000**
Roth Assets-Mary	**2,000**
	$118,000
Total Investment Assets	**$183,000**

See Asset Worksheet for detailed annual savings information.

Social Security	**John**	**Mary**
Illustrated Benefit Start Age	62	62
Starting Benefit (After-tax)	$23,129	$11,601

Pension Plans	**John**	**Mary**
Pension Amount	$9,600*	$5,400*
Pension Starting Age	62	60
Increase Rate Pre-Retirement	0.0%	0.0%
Increase Rate in Retirement	2.0%	2.0%
Survivor Percentage	0%	50%

*Annual amount, after taxes.

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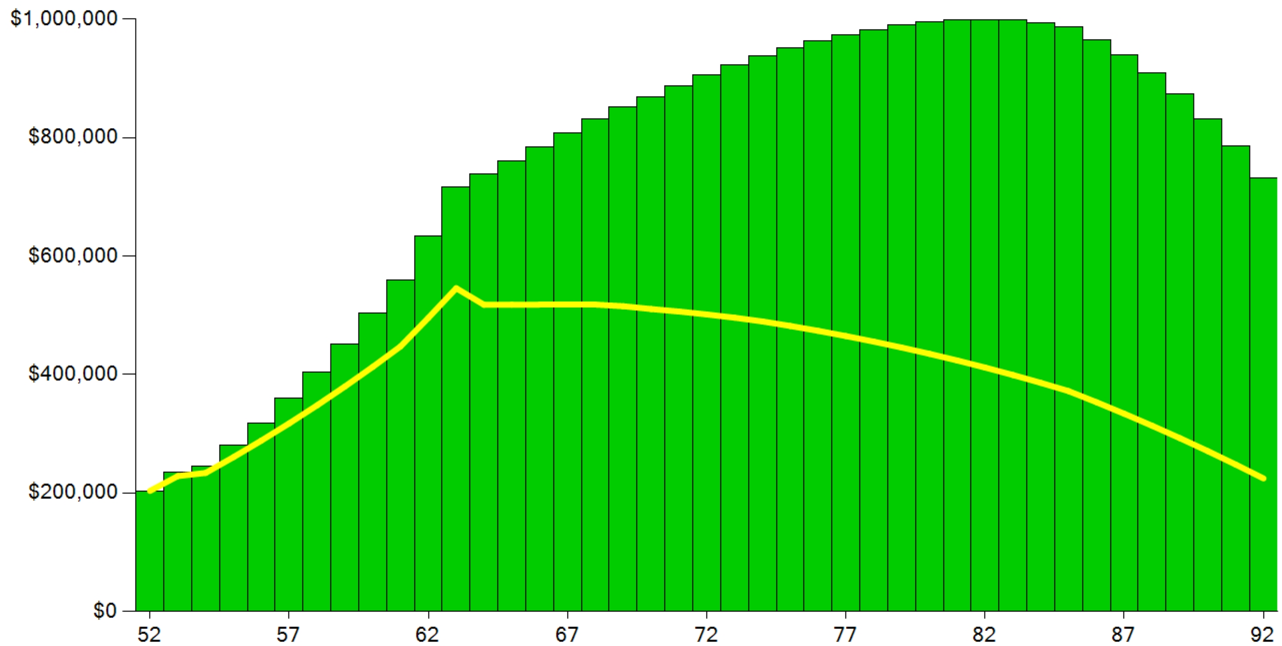
Retirement Summary



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%	6%
Tax Def. RORs:	7%	6%
Tax Free RORs:	5%	5%
Annuity RORs:	7%	7%

Retirement Spending Needs*	$52,750
Survivor Spending Needs*	$45,000
Retirement Age	John - 64
Retirement Age	Mary - 62
Inflation - Current	2.5%
Inflation - Retirement	3%
Tax Rate - Current	25%
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 $732,400 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, and its hypothetical illustrations, are intended to form a basis for further discussion with your legal, accounting, and financial advisors.
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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.

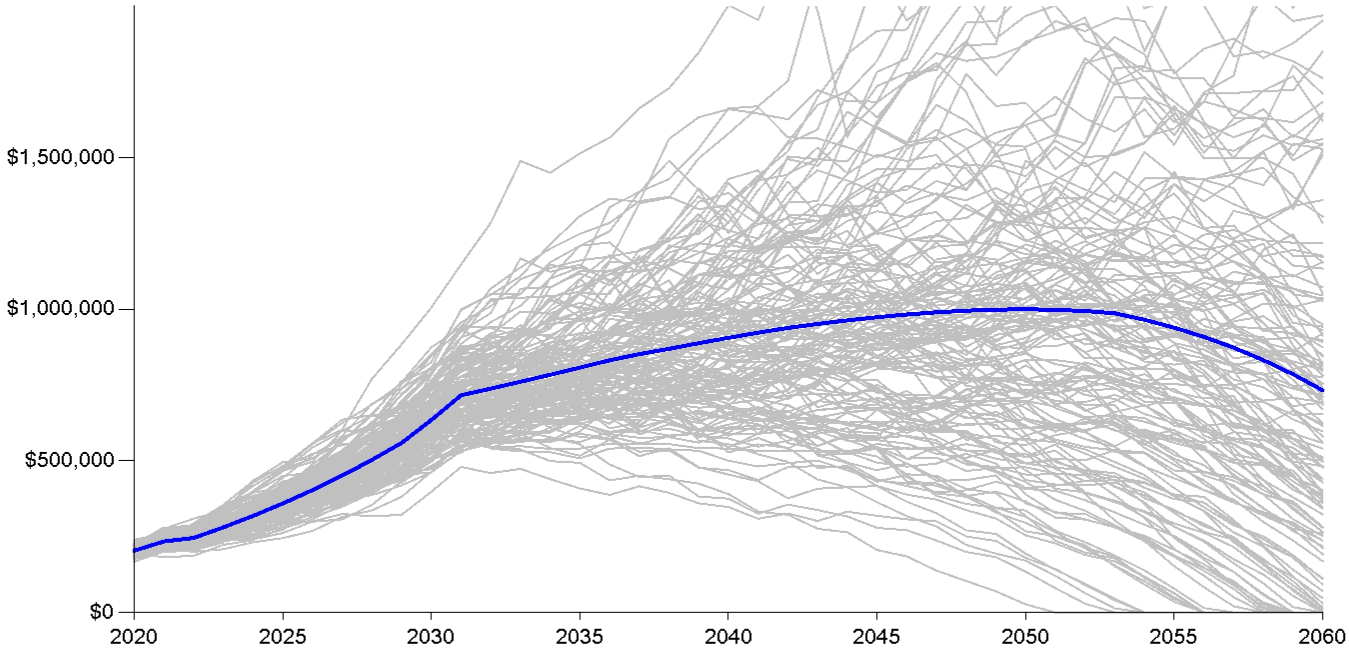
Monte Carlo Simulation Minimum, Average and Maximum Dollar Results

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 Personalized 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.

Success Rate of Your Plan - 85%

This indicates an acceptable risk of attaining your retirement goals. Monitor your plan regularly
Changes in assumptions may have a significant impact on the results of this plan.

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	85%	Retirement Capital Estimate	$732,357
Percent with funds at age 83	> 95%	Minimum (Worst Case) result	$0
Percent with funds at age 73	> 95%	Average Monte Carlo result	$772,538
Percent with funds at age 64	> 95%	Maximum Monte Carlo result	$5,366,184

Life insurance proceeds are not included in the final year balances of these calculations.
Illustration based on random rates of return which average 6.3%, with a std. dev. of 6.3% (95% of values fall between -6.3% and 18.9%).

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Goal Evaluation

Successfully planning for your future may require recognizing that in some situations you may not be able to meet all your hoped for financial goals. Prioritizing different financial goals, and evaluating the impact of those expenses on your long term financial stability, can assist you and your advisor in planning and managing your spending decisions.

This report illustrates how expenses associated with your financial goals may potentially affect the likelihood of sustaining financial stability throughout your life. Monte Carlo simulations based on your current plan, and including the expenses associated with all your planned expenses, show a success rate of 85%. Since you have indicated that not all the planned expenses are essential, additional Monte Carlo simulations have been run to illustrate how your goals may affect the sustainability of your long term financial plans.

To create this illustration, your entire current financial plan has been recalculated a number of times while excluding expenses associated with different priorities of your goals. The illustration starts by including only the highest priority items; your retirement expenses and those other goals you identify as essential. Sequentially, the goals identified as primary, secondary and optional are included. Each case shows the percentage of successful Monte Carlo simulations resulting from the set of goals that are included in the calculations.

Essential expenses only

91%

	Start Year	Inc. Rate	Number of years	Amount per year
Replace Roof	2020	3.00%	1	$8,000

Essential and Primary expenses

90%

	Start Year	Inc. Rate	Number of years	Amount per year
Redo Kitchen	2018	3.00%	1	$12,000

Essential, Primary, and Secondary expenses

85%

	Start Year	Inc. Rate	Number of years	Amount per year
European vacation	2022	3.00%	1	$20,000

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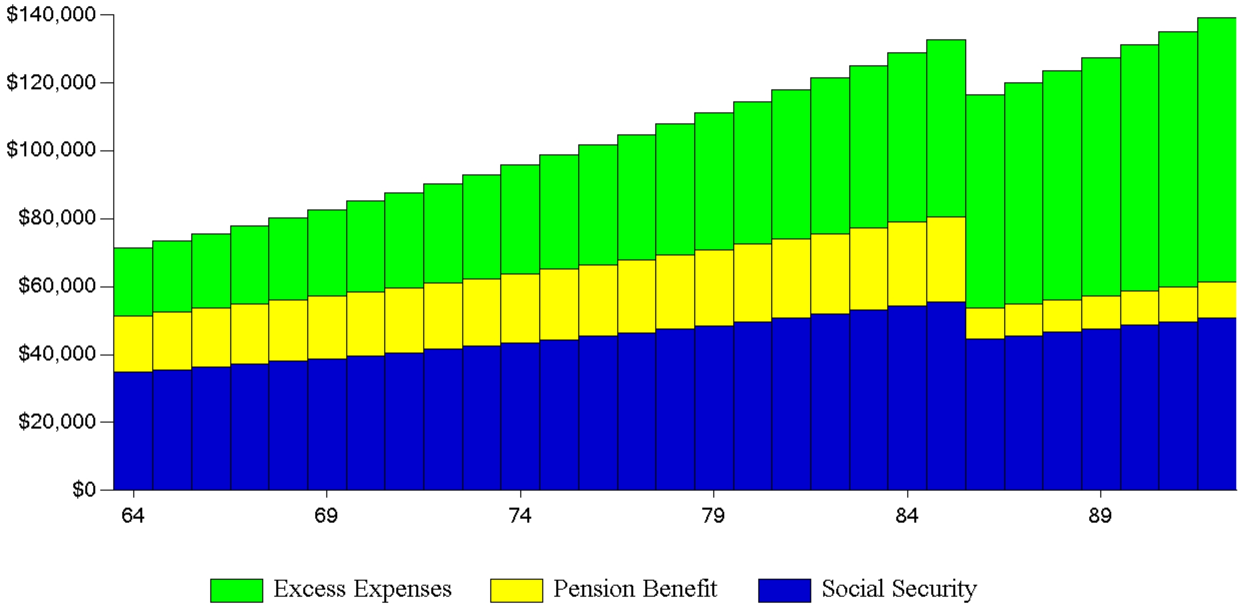
Retirement Expense Forecast



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.

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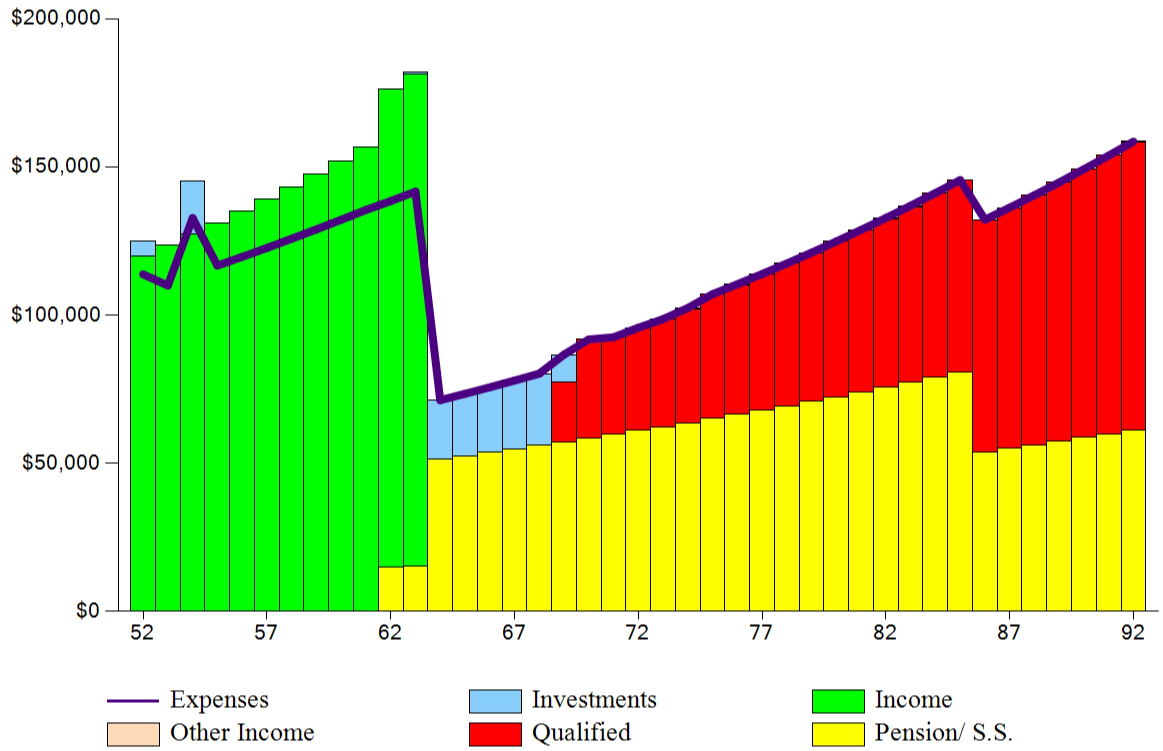
Cash Flow Summary



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

Age		Earned Income	Retire/Roth Accounts	Investment Accounts	Pension/ Soc Sec.	Other Income	Total Sources	Living Exp. & Taxes	**Surplus (Shortage)**
52	50	$120,000	($13,000)	$5,000		($8,000)	$104,000	($92,750)	**$11,250**
53	51	123,600	(13,390)	(1,372)			108,838	(95,207)	**13,631**
54	52	127,308	(13,790)	18,035		(21,218)	110,335	(97,730)	**12,605**
55	53	131,126	(14,205)	(2,178)			114,743	(100,320)	**14,422**
56	54	135,060	(14,632)	(2,045)			118,383	(102,980)	**15,403**
57	55	139,112	(15,069)	(1,899)			122,144	(105,711)	**16,433**
58	56	143,285	(15,522)	(1,736)			126,027	(108,514)	**17,512**
59	57	147,584	(15,987)	(1,558)			130,039	(111,393)	**18,646**
60	58	152,012	(16,467)	(1,362)			134,183	(114,348)	**19,834**
61	59	156,572	(16,961)	(1,147)			138,464	(117,383)	**21,081**
62	60	161,269	(17,469)	(519)	15,000		158,281	(120,499)	**37,782**
63	61	166,108	(17,994)	552	15,300		163,966	(123,698)	**40,269**
64R	62R			19,905	51,376		71,281	(71,281)	
65	63			20,929	52,490		73,419	(73,419)	
66	64			21,992	53,629		75,621	(75,621)	
67	65			23,097	54,792		77,889	(77,889)	
68	66			24,244	55,981		80,225	(80,225)	
69	67		20,052	9,394	57,195		86,641	(86,641)	
70	68		33,340		58,436		91,776	(91,777)	
71	69		32,809		59,704		92,513	(92,513)	
72	70		34,730		61,000		95,730	(95,731)	
73	71		36,304		62,323		98,627	(98,629)	
74	72		38,699		63,676		102,375	(102,375)	
75	73		42,003		65,058		107,061	(107,061)	
76	74		43,937		66,470		110,407	(110,407)	
77	75		45,943		67,913		113,856	(113,856)	
78	76		48,026		69,387		117,413	(117,413)	
79	77		50,185		70,893		121,078	(121,079)	
80	78		52,425		72,432		124,857	(124,858)	
81	79		54,748		74,005		128,753	(128,753)	
82	80		57,157		75,612		132,769	(132,769)	
83	81		59,655		77,254		136,909	(136,909)	
84	82		62,244		78,931		141,175	(141,175)	
85L	83		64,928		80,645		145,573	(145,573)	
	84		78,453		53,738		132,191	(132,191)	
	85		81,340		54,924		136,264	(136,264)	
	86		84,323		56,136		140,459	(140,459)	
	87		87,408		57,375		144,783	(144,783)	
	88		90,599		58,641		149,240	(149,240)	
	89		93,897		59,936		153,833	(153,833)	
	90L		97,307		61,259		158,566	(158,566)	

Retire/Roth and Investment Accounts include additions, investment earnings, and distributions for RMDs or spending requirements. Pension, Social Security, and Other Income amounts are net of tax. Living Exp. and Taxes include tax on earned income and retirement account distributions. Tax rates of 25% and 20% (before and after retirement) are used to estimate taxes.

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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.

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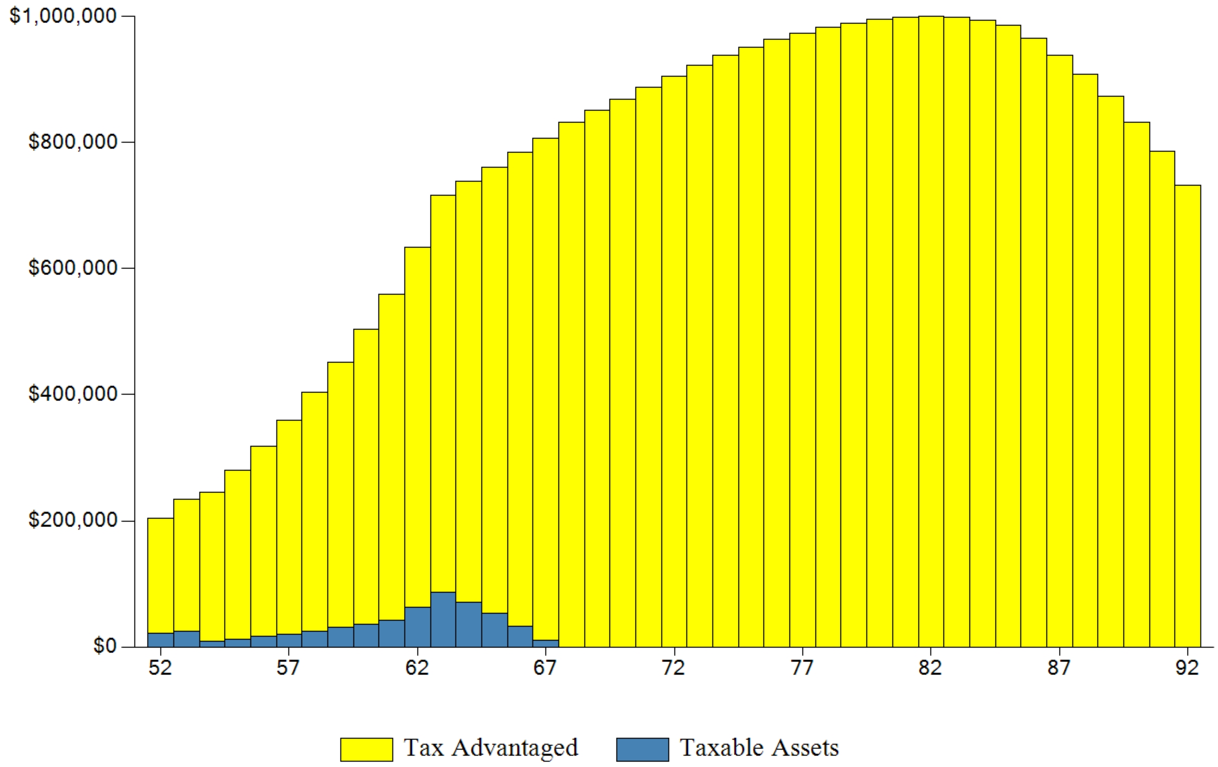
Total Capital Assets



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 72, 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.

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Retirement Capital Analysis

Age		Spending Needs	John Soc. Sec.	Mary Soc. Sec.	John Pension	Mary Pension	Other Inc. (Expense)	Surplus (Shortage)	Additions to Assets	**Retirement Capital $183,000**
52	50						($8,000)	($8,000)	$16,000	**$203,496**
53	51								16,480	**234,188**
54	52						(21,218)	(21,218)	16,973	**245,676**
55	53								17,483	**280,562**
56	54								18,009	**318,355**
57	55								18,547	**359,265**
58	56								19,104	**403,524**
59	57								19,677	**451,379**
60	58								20,267	**503,087**
61	59								20,875	**558,934**
62	60				9,600	5,400		15,000	21,501	**634,610**
63	61				9,792	5,508		15,300	22,147	**716,162**
64R	62R	(71,281)	23,129	11,601	10,654	5,993		(19,905)		**738,199**
65	63	(73,419)	23,649	11,862	10,867	6,113		(20,929)		**760,744**
66	64	(75,621)	24,181	12,129	11,084	6,235		(21,992)		**783,810**
67	65	(77,889)	24,725	12,402	11,306	6,360		(23,097)		**807,412**
68	66	(80,225)	25,282	12,681	11,532	6,487		(24,244)		**831,555**
69	67	(82,631)	25,850	12,966	11,763	6,616		(25,436)		**851,921**
70	68	(85,109)	26,432	13,258	11,998	6,749		(26,673)		**869,334**
71	69	(87,662)	27,027	13,556	12,238	6,884		(27,958)		**888,054**
72	70	(90,291)	27,635	13,861	12,483	7,021		(29,291)		**905,733**
73	71	(92,999)	28,257	14,173	12,732	7,162		(30,676)		**922,777**
74	72	(95,788)	28,892	14,492	12,987	7,305		(32,112)		**938,310**
75	73	(98,661)	29,543	14,818	13,247	7,451		(33,603)		**951,345**
76	74	(101,620)	30,207	15,151	13,511	7,600		(35,150)		**963,168**
77	75	(104,668)	30,887	15,492	13,782	7,752		(36,755)		**973,636**
78	76	(107,808)	31,582	15,841	14,057	7,907		(38,421)		**982,587**
79	77	(111,042)	32,292	16,197	14,338	8,065		(40,149)		**989,849**
80	78	(114,373)	33,019	16,562	14,625	8,227		(41,941)		**995,241**
81	79	(117,804)	33,762	16,934	14,918	8,391		(43,799)		**998,563**
82	80	(121,338)	34,522	17,315	15,216	8,559		(45,726)		**999,603**
83	81	(124,978)	35,298	17,705	15,520	8,730		(47,724)		**998,133**
84	82	(128,727)	36,093	18,103	15,831	8,905		(49,796)		**993,908**
85L	83	(132,588)	36,905	18,510	16,147	9,083		(51,943)		**986,666**
	84	(116,501)		44,473		9,265		(62,763)		**965,058**
	85	(119,996)		45,474		9,450		(65,072)		**939,180**
	86	(123,595)		46,497		9,639		(67,459)		**908,677**
	87	(127,302)		47,543		9,832		(69,927)		**873,166**
	88	(131,121)		48,613		10,028		(72,480)		**832,238**
	89	(135,054)		49,707		10,229		(75,118)		**785,457**
	90L	(139,105)		50,825		10,433		(77,846)		**732,357**

Pension and Soc. Sec. amounts are net of tax. 85% of Soc. Sec. is assumed taxable. A tax rate of 20% (after retirement) is used to estimate taxes. This report is based upon assumed inflation rates of 2.5% and 3% (before and after retirement).

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Taxable Savings & Investment Accounts

Age		Additions	Growth	Tax on Growth	From Tax-Advantaged Distributions	Tax on Dist.	Cash Flow Paid In (Out)	**Balance $25,000**
52	50	$3,000	$1,575	($394)			($8,000)	**$21,181**
53	51	3,090	1,591	(398)				**25,463**
54	52	3,183	1,151	(288)			(21,218)	**8,290**
55	53	3,278	695	(174)				**12,089**
56	54	3,377	964	(241)				**16,188**
57	55	3,478	1,255	(314)				**20,606**
58	56	3,582	1,568	(392)				**25,363**
59	57	3,690	1,905	(476)				**30,481**
60	58	3,800	2,267	(567)				**35,981**
61	59	3,914	2,656	(664)				**41,887**
62	60	4,032	3,598	(900)			15,000	**63,616**
63	61	4,153	5,134	(1,284)			15,300	**86,918**
64R	62R		4,618	(924)			(19,905)	**70,706**
65	63		3,615	(723)			(20,929)	**52,668**
66	64		2,500	(500)			(21,992)	**32,676**
67	65		1,268	(254)			(23,097)	**10,592**
68	66		310	(62)	13,404		(24,244)	
69	67				29,446	(4,011)	(25,436)	
70	68				33,341	(6,668)	(26,673)	
71	69				32,809	(4,851)	(27,958)	
72	70				34,731	(5,440)	(29,291)	
73	71				36,306	(5,630)	(30,676)	
74	72				38,700	(6,588)	(32,112)	
75	73				42,004	(8,401)	(33,603)	
76	74				43,937	(8,787)	(35,150)	
77	75				45,944	(9,189)	(36,755)	
78	76				48,026	(9,605)	(38,421)	
79	77				50,186	(10,037)	(40,149)	
80	78				52,426	(10,485)	(41,941)	
81	79				54,749	(10,950)	(43,799)	
82	80				57,158	(11,432)	(45,726)	
83	81				59,655	(11,931)	(47,724)	
84	82				62,245	(12,449)	(49,796)	
85L	83				64,928	(12,986)	(51,943)	
	84				78,454	(15,691)	(62,763)	
	85				81,340	(16,268)	(65,072)	
	86				84,324	(16,865)	(67,459)	
	87				87,409	(17,482)	(69,927)	
	88				90,600	(18,120)	(72,480)	
	89				93,898	(18,780)	(75,118)	
	90L				97,308	(19,462)	(77,846)	

This report is based on assumed growth rates of 7% and 6%, with inflation rates of 2.5% and 3% (before and after retirement). Additions increase at 3% per year. Tax rates of 25% and 20% (before and after retirement) are used to estimate taxes. Starting cost basis is 100%.

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Tax-Deferred Annuities

Age		Additions	Growth	Distributions	**Balance $30,000**	Cumulative Growth	Taxable Distribution	Tax on Distribution
52	50		$2,100		**$32,100**	$2,100		
53	51		2,247		**34,347**	4,347		
54	52		2,404		**36,751**	6,751		
55	53		2,573		**39,324**	9,324		
56	54		2,753		**42,077**	12,077		
57	55		2,945		**45,022**	15,022		
58	56		3,152		**48,173**	18,173		
59	57		3,372		**51,546**	21,546		
60	58		3,608		**55,154**	25,154		
61	59		3,861		**59,015**	29,015		
62	60		4,131		**63,146**	33,146		
63	61		4,420		**67,566**	37,566		
64R	62R		4,730		**72,295**	42,295		
65	63		5,061		**77,356**	47,356		
66	64		5,415		**82,771**	52,771		
67	65		5,794		**88,565**	58,565		
68	66		6,200		**94,764**	64,764		
69	67		5,932	(20,053)	**80,643**	70,696	20,053	(4,011)
70	68		4,478	(33,341)	**51,781**	55,122	33,341	(6,668)
71	69		2,476	(32,809)	**21,448**	24,257	24,257	(4,851)
72	70		1,196	(8,727)	**13,917**	1,196	1,196	(239)
73	71		665	(8,821)	**5,761**	665	665	(133)
74	72		195	(5,956)		195	195	(39)
75	73							
76	74							
77	75							
78	76							
79	77							
80	78							
81	79							
82	80							
83	81							
84	82							
85L	83							
	84							
	85							
	86							
	87							
	88							
	89							
	90L							

This report is based on assumed growth rates of 7% and 7%, with inflation rates of 2.5% and 3% (before and after retirement). Additions increase 3% a year. Tax rates of 25% and 20% (before and after retirement) are used to estimate taxes. Starting cost basis is 100%.

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Tax-Deferred Retirement Accounts

	John					Mary			
Age	Additions	Growth	Distributions	Balance $100,000	Age	Additions	Growth	Distributions	Balance $14,000
52	$9,000	$7,315		**$116,315**	50		$980		**$14,980**
53	9,270	8,467		**134,052**	51		1,049		**16,029**
54	9,548	9,718		**153,318**	52		1,122		**17,151**
55	9,835	11,076		**174,229**	53		1,201		**18,352**
56	10,130	12,551		**196,910**	54		1,285		**19,637**
57	10,433	14,149		**221,492**	55		1,375		**21,012**
58	10,746	15,881		**248,119**	56		1,471		**22,483**
59	11,069	17,756		**276,944**	57		1,574		**24,057**
60	11,401	19,785		**308,130**	58		1,684		**25,741**
61	11,743	21,980		**341,853**	59		1,802		**27,543**
62	12,095	24,353		**378,301**	60		1,928		**29,471**
63	12,458	26,917		**417,676**	61		2,063		**31,534**
64R		25,061		**442,737**	62R		1,892		**33,426**
65		26,564		**469,301**	63		2,006		**35,432**
66		28,158		**497,459**	64		2,126		**37,558**
67		29,848		**527,307**	65		2,253		**39,811**
68		31,638		**558,945**	66		2,389		**42,200**
69		33,537		**592,482**	67		2,532		**44,732**
70		35,549		**628,031**	68		2,684		**47,416**
71		37,682		**665,713**	69		2,845		**50,261**
72		39,163	(26,004)	**678,871**	70		3,016		**53,277**
73		39,908	(27,485)	**691,294**	71		3,197		**56,474**
74		40,562	(30,537)	**701,318**	72		3,322	(2,206)	**57,590**
75		40,889	(39,672)	**702,535**	73		3,385	(2,332)	**58,644**
76		40,908	(41,473)	**701,969**	74		3,445	(2,464)	**59,625**
77		40,818	(43,340)	**699,447**	75		3,499	(2,604)	**60,521**
78		40,609	(45,275)	**694,780**	76		3,549	(2,751)	**61,319**
79		40,268	(47,294)	**687,754**	77		3,592	(2,892)	**62,019**
80		39,784	(49,371)	**678,168**	78		3,629	(3,055)	**62,593**
81		39,144	(51,539)	**665,773**	79		3,659	(3,210)	**63,042**
82		38,333	(53,786)	**650,319**	80		3,681	(3,371)	**63,352**
83		37,336	(56,116)	**631,539**	81		3,695	(3,539)	**63,508**
84		36,136	(58,531)	**609,145**	82		3,699	(3,714)	**63,493**
85L		34,718	(61,033)	**582,830**	83		3,693	(3,895)	**63,290**
			(582,830)		84	582,830	36,414	(78,454)	**604,080**
					85		33,805	(81,340)	**556,544**
					86		30,863	(84,324)	**503,083**
					87		27,563	(87,409)	**443,237**
					88		23,876	(90,600)	**376,514**
					89		19,774	(93,898)	**302,390**
					90L		15,224	(97,308)	**220,306**

This report is based on assumed growth rates of 7% and 6%, with inflation rates of 2.5% and 3% (before and after retirement). Additions increase 3% and 3% per year (John and Mary).

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Tax-Free Accounts

Age		John Additions (Combined Roth IRA)	Mary Additions (Combined Roth IRA)	Growth (Combined Roth IRA)	Distrib. (Combined Roth IRA)	**Balance $4,000**	Additions (Other Tax-Free)	Growth (Other Tax-Free)	Distrib. (Other Tax-Free)	**Balance $10,000**
52	50	$2,000	$2,000	$420		**$8,420**		$500		**$10,500**
53	51	2,060	2,060	734		**13,272**		525		**11,025**
54	52	2,121	2,121	1,078		**18,590**		551		**11,576**
55	53	2,185	2,185	1,454		**24,414**		579		**12,154**
56	54	2,251	2,251	1,867		**30,782**		608		**12,761**
57	55	2,318	2,318	2,317		**37,734**		638		**13,399**
58	56	2,388	2,388	2,809		**45,318**		670		**14,068**
59	57	2,459	2,459	3,344		**53,580**		703		**14,771**
60	58	2,533	2,533	3,928		**62,572**		739		**15,509**
61	59	2,609	2,609	4,563		**72,352**		775		**16,284**
62	60	2,687	2,687	5,253		**82,978**		814		**17,098**
63	61	2,768	2,768	6,002		**94,516**		855		**17,952**
64R	62R			5,671		**100,186**		898		**18,849**
65	63			6,011		**106,196**		942		**19,791**
66	64			6,372		**112,566**		990		**20,780**
67	65			6,754		**119,318**		1,039		**21,819**
68	66			7,159		**126,476**		756	(13,404)	**9,170**
69	67			7,589		**134,064**		224	(9,394)	
70	68			8,044		**142,106**				
71	69			8,526		**150,632**				
72	70			9,038		**159,668**				
73	71			9,580		**169,248**				
74	72			10,155		**179,402**				
75	73			10,764		**190,166**				
76	74			11,410		**201,574**				
77	75			12,094		**213,668**				
78	76			12,820		**226,488**				
79	77			13,589		**240,076**				
80	78			14,405		**254,480**				
81	79			15,269		**269,748**				
82	80			16,185		**285,932**				
83	81			17,156		**303,086**				
84	82			18,185		**321,270**				
85L	83			19,276		**340,546**				
	84			20,433		**360,978**				
	85			21,659		**382,636**				
	86			22,958		**405,594**				
	87			24,336		**429,929**				
	88			25,796		**455,724**				
	89			27,343		**483,067**				
	90L			28,984		**512,051**				

This report is based on assumed growth rates of 7% and 6% on Roth IRAs and 5% and 5% on Tax-Free Accounts, with inflation rates of 2.5% and 3% (before and after retirement). Additions increase 3% and 3% on Roth IRAs (John and Mary) and 3% on Tax-Free Accounts per year.

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Social Security Visualizer ™

There are many choices, opportunities, and decisions related to when and how a couple applies for Social Security. Delaying application, or restricting application to only spousal benefits are methods that may initially reduce income, but then increase later benefits, and potentially pay off in the long run.

The choices you make will need to take into account your ability to wait for benefit income, your health, your family history of longevity, and how benefits now and in the future affect other aspects of your financial security. One of the more important aspects of your benefits choices are that all increased benefits are inflation adjusted, and thus present a very valuable annuity hedge against inflation, and increased benefits also increase survivor benefits.

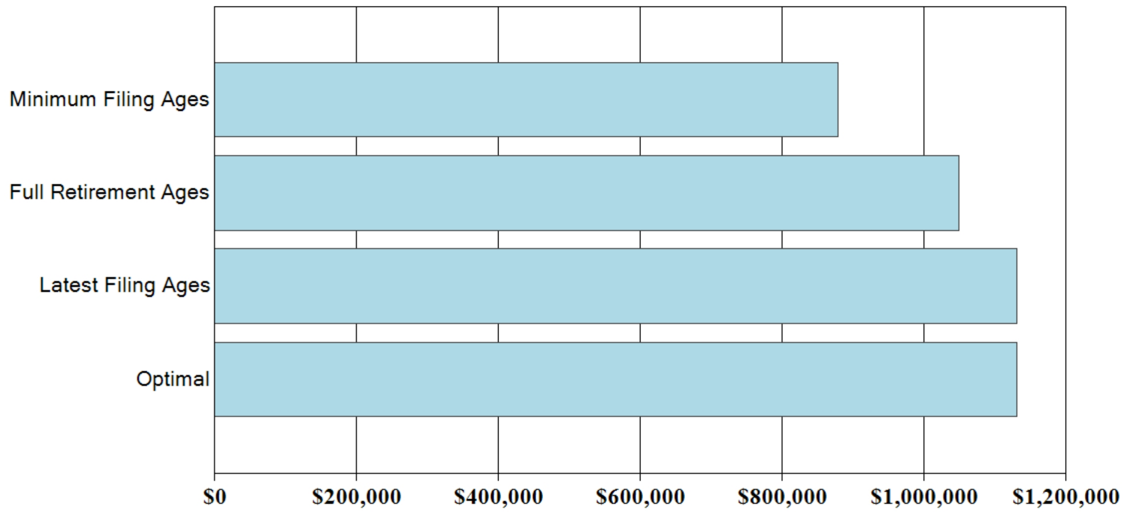
For discussion and comparison purposes, the primary options are illustrated along with their estimated lifetime benefits in today's dollars. For easier comparison, the (loss) or gain compared to filing at full retirement age is also shown. Understanding your options, and discussing them with your advisor, can help you make more informed decisions about your filing options, and how Social Security benefits may fit into your financial future.

		Lifetime Benefits	Difference	Percent
1.)	**Filing at Minimum Ages**	**$878,179**	($170,383)	84%
	62 John files for own benefits at 62.			
	62 Mary files for own benefits at 62.			
2.)	**Filing at Full Retirement Age**	**$1,048,562**	$0	100%
	67 John files for own benefits at 67.			
	67 Mary files for own benefits at 67.			
3.)	**Filing at Maximum Age**	**$1,129,959**	$81,397	108%
	70 John files for own benefits at 70.			
	70 Mary files for own benefits at 70.			
4.)	**Optimal - File at Age(s):**	**$1,130,672**	$82,110	108%
	70 John files for own benefits at 70			
	69 Mary files for own benefits at 69			

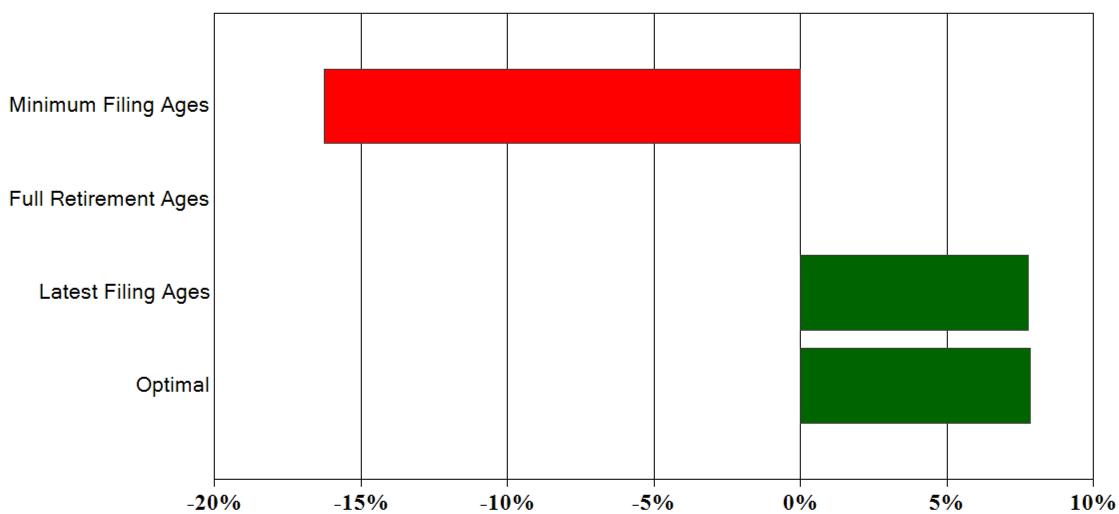
Note: Lifetime Social Security benefit calculations are for comparative and illustrative purposes only, and are based upon estimates and assumptions of future incomes, existing benefit levels, and life expectancies.

Social Security Claiming Options

Lifetime Benefits by Filing Age



Claiming Option Comparison



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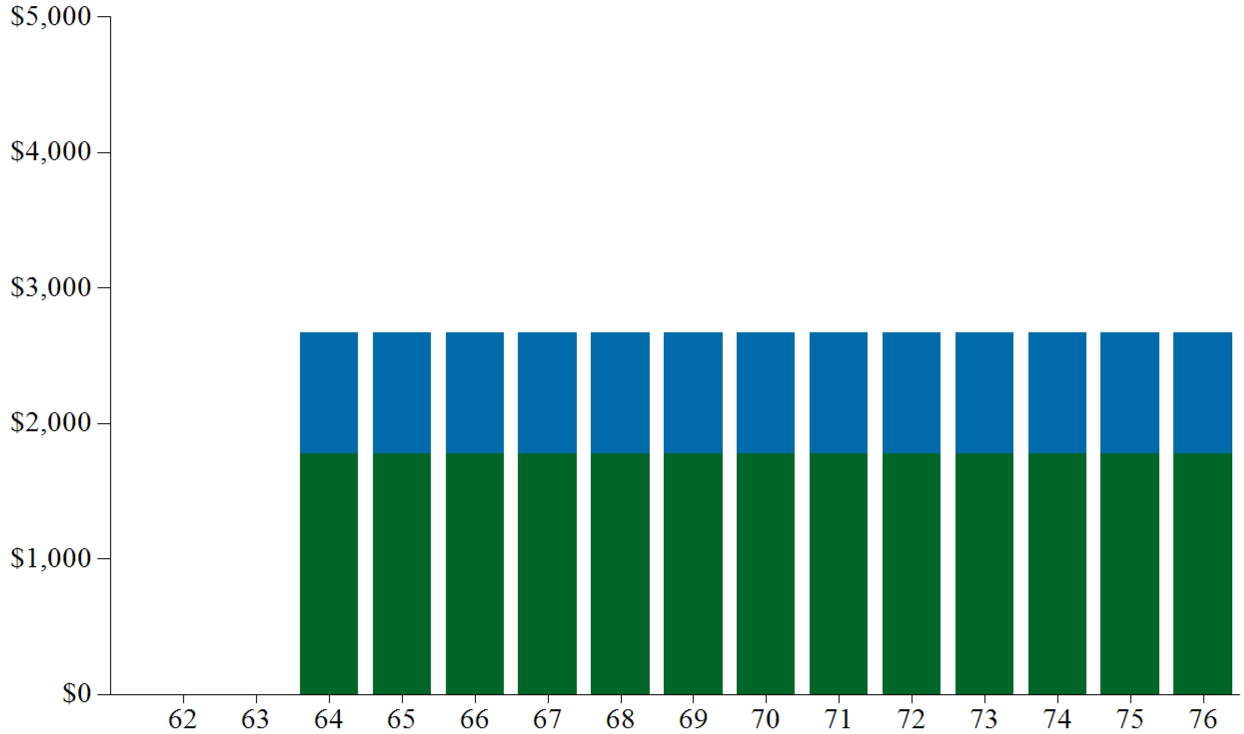
Social Security Timeline



Custom - Timeline:

Monthly amount (in today's dollars)

John		Mary		Action
62		60		**John files.**
63		61		
64	1,778	62	891	**Mary files.**
65	1,778	63	891	
66	1,778	64	891	
67	1,778	65	891	
68	1,778	66	891	
69	1,778	67	891	
70	1,778	68	891	
71	1,778	69	891	
72	1,778	70	891	
73	1,778	71	891	
74	1,778	72	891	
75	1,778	73	891	
76	1,778	74	891	

Lifetime Total **$878,179**

Note: Lifetime Social Security benefit calculations are for comparative and illustrative purposes only, and are based upon estimates and assumptions of future incomes, existing benefit levels, and life expectancies.

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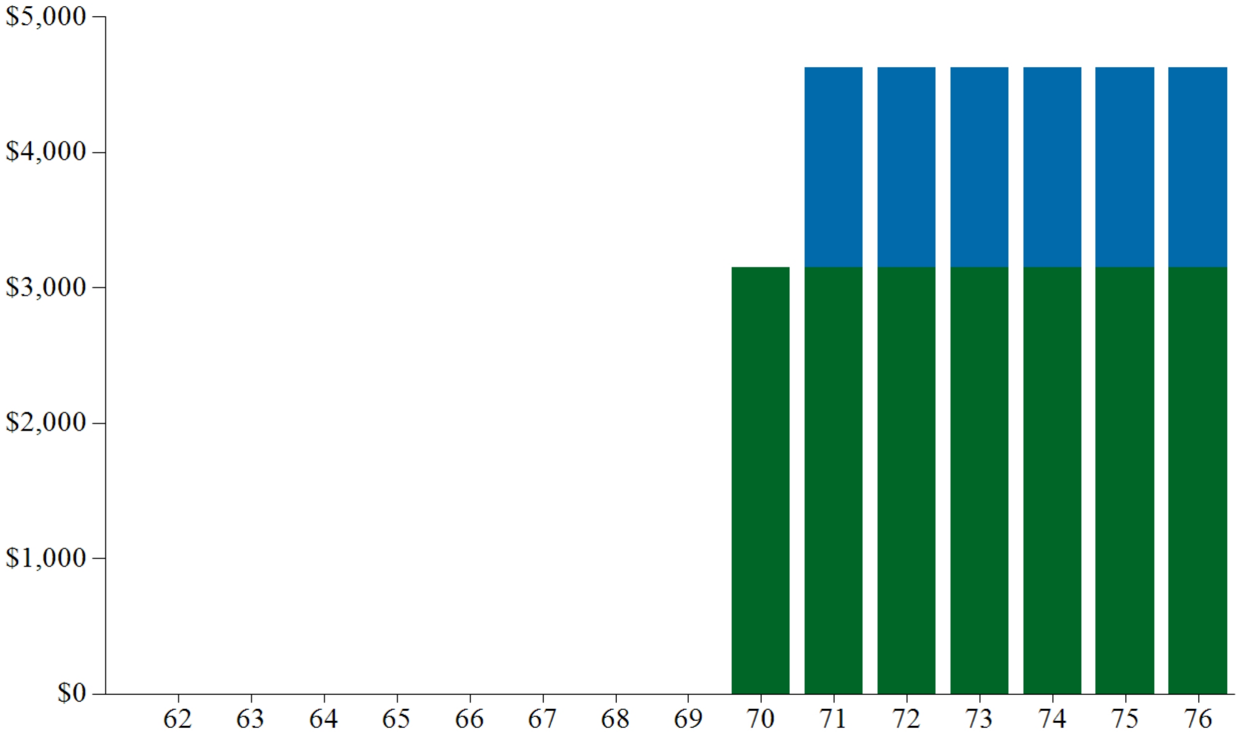
Social Security Optimal Timeline



Optimal - File at Age(s):

Monthly amount (in today's dollars)

John		Mary		Action
62		60		
63		61		
64		62		
65		63		
66		64		
67		65		
68		66		
69		67		
70	3,149	68		**John files.**
71	3,149	69	1,477	**Mary files.**
72	3,149	70	1,477	
73	3,149	71	1,477	
74	3,149	72	1,477	
75	3,149	73	1,477	
76	3,149	74	1,477	

Lifetime Total **$1,130,672**

Note: Lifetime Social Security benefit calculations are for comparative and illustrative purposes only, and are based upon estimates and assumptions of future incomes, existing benefit levels, and life expectancies.

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Social Security Application Options

File Early: Social Security retirement benefits can be started as early as age 62. For those that need the income, this may be the only choice. Taking early benefits lowers payouts permanently. Benefits are reduced 5/9 of one percent for each month before normal retirement age, up to 36 months. If the number of months exceeds 36, then the benefit is further reduced 5/12 of one percent per month.

File at Full Retirement: If the applicants can wait until “Full Retirement Age”, they receive what Social Security considers their full benefits. Waiting for full benefits results in higher primary, spousal, and survivor payments. What Social Security considers an individual’s “Full Retirement Age” is determined by the year of their birth.

Year of Birth	Full Retirement Age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

File Late: Waiting beyond “Full Retirement Age” raises benefits 8% per year up to age 70, for a maximum potential increase ranging from 24% to 32%. In situations where one or both of a married couple are healthy, and/or have a history of longevity in their family, filing late can increase the lifetime benefit payout, and potentially reduce the “longevity risk” of outliving financial assets.

File "Restricted": For some married couples, it makes sense to use a two-step benefit claiming process. One of these strategies is known as “Restricted” filing. Restricted filing may make sense when both spouses of the married couple have substantial or equal income records. If the first spouse claims benefits on their own record, and the second spouse has reached “Full Retirement Age”, the second spouse may file an application “Restricted” to just receive their spousal benefit, which amounts to half the first spouse’s benefit. Meanwhile, the second spouse’s full benefit increases until they claim it on their own record at age 70. In order to take advantage of this strategy, the spouse that is filing restricted must have been born on or before January 1st, 1954.

Monthly Starting Benefits by Age:

Age to Start Social Security	John Starting Retirement Benefit	Mary Starting Retirement Benefit
62	1,778	891
63	1,905	955
64	2,032	1,019
65	2,202	1,104
66	2,369	1,188
67	2,540	1,274
68	2,743	1,375
69	2,946	1,477
70	3,149	1,579

Note: Lifetime Social Security benefit calculations are for comparative and illustrative purposes only, and are based upon estimates and assumptions of future incomes, existing benefit levels, and life expectancies.

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Insurance Summary

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

Insurance Included in Estate:

John predeceases Mary

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

Mary predeceases John

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

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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 $55,000 per year, inflated at 2.5% each year until retirement and $45,000 per year, inflated at 3% each year during retirement.

Life Insurance Basic Needs Estimate on John:

Present Value:	Anticipated Spending Needs	$1,189,028	
	Education Expenses	107,200	
	Final Expenses	16,250	
	Other Expenses	26,884	$1,339,362
	Mary's Employment	($231,695)	
	Social Security Benefits	(668,660)	
	Pension Benefits	(59,367)	
	Other Incomes	(0)	($959,723)

Net Estimated Survivor Need Shortage	$379,639
Currently Existing Liabilities	140,000
Assets Available to Offset Shortage	(183,000)
Current Life Insurance Coverage	(300,000)
Suggested Additional Life Insurance Coverage	**$36,639**

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.

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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 $55,000 per year, inflated at 2.5% each year until retirement and $45,000 per year, inflated at 3% each year during retirement.

Life Insurance Basic Needs Estimate on Mary:

Present Value:	Anticipated Spending Needs	$1,079,962	
	Education Expenses	107,200	
	Final Expenses	16,250	
	Other Expenses	26,884	$1,230,296
	John's Employment	($695,086)	
	Social Security Benefits	(430,655)	
	Pension Benefits	(133,192)	
	Other Incomes	(0)	($1,258,933)

Net Estimated Survivor Need Shortage	($28,636)
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.

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

Age	Spending Need	Education Costs	Other Inc. (Expense) [2]	Income After Tax	Soc. Sec. After Tax	Pension After Tax	Surplus (Shortage)
NPV [1]	**($1,189,028)**	**($107,200)**	**($43,134)**	**$231,695**	**$668,660**	**$59,367**	**($379,639)**
50	($55,000)		($24,250)	$22,500	$50,195		**($6,555)**
51	(56,375)			23,175	51,325		**18,125**
52	(57,784)		(21,218)	23,870	52,480		**(2,653)**
53	(59,229)			24,586	53,660		**19,018**
54	(60,710)			25,324	54,868		**19,482**
55	(62,227)			26,084	47,277		**11,133**
56	(63,783)	(15,791)		26,866	48,341		**(4,367)**
57	(65,378)	(22,554)		27,672	49,428		**(10,832)**
58	(67,012)	(23,908)		28,502	50,541		**(11,877)**
59	(68,687)	(25,342)		29,357			**(64,672)**
60	(70,405)	(26,863)		30,238		5,760	**(61,269)**
61	(72,165)	(28,474)		31,145		5,875	**(63,619)**
62R	(64,159)	(30,183)			33,041	5,993	**(55,309)**
63	(66,084)				33,784	6,113	**(26,187)**
64	(68,067)				34,545	6,235	**(27,287)**
65	(70,109)				35,322	6,360	**(28,427)**
66	(72,212)				36,117	6,487	**(29,609)**
67	(74,378)				36,929	6,616	**(30,833)**
68	(76,609)				37,760	6,749	**(32,101)**
69	(78,908)				38,610	6,884	**(33,414)**
70	(81,275)				39,478	7,021	**(34,775)**
71	(83,713)				40,367	7,162	**(36,185)**
72	(86,225)				41,275	7,305	**(37,645)**
73	(88,811)				42,204	7,451	**(39,157)**
74	(91,476)				43,153	7,600	**(40,722)**
75	(94,220)				44,124	7,752	**(42,344)**
76	(97,047)				45,117	7,907	**(44,022)**
77	(99,958)				46,132	8,065	**(45,761)**
78	(102,957)				47,170	8,227	**(47,560)**
79	(106,045)				48,231	8,391	**(49,423)**
80	(109,227)				49,317	8,559	**(51,351)**
81	(112,504)				50,426	8,730	**(53,347)**
82	(115,879)				51,561	8,905	**(55,413)**
83	(119,355)				52,721	9,083	**(57,551)**
84	(122,936)				53,907	9,265	**(59,764)**
85	(126,624)				55,120	9,450	**(62,054)**
86	(130,423)				56,360	9,639	**(64,423)**
87	(134,335)				57,628	9,832	**(66,875)**
88	(138,365)				58,925	10,028	**(69,412)**
89	(142,516)				60,251	10,229	**(72,037)**
90L	(146,792)				61,606	10,433	**(74,752)**

1 - Net Present Values for this illustration are calculated using a 6% after-tax discount rate (education costs using 6%).

2 - Allowances for final expenses and emergency funds of $16,250 are included in the first year.

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

Age	Spending Need	Education Costs	Other Inc. (Expense) [2]	Income After Tax	Soc. Sec. After Tax	Pension After Tax	Surplus (Shortage)
NPV [1]	**($1,079,962)**	**($107,200)**	**($43,134)**	**$695,086**	**$430,655**	**$133,192**	**$28,636**
52	($55,000)		($24,250)	$67,500	$23,910	$2,096	**$14,256**
53	(56,375)			69,525	24,448	2,138	**39,736**
54	(57,784)		(21,218)	71,611	24,998	2,181	**19,787**
55	(59,229)			73,759	25,560	2,224	**42,315**
56	(60,710)			75,972	26,135	2,269	**43,666**
57	(62,227)			78,251	22,523	2,314	**40,861**
58	(63,783)	(15,791)		80,599	23,030	2,361	**26,415**
59	(65,378)	(22,554)		83,016	23,548	2,408	**21,040**
60	(67,012)	(23,908)		85,507	24,078	2,456	**21,121**
61	(68,687)	(25,342)		88,072		2,505	**(3,452)**
62	(70,405)	(26,863)		90,714	1,526	12,795	**7,768**
63	(72,165)	(28,474)		93,436	1,108	13,051	**6,955**
64R	(64,159)	(30,183)			33,041	13,489	**(47,812)**
65	(66,084)				33,784	13,759	**(18,541)**
66	(68,067)				34,545	14,034	**(19,488)**
67	(70,109)				35,322	14,315	**(20,472)**
68	(72,212)				36,117	14,601	**(21,494)**
69	(74,378)				36,929	14,893	**(22,556)**
70	(76,609)				37,760	15,191	**(23,658)**
71	(78,908)				38,610	15,495	**(24,803)**
72	(81,275)				39,478	15,805	**(25,992)**
73	(83,713)				40,367	16,121	**(27,226)**
74	(86,225)				41,275	16,443	**(28,506)**
75	(88,811)				42,204	16,772	**(29,836)**
76	(91,476)				43,153	17,108	**(31,215)**
77	(94,220)				44,124	17,450	**(32,646)**
78	(97,047)				45,117	17,799	**(34,131)**
79	(99,958)				46,132	18,155	**(35,671)**
80	(102,957)				47,170	18,518	**(37,269)**
81	(106,045)				48,231	18,888	**(38,926)**
82	(109,227)				49,317	19,266	**(40,644)**
83	(112,504)				50,426	19,651	**(42,426)**
84	(115,879)				51,561	20,044	**(44,274)**
85L	(119,355)				52,721	20,445	**(46,189)**

1 - Net Present Values for this illustration are calculated using a 6% after-tax discount rate (education costs using 6%).

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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		**Mary**	
Current Income:	$90,000/Yr.	Current Income:	$30,000/Yr.
Replacement Ratio*:	65%	Replacement Ratio*:	65%
Suggested Need:	$59,000/Yr.	Suggested Need:	$20,000/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.

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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:

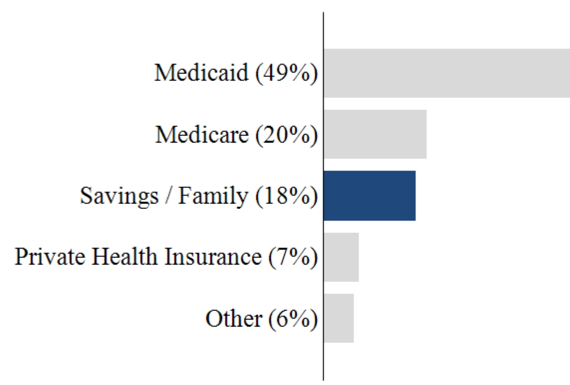
An inability to perform two or more Activities of Daily Living (or ADLs).	Activities of Daily Living (ADLs) are basic functions of daily independent living and includes: Dressing Toileting Bathing Transferring Eating Continence
Impaired Cognitive Ability	Loss of mental function can result from stroke, 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 40% 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 long-term care in their lifetime.
- One out of every four families provides care to an elderly relative or loved one.
- 35% 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.

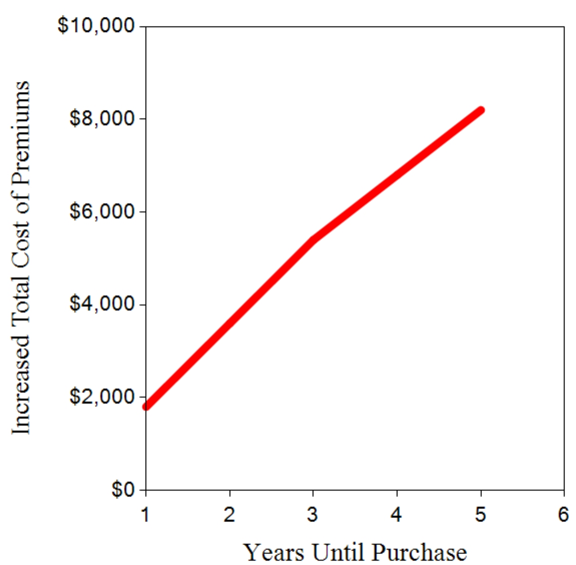
Needs Estimate

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.

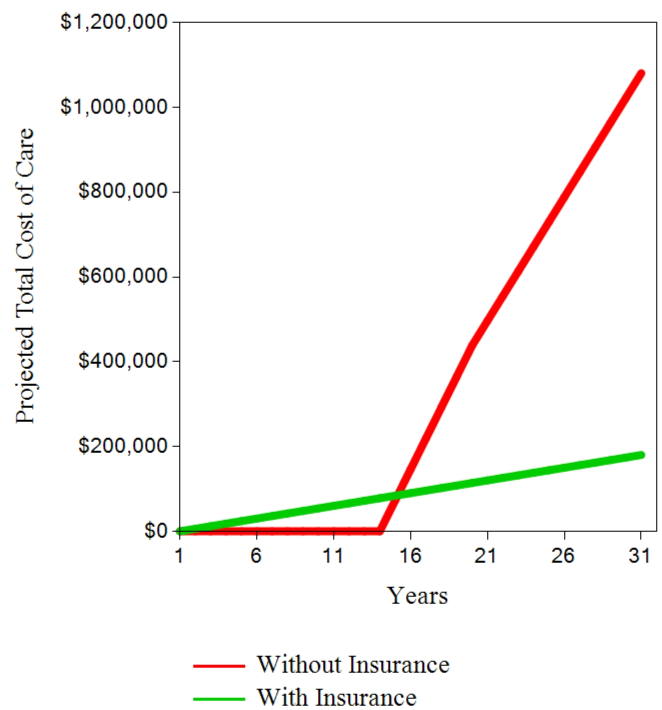
	John	Mary
Estimated daily care cost	$200	$200
Estimated annual care costs	$73,000	$73,000
Estimated years of care	5	5
Assumed inflation rate	5%	5%

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

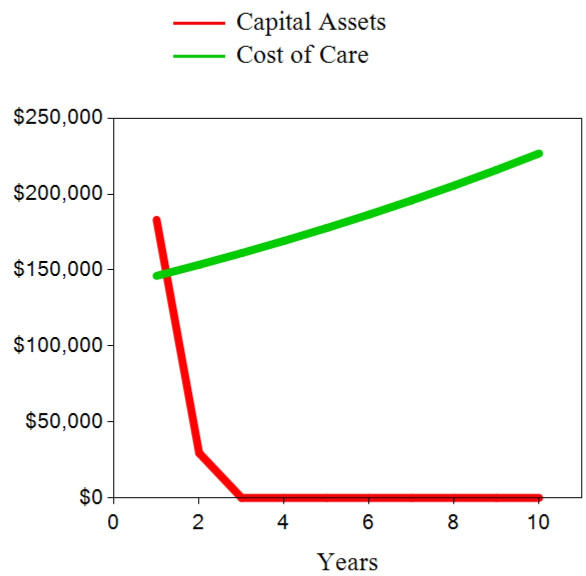
This future long-term care needs chart displays the annual future amount of long-term care needed vs. your assets available. Total Long-Term Care Need is based upon average care requirements. Assets to Liquidate are your non-qualified working assets. Your Unprotected Need is estimated to be $781,738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

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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 and 2018. To fairly illustrate concepts and estimate future estate taxes, this report illustrates estate taxes based upon existing estate law as enacted. New rules set an $11.2 million unified federal estate and gift tax exemption (adjusted annually for inflation) with a top tax rate of 40%. Rules provide for portability of unused estate tax exclusion to surviving 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. Note that estate law is uncertain and may potentially change again sometime in the future.

Estate Tax

Minimizing estate tax is a primary goal of most people with estate tax exposure. History is full of examples of estates decimated by unnecessary estate taxes and related expenses. This analysis of the current estate situation helps illustrate suggestions that can minimize current and future estate tax exposure. Some of the basic planning techniques considered are:

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 estate 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 health issues such as incapacity and health care powers of attorney

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.

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Current Estate Summary

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	Mary
Age	52	50
Age at Death for this Illustration	52	50

General Assumptions

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

Existing Estate Planning

	John	Mary
Will	No	No
Irrevocable Life Insurance Trust	No	No
Credit Shelter Trust Provisions	No	No
Generation Skip Trust Provisions	No	No
Revocable Living Trust	No	No
QTIP Trust Provisions	No	No
Marital Trust Provisions	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

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

Current Estate Summary

- John's gross estate consists of $504,500 and Mary's consists of $188,500.
- Potential estimated federal estate taxes currently are zero.
- 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.

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Estate Net Worth

ASSETS			**Joint/**	
Savings and Investments	**John**	**Mary**	**Community**	**Total**
Money market accounts/funds			$20,000	$20,000
Municipal bonds and funds			10,000	10,000
Stock Mutual Fund / ETF			5,000	5,000
Annuities	30,000			30,000
	$30,000	$0	$35,000	$65,000
Retirement Accounts				
Qualified Plans - John	$100,000			$100,000
Roth IRA Assets - John	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 Mortgage			$120,000	$120,000
Credit Card Debt			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**		

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Current Estate Flowchart

John Predeceases Mary

John's Estate $504,500

At John's Death

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

Marital Transfer $474,020

Proceeds from life insurance on John would transfer to beneficiaries.

At Mary's Death

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

Mary's Estate $662,520

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

To Beneficiaries* $625,719

* After total costs and taxes of $67,281

Mary Predeceases John

Mary's Estate $188,500

At Mary's Death

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

Marital Transfer $170,660

Proceeds from life insurance on Mary would transfer to beneficiaries.

At John's Death

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

John's Estate $675,160

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

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.

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Current Estate Estimate

John Predeceases Mary

Estate	John'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

Estate	Mary's Death	John'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.

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Alternate Estate Structure

Summary of Alternative Estate Results

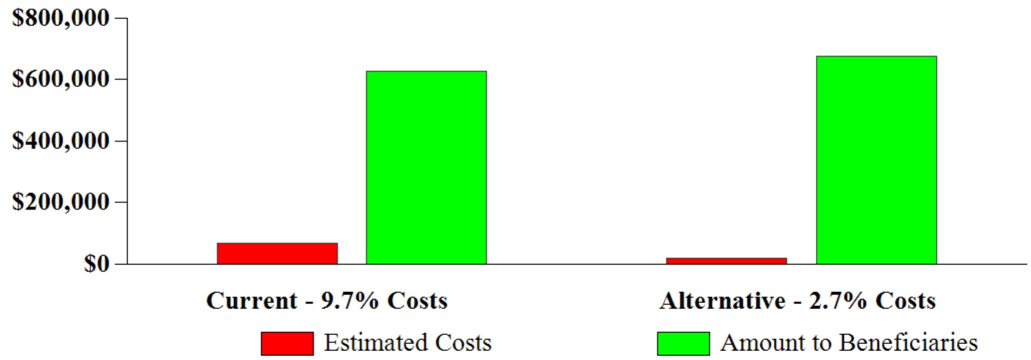
This is a review and comparison of cumulative impacts of suggested estate planning alternatives on the estate. Suggested Alternative Estate Flowchart diagram illustrates how improved estate structure reduces assets exposed to estate taxes. In your specific case, estate costs and taxes may be reduced by up to 73%. These savings directly translate into additional assets available to beneficiaries.

Note: In 2012 and 2018 estate tax rules changed. To fairly illustrate concepts and estimate 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

Implementing these estate strategies may significantly increase assets passing to beneficiaries at death, simplify asset transfers, as well as reduce both potential estate taxes and 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.

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Alternative Estate Flowchart

John Predeceases Mary

John's Estate $189,500

At John's Death

Credit Shelter Trust $179,924

Life Insurance Trust $300,000

The Living Trust creates a Credit Shelter Trust with up to $11,580,000. 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 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

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 $11,580,000. Any remaining assets would be placed in a Marital Trust for John's primary financial needs. John 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's Death

John's Estate $189,500

Life Insurance Trust $300,000

John'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 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.

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Alternative Estate Estimate

John Predeceases Mary

Estate	John'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

Estate	Mary's Death	John'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.

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Future Estate Taxes

Recent and Future Estate Tax Changes

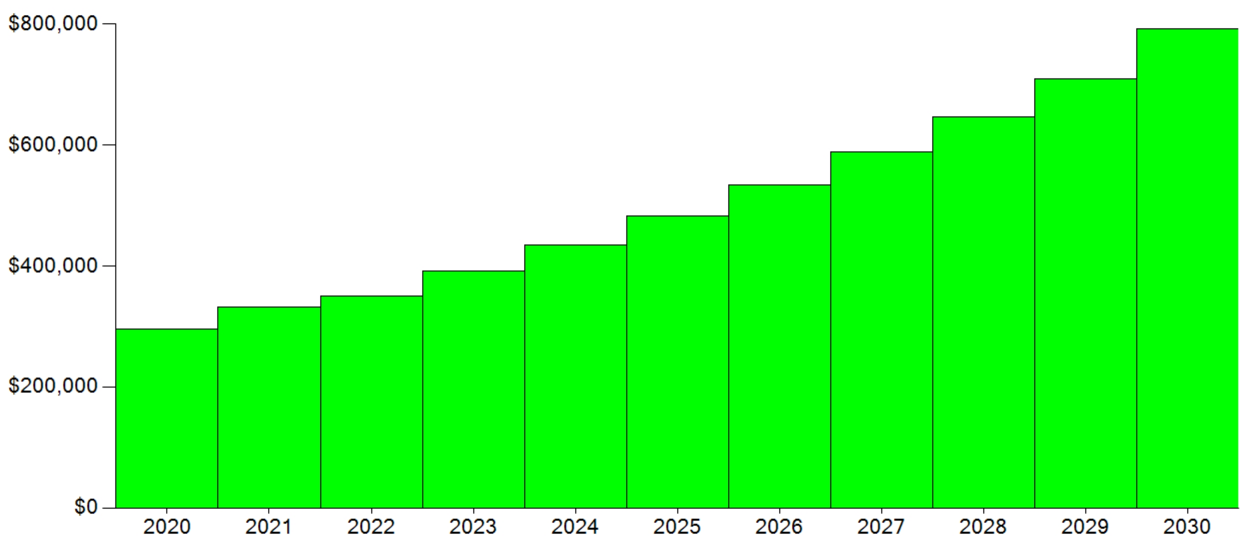
Estate tax rules changed under the Taxpayer Relief Act of 2012 which set a $5 million federal estate and gift tax exemption, and a top estate tax rate of 40%. That Act also provided portability of unused estate tax exclusions to surviving spouses. To utilize Deceased Spouse Unused Exclusion Amount (DSUEA) executors must file an estate tax return at the time of first spousal death enumerating DSUEA and electing it be used by the surviving spouse.

The Tax Cuts and Jobs Act of 2017 effectively doubled individual estate and gift exclusion amounts to $11.2 million during years 2018 through 2025. The exclusions are adjusted annually for inflation, and in 2026 will revert back to the pre act amount unless increased exclusion amounts are extended or modified by new tax law.

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 $11,580,000 per person). 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 and Federal Estate Tax



Year End	Retirement Capital	Other Assets	Debts & Expenses	Adjustments *	Estate Tax Base	Exclusion Amounts**	Estimated Estate Tax
2020	$203,496	$250,000	($158,068)	$0	$295,428	$23,160,000	$0
2021	234,188	256,250	(158,364)	0	332,074	23,624,000	0
2022	245,676	262,656	(158,507)	0	349,826	24,096,000	0
2023	280,562	269,223	(158,838)	0	390,946	24,578,000	0
2024	318,355	275,953	(159,194)	0	435,113	25,070,000	0
2025	359,265	282,852	(159,577)	0	482,540	25,572,000	0
2026	403,524	289,923	(159,988)	0	533,460	13,286,000	0
2027	451,379	297,171	(160,428)	0	588,122	13,552,000	0
2028	503,087	304,601	(160,901)	0	646,786	13,824,000	0
2029	558,934	312,216	(161,409)	0	709,740	14,100,000	0
2030	634,610	320,021	(162,077)	0	792,554	14,382,000	0

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

**For the purpose of this illustration, the exclusion amounts are incremented annually by 2%.

Education Funding Illustration

John and Mary Sample

Assuming inflation of 6% the total projected cost of education will be	$198,677		
If you can invest your education funds at 6%* after taxes you may make:			
1. A single contribution now:			
- Required education funds	$127,200		
- Current education funds	$20,000		
- Additional contribution needed	$107,200		
2. Level contributions:			
- Required level annual contributions	$12,063	or	$1,005/mo
- Planned contributions	$0		
- Additional annual contributions needed	$12,063		

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

Education Funding - Level Contributions

Student	Year	Contributions to Fund	Education Cost	Ending Balance at 6%
	2021	$12,063		$33,987
	2022	12,063		48,812
	2023	12,063		64,527
	2024	12,063		81,186
Janie starts	2025	12,063	20,073	77,565
	2026	12,063	21,278	72,451
	2027	12,063	22,554	65,677
Janie ends	2028	12,063	23,908	57,062
Allen starts	2029	12,063	25,342	46,410
	2030	12,063	26,863	33,506
	2031	12,063	28,474	18,120
Allen ends	2032	12,063	30,183	

Education Funding - Per Student

Student Name	Start Year	Number Of Years	Per Year in Today's $	Total Cost at 6% Infl.	Current College Funds Saved	529 Plan	One-Time Deposit	Annual Deposits
Janie	2025	4	$15,000	$87,814	$20,000	No	$43,600	$6,624
Allen	2029	4	15,000	110,863		No	63,600	7,157
				$198,677	$20,000		$107,200	$13,781**

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

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

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Other Expense - 1

Age		European vacation	Replace Roof	Total
52	50		($8,000)	**($8,000)**
53	51			
54	52	(21,218)		**(21,218)**
55	53			
56	54			
57	55			
58	56			
59	57			
60	58			
61	59			
62	60			
63	61			
64R	62R			
65	63			
66	64			
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80	78			
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83	81			
84	82			
85L	83			
	84			
	85			
	86			
	87			
	88			
	89			
	90L			

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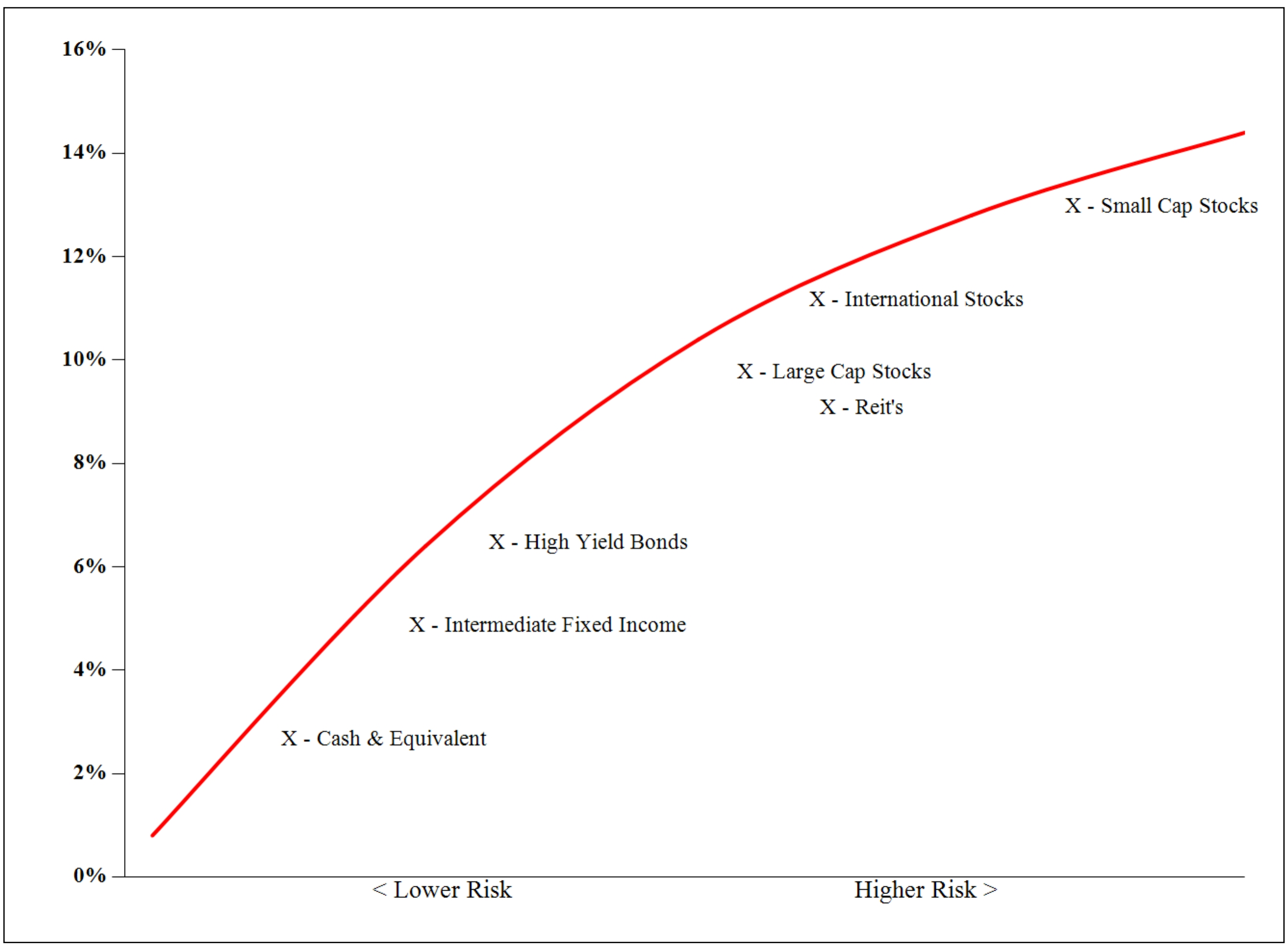
Investment Planning

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



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.

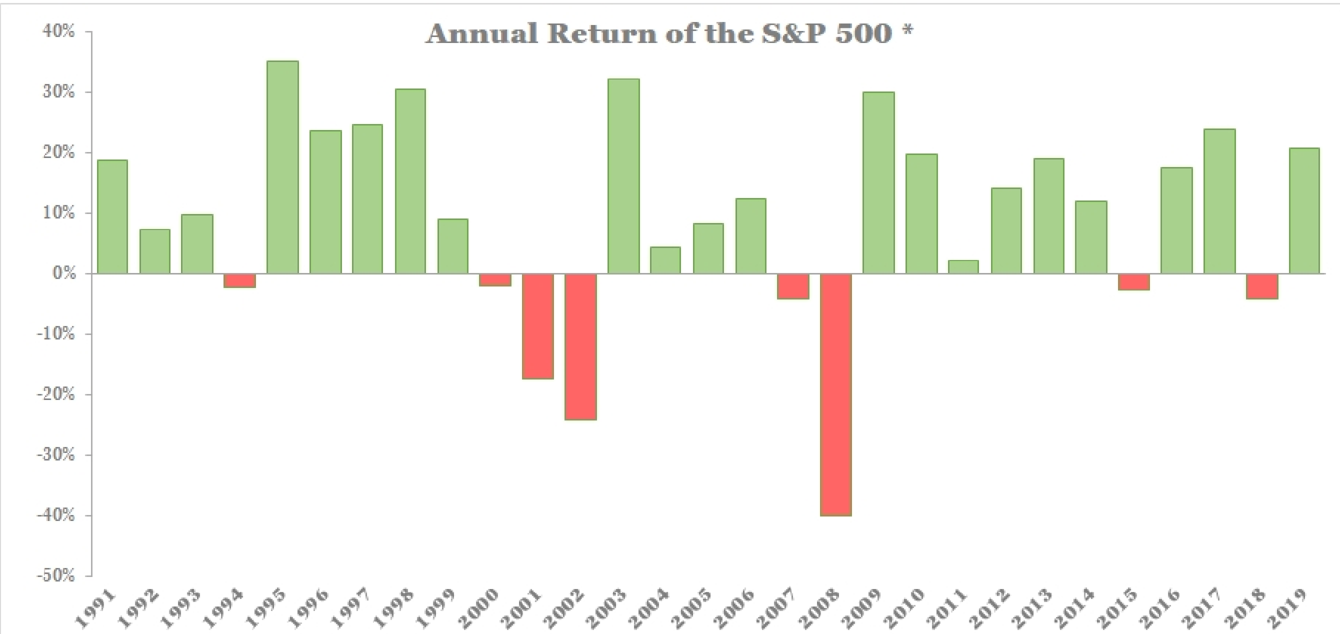
Diversification is an aid in reducing market risk. Diversification may be approached several ways. The first approach is diversification across asset classes. There are distinctions between large, mid, and small cap stocks based on the market capitalization of the companies. There are distinctions between 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.



*S&P 500 Index. Standard and Poor's index tracks 500 stocks of large U.S. companies and is the basis for several index mutual funds and exchange-traded funds.

Investment Planning

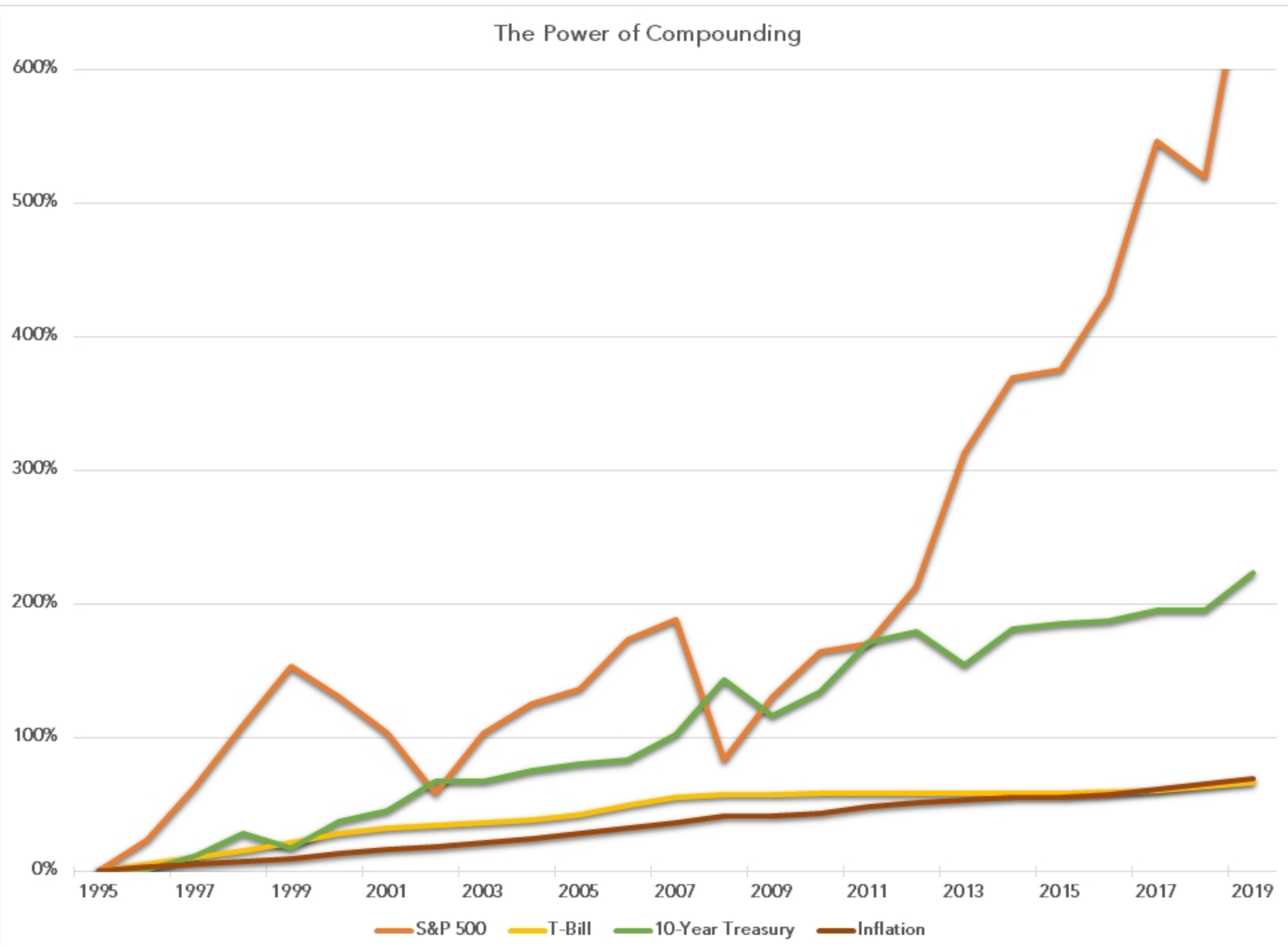
INVESTMENT RETURNS AND THE POWER OF COMPOUNDING

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 compares the compounding annual returns of a few asset classes:



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Debt Freedom

Credit is a useful and important tool in today's modern financial world. Mortgages, loans and credit cards allow people a way to purchase the goods and services they want now, then pay for the costs over time. With good planning and in the proper amount, credit is an affordable expense. Excessive debt can wreck even the best financial intentions.

Understanding and controlling debt is one aspect of long term financial well being. This part of the report offers guidance on efficient repayment strategies. Being in control of debt is the first step toward debt freedom.

Too Much Debt is Costly

Costs of excessive borrowing can be heavy, both psychologically and economically. Psychologically, too much debt is a burden that squeezes family finances and increases stress as monthly payments eat up too much income. On the economic side, interest on debt increases the effective cost of purchases, and the benefits of credit are overwhelmed by the price over time

Three Step Debt Freedom Program

1 Accelerated Debt Reduction or Elimination

Develop a written plan to follow for efficient debt elimination.

Save money on interest payments by following a payment strategy.

Shorten payment schedule by increasing monthly payments.

2 Accelerated Wealth Accumulation

Enhance your present lifestyle with increased cash flow.

Invest more money for future needs such as college education or retirement.

3 Debt Education

Be knowledgable about debt and understand when it makes sense to borrow.

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Part 1: Accelerated Debt Reduction or Elimination

Your Personalized Plan to Get out of Debt

Here you will learn:

Which debts to pay off first

How much money you can save in interest payments

The effect of increasing debt repayments

Your Current Plan: The following is your existing debt repayment plan if you do nothing:

2 Loans

Monthly Payment: $797.00

Total Debt: $20,000.00

Loans paid off in 5 Years 2 Months

Total Interest Payments: $3,090.10

Current debt plan: Detail

Creditor Name	Debt Amount	Monthly Interest	Current Monthly Payment	Monthly Minimum Payment	Interest Rate
Credit Card Debt	$5,000.00	$46.00	$500.00	$115.00	11.00 %
Auto Loans	$15,000.00	$88.00	$297.00	$297.00	7.00 %

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Part 1: Accelerated Debt Reduction or Elimination

Proposed Debt Reduction Plan: The following is your plan for debt freedom:

2 Loans

Monthly Payment: $797.00 (an increase of $0.00 over total current loan and mortgage payments)

Total Debt: $20,000.00

Loans paid off in 2 Years 5 Months

Total Interest Payments:$1,800.06

Proposed debt plan: Detail

Creditor Name	Amount	Interest	Monthly Minimum Payment	Interest Rate	Debt Freedom Monthly Payment
Credit Card Debt	$5,000.00	$46.00	$115.00	11.00 %	$500.00
Auto Loans	$15,000.00	$88.00	$297.00	7.00 %	$297.00

Good News

You will...

1. Save $1,290 in loan interest
2. Reduce debt payoff time by 2 Years 9 Months

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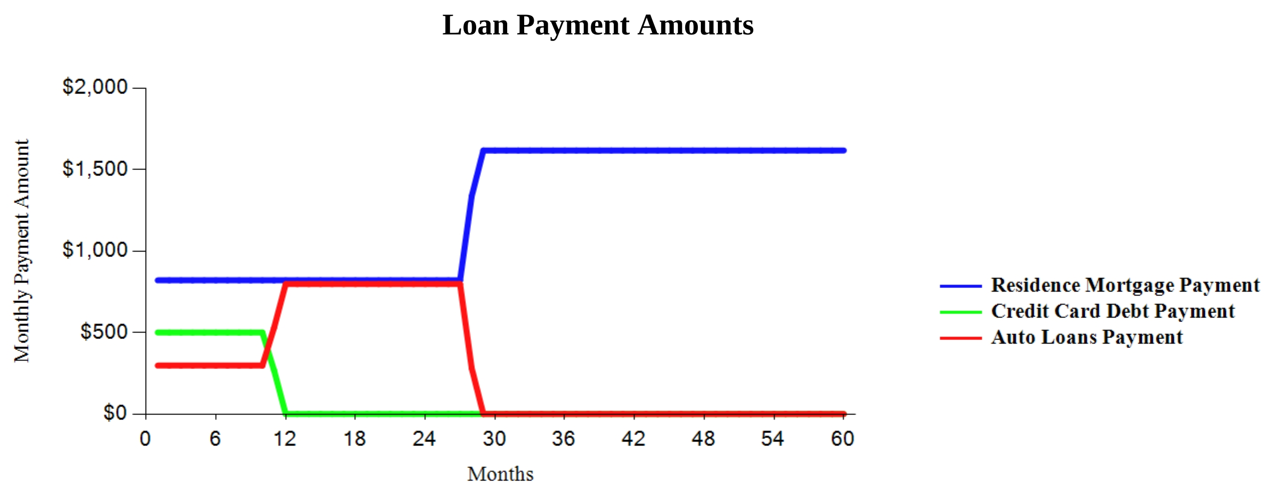
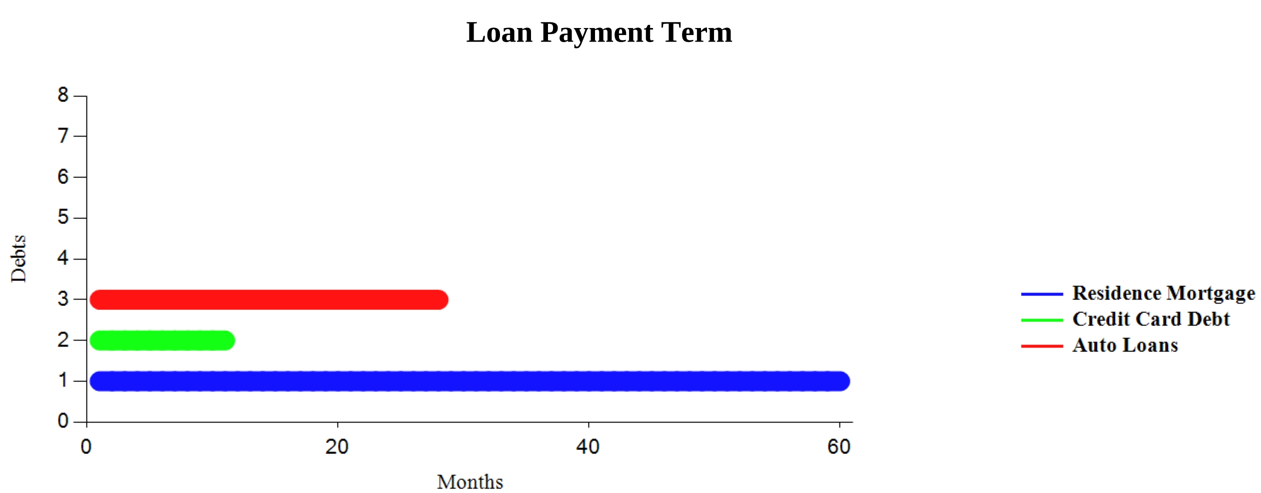
Part 1: Accelerated Debt Reduction or Elimination

How the Accelerated Debt Repayment Plan works

1. Debt Freedom calculates the most efficient method of debt repayment.
2. Total monthly payment is larger than minimum payments.
3. When Loan #1 is paid off, the payments that were being applied to #1 are paid toward #2 . This continues as each loan is paid until all your debts have been eliminated.
4. Assumptions: Interest rates remain the same and you don't borrow more money.

Monthly Payment Schedule
(Shown for the next 5 years, debt payment may continue longer)





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Part 2: Accelerated Wealth Accumulation

Your Personalized Plan to Get out of Debt and Obtain Financial Goals

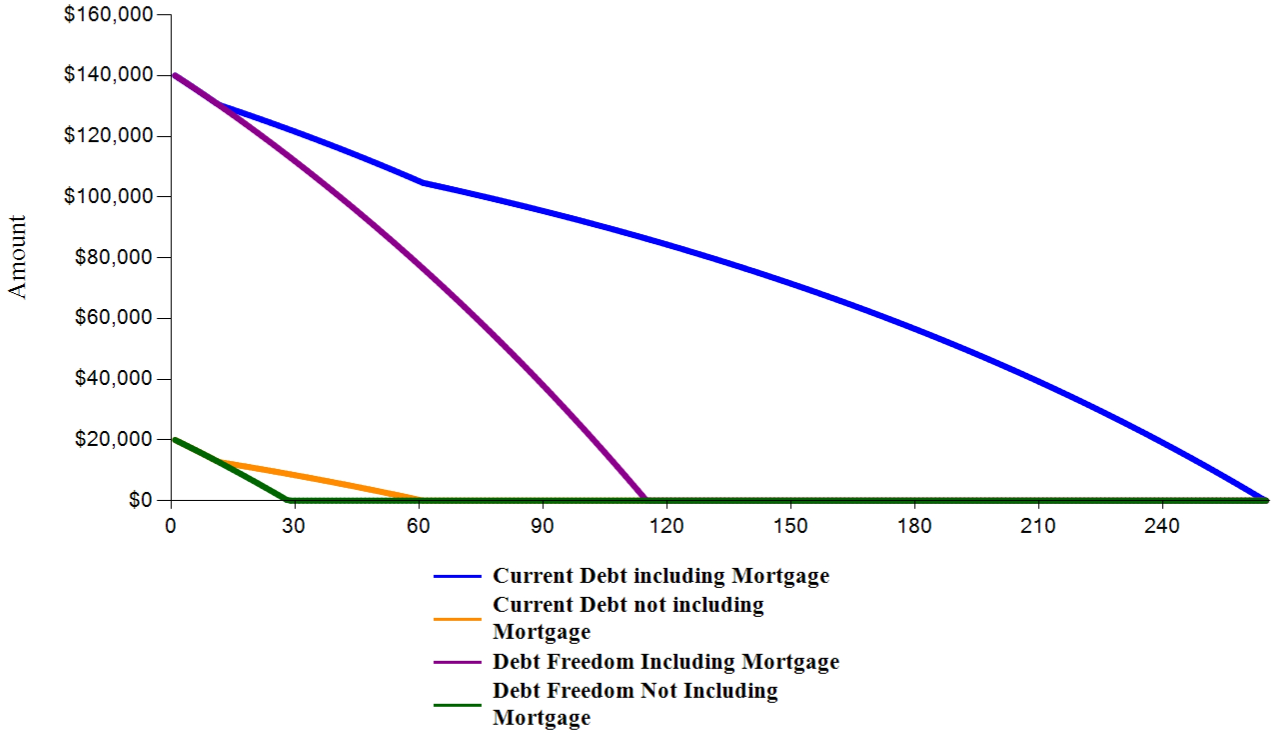
Enhance your present life style with increased cash flow.

Invest more money for future needs such as college education or retirement so that you can retire as planned or earlier.

How does the Accelerated Debt Repayment & Wealth Accumulation Plan Work

1. Eliminate debt as outlined in the proposed Accelerated Debt Repayment section by making a monthly loan payment of $797.00

2. Save and invest some or all of the amount that was going to loan re-payment: $797.00 starting in 2 years 5 months



Good News !

The Results of Accelerated Debt Repayment and Wealth Accumulation Program

1. If you follow your Debt Acceleration Plan, you will save $1,290 in loan interest

2. If you follow your Debt Acceleration Plan, you can reduce debt payoff time by 2 Years 9 Months

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Part 3: Debt Education

Good Debt versus Bad Debt

Value	Tax Deductible Interest?*	Appreciating Asset?	Description
Good	**Yes**	**Yes**	**Home Loan** Home loans are considered good debt, because homes tend to be appreciating assets** and mortgage loan interest is deductible. For many, loans are the only way they could ever buy a home.
Okay	**Yes**	**Yes**	**Home Equity Loan** Home equity loans are considered acceptable debt, because they may be deductible. They make sense for home improvements, but probably not for consumer or luxury purchases.
Risky	**Yes**	**Yes**	**Margin Loan** Margin loans are secured by an investment portfolio to purchase additional investments.
Bad	**No**	**No**	**Consumer Credit** Consumer credit loans are used to purchase items that rapidly decrease in value like furniture, appliances, and automobiles.
Bad	**No**	**No**	**Credit Card** If not paid off each month, credit card obligations can lead to serious debt problems and increase the real cost of purchases
Good	**Yes**	**Yes**	**Business Loan** This is usually a term loan to invest in your business to increase its value and income

Types of Loans: Basic

Type	Description
Term Loan	A loan with a fixed maturity and an amortization schedule. These types of loans are usually used for autos and homes.
Line of Credit	When a lender extends an amount to a borrower, usually without a fixed maturity. Examples of these types of loans are credit cards and home equity.
Secured	When a lender loans money secured by some form of collateral, such as a home.

* Tax deductibility subject to many conditions and limitations, discuss with your tax advisor.

**Appreciation is a general assumption, market conditions and property condition will affect your actual outcome.

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Part 3: Debt Education

Reasons for Growing Debt Levels

People owe more and are saving less than at any other time in modern history. There are many reasons, some of which include:

1. **Lack of Knowledge:**
   Limited money skills and a poor understanding of credit's true costs lead to ballooning debts.
2. **Instant Gratification:**
   Saving up for large purchases is more difficult than using credit.
3. **Loss of Employment:**
   Unemployment disrupts income. Credit is a stop gap measure between jobs.
4. **Health Bills:**
   Health care and insurance are a large percentage of budgets. Unexpected costs can lead to big debts.
5. **Student Loans:**
   Many people come out of college with large student loans that compound other credit problems.
6. **Inflation:**
   In recent years, average inflation has been relatively low. However, increases in health care, fuel, and suburban real estate taxes have taken a heavy toll on the middle class.
7. **Wages:**
   Many salaries have not kept pace with inflation. Easy credit is a tempting way to increase buying.
8. **Inflexible Lifestyle:**
   When financial times are tough, some people save less and borrow more to maintain their lifestyle.
9. **Lack of a Plan:**
   Too many people fail to make an overall financial plan that includes goals for saving and spending.

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Part 3: Debt Education Continued

Tips for Borrowing

The following recommendations may help to improve your financial outlook regarding debt and borrowing:

1. **Credit Cards:**

   Pay off balances monthly. If you carry a balance, switch to a lower interest card for new purchases and work to transfer balances to the lowest rate cards.

2. **Depreciating Asset Loans:**

   a. **Automobile:**

      Avoid large automobile loans. Instead of buying new, purchase used cars with money you have saved. If you must borrow, try to keep your car for 10 years or more.

   b. **Automobile Leasing:**

      Don’t lease so you can afford more car. For example if you could only really afford to buy a $25,000 car, don't lease a $40,000 vehicle. Look for lease "deals". Nearly all manufacturers offer low down payment lease plans from time-to-time with very low payments. Just remember that you have to obtain a new car at the end of the lease.

   c. **Furniture, Department Store, and Appliance:**

      These loans often have the highest interest rates. If at all possible, avoid these loans.

3. **Home Loans:**

   Recently, mortgage rates have been at historically low levels. These rates have allowed buyers to spend more on their homes. One way to improve your financial outlook is to buy a lower-cost home and save and invest more. In addition to the purchase cost, larger homes cost more over the long run in taxes, insurance, furnishings, maintenance, utilities and real estate taxes.

4. **Home Equity Loans:**

   These can be attractive for the purchase of automobiles, home improvement and business financing because the interest can be deductible (consult a tax advisor). However, as with all loans, consider your overall financial plan.

5. **Debt Consolidation Loans:**

   Home Equity loans are often marketed to consolidate credit cards and depreciating asset loans. These are attractive, because of the possibility of tax deductible interest and lower payments. However, many people use the lower payment to go out and buy/borrow more, and then later consolidate again. This never-ending cycle increases debt and eats away at the equity in the home from appreciation.

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